ABSTRACT

GOOD NEWS TO THE POOR: THE PLACE OF MICROECONOMIC DEVELOPMENT IN DISCIPLING AND POVERTY ALLEVIATION IN NAIROBI, KENYA

The research problem in this study is to understand the economic and social setting of the poor in Nairobi; to identify, analyze and describe economic aid programs of the mainline churches, NGOs, and government; and to develop a critical perspective on the mission to the poor by mainline churches and society in order to propose a new form of socio-economic ministry for the mainline churches in Nairobi.

This research discovered that although there are well established mainline churches in the informal settlements in Nairobi and that there are also microeconomic development institutions operating there, poverty continues to be a major barrier to human development in this city.

The main lessons from this research are that:

1. The poor people in Nairobi are open to the gospel,
2. Many of the poor in the slum area in Nairobi are hard working and innovative people who can make enough income in the informal sector to support their families if they are given an empowering environment,
3. The poor can save money to meet their daily requirements if they are offered the opportunity to accumulate small amounts of money on regular basis,
4. The poor prefer to work in groups where they learn from one another and where they support one another,

5. One of the effective ways of fighting poverty is creating new jobs, by using credit from microeconomic development institutions for supporting development in the informal sector in Nairobi,

6. There are pitfalls in the operation of microeconomic development in that they do not benefit the “very poor,” particularly women, disabled, youth and HIV/AIDS victims, who have no existing business enterprises,

7. There is need for addressing the spiritual aspects of poverty in order to fully liberate the poor, hence the need for involving local churches in models intending to help community in alleviating poverty,

8. One of the major challenges facing the poor in the informal sector in Nairobi is lack of recognition by the local authority that harasses them with evictions, demolition of their Kiosks and rejection to license their businesses.

The Christian Microeconomic Development (CMED) model presented in this dissertation incorporates these lessons from the research. This model was developed from data assembled through review of literature, observations and 100 face-to-face interviews in the city of Nairobi. It advocates mission by all believers as they utilize their spiritual gifts for mission. This model, by laying emphasis on the ministry by laity, challenges the hierarchical structures of the mission by mainline churches in Nairobi.

The mainline churches in Nairobi are, therefore, recommended to adopt holistic ministry, based on this model, in solidarity with the poor so that they can proclaim the gospel to the poor as the “Good News” for the forgiveness of their sins and for the improvement of their daily lives.
DISSECTORNTATION APPROVAL SHEET

This dissertation, entitled

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written by

Philip Kairu Thuo

and submitted in partial fulfillment of the

requirements for the degree of

Doctor of Philosophy in Intercultural Studies

has been read and approved by the undersigned members of

the Faculty of

Asbury Theological Seminary

Michael A. Rynkiewich (Mentor)
Terry C. Muck (Reader)
Chris Accornero (Reader)

Date: April 2007
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Dissertation Committee:
Dr. Michael A. Rynkiewich, Mentor
Dr. Chris Accornero, Reader
Dr. Terry C. Muck, Reader

By
Philip Kairu Thuo
April, 2007
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<tr>
<td>ACK</td>
<td>Anglican Church of Kenya</td>
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<td>ACMED</td>
<td>Association of Christian Enterprise Development</td>
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<td>AIC</td>
<td>African Inland Church</td>
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<tr>
<td>AICs</td>
<td>African Initiated Churches</td>
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<tr>
<td>ASCrAS</td>
<td>Association of Savings and Credit Societies</td>
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<tr>
<td>BEC</td>
<td>Basic Ecclessial Communities</td>
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<tr>
<td>CARE</td>
<td>Cooperation for Assistance and Relief Everywhere</td>
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<tr>
<td>CBD</td>
<td>Central Business District</td>
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<tr>
<td>CMED</td>
<td>Christian Microeconomic Development</td>
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<tr>
<td>CMS</td>
<td>Church Missionary Society</td>
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<tr>
<td>EATWOT</td>
<td>Ecumenical Association of Third World Theologians</td>
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<tr>
<td>ECLOF</td>
<td>Ecumenical Church Loan Fund</td>
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<tr>
<td>ECWA</td>
<td>Evangelical Church of West Africa</td>
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<tr>
<td>FGTI</td>
<td>Foster, Greer and Thorbecke Index</td>
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<tr>
<td>FEI</td>
<td>Food-Energy Intake</td>
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<td>GOK</td>
<td>Government of Kenya</td>
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<td>GTZ</td>
<td>German Technical Cooperation</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>ILO</td>
<td>International Labor Organization</td>
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<tr>
<td>IRS</td>
<td>Integrated Rural Survey</td>
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<td>JPRCs</td>
<td>Justice, Peace and Reconciliation Committees</td>
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<td>KADET</td>
<td>Kenya Agency for the Development of Enterprise and Technology</td>
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<td>KePIM</td>
<td>Kenya Participatory Impact Monitoring</td>
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<td>Acronym</td>
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<td>K - REP</td>
<td>Kenya Rural Enterprise Programme</td>
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<td>KWFT</td>
<td>Kenya Women Finance Trust</td>
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<td>MED</td>
<td>Microeconomic Development</td>
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<td>MFI</td>
<td>Microfinance Development Institution</td>
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<td>MSE</td>
<td>Medium and Small Scale Enterprise</td>
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<td>NCC</td>
<td>Nairobi City Council</td>
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<td>NGOs</td>
<td>Non-Governmental Organizations</td>
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<td>PCEA</td>
<td>Presbyterian Church of East Africa</td>
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<td>PPA</td>
<td>Participatory Poverty Assessment</td>
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<td>ROSCAS</td>
<td>Rotating Savings and Credit Associations</td>
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<td>SACCO</td>
<td>Savings and Credit Cooperative</td>
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<td>SAP</td>
<td>Structural Adjustment Programme</td>
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<td>SCCs</td>
<td>Small Christian Communities</td>
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<tr>
<td>SIM</td>
<td>Service in Mission</td>
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<td>TUP</td>
<td>Trickle Up Programme</td>
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<tr>
<td>UNCDF</td>
<td>United Nations Capital Development Fund</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UN-HABITAT</td>
<td>United Nations Human Settlement Programme</td>
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<tr>
<td>WEDCO</td>
<td>Women's Economic Development Corporation</td>
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<td>WEEC</td>
<td>Women Economic Empowerment Consort</td>
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<td>WEIGO</td>
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I am deeply indebted to a number of people who made this dissertation possible. First of all, am deeply grateful to our mighty God for enabling me to join E. Stanley Jones School of World Mission and Evangelism, Asbury Theological Seminary to study. I also thank God for providing me with the energy and with the resources required over the five years that I was at the Seminary.

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Chapter 1

The Church Mission to the Poor in Nairobi

The Introduction

The basic project in African society must now be redefined... What are the priorities of the action of the church today in countries where people are starving?... What can one do in villages where the young people say after a prayer service, "This place has to be able to breathe!" – their expression for the thirst for justice and freedom felt by a people whose faces show the marks of [poverty and oppression]? (Ela 1986:vi)

The ultimate objectives of all societies are remarkably similar and have a universal character suggesting that present conflicts [poverty, disease, lack of justice and lack of economic welfare for all] need not be endured. These objectives typically include –

(i) political equality;
(ii) social justice;
(iii) human dignity including freedom of conscience;
(iv) freedom from want, disease, and exploitations;
(v) equal opportunities; and
(vi) high and growing per capita incomes, equitably distributed.

... Kenya is already committed to these objectives, and now must choose and put into working the systems of mechanisms that will advance the country as quickly as possible towards these goals, meeting at the same time the immediate and pressing needs of the country and its people. (Republic of Kenya 1965:1)

In 1965, the Government of Kenya set the national objectives expressed in the policy document, African Socialism and Its Implication to Planning in Kenya, as a blueprint for the country's development. These objectives expressed the economic and political philosophy of the government of the first president of Kenya, Jomo Kenyatta. Recognizing "strength and numbers of social ties existing between members of the same family, clan and age-group, and different families and clans" and noting that the community can be mobilized for corporate activity,
Kenyatta made a call for Kenyans to solve their problems by working together through communal efforts called “Harambee” (1938:116).

But if one takes a walk in any of the slums in Nairobi, one will note on many faces expressions of thirst for justice and the effects of such dehumanizing poverty as described by Jean-Marc Ela (1986). Ela describes faces of hungry Africans, “on the edge of the Sahel . . . where . . . thousands of [poor] peasants are being forced to pull up millet [staple food] that is just sprouting and to plant cotton [for the benefit of] a large development company investing in cash crops” (1986:v). There is a parallel of this situation in the slums of Nairobi. In Nairobi, the poor are evicted from slums and informal business structures to make room for modern and formal developments. The slums, where the poor live, are not constructed according to the housing standards of the Nairobi City Council. Figure 1 shows an example of the simplest house in Kibera slum in Nairobi while Figure 2 shows examples of the structures of kiosks where the poor operate various types of businesses in Nairobi.

---


   Slum at its simplest, is ‘a heavily populated area characterized by substandard housing and squalor’ . . . Dwellings in such settlements vary from simple sacks to more permanent structures, and access to basic services and infrastructure tends to be limited or badly deteriorated . . . Slums . . . in developing world cities, [include] squatter settlements and illegal subdivisions. (2003:8)

   There are slums in the seven divisions of the city of Nairobi as shown in table 2. Also see the map showing informal settlements in Nairobi.
Figure 1. A residential house; a simple sack constructed with polythene and canvas bags, hard-board paper and wood in an Informal Settlement in Nairobi.²

Figure 2. Business Kiosks in one of the Slums in Nairobi; Kibera Slum in Langata Division.3

Expression of thirst for justice and liberation from poverty can be seen on the faces of street vendors like John Kimani who works along the Uhuru highway in Nairobi's city center. Kimani displays his stock of new clothes on the street pavement at the junction of Uhuru Highway and the Kenyatta Avenue. He specializes on men's shirts which he buys at a discount from the Asian wholesalers and sells to people employed in offices in the city center. When the business environment is good, that is, when he is not evicted or arrested and fined by the city authorities, he is able to make enough income to feed his family and sustain his stock. But, without access to credit to enable him to make a transition from informal business to join business in the formal economy, and without some intervention by churches or Non-Governmental Organizations

(NGOs) to influence the government to stop the harassment of street hawkers including confiscation of merchandise for trading in non-authorized premises, Kimani is most likely to remain a poor street vendor for a long period.

Kimani passes one of the mainline churches every morning as he walks to his business corner in Nairobi, but he never goes in. Neither does he attend worship services on Sunday in the Cathedral in his business neighborhood. The way things are, the mainline church has little to offer a street vendor, and the street vendor has little need for the church.  

---

4 The mainline churches in Nairobi are the churches developed by the missionaries from Europe and North America before the independence of Kenya in 1963. Some of the characteristics of these churches are that they have a lot of material resources such as land. Some former missionary churches located in the rural areas in Kenya, for example at Kambui, Chogoria, Kapsabet, Kaimosi, Limuru, Kisii, Maseno, Embu, Taita-Taveta, Kakamega and Tumutumu, have large agricultural projects which may include large scale cash crop farming such as tea or coffee plantations. Even the mainline churches situated in such urban centers such as Nairobi have relatively more resources when compared to the new churches developed after the end of the colonial era in 1963. The land owned by mainline churches was allocated by the colonial regime. These churches were able to undertake sizeable physical developments such as mission schools, hospitals and schools. They earn large amounts of income from these investments. It is, therefore, argued in this dissertation that these mainline churches should now use some of these resources to support integrated development in the informal sector and also in the slums to transform the lives of the poor.

These churches also have skilled personnel and political influence that can be used in urban mission to transform the communities in the informal sector in Nairobi. Since the 1990s, the Roman Catholic Church, the Presbyterian Church, the African Inland Church, the Church of Nazarene, and the Methodist Church in Kenya have established Christian universities where professionals required in operating discipling and financial programs in the Christian Microeconomic Development (CMED) proposed in this dissertation can be trained. The mainline churches also have an additional advantage in that they can utilize their international (denominational and ecumenical connections), to obtain resources not available locally, to initiate the proposed CMED projects.

The major main line churches in Kenya are; Roman Catholic Church; The Anglican Church of Kenya (ACK); African Inland Church (AIC); Baptist Convention of Kenya; The Church of God; E. A. Yearly Meeting of Friends (Quakers); Kenya Assemblies of God; Presbyterian Church of East Africa (P. C. E. A); Salvation Army and Seventh-day Adventist, see Downes, Stan, Robert Oehring, and John Shane (1989). Summary of Nairobi Church Survey. Kijabe, Kenya: Kijabe Printing Press. Pp. 89. Downes, Stan, Robert Oehring and John Shane 1989 Summary of the Nairobi Church Survey. Kijabe, Kenya: Kijabe Printing Press.

Although these churches have congregations in other parts in Kenya, their head offices are situated in Nairobi.
Statement of the Problem

Observation of the spiritual and physical status of poor people like Kimani, whose contexts are the slums and the informal economies of Nairobi, suggests that the poor are not being served well by mainline churches. These churches are not operating an integrated mission with the poor.

It has also been noted that the colonial government destroyed the traditional mechanisms of coping with poverty in Kenya and also contributed to development of urban poverty, unemployment, and introduced industrial/export based economy which reduced the capacity of the people in Kenya to feed themselves. The independent regimes in Kenya perpetuated this situation by continuance of the colonial type of development and by adopting the missionary theology and attitude towards the poor.

Another aspect of the problem is that MED institutions currently operating in Nairobi have failed in the mobilization of the savings of the poor. These institutions, the formal MED, are not meeting all the financial needs of the poor so that the poor turn to the informal financial market comprising of traders, relatives, friends, ROSCAs, welfare associations, and money lenders (Atieno 2001:14), where their needs are better satisfied.

