

# Effects of Market Upgrading Temporary Relocation on Livelihoods of PAPs in Juja Market in Kiambu County, Kenya

Josphine Wanjiku Wangui  
Student, Department of Peace Security,  
Social Sciences,  
Egerton University, Kenya

Eric Kiprono Bor  
Prof, Lecturer Department of Peace Security,  
Social Sciences,  
Egerton University, Kenya

Hadija Murenga  
Prof, Lecturer Department of Peace Security,  
Social Sciences,  
Egerton University, Kenya

**Abstract:-** This paper utilizes data from an MA Thesis on the effects of market upgrading temporary relocation on the livelihoods of Project Affected Persons (PAPs) during the construction of Juja Market in Kiambu County, Kenya. The study is driven by the idea that proper relocation and resettlement of PAPs can mitigate livelihood losses during infrastructural projects, which are vital for economic growth. Kenya is actively enhancing policies and legal frameworks to protect PAPs' interests during resettlement. The study had three objectives: to analyze the effects of market upgrading temporary relocation on PAPs' livelihoods in Juja Market, to examine PAPs' participation in relocation plans, and to assess the impact of relocation restoration packages on minimizing livelihood losses during the market's construction. It was grounded on Sustainable Livelihood Theory and the Impoverishment Risk and Reconstruction Model, involving 124 respondents selected through simple random and purposive sampling. Data analysis used descriptive and inferential statistics. Findings indicate that PAPs faced decreased sales, insufficient trading space, and disrupted networks due to relocation. The primary reason for increased livelihood losses was the government's inadequate preparation and lack of thorough engagement with affected individuals. The study suggests the county government should establish well-equipped, strategically located temporary sites to support traders, enhance transparent communication channels for stakeholder participation, and create participatory forums for co-designing and implementing restoration strategies.

**Keywords:** market upgrading, temporary relocation, livelihoods, PAPs, Juja Market, Kiambu County kenya

## I. INTRODUCTION

Temporary relocation results from undertaking of development and upgrading of infrastructural projects which are key in growing a country's economy. Globally it is estimated that the undertaking of development projects results in the displacement and resettlement of over 15 million people across the world (IFC, 2012; Smyth *et al.*, 2015). In the last two decades 250-300 million people across the world have been relocated and resettled elsewhere due to development induced displacement and resettlement. India is having the highest number of resettlements with an estimated 60 million people having been resettled between 1950 and 2008 while in China it is estimated that 70 million people have been resettled over the same period of time (Maldonado, 2012).

In Indonesia, Anitiyo *et al.*, (2018), found out that the relocation of traders from the Mrangeni Traditional Market to the neighbouring community to pave way for the upgrading and modernization of the market adversely affected livelihoods of the traders. Relocation of the traders resulted in 30-50% reduction in the product of quantity sold by the traders and the operating hours were reduced to 6-8 hours a day. The relocation site was remote with narrow roads; had stinky smell of garbage; was insecure; and prone to flooding. These conditions discouraged customers from visiting the site to buy goods from the traders. Consequently, the traders' sales turnover had decreased by 75,000-250,000 Indonesian Rupiah a day. Due to the unfavourable conditions in relocation site the traders adopted by going to hawk their goods in the streets where customers were easily found.

Bringing about new ways of being a vendor in the city after an eviction is not only the product of opposition between the city dwellers and the urban authorities who ordered these changes. Vendors participate in creating a new socio-spatial order that extends the framework set up by the necessity of relocation. Once they have been relocated,

street vendors update and adapt their practices to consolidate their activity in relation to the urban authorities, and in so doing grant some respectability given by formalization (Morange and Spire 2017). Through the formalization process, street traders are selectively included within the modernist agenda and the economic growth project of the metropolitan government.

Several market upgrading and modernization projects have been undertaken in Kenya to improve the capacity and conditions of the markets. However, lack of effective measures has resulted in adverse effects on the traders and abandonment of the markets by traders. For instance, the construction of Daraja Mbili Market in Kisii was delayed following resistance from traders to relocate; 71.3% of the vendors indicated that the alternative space provided was not ideal for the traders; 74.1% indicating that the relocation site was not suitable for trading as it caused reduction in customers and sales. Further over half (56.5%) of the market traders felt that the compensation funds were inadequate and 84.7% indicated that the funds were not disbursed on time (Oyongo, 2017).