The research purpose in this study, therefore: is to understand the economic and social setting of the poor in Nairobi; to identify, analyze and describe economic aid programs of the mainline churches, NGOs and government; and to develop a critical perspective on the mission to the poor by mainline churches and society in order to propose a new form of socio-economic ministry for the mainline churches in Nairobi.
To manage this research problem it has been divided into four sub-problems that result to four research questions. By finding answers to these research questions it is expected that the research problem in this study will be addressed adequately.

First Research Question

How can the mainline churches participate with the poor to identify and find solutions to the problems now evident in the slum areas of Nairobi?

Second Research Question

What would be the best ways to engage these mainline churches on integrated mission in the city of Nairobi?

Third Research Question

Will it be profitable for the kingdom of God to find ways to enhance the capabilities of the emerging business entrepreneurs in the informal sector of Nairobi?

Fourth Research Question

Will it be feasible to establish and use a church - supported Christian Microeconomic Development (CMED) initiative for the dual objectives of creating jobs for unemployed people in the slums and for discipling these entrepreneurs?

Our goal in this study is to recommend an integrated “Discipling Model” which adopts the use of MED for application by churches in Nairobi.
Assumptions

Several assumptions were made to determine the data necessary to solve the research problem and also to determine the methodology for collecting the data.

First, it is assumed that the poor, when given the right environment, are capable of generating the necessary resources and energy to address abject poverty. Bryant L. Myers affirms this when he states that "If . . . there are already resources within community, then participation is the logical means by which . . . [resources] can be discovered and can become part of development process" (1999:147). The required creativity and responsibilities for the development projects have to be from the poor themselves. It is assumed that one of the reasons why the mainline churches in Nairobi are not making disciples of the poor is because they are not working with the poor but working for the poor by providing them with what they need (Aaker 1993:68).

Second, it is also assumed that opportunities can be created within the loan cycle of a church-based MED for an urban ministry whereby churches in Nairobi can disciple the poor and nurture them to mature in their Christian faith. A loan cycle involves physical encounters between a loan applicant and loan officers as the application of a loan, loan disbursement and loan repayments are made. This research investigated how a bible study session and prayer, including some limited form of worship and teaching, can be integrated within the lending process of an MED to create a Christian Micro Enterprise Development (CMED) with spiritual and financial support from a local church but under the leadership of lay people in the community.
Third, it is assumed that use of business as mission has the capacity of poverty reduction through job creation. It is assumed that jobs will be created though expansion of existing businesses and also when MED help establishment of new enterprises.

Fourth, it is assumed that alleviation of poverty can best be approached by empowering the poor themselves to develop and reduce their poverty due to the failure of the “trickle down theory” of the dominant paradigm for development that teaches that a poor economy can develop by concentrating on promotion of industries (Rogers 1975:354).

Lastly, this research assumes that for churches to work in solidarity with the poor, they must make a shift from operating from a theology that focuses on charity to a contextual theology which highlights solidarity with the poor to liberate the people in Nairobi who are currently oppressed and dehumanized by poverty.

Significance of the Study

African theologians are now calling for churches in Africa to present a theology that addresses the problems currently being faced by the people in Africa (Ela 1986:53). The theology now presented in churches in Nairobi is very closely related to Western theology and the outreach method used to confront the people with the gospel is still the missionary approach of calling the people to salvation without paying great attention to their social development. Today, the major problem faced by people in the informal settlements in Nairobi is poverty. Unless the local churches in Nairobi help the people to address poverty, the theology presented by these churches will not be considered by the people in
Nairobi to be relevant to their contextual needs. This study focuses on how to help churches in Nairobi to help the poor to address all the dimensions of their poverty.

The church is still very credible in Nairobi, particularly by the low class people. When these people are hungry, the first place they go to seek for help is in the Christian churches in their parishes. When they are displaced by internal conflicts they seek shelter in churches. The church schools are still very popular with people in Nairobi. Many people still believe that churches are better placed to give moral guidance to their children. This study has shown that the mainline churches in Nairobi can utilize this trust by the poor to work in solidarity with them so as to teach these poor how to alleviate their own poverty and also to transform these people by training them to lead their lives according to biblical worldview.

This study also shows how churches in Nairobi can engage in holistic ministry by being involved in both spiritual needs and also by showing concern for the physical needs of all the people in Nairobi. In particular, this study provides a strategy that can be used by churches in Nairobi to empower people now marginalized and suffering in silence in the slums of Nairobi. These marginalized people include women, the youth, disabled people and the HIV/AIDS victims who now roam the street of Nairobi either begging for assistance or struggling to establish micro businesses such as hawking.

The CMED model of development recommended in this dissertation will help the poor to create incomes for their families, to create jobs for unemployed people in Nairobi and to support their local churches.
This study provides a participatory model that can be used by NGOs, government agencies and churches to make the poor the agents for their own development instead of remaining dependent on development undertaken for them by other people. This study shows churches in Nairobi how to make the poor not only the receivers of development but also the providers of the services to others. This study shows how churches can work with the poor to generate sustainable development now need to reduce the poverty in Nairobi.

This study shows how churches in Nairobi can develop community programs for the poor based on the assets now possessed by the poor; their capacity to save money in small amounts, their receptivity of the gospel, their social capital marked by their ability to work in groups. This study, therefore, shows churches in Nairobi how to apply local and appropriate technology to bring about sustainable development. The focus of this study is the development of the Jua Kali, a sector with great potential for application of local and intermediate technology to create goods and services that are necessary to meet the needs of the poor in Nairobi. Unfortunately, the modernization development now dominant in Nairobi marginalizes this sector.

This study also provide the churches in Nairobi with a strategy for addressing the problem of gender bias that discriminates women by denying them the resources they need to participate in development. The CMED model allows churches to empower women to participate in productive development by granting them the necessary financial support.

The study is, therefore, significant to the poor, the local churches and the economy in Nairobi.
Data Needed

To solve the research problem it was necessary to collect, analyze and interpret three categories of data; data showing the nature of ministries to the poor by mainline churches, data showing the nature of business undertaken by the poor in the informal sector, and data to show the nature of economic aid given to the poor by the MED now operating in Nairobi.

Later in this section of the dissertation, under the "Theoretical Framework," we have explained how our theoretical framework informed the collection of these data that we required in this study.

Ministries to the poor by mainline churches. It was important to understand the activities undertaken by mainline churches to help the poor alleviate poverty and fight the oppression they face from public policies and from social, economic and political structures. Data was needed to show how the mainline churches help the poor to respond to their felt needs such as job creation, provision of clean water, provision of health care, education facilities for their children and participation in church activities, political and economic activities in the city. This data was intended to reveal whether or not the mainline churches in Nairobi help the poor to improve their standard of living and their quality of life. The data was obtained mainly from interviews with church officials, guided by the ten questions in Appendix A. Some information was gleaned about the services offered to the poor by mainline churches from the responses of the poor (see Question Eight and Question Nine in Appendix B).
Provision of Credit to the Poor. Data was needed to understand the nature of business undertaken by the poor in the informal sector, the problems facing these entrepreneurs and how churches in Nairobi can contribute to the improvement of these businesses. Several questions were asked, such as whether the people in the informal sector had access to credit facilities and the impact of the credit on their lives. Were the poor in Nairobi obtaining loans from microenterprise development? Were such loans contributing in reducing their poverty? How do the poor feel about mainline churches? What is the state of the poors' spirituality? Would the poor in Nairobi participate in a church-based MED? This data was collected to evaluate whether the use of MED is a feasible strategy for discipling people in the slums of Nairobi. It was obtained through interviews with the poor, guided by the interview schedule in Appendix B.

The Lending Programs of the MED in Nairobi. Data was also collected to show the terms of credit that is offered to the poor by the MED now operating in Nairobi and whether these MED met the financial needs of the street vendors, the Jua Kali artisans, and of the Kiosk operators in Nairobi. Questions were asked in order to evaluate whether or not credit is a major hindrance to development among the poor in Nairobi. Do the poor in Nairobi feel that they need credit to improve the quality of their lives? What are the major problems facing the MED that provide financial services to the poor in Nairobi? How can disciple-making be integrated within the lending system of a Christian MED in Nairobi so that the poor can be reached with the gospel as they are served with financial facilities? This information was gathered from interviewing some officials from MED following the interview guide in Appendix C.
To collect the data needed in this study, interviews were organized with leaders in the mainline church sampled, a sample of poor people from the informal sector and also a sample of credit managers of MED in Nairobi. See the interview schedules in Appendix A, Appendix B and Appendix C

Delimitations

This research confines itself to the attempt to alleviate poverty through church involvement with the poor in MED. The focus of the study is the use of MED to spread the gospel and as a source of credit for development in the informal sector. It is not a study of the various sources of development capital for the poor in Nairobi nor is it a study of the opportunities and methods for preaching to the poor in Nairobi. There are various local and international development agencies such as NGOs working with the poor for the improvement or provision of housing, water, health facilities, schools and other social services in the slums of Nairobi. This study is not intended to cover these strategies for poverty alleviation and development as they do not involve use of MED as strategy for Christian discipling and alleviation of poverty, the principal focus of this research.

The poor in Nairobi participate in national (parliamentary) and local (Nairobi City Council - NCC) politics and in other activities that elect people's representatives to the various bodies that create and monitor public policies. This research is not focused on studying the politics of the poor within this political framework. This study aims to understand how the poor can withstand oppressive political, social and economic structures that hinder or kill their efforts to earn decent incomes and to improve their living conditions and those of
their children. It is also done to assess how the poor can escape the culture of poverty within the slums of Nairobi and also how their relationship to the body of Christ, the church, can transform both their lives and their communities.

Working Definitions

A number of terms are important to understand the research problem and research questions in this dissertation. These terms have been used in the disciplines of missiology, business as mission, economic development in a context of poverty and in liberation theology. These terms form the basis of understanding for analyzing how the church in Nairobi can work in solidarity

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5 The concept of the “culture of poverty” originated in 1950s from research done by Oscar Lewis, a Professor in Anthropology at the University of Illinois, among the poor families in India, Cuba, American Indians and in Mexico. Lewis focusing on how the poor adapted and reacted to their marginal position in capitalistic societies concluded that the poor in slums in such countries were perpetually trapped in poverty because of flaws in their attitudes, behavior and personalities. He argues that the poor were either not eligible for changes that could alleviate poverty in their communities, cannot afford them or are ignorant or suspicious of them. Therefore, poverty tends to perpetuate itself from generation to generation because of its effect on the children who have absorbed the basic values and attitudes of their subculture of poverty and are not, therefore, psychologically geared to take full advantage or opportunities of development which may occur in their lifetime (Oscar Lewis 2002:271). His theory, therefore, blames the poor for their conditions of life and sees very little potential in the poor undertaking their own development themselves. Development theories bases on this deterministic view of culture are paternalistic and adopt a charitable perspective of working for the poor to provide the services and the resources the poor cannot be able to undertake themselves (Judith Goode 2002:291). We do not agree with this view of the poor presented by Lewis because we believe that given the right political-economic environment all classes of humanity are able to change to their contexts.

But since 1960s, Lewis’s views started to be contested and rejected by other anthropologists and development practitioners. Judith Goode, a Professor of Anthropology at Temple University, one of such anthropologists, has presented a credible critique to the culture of poverty theory of Lewis. Goode argues that the poor are as adaptive to their context and are as rational in finding solutions to their problems as are the people in other social strata. She identifies structural inequalities and not flaws of the poor as the major causes of continuing poverty in slums of a given country. We agree with Goode in focusing on the political-economic structures that oppress the poor in places like Nairobi as opposed to Lewis who blames the poor as being flawed individuals who need to be reformed by letting experts repair their damaged psyches and values (2002:291). Goode recognizes the fact that the urban poor make the best choices under dreadful and marginalized conditions and that if the poor are empowered by being given more egalitarian political-economic conditions they could improve the quality of their lives. Goode cites increasing gap between the rich and the poor, homelessness, loosened social safety, excessive accumulation of wealth by the middle class as the conditions that need to be reformed to alleviate poverty in places like Nairobi where majority of the population experience poverty. She, therefore, advocates working to reforming political-economic structures that marginalize the poor and at the same time building development in the slums on the personal and social strengths of the poor themselves (2002:292). Our research project approaches poverty reduction from this alternative approach presented by people like Goode.
with the poor so that the gospel can become relevant to the poor as it speaks to methods of alleviating poverty.

"Harambee" as a Spirit of African Hospitality in Kenya

"Harambee" is a word generally used in Kenya as a call for self-sufficiency and to indicate the generosity and hospitality of Africans as well as their desire to contribute to efforts that will see development happening through their contributions as the local people.

_Harambee_ activities are now practiced in the secular world and also in churches in Nairobi. This term was picked up and Africanized by Jomo Kenyatta (the first president of Kenya) from Indians working as laborers for the construction of railways in Kenya under British regime in Kenya. When the British established their rule in Kenya, they had already colonized India and trained the Indians how to do some elements of civil work. The British government therefore brought some Indians to do similar work in Kenya in the early period of the British rule here.

Kenyatta noted that when Indians needed to pool efforts to lift up heavy metal on construction sites they would chant “Hare” and “Ambe” to themselves during the episodes of strenuous collective efforts, which enabled them to succeed. John Githongo explains the meaning of these two Indian slogans, “Hare” and “Ambe” slogans. He shows that “‘Hare’ means ‘praise’ while ‘Ambe’ is the name of a Hindu god associated with wealth and good health” (Githongo 2002:1).