In Tharaka Nithi County, two (2) fresh produce markets constructed in Maara and Gatunga at a cost of 20 million have remained idle and unoccupied for the last 12 years due to the unsuitable location of the market. The case is the same for Uasin Gishu County World-Bank Funded market projects in Kapsaret and Huruma Wards. These markets were constructed to decongest Eldoret town by relocating hawkers to the new market sites. However, hawkers were opposed to their transfer from the town centre and relocation to the new site resulting to the markets remaining unoccupied for the last 15 years. Traders have avoided relocating to the market due to its location away from the town centre. In Huruma Market for instance, 180 stalls remain unoccupied (Makokha *et al.*, 2022). Therefore, failure to consult PAPs on the relocation site has resulted in huge economic losses for traders who are forced to relocate to new sites that are not easily accessible to their customers. It is upon this background that this current study sought to explore the effects of market upgrading temporary relocation on livelihoods of traders in Juja market Kiambu County, Kenya.

#### ➤ Problem Analysis

The Kenyan government has made efforts to strengthen policies and legal frameworks for Development Induced Displacement and Resettlement (DIDR). However, project affected persons (PAPs), especially market traders, still face various consequences of involuntary resettlement. Market traders are important contributors to the informal economy, providing essential goods and services to the urban community. The temporary relocation of the Juja market raised concerns about its negative effects on their livelihoods. This disrupted business operations, causing

income loss, reduced customer base, and increased financial strain. Hence, this study investigated how the temporary relocation of traders for market upgrading affects the livelihoods of PAPs.

## II. METHODOLOGY

This study employed a descriptive survey research design, utilizing both qualitative and quantitative approaches to ensure comprehensive data capture. The design aimed to gather data without manipulating the research context, allowing for the natural observation of variables without researcher control. This approach enabled the collection of information from Project Affected Persons (PAPs) on the impacts of temporary relocation on their livelihoods during market upgrading projects. One of the major concerns in this research was to ensure that the interests of the respondents were taken care of and that there was not harm in giving their honest opinion.

Questionnaires were used to gather quantitative data from the primary respondents regarding the effects of temporary relocation on PAPs. Interview methods were utilized to collect data from key informants, who were purposively chosen due to their expertise in the subject of study. These informants included the Juja Market Chairman and the Kiambu County Director of Trade and Enterprise Development.

The qualitative data was carefully examined for completeness and relevance to ensure it was useful, adequate, and credible for addressing the research objectives. It was then transcribed and organized into themes, categories, and subcategories, and subjected to content analysis. According to Kombo and Tromp (2010), content analysis helped the researcher organize the data thematically and analyzed it in line with the research objectives. Additionally, the collected data was checked for consistency and accuracy to ensure that the study's objectives were being met.

## III. RESULTS AND DISCUSSIONS

The study targeted 124 respondents (traders temporary relocated during construction of Juja market) but only 112 questionnaires were returned representing a 90.3% response rate. According to Mugenda and Mugenda (2003), this was sufficient for doing the analysis.

#### ➤ Demographic Information

This section presents demographic information of respondents, including the gender, level of education, average net profit per month, and type of goods and services offered. The results are presented in Figure 1 below.

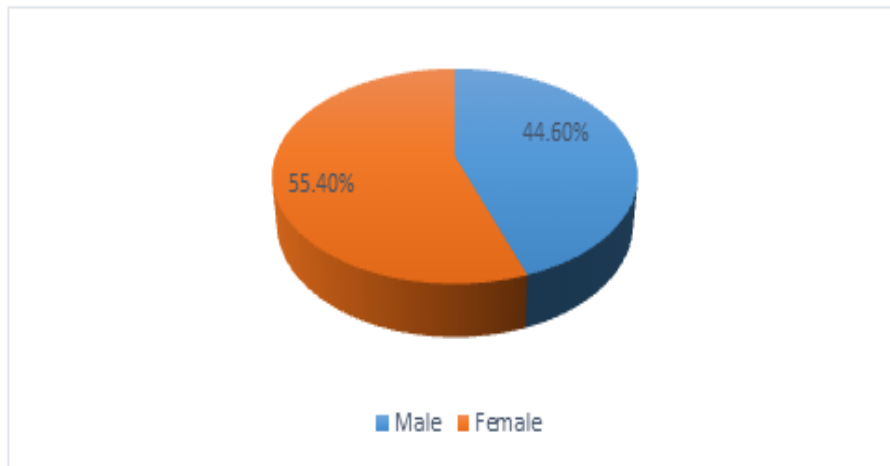


Fig 1: Gender  
Source: Author 2024

According to Figure 1, the majority of the respondents (55.40%) were female, while 44.60% were male. Analyzing the gender distribution is crucial for forecasting potential business growth in terms of workforce.