In 1963, Kenyatta, seeing the great task of bringing about development to Kenya after several years of colonialism and in the context of poverty, coined the term “Harambee” as a development slogan. The Swahili word “Harambee,”
derived thus from Hindi, meaning “pulling together” implies that all Kenyans need to contribute whatever little resources they have towards community development. Kenyatta likened the task of development to that of workers with a burden which would only be overcome by working together to successfully heave up their heavy load. He used the term when people were physically engaged in community projects together and also to evoke positive spirit of development consciousness. In this dissertation we are recommending that the process of critical contextualization should be applied to this concept of “Harambee” before it is adopted by churches in Nairobi for use in disciple –making in their CMED programs. The process to follow to do the critical contextualization is discussed later in this chapter.

_Harambee_ quickly became a call to alert Kenyans to participate in raising education funds, building social amenities required by community, and being mindful of the plight of others in all aspects of human life including those suffering from natural disasters like fires, floods and illnesses (Githongo 2002:1). Success by the poor in raising large sums of money in Nairobi is evidence that communal efforts of the poor can be organized and channeled by change agents towards reducing their poverty and improving the quality of their lives in the slums of Nairobi. This spirit of self-help in Kenya has strong roots in African traditions and has therefore important potential for development (Republic of Kenya 1965:36). Being mindful of the plight of others can also be contextualized to form the basis for liberation theology in Nairobi whereby all the people in community, including the wealthy, contribute for the welfare of the poor and destitute.
Development

The term development refers to a process "enabling a community to provide for its own needs, beyond former levels, with dignity and justice . . . it is improving the capacity of a community to meet its needs . . . must be indigenous . . . long term and aimed for improved self-reliance" (Ramstad 2003:77). Development is also referred to as transformation, meaning "recovery of the true identity of the poor . . . [from] a view of themselves as being without value and without a contribution to make, believing they are truly god-forsaken . . . Healing the marred identity [disempowering sense] of the poor is the beginning of transformation" (Myers 1999:115). Thus, according to Myers, transformational development is not complete until the poor are encountered with both the gospel and material resources in an integrated manner.

Jua Kali/Informal Economy

The term "Jua Kali" is derived from two Kiswahili words, Jua, meaning sun and Kali, meaning hot. The small-scale workers "eking out their living by manufacturing products and/or providing services in open air under the tropical sun are generally referred to as "Jua Kalis" or Jua Kali artisans. Although, many are characterized by absence of premises . . . a number have shelter to store materials as well as work benches and tables" (Maundu 1997:2). Among the first Jua Kali enterprises were motor-mechanics, carpentry, masonry, tinsmith and blacksmith. With time, the market gradually expanded, producing a wide range of such items as braziers (Jikos), cooking and frying pans, steel windows and doors, tin lamps, motor spares, leather goods, local baskets and artwork targeting the tourist industry in Kenya (Maundu 1997:3).
Today, the term *Jua Kali* is used for the sector previously referred to as informal sector (Mitullah 2003b:3). Winnie V. Mitullah summarizes the contemporary understanding of the *Jua Kali* sector in Kenya as:

... the sector covers all semi organized [sic] and unregulated activities that are small scale ... largely undertaken by self-employed persons or employees with few workers in the open markets, in market stalls, in both developed and underdeveloped premises, in residential houses or on street pavement ...

In Kenya, the concepts informal economy, MSEs [Medium and Small Scale Enterprises] and *Jua Kali* are often used interchangeably. The sector is a major source of employment and income. (2003b:3)

The informal sector came into focus of development planners after the publication of the International Labor Organization, (ILO) (1972) report on the informal sector in Kenya. There is no universal definition of the informal economy but in this dissertation the term refers to:

Illegal or semi-illegal urban processes or unsanctioned subdivisions of land at (then) urban periphery where land invasion took place – often by squatters, who erected housing units usually without formal permission of the land owner and often with materials and building standards not in line with the criteria of the local building code. This type of slum is usually referred to as shanty or squatter settlement ... [informal settlements also include] settlements on vacant urban lots or precarious urban sites along canals, or road reserves or adjacent to landfill areas. (UN-HABITAT 2003:196)

**Discipling**

According to George G. Hunter (1980), the term discipling can refer to a training that can be done by a church either “in one-to-one format” or in small groups whereby the trainer invites the undiscipled people in the new convert’s social network which would include convert’s “relatives, friends, fellow workers and neighbors ... to join in the training experience if they are interested” so that
by using the new converts’ “existing social bridges to undisciplled persons” the Christian educator, trainer or evangelist extends Christian training to a whole community (1980:35). At these meetings, the new convert “shares what has been happening in his life and introduces his trainer who shares . . . the Gospel and gives . . . pamphlet or scripture portions . . . the new convert’s confession to his peers will solidify his own self image as a Christian” (1980:36-37). Such training will enable the convert to grow into a true follower of Christ. Following this model, as you win some people in a community, you would utilize their social network to extend the Kingdom of God and to nurture new Christians. One of the aims of this study is to discover whether such a discipling technique can be integrated within credit delivery system of an MED, by using the small groups constituted by the “solidarity groups” as centers for teaching and nurturing new Christian believers.

Donald McGavran shows that there is also great potential for discipling in the training of the laity within a congregation. He advocates training the laity “as a . . . program to meet desperate human needs and obey God’s Word . . . [so that they would learn how to] obey God and serve [their] fellowmen holistically (soul as well as body)” (1980:62).

We, therefore, consider “discipling” to be the process undertaken by Christians for disciple-making, to make those who convert into Christianity to become committed followers or disciples of Jesus.

Roger S. Greenway (1992) shows that there is a need for nurturing Christians or disciples of Jesus to serve urban communities by helping these
converts to become sensitive to the special needs of an urban context, such as the city of Nairobi. He explains:

Urban discipleship means getting serious about issues like good schools, responsible government, sanitation and clean streets, fairness in the market place and justice in the courts. It means working to eliminate squalor, slums, and every depressing condition that dishonors God by degrading human life. Once the urban disciples see the big picture of what it means to be citizen of Jerusalem in cities as they are, they begin to work from a new and enlarged perspective. Obedience to King Jesus takes them to every nook and cranny of city life. They find the challenges innumerable and the costs often high. (1992b:46)

We consider that discipling would be achieved by churches in Nairobi by adopting the Christian Microenterprise Development (CMED) activities, which include the sharing of resources and the Christian education, recommended in Chapter Five in this dissertation. It is expected that the mainline churches will play a leading role in the discipling of the poor in the city of Nairobi. These churches could, for example, provide the staff, curriculum, and coordination to start discipling programs in the CMED. Thereafter, the process will be undertaken by the laity among the poor that will learn from the church’s staff how to run the program.

Microenterprise Development (MED)

The term refers to a development strategy that provides a broad package of microfinancial services (savings, credit and insurance) as well as other business development services (business training and marketing assistance) to entrepreneurs and the poor to enable them to operate their own productive economic activities (Mask 2000:4). The system normally works through revolving loan programs from a provider (bank, MED, church, NGO, people’s cooperatives or other groups) for people who have a business plan, and usually
some experience and who with additional capital can generate funds to pay back the loan with interest (Befus 2002:207).

Investors or other people who provide the working capital for the MED are called "providers." The church could be a provider in which case we would have a "Christian MED ... [which] has intentional spiritual transformation goals and is more holistic in vision and objectives" (Mask 2000:2) than secular groups.

Our research hopes to introduce poverty alleviation as an integral part of mission for churches in Nairobi. To achieve this objective we have proposed use of Christian Microenterprise Development (CMED) by mainline churches in Nairobi as their strategies for holistic ministry to the poor. We recommend that the poor should be confronted with the gospel as they gather to discuss matters relating to their lives in solidarity groups organized by the CMED. As they become mature Christians through the discipling activities in these small groups, these poor can now participate in building the kingdom of God by spreading the gospel through their social networks in the city.

Solidarity with the Poor

This term, which originated from the Puebla conference of the Latin American Roman Catholic bishops in Mexico in 1979 (Sawyer 1992:49-50), is now used to refer to social involvement of churches in the struggle of the poor. This ideology, developed by these Roman Catholic bishops who wanted their churches to become "attentive to the world's needs and bent on the renewal of the Church ... [and who wanted to create] a church that acts as a leaven and a servant of the world [but also a church that] is more independent of political authorities" (Alberigo 1987:60). The desire of these Roman Catholic bishops in
Latin America was to lead the church to actively participate in the struggle of the masses and thus make Christianity more relevant to the poor was made in response to papal pastoral guidance through the declarations of Vatican II. This theology of the poor constructed this way at Puebla gave rise to the concepts of “A Preferential Option for the Poor” and “solidarity with the poor . . . an option aimed at . . . [the] integral liberation [of the poor]” (Sawyer 1992:50).

The Poor

This term is used in this dissertation to refer to those that are “oppressed, the powerless, the destitute, the downtrodden . . . and not only those who are financially poor” (Ramstad 2003:86). Bryant L. Myers (1999) has given us an insight that we have applied in describing poverty in this dissertation, the insight that poverty is a multidimensional phenomena that is reflected in a “cluster of disadvantages” (1999:66). We have used this insight to evaluate the spiritual and material aspects of poverty in Nairobi (see Figure 3). According to Myers, poverty may be due to the fact that a household: has few assets; its members are weak; lacks access to services; cannot save money; cannot influence the social system in which it lives; suffers from broken relationships with God, each other, the community and creation (1999:115).

Integrated Ministry

The focus of this research is to identify a holistic model for use by mainline churches in Nairobi. We have adopted the use of the term “Integrated ministry” of a church to emphasize that both ministry to the soul (spiritual services to the people in a society) and the ministry to the body (material development in the community) are integrated in church’s work, while at the same time recognizing
that these two activities, evangelism and social activities, are different tasks, see (Yamamori 1977:267), see also (Yamamori 1995:2). The purpose of offering integrated services to the poor in Nairobi is the recognition that in order to truly transform the poor we need to reconcile them with God (by bringing them under the Lordship of Christ). What we expect the mainline churches in Nairobi to do is to be involved in both the proclamation of the Good News of God's salvation in Jesus Christ and in the liberation of the poor from social, political and economic shackles (Yamamori 1995:2).

Theoretical Framework

The Colonial / Post-colonial theory, the Theology of the Poor and the Microeconomic Development (MED) as the theoretical framework were used to guide this study.

The theoretical framework was identified through the review of literature, particularly those theories that relate to mission, poverty and issues affecting people in Third World countries. The review of literature was focused on the issues that need to be addressed specifically to reduce poverty and promote development in the informal economy in Nairobi. Literature evaluated described how churches can be involved to work in solidarity with the poor in their struggle against all dimensions of poverty. Chapter Four shows how these theories have been applied in this research. In this section, we present information about how the sample of the people to be interviewed in this study was selected.
How the Theoretical Framework Informed Data Collection

Before highlighting how our sample for the field research in this study was compiled, and how the data were collected, it is helpful to review how the theoretical framework informed the data collection. Three theories were selected as being the most informative to these problems. These theories were the colonial/postcolonial history of Nairobi, the theology of the poor, and the theory of the Microenterprise Development (MED).

Paul D. Leedy and Jeanne Ellis Ormrod (2005) show that a "theory is an organized body of concepts and principals intended to explain a particular phenomenon" (2005:4). H. Russell Bernard shows that a theory is needed to help a researcher to explain association of variables in a study. He shows that "theories are good ideas about how things work" (2006:64). In this study we used concepts from the three theories to relate phenomena of poverty and growth in mainline churches in the informal sector in Nairobi.

In the following section, we present particular theories from the three general areas identified to inform the collection and the interpretation of the research data.

The Colonial/Post-colonial Theory. The mainline churches, government institutions and commercial infrastructure in Nairobi were established during the British colonial regime between 1920 and 1963 when Kenya became an independent state. After 1963, the process of decolonization was implemented in the whole country including in the organizations centered in the capital city, Nairobi. But Frantz Fanon (1963), when he evaluates changes brought about by decolonization concludes that in African countries, little change was to be
expected in new independent free states like Kenya or in the structures and operations of private organizations in places like Nairobi because the decolonization only involved substitution of foreign leaders with local personnel. He notes that no deliberate efforts were being made in African countries to make the public institutions like commercial banks and insurance firms, employment opportunities and the distribution of such social infrastructure as water, sewerage, electricity, medical facilities, roads and housing to benefit the poor people who had been neglected during colonial regimes. He explains why the neglect of the poor by the ruling class continues in former colonial areas like Nairobi as he states:

Whatever may be the headings used or the formulas introduced, decolonization . . . at whatever level we study it – relationship between individuals, new names for sports clubs, the human admixture at cocktail parties, in the police, on the directing boards of the national banks – decolonization is quite simply the replacing of a certain “species” of men by another “species of men. . . . a total, complete, and absolute substitution. (1963:35)

Without a deliberate redistribution of resources the people who had been oppressed, those who had been marginalized and also those who had been pushed on the periphery of development by the colonial regimes would continue to be underdeveloped and being poor. Comaroff, John L. and Jean Comaroff (1997) show that some of the inequalities experienced in former colonial areas like Nairobi can be linked to their colonial history. They argue that colonialism created a state of “center – and – periphery,” (1997:16) in addition to “political dominion and economic exploitation . . . [and] other forms of structured inequalities,” (1997:18). The Comaroffs also argue that colonized societies such as in Nairobi “tended to be perceived and represented, from within, in highly
dualist, oppositional terms; terms that solidified the singularity of, and distance between, ruler and ruled, ... modernity and tradition ... European colonial hegemony took root, it underlay a grammar of distinctions” (1997:25).

Colin Leys (1975) and Robert M. Maxon (1992) argue that colonial models of governance and economic structures were perpetuated in Kenya through the operations of British Multinational Corporations that continued “to play a substantial role in Kenya’s economy after independence”(Maxon 1992:383) and through other forms of neo-colonialism that indicate the “survival of the colonial system in spite of the formal recognition of political independence”(Leys 1975:26) in Kenya. Maxon argues that because of this continuation of European influence in Kenya, the economy “represents the extension of a distinctive, well defined pattern of business enterprise from the industrialized, richer countries” (1992:384). Consequently, in Kenya, production that is now export oriented and capital intensive is dependent on technology and capital from these “richer countries” (Maxon 1992:384).

These insights from the colonial/neo-colonial theories interested us to find out how the colonial history impacted the society in Nairobi. Using Questions One to Four in the schedule for the interview for the microentrepreneurs in Nairobi, the aim was to understand the nature of relationship between the poor and the society, particularly whether the people in the informal sector were marginalized in Nairobi. We also wanted to find out whether there were programs operated by the government, by development agencies or by mainline churches to redistribute resources to the poor people in the informal sector so that they as well can participate in national development. We also wanted to
find out whether there were structural inequalities, in the city of Nairobi, that marginalized some people making them to become poor. We were also seeking to understand whether the people in the informal sector, the people at the grassroots in Nairobi, were benefiting from the economic development in the city.

**Luke’ Theology of the Poor.** The collection of data relating to the mission of the mainline churches in Nairobi was informed by the theology of the poor in Luke’s Gospel, Chapter 10, Chapter 16, and Chapter 19 and in the book of Acts Chapter Two and Chapter Four. Luke shows the need for people to care for others, particularly those who are suffering (Luke 10:29-37), just like the Samaritan took care of the person who had been attacked by robbers. We get an insight from the parable of the rich man and Lazarus that people with resources should care for those who are needy among them (Luke 16:19-31). Luke shows that Zacchaeus, a chief tax collector, “who was rich” was commended by Jesus because of promising to care for the poor as he told Jesus, “Look, half of my possessions, Lord, I will give to the poor;” (Luke 19: 1-10, NSRV).

In the book of Acts Chapter 2 and Chapter 4, Luke describes what happened to the Early Church when the believers took care of the poor and also provided for the needy people in their group. There was a significant church growth as “day by day the Lord added to their number those who were being saved” (Acts 2:47, NRSV). The second thing that happened is that material poverty was being alleviated as in this group of the Early Church there “was not a needy person among them, for . . . proceeds . . . [were] distributed to each as any had need” (Acts 4:34-35, NRSV).
The insights that caring for the poor and that sharing resources with the needy people can help a local church to transform non-believers and also to grow were incorporated in the interview schedule for churches in Nairobi shown as Appendix A, Question One and Question Two. The aim of these two questions was to find out whether mainline churches in Nairobi were following the biblical strategy for effective mission, the sharing of resources and the caring for the poor. This knowledge was necessary for an understanding of the nature of mission of the mainline churches in the slum areas in Nairobi.

The Microeconomic Development (MED) Theory. The theory of microeconomic development also informed the collection of data in this research. The aim of collecting data in this research was to help us to identify strategies that can help mainline churches in Nairobi to disciple the poor and also help these churches to help the poor to alleviate their poverty. Muhammad Yunus (1999) argues that micro credit is an effective tool against poverty (1999:iii). He shows that a way of helping the poor to benefit from micro loans from MED is to make “loan payments so small that borrowers would barely miss the money” (1999:62). Yunus argues that for the poor people, “credit is their only opportunity to break out of poverty” (1999:58). According to Yunus, solidarity group meetings can be useful venues for presenting, discussing and resolving problems that affect a community (1999:135). He explains that these “workshops gathered together center leaders to review their problems and achievements, to identify areas of concern, and to look for solutions to social and economic challenges” (1999:135). Questioning the most basic banking premise of collateral, and noting that the poor do not have this type of security for credit,
Yunus proved that loans could be secured by peoples' trust for one another to the extent that they co-guarantee each other for loans (1999:57).

We used these insights from the microeconomic theory when collecting data for the research. In the data collecting schedule in Appendix C, we needed to capture information that would help us to understand the nature and pitfalls of the MED now operating in Nairobi. Question One seeks to identify whether the poor are being served by the MED. Question Three seeks to identify the terms offered to the poor for credit from MED. Question Four seeks to find out whether MED is viable.

In Chapter Four, the data that had been collected guided by the insights from the theoretical framework is evaluated to establish whether the data affirm or contradict these theories. The result of this evaluation is discussed later in Chapter Four. We now highlight the three categories of data that needed to be collected in this research.

Methodology and Analytical Framework

This section presents the procedures followed to collect the data and the approach used to analyze the information collected in the research.

Autobiographical Background

My concern for the development of the informal sector in Nairobi began immediately after graduating from High School. In 1967, I joined Strathmore College in Nairobi for the advanced level GCE ("A" Levels General Certificate of Education) which was compulsory for all those who wanted to join the University of Nairobi, under the 8-4-2-3 system of education (which means: Eight years
Primary education, Four years High School education, Two years Advanced Level education and Three years University Education) in operation in Kenya then. This was my first experience to see people struggling to make a living in the city slums and informal sector for Strathmore College is located only one mile from the eastern part of Kawangware, one of the large largest slums in Nairobi.

I became curious to know why most people, including our lecturers, from the Roman Catholic Order of lay Christians, the Opus Dei, considered it very risky to walk to Kawangware, to work in that slum or to do mission there. Then I studied at the University of Nairobi between 1969 and 1972 graduating with a Bachelor’s degree in Economics (with a major in Development Planning). My post-college training includes a Village Banking Course, organized by the Institute for Bank Management Pune, in India in 1987, where I was introduced to the concept of use of local resources to support micro lending.

After my undergraduate studies in Nairobi, I worked for a total of thirty years in the city of Nairobi (1972-2002), twenty seven years being in secular commercial and agricultural development banks and three years as an administrator, at the P.C.E.A St. Andrews Church, one of the mainline churches in Nairobi. The nine years with The Agricultural Finance Corporation of Kenya, I worked as a Senior Financial Analyst under a World Bank Line of Credit (Credit V) to Kenya government for the development of agriculture. It is through this close contact with the commercial credit delivery systems in Kenya that I came to realize that the small scale enterprises, particularly those in the informal sector and having no collaterals, have no access to institutional or formal credit from commercial banks. Thus poor entrepreneurs find it very difficult to develop their
businesses or improve the quality of their lives. My observation of the poor in the slums of Nairobi has convinced me that they are as industrious and trustworthy as other people in Nairobi and that if they were granted collateral-free loans, they could improve their business.

Whenever I visited one of the city slums, I found here and there groups of Christians worshipping God in the open air. This made me believe that the people in the slums are receptive to the gospel. This also made me interested to find out how these people could be reached with the gospel.

My experience with the suffering of the poor in Nairobi, especially how they are discriminated against because they cannot obtain development credit from formal banks and how the mainline churches have few branches in the slums of Nairobi, has been a catalyst that led me to undertake this research project.

Methodology

This dissertation has adopted a qualitative research design to achieve the following objectives. First, to help to unearth people's perceptions about issues addressed in the research problem, how the mainline churches in Nairobi, using MED, can make disciples of the poor in the city's informal sector. Second, to help us to discover what the churches are doing about the poor. Third, to help to assess the types of financial service that is offered to the poor by the secular MED operating in Nairobi. The research has been a process that started with a literature review to identify some major issues facing church mission in a context of a developing economy in Nairobi that might interest us to study.

The review of the relevant literature also identified four
sub-problems that would help assess the research problem, with a view of recommending a model to address it. The four sub-problems relate to how the church in Nairobi can undertake effective outreach to these poor, how the poor would become disciples of Jesus by being reached with the gospel, and how MED can be adopted as the strategy to form the link, in an integrated mission, between the mainline churches and the poor, and how mainline churches can engage in mission in solidarity with the poor.

The literature review also revealed theories that helped to understand why the mainline churches in Nairobi were not making disciples of the poor and why the poor were suspicious of the Western, “mission-station” form of Christianity practiced by the indigenized missionary churches in Nairobi.


Data was collected relating to four sub-problems by undertaking a five months period of field research in the city of Nairobi starting in May 2006, mainly through semi-structured, open-ended interviews of the three groups identified as the participants. The protocols for each group of participants are represented as Appendix A, Appendix B and Appendix C.

While in Nairobi, information was gathered relating to the research from various sources in the local media. Relevant observations were made about the government harassment of hawkers, demolition of Kiosks and forms of church outreach in the slums. Also, while present to conduct interviews on site, some
things were observed that spoke to the quality of stock in business, the clientele, employees, geographical location, environment, social services like water, roads, power, telephone, churches, clinics, schools and markets, that may not be covered adequately in the discussions during interviews.

Interviews were conducted using a proportional stratified random sampling method. In this method, “population is divided into subgroups, called strata, and a sample is selected from each stratum” (Lind 2002:269).

Specifically, samples were selected as follows:

- Map 1 (see page 33) that shows the location of the eight administrative divisions in Nairobi was used to select the slums to research. Table 1 shows the number of the Informal Settlements (slums) in each division. In Table 1 only 7 divisions are listed down since the Central Division which covers the City’s administrative institutions, the central business center and the public parks, is not classified as having Informal Settlements.

<table>
<thead>
<tr>
<th>Division</th>
<th>Number of Informal Villages</th>
<th>Estimated Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Makandara</td>
<td>7</td>
<td>68,976</td>
</tr>
<tr>
<td>2. Pumwani*</td>
<td>11</td>
<td>52,090</td>
</tr>
<tr>
<td>3. Embakasi*</td>
<td>14</td>
<td>44,595</td>
</tr>
<tr>
<td>4. Kasarani*</td>
<td>43</td>
<td>390,860</td>
</tr>
<tr>
<td>5. Parklands</td>
<td>7</td>
<td>37,240</td>
</tr>
<tr>
<td>6. Dagoretti*</td>
<td>34</td>
<td>389,280</td>
</tr>
<tr>
<td>7. Langata (Kibera)*</td>
<td>17</td>
<td>903,125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>133</strong></td>
<td><strong>1,886,116</strong></td>
</tr>
</tbody>
</table>

(i) Source: Adapted from Nembrini (2002:5).
(ii) *indicates the poorest five divisions (with most slums) in Nairobi. Only 7 divisions are listed here because the eighth, the Central division, has no slums.
Informal Entrepreneurs. These were concentrated in the poor section of the city (see Table 1; also see Map 1). Using the number of slums as a manifestation and as a measure of poverty in each division, it was determined that the division with the largest number of slums was the poorest. Selection was made of the five poorest divisions, marked by an asterisk. This way, Pumwani, Embakasi, Kasarani, Dagoretti and Langata were sampled to be researched.

Table 2

Locations Where Research Took Place

<table>
<thead>
<tr>
<th>Administrative Division</th>
<th>Informal Settlement Sampled</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Langata</td>
<td>1. Kibera</td>
</tr>
<tr>
<td></td>
<td>2. Kenyatta Market</td>
</tr>
<tr>
<td>2. Dagoretti</td>
<td>1. Kawangware</td>
</tr>
<tr>
<td></td>
<td>2. Kangemi</td>
</tr>
<tr>
<td>3. Embakasi</td>
<td>1. Industrial Area</td>
</tr>
<tr>
<td></td>
<td>2. Embakasi Village</td>
</tr>
<tr>
<td>4. Pumwani</td>
<td>1. Eastleigh</td>
</tr>
<tr>
<td></td>
<td>2. Kamukuji</td>
</tr>
<tr>
<td>5. Kasarani</td>
<td>1. Zimmerman</td>
</tr>
<tr>
<td></td>
<td>2. Githurai</td>
</tr>
<tr>
<td>Total Sampled</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>10</td>
</tr>
</tbody>
</table>
Within the five poorest divisions, a random selection (draw a number) was made of two informal settlements in which to do interviews of the informal entrepreneurs, the poor business people. Table 2 shows the informal settlements sampled in the five poorest divisions. This gave $2 \times 2 \times 5 = 20$ businesses selected to be covered in the interviews (see Table 2). Care was taken to ensure that out of the two businesses sampled in each division, one of business is a general business or a Kiosk, while the second was a *Jua Kali Artisan*.

**Street vendors (Hawkers).** This category of business people consists of people who want to do business in the Central division but are not able to acquire formal premises due to political-economic constraints. The study of the hawking business was, therefore, centered in the city center, in the Central division. Interviews were done with two hawkers, conveniently selected, in each of the main streets in the Central division; Uhuru Highway, Kenyatta Avenue, Moi Avenue, Tom Mboya Street, and the River Road. This way $2 \times 5 = 10$ street vendors were sampled and then interviewed.

**Church Clergy and Lay Leaders.** There are six main groups of Churches in Nairobi. These are the Roman Catholic, Presbyterians, Anglicans, Methodists, Pentecostals, and the African Inland Church (AIC). Random selection of one denominational church per division was made. The church closest to the slum or better still the one located in the slum was preferred based on the assumption that such institutions would have some spiritual or social connections with the poor. This gave thirty churches to be interviewed ($5 \times 6 = 30$). From each of the thirty churches interviews were done with the pastor/priest and also the lay leader in charge of development. This gave sixty
interviews ($\{6 \times 5 = 30\} + \{6 \times 5 = 30\} = 60$). Table 3 shows the churches that were sampled and the names of the church leaders that were interviewed.