#### ➤ Level of Education

The study sought to establish the level of education of the respondents. The level of education of individuals have a

significant impact on the business growth and performance. It plays a crucial role in shaping the marketing strategies employed by businesses, as it influences both the consumer base and the professionals involved in crafting and executing marketing campaigns.

The results were analysed and presented in Table 1; below

**Table 1 Showing Level of Education of the Traders**

Educational Level	Frequency	Percentage
Primary	16	14.3%
Secondary	43	38.4%
College	32	28.6%
University	21	18.7%
<b>Total</b>	<b>112</b>	<b>100.0</b>

Source: Field Data (2024)

Table 1 above revealed that most participants (38.4%) have secondary education as their highest level of education, followed by college certificates (28.6%), university degrees (18.7%), and primary education (14.3%). This implies that the respondents have the necessary education requirement which is a key determinant in the success of the business.

#### ➤ Respondents Average Net Profit Per Month

The sought to determine the traders monthly net profit which represents the residual income after deducting all expenses from revenue. In the business market, sustained profitability is often regarded as a primary indicator of success. The results were analysed and presented in table 2; below

**Table 2 Distribution of Respondents by Average Net Profits**

Average Net Profit	Frequency	Percentage
1,000-10,000.	8	7.1
21,000-30,000	21	18.8
31,000-40,000	36	32.1
41,000-50,000	29	25.9
Over 50,000	18	16.1
<b>Total</b>	<b>112</b>	<b>100</b>

Source: Field Data (2024)

The findings in Table 2 revealed that 32.1% of respondents earn between 31,000 and 40,000 per month, 25.9% earn 41,000 to 50,000, 18.8% earn 21,000 to 30,000,

16.1% earn over 50,000, and 7.1% earn 1,000 to 10,000. Successful businesses consistently generate healthy net profits, and these profits serve as a tangible measure of the

effectiveness of their strategies, operations, and market positioning.

#### ➤ *Types of Goods and Services Offered*

The study aimed to identify the types of goods and services offered in Kenya's market area. The service sector

is dynamic and focuses on meeting the everyday needs of the population. The technology and telecommunications sector is rapidly growing, leading to an increasing availability of electronic goods and communication services in the market area. The results were analyzed and presented in Table 3 below.

**Table 3 Type of Goods or Service Offered**

Category	Frequency	Percentage
Agricultural produce	36	32.1%
Electronics	18	16.1%
Clothes and shoes	16	14.3%
M-PESA services	14	12.5%
Hardware materials	12	10.7%
Salon and Kinyozi	9	8.0%
Tailoring	7	6.3%
<b>Total</b>	<b>112</b>	<b>100</b>

**Source: Field Data (2024)**

The findings in Table 3 revealed that (32.1%) of the respondents sell agriculture produce, (16.1%) sell electronics, (14.3%) sell clothes and shoes, (12.5%) offer M-pesa services and (10.7%) sell hardware materials. Further, (8.0%) offer Salon and Kinyozi services while (6.3%) offer tailoring services. This diverse range of goods and services caters to the local population's needs and preferences, with agriculture being a prominent sector.

## IV. DISCUSSION OF RESULTS

This section presents the study findings in relation to other research studies. The section is thematically organized following the study objectives.

#### ➤ *Effects of Market Upgrading Temporary Relocation on the Livelihoods of PAPS*

The findings revealed that 38.6% of respondents strongly disagreed that all traders were moved to the temporary relocation site during the construction of Juja Market. Additionally, 40% disagreed that traders were relocated before construction began, and 37.2% disagreed that all traders received alternative business spaces during construction. These findings contrast with the Land Act (2012) under the Constitution of Kenya (2010), which outlines procedures for compulsory land acquisition and resettlement. The NAMSIP Resettlement Policy Framework (2011) mandates that projects causing physical displacement must offer feasible resettlement options and assistance, ensuring minimal disruption to livelihoods.