Table 3

The Churches Sampled and the Church Leaders Interviewed

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Church Sampled</th>
<th>Clergy interviewed</th>
<th>Lay Leader interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2. Kibera</td>
<td>Rev. Machugu</td>
<td>Grace</td>
</tr>
<tr>
<td></td>
<td>3. Embakasi</td>
<td>Rev. Mwaura</td>
<td>Ngure</td>
</tr>
<tr>
<td></td>
<td>4. Eastleigh</td>
<td>Rev. Githinji</td>
<td>Beth Njigi</td>
</tr>
<tr>
<td></td>
<td>5. Zimmerman</td>
<td>Rev. Esthert Wainaina</td>
<td>S. Munyiri</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Albert Chege</td>
</tr>
<tr>
<td>2. The A.C.K</td>
<td>1. Emmanuel Church Riruta</td>
<td>Rev. Al Hassan Hasanoo</td>
<td>Geddidah</td>
</tr>
<tr>
<td></td>
<td>2. Trinity Church Kibera</td>
<td>Rev. Paul Inuvu</td>
<td>Kinyanjui</td>
</tr>
<tr>
<td></td>
<td>5. St. Andrew’s Zimmerman</td>
<td>Rev. Kabiru</td>
<td>Marion Murathi</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lilian W. Thiaka</td>
</tr>
<tr>
<td>3. The Baptist Church</td>
<td>1. Riruta</td>
<td>Rev. Ndungu</td>
<td>G. Muiya</td>
</tr>
<tr>
<td></td>
<td>2. Lang’ata</td>
<td>Rev. Situma</td>
<td>Z. Onyancha</td>
</tr>
<tr>
<td></td>
<td>3. Embakasi</td>
<td>Rev. Kuria</td>
<td>Rose Kuria</td>
</tr>
<tr>
<td></td>
<td>5. Roysabu</td>
<td>Rev. C. Omondi</td>
<td>Dorothy Nyamai</td>
</tr>
<tr>
<td>4. The Roman Catholic Church</td>
<td>1. Our Lady of Guadalupe, Adams Archade</td>
<td>Fr. P. Tujillo</td>
<td>Mary W. Mwihia</td>
</tr>
<tr>
<td></td>
<td>2. St. John’s Riruta</td>
<td>Fr. Ben Kiarii</td>
<td>Margaret Muhia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fr. John Bosco</td>
<td>M. Onyango</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fr. Mwaura</td>
<td>J. Kimeu</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fr. Cometto</td>
<td>J. Wang’ombe</td>
</tr>
<tr>
<td></td>
<td>Githurai</td>
<td>1. Ngong Road</td>
<td>Rev. Nyambura</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td></td>
<td>The A.I.C Church</td>
<td>2. Kibera</td>
<td>Rev. Ouma</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Embakasi</td>
<td>Rev. Wambua</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Ziwanii</td>
<td>Rev. Mbithi</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Kasarani</td>
<td>Rev. Njihia</td>
</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. Lavington</td>
<td>Muguoki</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. Embakasi</td>
<td>Rev. Mutwiri</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Kariokor</td>
<td>Rev. Gitonga</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. Ruaraka</td>
<td>Rev. Lydia</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kirimi</td>
</tr>
<tr>
<td></td>
<td>Totals</td>
<td>6</td>
<td>30</td>
</tr>
</tbody>
</table>

Credit Overseers. The following MED were selected for the study:

2. Equity Bank
3. Kenya Women Finance Trust (KWFT)
4. Jitegemea Credit Scheme
5. The Ecumenical Church Loan Fund of Kenya (ECLOF-Kenya)
6. The Catholic Diocese of Nairobi, The Self Help
7. The ACK, Kawangware, *Ukristo na Ufanisi* (Savings & Credit Cooperative Society Ltd).
8. Jamii Bora Trust
9. The Organization of African Instituted Churches Savings and Credit Scheme
10. The CARE, Kenya Savings and Loan Scheme.
Ten credit managers, the overseers of the credit facilities in these ten MED sampled, were interviewed.

Map 1. Administrative Divisions in Nairobi.6

Map 1: Informal Settlements in Nairobi

Source: Matrix Development Consultants

Map 2. Location of the slums in Nairobi\(^7\) (see divisions 2, 3, 4, 6 and 7, in Table 1).

Our complete sample was constituted as follows:
(a) The poor entrepreneurs
   (10 Hawkers + 20 traders in Jua Kali) 30
(b) Church Clergy 30
(c) Church Laity 30
(d) MED (Credit Managers) 10
(e) Total Interviews 100

The next step in the research was to get authorization from the Government of Kenya to permit us to interview people in Nairobi and to conduct open-ended interviews with each of the interviewees selected. See the questions

in Appendices “A”-“C” which were prepared in advance. Occasionally, these questions were followed with others that directed the respondents to give deeper meanings to their experiences for a deeper understanding of their stories. The focus was to let theory develop from participants’ stories and experiences following the “grounded theory” approach.

Anselm Strauss and Juliet Corbin (1998) explain that in a *Grounded theory*, a researcher attempts to derive a general, abstract theory of a process, action, or interaction grounded in the views of participants in a study. In this method the theory is derived from research data, “systematically gathered and analyzed through the research process . . . A researcher does not begin a project with a preconceived theory in mind . . . rather, the researcher begins with an area of study and allows the theory to emerge from the data” (Strauss 1998:12). We achieved this by a constant comparison of data to note whether there would be emerging categories that could be the basis of generalized conclusions about the phenomena we were trying to understand. The researcher, therefore, compared the data from the various stories to discover any theories that would emerge. The purpose of doing this was to allow the theory on the relationship between the poor and mainline churches in Nairobi to be constructed from the views of the interviewees rather from some abstract theories preconceived before our field research.

During the conversations with interviewees, written accounts and audio recording were used. Recorded discussions for each day of the interviews were transcribed later in the same day, in the evening after all the planned interviews were completed and when the researcher’s memory was fresh with the details of
the proceedings for that day. Before commencing the field research, a coding scheme was prepared to facilitate an analysis of the data gathered from each category of the respondents (the poor, the church leaders and the MED officials). Following this scheme of work, data was transcribed from the interview schedules each day.

The next step was to analyze the data collected from the field research. This was done by reading each of the responses and attempting to abstract coherent themes from the notes, then categorizing these themes into analytical categories and then tracing any analytical stories that these categories form. It is these stories and categories that formed the basis of the discussions in Chapter Four of this dissertation.

The analysis was accomplished in stages. First, categories and themes were identified within each class of informants: venders, jua kali artisans, kiosk operators, MED officials, clergy and lay people of the various denominations. Second, themes were compared, collated and summarized as well as concepts that applied across the three categories - the poor, the churches and the MED. The nature of the relationship between the economic activities and mission in Nairobi was also analyzed. These analytical steps are outlined in Appendix E.

In the report written from the data analysis, a narrative format was used that was augmented by diagrams, maps, figures and also tables to help demonstrate relationships and connectedness between data and trace in-depth meaning in the experiences and perceptions.
Overview of the Chapters

Chapter 2 gives the foundational principles of integrated ministry, principles of involving the poor in their own development, principles of using local tradition-\textit{Harambee} for assisting the "very poor" to participate in their own development and principles for disciple-making that can make the local mainline churches relevant to the poor in Nairobi.

Chapter 3 gives the background to poverty in Nairobi, the informal sector in Nairobi, the mainline churches and the MED in Nairobi, explaining the assistances available to the poor from the churches and from the MED now operating in Nairobi. This background information is based on our research data.

Chapter 4 shows in-depth discussion of the status of the poor in the slums of Nairobi in light of our theoretical framework of the colonial/post-colonial theory, theology of the poor and the theory of CMED. The focus is on the micro businesses operated by the poor in the informal sector and the struggle of the poor to operate as hawkers in the Central Business District of Nairobi (CBD). The investigation reports the impact of the historical problems of colonialism and neo-colonialism on the informal business in Nairobi. It examines the nature of outreach to the poor by the mainline churches in Nairobi and shows how the churches help the poor to grow in their Christian faith and how these churches help the poor to alleviate poverty. The chapter summarizes whether the local churches help the poor in the slums of Nairobi as these poor people struggle to survive without some essential infrastructure.
Chapter 5 presents the components of the CMED model recommended, in this dissertation, for use by churches in the city of Nairobi, for disciple-making and alleviation of poverty.
Chapter 2

The History of Churches, Poverty, and MED Institutions in Nairobi

What good is it, my brothers and sisters, if you say you have faith but do not have work? Can faith save you? If a brother or sister is naked and lacks daily food, and one of you says to them, "Go in peace; keep warm and eat your fill," yet you do not supply their bodily needs, what is the good of that? So faith by itself, if it has no works, is dead. (James 2:14-17; NRSV)

Chapter 5 of this dissertation, summarizes the research in the city of Nairobi between May and October, 2006, where many people: men, women and children, lack basic human needs such as decent clothes, decent housing, clean water, education, medical care and sleep without having taken adequate amounts of food, see Figure 1 and Figure 2. Yet the city of Nairobi is well endowed with a large number of mainline churches (Downes 1989; Shorter 2001).

In order to evaluate how churches in Nairobi are addressing the issue of undertaking an integrated ministry to the poor, a foundation is laid, in this chapter, on which such an outreach could be established.

Because discipling the poor through the involvement of churches in microeconomic developments is critical in this study, construction of a model involving these three stakeholders must be based on a clear understanding of the situation on the ground. The intention is that the model should be indigenous, that is, building the recommended outreach to the poor by involving the churches and the microeconomic developments already established in Nairobi. It is necessary to understand the nature, operations and the involvement of the poor, in these three institutions in the city of Nairobi. The overview in this chapter is
also needed to lay out a foundation of the principles of discipling that is suitable for Nairobi by evaluating the processes of making disciples described by scholars.

The Nature and History of Churches in Nairobi City

Nairobi is the capital city of Republic of Kenya. Since 1889, this urban centre has experienced rapid transformation. Andrew Hakes, a missionary from England who worked in Nairobi with the National Christian Council of Kenya from 1957 to 1969 wrote that he was marveled by the speed at which Nairobi developed “from a settlement in the open bush to a city . . . [of over three million] (Hake 1977:9).” He attributes this fast growth to modernization of the city through expansion of industries in Nairobi during the first fifty years of the city's development. This accelerated city growth initiated a demand pull which motivated a continuous “drift to the . . . [city from the rural areas] and ‘immiseration’ of millions of people in the shanty . . . [and informal settlements when there were more people moving from the rural areas than could be absorbed in the formal institutions in the city] (1977:9).” Commenting on the nature of the city that developed from this modernization, Hakes states:

Nairobi is a product of the recent rapid development of communications technology. A commercial entrepot has been created, the centre of a communications network, which forms the natural location for both a manufacturing and a political capital. It is the interplay of forces in this city which makes Nairobi a microcosm of the world’s problems and opportunities. (1977:10)

This notion that Nairobi was the only natural location for manufacturing in Kenya contributed greatly to the development of the now overwhelming poverty in Nairobi. Because industrialists became reluctant to establish factories
outside Nairobi, there came to be a concentration not only of formal employment in Nairobi but also of unemployed people who flocked to this city with a hope of getting a job in one of the factories some day. Thus, while there existed opportunities for better life in Nairobi, there also developed the many problems, such as sub-standard business and residential environment in the informal settlements, hunger, diseases, lack of infrastructure, lack of education, lack of sanitation, lack of decent housing, lack of clean water, lack of security, lack of credit, discussed in various sections of this dissertation. This resulted to what Hake calls the "myriad hangers-on and odd-job men [sic] who live on the rim of starvation in the run down slums and miserable fridge settlements of the great urban jungle" (1977:9). Our research focuses on how the poor struggling in this context can be helped to liberate themselves from this "jungle". Also our CMED model in the last chapter is our recommendation of what Christians and development agents as individuals or collectively as congregations in the mainline churches should do to reach out to those who are now crying out for deliverance from this fast growing urban jungle.

My grandfather, who was a great story teller, used to narrate stories of occasions when he and his friends as young boys would get lost in the forest as they went there hunting. He would tell me that as they shouted for help, they were always helped to find the way out of the forest by echoes of people who were free in the village shouting back and thus indicating the right way back home. Thus, help for lost people should come from those who are outside. This is the basis of our conviction expressed in this dissertation that the free people in churches, in the government, and in the NGOs should work in solidarity with the
poor in the slums of Nairobi to help these poor people help themselves to reduce and eventually eradicate their oppression from poverty. Our concept of solidarity is not that the church or other groups outside the slums should work for the poor. Our opinion is that they should work with the poor, supplying complementary assistance that the poor need to work out their alleviation from poverty (Yamamori 1996). The poor must work just as the rich people work. Gillian Lindt Gollin shows that hard work helped the poor who had gathered as the Moravian communities in “Herrnhut, Saxony, [in Germany] and Bethlehem, Pennsylvania [in America] . . . in the first half of the eighteenth century” (1967:1) to succeed. These communities took work very seriously and they all worked to support their living and their mission. He shows that the Moravian leader Zinzendorf built the Moravian community on the belief that work was a virtue essential to the way of life as he states that “Work, according to Zinzendorf, was an essential and indispensable part . . . [of] life (1967:17).”

Our vision for the deliverance of the slum dwellers in Nairobi is that individuals, groups, private and public institutions who have knowledge, power, business skills, financial resources, training in Christian education and other spiritual disciplines, community development workers, political activists and civic educators should work with the urban poor in the city of Nairobi, particularly the ones struggling without any apparent hope in the city slums, and assist them to more adequately supply their daily requirements. This approach of active participation by the poor in development activities, which is not now practiced in Nairobi, should give the poor in Nairobi opportunities to participate in decisions affecting their lives and thus make them major agents in bringing
about their own development. It is also from this point of view that we have recommended a Christian discipling strategy (described as part of our model in this dissertation) for these communities so that once these poor people are knowledgeable in spiritual matters they can also participate in the transformation of societies in Nairobi by making other poor people in their villages and neighborhoods disciples of Jesus Christ. This new understanding of how to help people to help themselves is well exemplified by Jesus as He died on the cross as described in the Gospel of Luke as:

One of the criminals who hung there hurled insults at him: “Aren’t you the Christ? Save yourself and us!

But the other criminal rebuked him. “Don’t you fear God,” he said, “since you are under the same sentence? We are punished justly, for we are getting what our deeds deserve. But this man has done nothing wrong.” Then he said, “Jesus, remember me when you come into your kingdom.” Jesus answered him, “I tell you the truth, today you will be with me in paradise.” (Luke 23:39-43, NIV)

The benefit of assisting the poor should be judged from whether or not the solidarity produces better situation in the destiny of the marginalized person. In this text, Luke shows that a criminal is assisted by Jesus to better his destiny by ending up in paradise. Three important insights strike us from this example. First, we note that the suffering person asks for help and is willing to be transformed. We consider that he worked for his humility by recognizing a source of salvation or liberation. He also worked in asking for the help. Second, we note that although Jesus helped this person, the person still had to undertake his own death. Jesus helped him to acquire the best outcome from the death, a good destiny in this death. Third, Jesus died with him. Jesus was incarnational on the cross where this person acquired help. This is the example of working
with the poor that we advocate in this dissertation because we believe that it gives
the poor the opportunity to gain experience on how to fight against their own
suffering. This experience is vital in helping the poor to improve their status and
also to participate in the Kingdom of God by helping others do the same. Such
practical experiences will also help the marginalized groups to build sustainable
freedoms from poverty. The importance of experiential knowledge is also
highlighted in our discussion of Christian discipling. To realize the way to
undertake an action one should gain the experience of doing the activity
sometimes under the guidance of people who are skillful. E. Stanley Jones shows
that experience is necessary to help people understand Christianity. This
underscores our belief that young believers should be discipled so as to help them
understand and uphold their faith based on realization. He affirms that we must
know Jesus through experience so that our religion becomes to us “the life of God
in the soul. Religion means realization. If not, the religion soon means ritual,
and that means death (1925:146).” We agree with Jones that without creating
mature disciples, proclamation of the gospel may not produce transformation in
individuals and in society. Development of this kind of faith should be the focus
of the work of the Christians and churches in Nairobi.

As already pointed out, the growth of Nairobi has depended a lot on rural-
urban migration particularly from the provinces neighboring the city of Nairobi;
central province, the North Eastern province and the southern part of the Rift
Valley province, mainly from places like Kiambu, Murang’sa, Embu, Nyeri, Meru,
Nyandarua, Machakos, Kitui, Ngong, Narok and Kajiando districts. The
construction of the Kenya Railway line provided communication between Nairobi
and places further inland, in Nyanza and Western Provinces so that people could now also migrate from these destinations in response to wage differential between their rural areas and the city of Nairobi (Mitullah 2003a).

The city of Nairobi is governed by a city council, the Nairobi City Council (NCC) which is headed by a mayor. The city is divided into various wards each represented by a councilor elected by the residents in these wards. The city council has recruited a city police force, referred to locally as “City Askaris” for keeping law and order in the city, particularly, taking care of car parking lots, city’s recreation facilities, city’s markets, to inspect businesses for city’s trading licenses, and also to ensure that street vendors do not carry out businesses in areas where such trading was prohibited.

Map 1 shows the administrative divisions in Nairobi. These divisions were based on the demographic characteristics of the city during the colonial era in Kenya. The Westlands was for the Europeans, the Parklands now part of Westlands for the Asians, and the Eastlands (Makandara, Embakasi and all the area east of the Central division) and Kibera were for the Africans. Kasarani and Dagoretti are new areas developed from 1960s as the city of Nairobi expanded absorbing former freehold areas in the districts neighboring the city. The people living in Westlands division, in such estates as Muthaiga, Parklands, Kileleshwa, Runda, and Loresho are generally the more affluent groups in Nairobi. These are low density settlements where we have owner-occupier housing owned by Asians, corporate bodies and affluent Africans. A similar affluent group lives in some low density estates (in Karen) on the western margins of Kibera and Dagorreti. The majority of the people in Dagoretti, Makandara and Embakasi are middle-
low income groups who live in high density estates with a mixture of owner occupier houses as well as houses owned and rented out by the City Council of Nairobi. Kibera, Pumwani and Kasarani are dominated by people in the lower income of society. Most of the slums in Nairobi are located in these divisions. The Central division is occupied mainly by public land, Government offices, commercial businesses and retail and wholesale markets for agricultural commodities.

Christian churches were soon developed among the immigrants in Nairobi, initially by missionaries from different denominations who came from Europe and North America to evangelize East Africa in the nineteenth and twentieth centuries. Development of Christianity in Kenya was part of the discovery, exploration, colonization, modernization and evangelization that took place in the new lands by European nationals during this period. The setting up of Christian mission churches in Nairobi and elsewhere in the hinterland in Kenya is said to have been conceived by leaders of the Imperial British East Africa Company, a company that up to 1920 was administering the East African region now consisting of the independent countries of Kenya, Tanzania and Uganda on behalf of the British Government (Macpherson 1970:21). These British business pioneers and entrepreneurs encouraged and protected missionaries to come to this frontier and assist in the opening up these new territories. But the history of how missionaries reached Nairobi and how they established churches there is a more complex story. The first missionaries to Kenya followed the route where later the railway line from Mombasa to Kisumu was to be constructed (see map 3).
The first missionaries to enter Kenya from Europe had to come by sea and had to enter the country through the Indian Ocean coast which for hundreds of years, before the arrival of the first Christians, had been evangelized by Muslim slave traders from Arabia since the fourteenth century (Isichei 1995:130). The establishment of Christianity in Nairobi and elsewhere in Kenya can be attributed to three factors.

The first factor was the contact of the coastal people with catholic missionaries, mostly priests, who accompanied the Portuguese explorer Vasco da Gama who made a stop over at Malindi on the Kenyan coast in 1498 and priests who also accompanied Francis Xavier who stopped on the Kenyan coast in 1542 on their way to India (Barrett 1973:29).

The second factor was the failure to get access to Ethiopia (where some European missionaries felt called for mission) via the Mediterranean-Red sea route due to the heavy presence of Muslims in the northern Africa. One of such missionaries, a German Lutheran employed by the Church Missionary Society of London, Johann Lundwing Krapf landed at port of Mombasa, in Kenya in 1844, to start a protestant era which would take the gospel from Mombasa to Nairobi and to other interior mission stations in Kenya (Barrett 1973:30). Krapf who had begun his missionary work in Ethiopia but who had been forbidden to return there now started work in Mombasa in 1844 while looking for an alternative access to the Galla people in the southern Ethiopia where he felt called for mission work (Isichei 1995:137). Noting a presence of Muslims at Mombasa just as in Northern Africa, Krapf strategized to establish “a chain of mission
stations stretching across Africa near the southern frontier of Islam” which now would bring Christian influence to the present Nairobi area (Isichei 1995:137).

The third factor that contributed to the establishment of Christianity in Nairobi was Stanley’s reports in London’s *Daily Telegraph*, reports about presence of Muslims in the East coast of Africa, and how their slave trade devastated societies there. He also reported that there existed some politically stable African kingdoms and their kings (for example, the Kabaka king of Buganda, in the present Republic of Uganda) who showed interest in Christianity (Tuma 1978:3).
Map 3: Major Railway lines in Kenya, Location of Kenya Highlands, Tribal Areas and Administrative Boundaries in Kenya.\(^8\)

Henry Morton Stanley who had now been sponsored by two newspapers: the *New York Herald* and London’s *Daily Telegraph* to search for Doctor Livingstone in 1871 was convinced that “Buganda’s orderly government could ensure the peaceful evangelical penetration of this region of Africa if the kingdom was used as a staging post for missionary endeavors (Tuma 1978:3).” Stanley also made reports about the many African communities that needed to be reached for commerce and for the gospel, and also his report about the missionary work of Doctor Livingstone in 1874 created great enthusiasm for mission to East Africa by the Church Missionary Society of London and its supporters (Anderson 1977:19). Missionary boards in Europe were now able to raise adequate support to send missionaries to the East African region.

But the easiest way for missionaries coming to Uganda was to pass through the port of Mombasa and then to travel through Nairobi in Kenya. This is the route taken by the group of missionaries accompanying the strong expedition under Captain F. D. Lugard who set out from Mombasa in 1890 to consolidate the British influence in Uganda. This expedition traveled from Mombasa and passed through Nairobi area and moved to Mengo in Uganda (Macpherson 1970:16). Livingstone, a missionary sponsored by the London Missionary Society, himself popularized opportunities for establishment of stations for “commerce and Christianity” in the Southern, Central and East Africa through his various missionary- cum-exploration journeys (between 1853 and 1871) which he

Once at the Kenyan coast, the missionaries (mostly from the C.M.S-the Church Missionary Society of London) had planned for a gradual movement inland from the coast to ensure that all the people groups on their way inland were evangelized (Isichei 1995:137). However, the missionaries soon found an immediate need to spread the Gospel inland because the “coast was resistant to the Gospel- and an unhealthy place to live (Anderson 1977:3)” because of the already well developed Muslim communities and the presence of malarial mosquitoes. The history of the planting of Christianity in Kenya and its subsequent expansion from the coast to the rest of the country in places like Nairobi can be outlined in four phases—“an unsuccessful attempt in the 16th century, virtual obliteration, a second attempt in the 19th century, and finally massive expansion in the 20th.” (Barrett 1973:29). The early contacts with the coastal people in Kenya by Portuguese in the fifteenth and sixteenth centuries resulted in establishment of a few Christian missions on Mombasa Island. But this Roman Catholic effort collapsed when the Arabs regained control of Mombasa after defeating the Portuguese in 1729 (Barrett 1973:30). There were, therefore, no major Christian activities in Kenya between this time and the arrival of the new wave of the protestant missionaries marked by the arrival of Krapf in 1844.
Before Krapf, a notable linguist and explorer, left active mission work in Kenya in 1853 because of health reasons he had laid what can be considered to be the foundation of Christianity and missionary work in Kenya. He had studied Swahili, a language originally spoken by small coastal tribes but a language which was developed to become the national language in 1963, produced both a Swahili dictionary and a translation of the Bible, and written his experiences in a book, *Travels, Researches and missionary Labours in East Africa* which proved very useful to missionaries in the East African scene (Anderson 1977:6). In addition, Krapf had established a major mission station at Rabai among the Mijikenda people where he had built a church and a school, fifteen miles on the way to Nairobi from Mombasa in 1846 (Anderson 1977:2). He had also done exploration work, about the topography and the people groups on the way inland, which brought him into contact with the Taita and the Kamba the two large people groups between Mombasa and Nairobi. The significance of these contacts were that they prepared the local communities for the arrival of the missionaries and Krapf’s teaching of Swahili and his introduction of the Christian faith to the local people prepared people who would be useful as interpreters and who would

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9 The mission Station model was one of the strategies for evangelizing the local people used by missionaries in Kenya. At Rabai, Anderson explains that "Krapf and Rebman built a church and invited people to worship with them. . . Krapf and Rebman wanted people to attend for more than rice and beef [Krapf wanted the local people to] attend school (Anderson1977:2,3)." Missionaries built churches and schools and trained the local people on both biblical and secular matters including modern agriculture. The Mission station was also set up "as a template of Christian community . . . Each station came to include all the essentials of a “civilized” community: houses, gardens, a school, smiths and workshops, watercourses, retail stores, and, later perhaps, a meeting hall and a sports field, see Comaroff, John L. and Jean


According to Isichei, this Mission Station strategy for evangelism was not appealing to Africans because it was associated with the groups of people who were initially collected here on humanitarian grounds by missionaries. She states that "When Christian settlements were perceived as collections of former slaves, accused witches and other undesirables, Christianity seemed less attractive (1995:135)."
be easy to train as evangelists. Krapf's work became great encouragement as the Lutheran, the Methodist and the African Inland missionary pioneers pushed the gospel inland from the coastal belt in the early nineteenth century. But in our opinion, his work would have been more significant to the movement of the gospel inland had he contacted the Maasai whose raids would greatly disrupt missionary work in the hinterland (Anderson 1977:7).

The movement of missionaries from the coastal area inland, before the construction of the railways, was slow and frustrating as the missionaries had to organize ox-drawn caravans. The region between the coast and Nairobi was sparsely populated because it consisted of the arid area locally called the "nyika" where water was difficult to get and the caravans were disrupted by wild animals and some hostile local people. Here, missionaries had to contend with problems relating to provisions of food, water, and security. But the "missionary enterprise . . . began to succeed when stations were established deep in the interior," particularly on the fertile highlands beginning in Nairobi area (Isichei 1995:137). On the highlands malaria was not such a serious problem as at the coast. In addition, there was also plenty of clean water and food could initially be accessed from local farmers but eventually most of the early mission stations on the highlands grew food as part of their agricultural training and development activities. Meanwhile the Imperial British East African Company was constructing a railway line between Mombasa and Kisumu on the shores of Lake Victoria to provide mass transport required in development of the Kenya colony.