Studies, such as those by Bekele and Drake (2020), emphasize participatory approaches to make Livelihood Restoration Plans (LRPs) relevant and legitimate, especially in infrastructure development contexts. Involving affected stakeholders in decision-making leads to more equitable outcomes and community ownership. Ahmed et al. (2018) highlight that participatory approaches build trust, social cohesion, and collective agency. Allowing affected individuals to voice concerns and contribute local

knowledge empowers them to assert their rights, negotiate fair compensation, and hold developers accountable.

#### ➤ *Participation of Stakeholders and PAPS in Livelihood Restoration Plans*

The findings revealed that 40.7% of respondents disagreed that traders were extensively consulted in developing a Resettlement Action Plan (RAP), 39.3% disagreed that traders were consulted about the benefits of retaining their neighbors, and 41.4% disagreed that traders were consulted in preparing the list of PAPs to be compensated. These findings contrast with the Ministry of Devolution & Planning (2016) report, which emphasizes that public participation increases transparency, accountability, and project sustainability. Failure to involve the affected community hinders livelihood restoration and project success, as agreements with community leaders may not fully represent the impacted group's concerns.

#### ➤ *Livelihoods Restoration Packages For PAPS-Traders*

The findings revealed that 46.9% of respondents disagreed that traders were compensated for temporary business income loss, 40.7% disagreed that landlords were compensated for rental income loss, and 31.7% strongly disagreed that stall owners were compensated for their stall loss. Inadequate compensation budgets due to underestimating affected people often result in some victims not being compensated. Vanclay (2017) supports these findings, noting that unrealistic timeframes delay compensation and negatively affect livelihood restoration. According to Oyongo (2017), many traders reported income and sales declines due to construction disruptions, struggling to meet basic needs. Ondimu and Otieno (2020) highlights significant economic disruptions for traders in construction-affected markets, impacting livelihoods, food security, and poverty alleviation. Kariuki et al. (2019) emphasize the disproportionate burden on informal traders, who often lack the resources to cope with such disruptions.



## V. CONCLUSIONS AND RECOMMENDATIONS

The study concludes that the temporary relocation of PAPs-traders significantly disrupts businesses but offers opportunities for innovative, community-driven strategies for sustainable livelihoods. Well-equipped, strategically located Temporary Relocation Sites are crucial for minimizing adverse effects and facilitating smoother transitions. Stakeholder participation, including PAPs, is vital for successful urban development, requiring transparent communication, regular consultations, and collaborative decision-making. Sustained collaboration through participatory forums with PAPs, local authorities, and organizations is essential for effective livelihood restoration strategies.

The study's first objective was to analyze the effects of market upgrading and temporary relocation on the livelihoods of PAPs in Juja market, Kiambu County. The findings revealed that not all traders from the old market were relocated to the temporary site during the Juja Market construction. This relocation disrupted social dynamics, breaking established networks and weakening community cohesion. Additionally, customers faced difficulties accessing the temporary market, leading to uncertainty and instability, which posed challenges for PAPs in maintaining their customer base.

The study's second objective was to examine PAPs participation in market upgrading and temporary relocation plans in Juja market, Kiambu County. The findings revealed that traders were not extensively consulted in developing the Resettlement Action Plan or in selecting the temporary relocation site. This lack of involvement impeded livelihood restoration and project success. Public involvement at the decision-making stage ensures development projects address community needs and concerns.

The third objective was to assess the effects of market upgrading and temporary relocation restoration packages on the livelihoods of PAPs in Juja market, Kiambu County. The findings revealed that not all traders received compensation for their temporary loss of business income during the relocation. Additionally, the monetary compensation provided was inadequate and did not reflect the true value of the assets lost or acquired by the project. This insufficient compensation, along with the lack of alternative solutions, worsened the situation for the affected individuals, leaving them in a poorer state than before the project.

The county government should establish well-equipped and strategically located temporary sites with adequate infrastructure to ensure a seamless transition for PAPs during market upgrading. Structured and transparent communication channels should be created to enhance stakeholder participation, including PAPs, in decision-making processes. Regular consultations, feedback sessions, and collaborative workshops should be organized to incorporate the concerns and suggestions of affected traders. Additionally, participatory forums involving PAPs, local authorities, and relevant organizations should be established

to co-design and implement restoration strategies. Capacity-building programs and skill development initiatives should be integrated to empower PAPs and enhance their resilience during temporary disruptions.

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