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10 Mombasa is at the sea level. Between Mombasa and Nairobi is the Nyika which lies between 300 feet and 1200 feet above the sea level. The highlands beginning in Nairobi region rise from 4500 feet to over 9000 feet above the sea level.
The missionary movement in Kenya changed radically when the British government took the control of Kenya as their colony in 1920 and when the new railway line had extended to Lake Victoria. When the rail line reached Nairobi in 1899 and Kisumu on the shores of Lake Victoria in 1901, missionaries sprang up in every direction (Barrett 1973:33). During this time when the European nationals were all over Africa seeking for economic and political fortunes and replacing the local people from their traditional lands, most of the African people were hostile to this invasion by foreigners. The British government protected western enterprises including church groups like missionaries working in Kenya. This “heralded a period of Church and State working hand in hand together for the spiritual and material well-being of the country. Church buildings, schools and hospitals were erected (Tuma 1978:x).” The close and symbiotic relationship between the origin and work of the colonizers and missionaries caused confusion and misunderstanding about the spiritual goals of Christian religions in the minds of the Africans (Anderson 1977, Isichei 1995, Tuma 1978, Commoroffs 1991, 1997 and Sandgred 19890). Tom Tuma and Phares Mutimbwa affirm this as they state:

Some of the activities of the early missionaries were not always understood by the people who had different expectations. Some people wanted the European missionary because of his medical skills, whilst others envied their military superiority, whilst yet another group saw the missionaries as colonizers who had come to dominate and smother their traditions. . . It became increasingly difficult to distinguish between the behavior and actions of the European missionaries and their government contemporaries. (1978:xi)

Among my own people the Kikuyu who are the majority ethnic group in Kenya and in Nairobi, this similarity between the behavior of foreign
missionaries and colonialists, also affirmed by Isichei (1995:136), is generally described in their metaphor “Gutiri mubea na muthungu” which means in English “There’s no difference between a missionary and a settler.”

The missionaries were detracted from empowering and transforming African communities because they adopted the colonial strategies of administration and also the colonial objectives of civilizing the native people. This is affirmed by Anderson who states that Sir Bartle Frere the British governor to Kenya “objected to the purely ‘evangelical’ mission of the C.M.S and Methodists. He wanted more emphasis put on the civilizing effects of Christianity (1977:9).” African Christians were developed to serve the colonial objectives. They were poorly prepared to work for their own development and they were not trained on how to contextualize Christian theology to make it become adoptable to the problems and needs of the African communities. They were made dependent of European support, an attitude which became a cause of poverty in Nairobi once the foreigners had to leave after the country’s independence in 1963. The missionary educational system was geared towards supplying clerks and other literate personnel required to run the colonial administration and commerce and to support the missionary schools and hospital systems (Isichei 1995:233). Isichei notes that the missionaries were discouraged by the colonial regime from teaching the Africans about human equality as she states “Officials and settlers feared that mission education would inculcate ideas about equality . . . education meant reading books, writing and talking English, and doing arithmetic . . . [educated Africans] resented all forms of manual work (1995:235). This attitude would also become a cause of poverty
in Nairobi. Many of the Africans educated at this time were not willing to become self-employed in manual work in the informal sector discussed in this dissertation as the major strategy for job creation.

Another valid criticism about the civilizing approach of Christianity in Nairobi and in Kenya in general was that in the mainline missionary churches, Africans converting into this new religion were required to disown their indigenous traditions and customs. Elizabeth Isichei affirms this as “Conversion to Christianity involved dislocation, a break from the traditions of the past, and it came more easily to those who had endured disruption already (1995:105). This encouraged many African Christians in Nairobi to move away from their original cultures. For these urban Africans, this worked against such cultural factors as kinship that bound people together and helped them to care for their poor neighbors, friends and kin and to work together against common problems affecting their communities. This is also a major cause of poverty in Nairobi.

Another problem with the evangelistic strategy at this time was the zeal of the missionaries to promote and enforce western manners and morals for Africans who attended the mission stations which remained as the primary centers of evangelism (Sandgren 1989:2). David P. Sandgren explains that “Once baptized, adherents to the mission were strongly encouraged to stop all . . . cultural practices. Offenders were disciplined and some even expelled from the mission (1989:2).” Over time, this attitude of ignoring people’s needs and cultures made the missionary type of Christianity questioned by the local people who either “during the 1930s set about establishing their own independent systems of churches and schools” or others who started considering Christianity as a whole
irrelevant to their needs stopped attending churches (Sandgren 1989:2). These two scenarios exist today in the city of Nairobi. The discipling model presented in this dissertation aims at making Christianity relevant to the poor in Nairobi.

A survey of churches in Nairobi by the Daystar University College in 1989 shows that there were about 784 different congregations in Nairobi in 1986 (Downes 1989:89). Since the date of this report many denominations, particularly from North America, have been established in Nairobi. But there has not been any study to reflect these new developments in the statistics of churches in Nairobi. Churches in Nairobi can be categorized by denominations as shown in Table 1.

<table>
<thead>
<tr>
<th>Denomination</th>
<th>Number of Churches 1986</th>
<th>Membership in 1986</th>
<th>Percentage Of members in the city in 1986</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roman Catholics</td>
<td>74</td>
<td>166,985</td>
<td>53.6%</td>
</tr>
<tr>
<td>Anglicans</td>
<td>48</td>
<td>12,268</td>
<td>3.9%</td>
</tr>
<tr>
<td>Other Protestants</td>
<td>330</td>
<td>59,334</td>
<td>19.0%</td>
</tr>
<tr>
<td>Indigenous (AICs)</td>
<td>320</td>
<td>69,520</td>
<td>22.3%</td>
</tr>
<tr>
<td>Orthodox Churches</td>
<td>12</td>
<td>3,293</td>
<td>1.2%</td>
</tr>
<tr>
<td>City Total</td>
<td>740</td>
<td>311,400</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The categories, showing also the percentage of their membership to the total church membership in Nairobi are: The Roman Catholics (53.6%), The Anglicans (3.9%), The Indigenous Churches, AICs (22.3%), Other Protestant Churches (19.1%) and The Orthodox Churches (1.2).

The mainline churches have congregations in all the administrative divisions of Nairobi. The report on the survey by Stan Downes et al. shows the main churches by 1986 and also shows that independent congregations in each denomination were: The Catholics (74 congregations in the city), The Anglicans (48), The African Inland Church (13), The Baptist Convention (17), The Church of God in East Africa (17), The East African Yearly Meeting of Friends (26), The Methodist Church of Kenya (3), The Kenya Assemblies of God (22), The Presbyterian Church of East Africa (29), The Salvation Army (30), The Seventh Day Adventists (11), The United Pentecostal Church of Kenya (9).

During the last ten to fifteen years, Nairobi has experienced a proliferation of sects and independent churches accompanied by “explosion of new religious movements . . . open-air rallies, crusades, revival gatherings, miracle centers, healing ministries. . . . (Shorter 2001:7).” Both the mainline churches and the religious movements in Nairobi seem to focus on the conversion of the poor to Christianity. They do not seem to be doing a lot to help the poor in the slums of Nairobi to reduce their poverty. There is a need, therefore, for a new approach to church's outreach—an approach that demonstrates God's need for both the physical and spiritual transformation for these slum dwellers.
Nature of Poverty in Nairobi

Unlike Christianity which came to Nairobi through the contacts between Africans and the Christians from foreign countries mainly from Europe and North America, poverty is a human characteristic which could be traced in the traditional African societies including those in Kenya (Iliffe 1987). However, the imposition of Western culture on Africans aggravated the poverty position particularly by the creation of cities like Nairobi and other urban centers where people came to live together in large groups without adequate resources. The phenomena of poverty in Nairobi is related to the general social, economic and political conditions in Kenya as a whole and that reduction of poverty will involve reorganizing public and civic structures that today perpetuate inequalities and gender discrimination in the country as a whole and in Nairobi.

Kenya is a relatively small equatorial country with a total area of 569,259 square kilometers (Oriaro 2000). Kenya's population in 2001 was estimated at 30.4 million and its growth rate is at 2.4 percent per annum (Republic of Kenya 2002b:18). The Kenyan economy remains dominated by the agricultural sector that plays a critical role in national economic growth and development but whose contribution to the Gross Domestic Product (GDP) has progressively declined from 37 percent of GDP in 1970s to only 25 percent of the GDP in 2000 (Republic of Kenya 2002b:23). This decline in productivity in the rural areas in Kenya caused mainly by inadequate use of appropriate technology, unreliable rainfall, poor marketing infrastructure, limited access to credit by farmers, high cost of farm inputs, poor marketing information, lack of land to majority of rural population particularly women and youth has encouraged people to move from
the agricultural sector to Kenyan urban areas mainly to Nairobi where these people hope to get better means of livelihood. Such movements create greater pressure on the resources available in Nairobi aggravating the poverty situation here.

Globalization has adversely affected local industries in Kenya. The recent influx of imported products as a result of trade liberalization, due to the non-competitiveness of the local products and also due to poor infrastructure resulting to high cost of production for the goods manufactured locally, has resulted in high mortality of industries in Kenya creating unemployment and increasing poverty in Nairobi where the majority of the manufacturing industries are located (Republic of Kenya 2002b:21, 45).

Due to the decline in agricultural production experienced in Kenya since the 1970s, the urban population has grown from 3.8 million people in 1989 to 9.9 million in 1999, constituting 34 percent of the total population in Kenya, which reflects clearly the shifting of the Kenyan population from the rural to the urban areas (Republic of Kenya 2002b:21). Out of the total urban population of 9.9 million people in Kenya, 2.1 million people or 21 percent of the urban population were in Nairobi (Republic of Kenya 2000b:19). Women form about 49 percent of the total urban population in Kenya and 46 percent of the population in Nairobi. However, women have not been sufficiently involved in the formulation and implementation of urban development strategies (Republic of Kenya 2002b:21). We argue in this dissertation that to improve the welfare of all the people in Nairobi, we have also to involve women in all matters that affect their lives.
John Iliffe affirms our argument that the city does not create urban poverty which arise from the general socio-economic and political situations in a country and that solving urban problems should be through cooperative efforts between national and global organizations including governments, churches and NGOs. He describes urban poverty as:

The poor of the pre-colonial Africa were bred in the countryside but seen in the town. That is why they were so often overlooked. During the colonial period towns grew quickly. Observers . . . noticed more and more people and assumed that their numbers were increasing and that towns created them. Colonial Africa – in contrast to the Africa of the 1980s-regarded poverty as an urban problem. The children picking over Nairobi’s dustbins or the destitu tes sleeping in . . . markets were seen as products of urban degeneration. In reality most were countrymen (sic) hoping to exploit urban opportunities. Yet if towns rarely created poverty, they gave it new forms. The crowded squalor of a slum, exhausting repugnant labour, hunger amidst plenty, a prostitute’s life or a pauper’s death, the humiliation of prolonged unemployment, the discovery that even kinsmen were not infinitely hospitable-all these were lessons for the urban poor to learn. As new forms of poverty - proletarianisation, unemployment, prostitution, delinquency, and hunger, so towns pioneered the transition in the nature of poverty . . . (1987:164)

Poverty involves a multiplicity of problems arising from the “struggles of ordinary people against the forces of nature and the cruelty of men (sic) (Iliffe 1987:1).” Therefore, to understand the nature of poverty in Nairobi we need to look not at the apex of the human pyramid but at its base to see how the masses in this city live.

Definitions and Measurement of Poverty in Kenya

Poverty is a multidimensional phenomenon (AMREF-GOK 1997, Damiano Kulundu Manda and Walter Odhiambo 2003, Jane Kabubo Mariara and Godfrey K. Ndeng’e 2004), comprising economic, political, physiological and
psychological deprivations. Its manifestations are vulnerability, powerlessness, humiliation, social inferiority, physical weakness, isolation, lack of assets, inaccessibility to basic needs (Ayako 1997:6), and lack of access to the Gospel, according to the concept of spiritual poverty highlighted in this dissertation (see also Burghardt 1976). We have also highlighted lack of employment and lack of engagement in income generating productive activities as another common manifestation of poverty in Nairobi. The poor in Kenya are economically disabled by the lack of land or farm equipment among the agrarian tribes like the Kikuyu, lack of livestock among the pastoralist tribes like the Maasai, so that they cannot participate in the political process and provide decent burial to their deceased. The poor also have large families who are dependent on their small incomes, they live in poor houses and suffer from substance abuse and suffer also from insecurity (Ayako 1997:6). Poverty can be described either in qualitative or quantitative terms. Figure 3 is an example of how poverty can be evaluated in qualitative terms.
Several scholars have used quantitative methods to measure the incidence of poverty in Kenya (see Mwabu 2004, Kirii 2004, Mariara and Ndeng’e 2004, Mwambu et al. 2001, Manda 2003).

Due to the multidimensional aspect of poverty, there is no universal accepted index or measurement that can incorporate all the dimensions of poverty. 

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poverty. However, the United Nations considers US $1 a day as the general poverty index and that people living on less than this figure to be subsisting below this poverty line (HABITAT 2001:14). In Kenya, there have also been studies by economists and people involved in social welfare to identify forms of measurements of poverty that would help them to identify or trace people groups that are adversely affected by public policy decisions in order that appropriate programs can be designed to redress the negative effects and improve the lives of those affected negatively (Republic of Kenya 2000c:iv). Identifying people who need assistance because of being adversely affected by government policies became necessary in “the second half of 1980s [as] Kenya introduced and fully implemented the structural adjustment programmes (SAPs) primarily to reduce government spending [that] entailed cutting expenditure on basic social services and introduced cost sharing for many services, leading to deterioration in welfare [in the whole country] (Republic of Kenya 2000c:iv).” The widespread phenomena of AIDs/HIV, in the country, also caused a necessity for identifying people groups that required immediate intervention.

Against this background, the Government, in collaboration with the World Bank, launched a series of programs whose objectives was to collect data from which some reliable indications of poverty for every region in Kenya could be estimated. Two categories of national surveys, the Welfare Monitoring Surveys (WMS) undertaken in 1992, 1994 and in 1997 and the Participatory Poverty Assessments (PPA I and PPAII) undertaken in 1994 and in 1996 have resulted from these collaborative efforts. The WMS intended to monitor the possible socio-economic effects of the structural adjustment reforms by adopting
the material well-being perception of poverty in which the poor are defined as those members of the society who are unable to afford the minimum basic human needs, comprising of food and non-food (see Mariara 2004:7). On the other hand, the PPA I and PPAII involved getting the views of why people consider themselves to be poor and what they think are the best solutions for them to get out of their poverty.

These efforts had two results. First, they encouraged the German Technical Cooperation (GTZ) to support a Social Policy Advisory Service (SPAS) unit to be established in the Government's Ministry of Finance and Planning to undertake and interpret on regular basis detailed participatory process in various districts in Kenya. This division has issued several reports (KePIM, Kenya Participatory Impact Monitoring) showing its findings. Second, these surveys contributed immensely towards the design of anti-poverty policies and intervention contained in the National Poverty Eradication Plan 1999-2015 and in the Kenya's Poverty Reduction Strategy Paper. These formalizations of poverty assessments were based on the fairly developed statistical base on poverty by the Government of Kenya, from the Urban household Budget Survey 1968-69 (which when analyzed, led to the identification of the informal sector in Kenya by ILO in 1972), the household budget survey in Nairobi in 1974, and a series of surveys undertaken within the framework of the Integrated Rural Surveys (IRS) 1 (1975), 2 (1976), 3 (1977) and 4 (1978) (Mukui 2005:4). Although this early effort for understanding poverty by the Government of Kenya did not produce a major anti-poverty programme in the country, it has very important direct academic
significance, and its foundation became very useful in calculating poverty indexes in Kenya in later years.

The principal analysts, for Kenya, of the 1974/75 IRS data base, namely Greer and Thorbecke, pioneered a mode of analysis that had global, far-reaching theoretical advancements. These analysts produced a mathematical model globally known by their initials FGT, the Foster, Greer and Thorbecke, 1984 and which is widely used globally for estimating the incidence, the depth and variations of poverty in areas where there is great inequalities in income distribution, for example in Kenya (Mukui 2005:43). The only shortcoming with this model is that being a mathematical formula, it is not easy to use by people without advanced mathematical backgrounds. Various indexes of poverty that are generally used in Kenya are discussed below.

**Absolute Poverty.** Absolute poverty figure is generally used by economists to identify the amount of income/expenditure that would enable a person in a specific country to afford the lowest quantity of "those things which nature . . . [and] rules of decency have rendered necessary . . . (Osberg 2005:42)." Today, economists use this measure of income/expenditure as a measure of the standard of living. A person with a higher income or with a higher expenditure on necessaries of life is deemed to enjoy high standard of living. A cutoff level of income, for example the USA$1 per day, set by the World Bank, is typically chosen as the *poverty line* to differentiate between the poor and the non-poor (Mwabu 2004:3). Since the aim of the absolute poverty figure is to define in

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13 James Foster is a professor of economics and director of the Graduate Programme in Economic Development at Vanderbilt University. His co-authors, Eric Thorbecke and Joel Greer are professors of Cornell University in USA. Their formula is shown in the "Encyclopedia of World Poverty" as Decomposable Poverty measures.
terms of requirements considered adequate to satisfy minimum basic needs; the absolute poor are considered to be the people who have no means to meet these needs. This figure, although it is now well below what is required to sustain a person supplied with things made necessary by nature and rules of general decency in any country in the world, is widely used for marking the poverty line because it “has enormous virtue of seeming simplicity, and hence communicability to a global public (Osberg 2005:42).”

In order to understand the status of the people living in absolute poverty, in Kenya, economists construct the national absolute poverty line by setting the minimum food and non-food items (for example, minimum requirements on food, health, shelter, education, personal care, domestic equipment and services, clothing, entertainment) that an adult person (the adult equivalent) needs to meet normal body functions. This method attempts to establish a monetary value at which basic needs are met (Mariara 2004:9)\(^{14}\) and this takes care of the main defect of the per capita income of USA $1 per day that it does not tell us whether or not a person can afford the basic necessaries in life. This index as a measure of poverty can, therefore, be very useful when used in combination with other measures, for example, in the Food-Energy Intake (FEI) method or in the head count index.

The Head Count Index. This figure gives the proportion of people or households classified as poor, or those with income or expenditure below the poverty line. It is the ratio of persons living in poor households to total

\(^{14}\) The food requirement is based on the minimum daily calories estimated by FAO and WHO as required per adult person at 2250, see for example Mariara 2004, Pp.9.
population, and is used chiefly for comparison between different periods and areas - as in assessing overall progress in poverty reduction (Mariara 2004:10).

Relative Poverty Line. This poverty line is normally given as a proportion of the mean or median income or expenditure in a country. Many studies fix a proportion of the mean income/expenditure in a country for example 2/3 or 1/3 and then consider that any body who is below such a threshold to be poor. Some people have also used percentile cutoffs, for example, the bottom 20 percent in a the country's distribution of income/expenditure may be considered to be poor (Mariara 2004). The poverty line is said to be relative because it incorporates such components as food and non-food expenditure which vary according to social-economic contexts (Kirii 2004:12). Poverty lines in Kenya have been based on both the Cost-of-Basic Needs (NBC) and the Food-Energy Intake (FEI) approaches which are relative poverty measures. The Government of Kenya relies on the Food-Energy Intake (FEI) method to categorize people into poor and non-poor classes (Mariara 2004:9).

Hardcore Poverty. Analysis of poor people shows that there is always a category of people consisting of those people who cannot afford to meet the basic minimum food requirements even if they allocated all their total spending on food. This group is referred to as Hardcore Poor or ultra poor. The Hardcore Poverty Line is normally set at the total equivalent to the Food Poverty Line (Mariara 2004:10). The WMS (Welfare Monitoring Survey) in 1992 showed that the rural overall (food plus non-food) in Kenya was Ksh. 484.98 and Ksh.
1239.00 in 1997 which compared with a range of Ksh. 1009.70 and 2648.00 for urban areas including Nairobi (Mariara 2004:10).15

The FGT Index. Despite its limitation as a simple measure of poverty, the FGT measure of poverty developed by James Foster, Joel Greer and Eric Thorbecke (1984) is the most popular indicator of the degree of poverty in Kenya (Ayako 1997:5). Its popularity lies on the fact that you can use this formula to make three measures. The first measure of the FGT is the headcount ratio indicating the incidence of absolute poverty by showing the proportion of individuals or households below the poverty line, the poor are expressed as proportion of the total population. The second measure is poverty gap ratio by showing the shortfall of the average person's income/expenditure from the poverty line. The third measure is the coefficient of variation indicating the severity of poverty and reflects the degree of inequality among the poor (Ayako 1997:6).

In 1994, the Welfare Survey, 96.2% of the urban poor were employed forming a large class now visible in Nairobi of the employed poor. This indicates that majority of the people in Kenya earn incomes that are inadequate in meeting their needs (Manda 2003:10). The analysis of the WMS also indicated that the incidence of poverty in Kenya is high among female-headed households, larger households, households headed by people with no education and those engaged in private informal sector jobs (Ota 2002:6).

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15 In October 2006, the conversion rate for Kenya Shilling (KSh.) to the USA dollar was about USA $1= KSh.70.
But with all this understanding of poverty in Kenya, the incidence of poverty appears to be increasing in the country, particularly, in Nairobi. Some of the legitimate reasons for this are because the solutions for alleviation are sought within the framework of the dominant paradigm of development and also that there are very few pro-poor anti-poverty projects in Nairobi and that the sector with the greatest potential for poverty reduction, the informal sector, still remains underdeveloped.

Iliffe affirms that a precise and consistent definition of poverty is not feasible, that the poor are diverse, poverty has many facets, that African peoples had their own varied and changing notions of poverty and that "poverty has an inescapable connotation of physical want (1987:2)." In this dissertation we also highlight the spiritual, the social, economic and political aspects of poverty which are often ignored by people who concentrate on human struggle against physical wants because the non-physical aspects of poverty are difficult to observe in places like Nairobi. Figure 1 shows six aspects of poverty as conceptualized by Bryant L. Myers.

These aspects are: material poverty experienced by households who have few assets such that their housing, sanitation, livestock or land are inadequate in which case a household in this category would suffer from material hunger; physical weakness whereby household members are weak so that they are susceptible to diseases and cannot produce the goods and services they require to meet their daily needs; isolation whereby a household lacks access to services like roads, water lines, electricity, markets, capital, credit and information. The people living in the slums of Nairobi suffer mostly from this
aspect of poverty; vulnerability, whereby a household is not prepared to meet risks of the crisis and demands arising from death, sickness, social and cultural obligations as funerals, school fees and weddings. These crises demand that a household spends a huge lump sum of money or other resources at once. To solve this form of poverty the poor must, therefore, learn and get into the habit of accumulating savings which underscores the relevance of our microeconomic development strategy of poverty reduction for Nairobi; powerlessness when a household cannot influence the life around it and the social systems where it lives; spiritual poverty when a household has not heard the gospel (Myers 1999:67). By presenting the gospel to the poor in Nairobi, the church will help them to alleviate their spiritual poverty.

We agree with scholars like Walter J. Burghardt who rejects the approach of analyzing human problem in a dual aspect which divides issues of spirit from material problems. In our effort to understand the nature and history of poverty in Nairobi, we look at all the adverse aspects that affect "man or woman as a whole" person (Burghardt 1976:9). Burghardt also shows that there is a relationship between the evangelizing mission of the church and human need to be liberated from social, political and economic oppression (1976:19). Therefore, in our effort to reach out to the poor and the marginalized people in Nairobi we advocate that the church should not only preach the word of God to them but also teach them that "freedom from oppression is an essential part of church mission (1976:19)." Burghardt explains that giving the poor the freedom they require from oppression involves addressing "seven hungers of the human family (1976)." The seven hungers are; hunger for freedom and justice, hunger for
peace, hunger for truth, hunger for understanding, hunger for God and hunger for Jesus (Burghardt 1976). Because of the eminence of these hungers in Nairobi, just like in the rest of Kenya and elsewhere in many developing countries, we agree with Jean – Marc Ela as he asserts that:

For 95 percent of the population of the underdeveloped countries, independence brings no immediate change. The enlightened observer takes note of the existence of a kind of masked discontent, like the smoking ashes of a burnt-down house after a fire has been put out, which still threatens to burst into flames again.

Africa today has difficulty escaping its recent past. The colonial might continue to cast its long shadow over this vast continent. The heritage of the colonizers has not been shaken off. The [African] have driven the whites out only physically. Decolonization has not brought ... [their] dream of new humanity ... [Colonialism] has left scars and mutilations in the African soul. ... [This] situation is characterized by the growth of inequalities in independent Africa. ... From Africa's urban slums ... men, women and youth, [are] burdened with misery and poverty, thirst for justice and freedom. (Ela 1986:61-62).

History of Poverty in Nairobi

Ela’s observation of the causes of poverty in Africa is true in Nairobi where colonialism, decolonization and bad governance by the independent government have all contributed greatly to the poverty we observe in Nairobi and in Kenya today. During the pre-colonial era poverty was caused mainly by lack of access to the only major factor of production then, the land. But by then the family, relatives and the rich landed people cared for the hungry and the landless (the poor), thus these social networks had built-in mechanisms for reducing the impact of poverty (Iliffe 1987:64).

During the colonial and post-colonial eras, another category of the poor (the very poor) consisting of the people who not only lacked access to land but also lacked access to gainful employment or labor emerged (Iliffe 1987:64).
During the pre-colonial era in Kenya, "at the community/tribal level, social security for the societal members was ensured through a system of rights and rules that guaranteed equal access to the means of production for all the members of the commune (Gakuru 1998:4). But starting from the colonial era when these traditional social networks were systematically destroyed, government policies and its structural systems mostly copied from Western cultures introduced and perpetuated individualistic ownership of means of production. This excluded those without resources, now forming the poor people, from access to means of production and caused poverty among the majority of the people in Nairobi.

In the traditional systems of Kenya, "there was a point beyond which one could not accumulate in the traditional setup . . . these sanctions went into limiting . . . the amount of resources" available to any one person in the society as a way of ensuring that there was equity in distribution of resources and that there were no very poor people in their midst (Gakuru 1998:5). However, in the present free, open market system followed in Nairobi, a minority consisting of the people with access to political and economic resources continue to accumulate productive resources while the majority is marginalized in the city slums with inadequate provision of the necessaries of life. This group can be said to be playing the role of neo-colonialists as they now oppress the poor just as the foreign colonizers had oppressed the natives.

On the other hand, the colonial production relations were organized so as to serve the interests of the British metropolitan capital and those of the settler community in Kenya, a situation that led to marginalization, deprivation, and
poverty for most of the people living in the rural areas and also those living in towns in Kenya (Gakuru 1998:11). Several factors relating to colonial administration have been identified as causes of poverty in Kenya. We consider these factors relevant to poverty in the city of Nairobi in that whatever caused hopelessness in countryside motivated people to move to Nairobi to search for better opportunities. We agree with Gakuru (1998:11) who identifies the major causes of poverty related to colonialism as: First, the alienation of the best African land to Europeans. This reduced and even eroded completely the capacity of the Africans to feed themselves and to take care of their household needs. Second, the transfer of political power by the colonialists to the new state took away from the traditional leaders and the wealthy their obligation to assist the poor and the needy. The colonial government was caring for schools, hospitals and destitute. This created a feeling in the minds of the people in Kenya that caring for the poor and the needy were the roles of the public institutions and that the individuals had very little part to play.

When the colonial government was gone and the new government did not institute social welfare programs catering for all Kenyans, the poor and the needy were now neglected in the society. This problem is greater in Nairobi where immigrants do not enjoy the benefits of close knit societies, such as caring for one another in time of need.

Third, they introduced commoditization of production in Kenya which destroyed the traditional subsistence and insurance mechanisms built in the traditional organization of the family and community. After Kenya gained her national independence, when Africans were allowed to produce such cash crops
as tea, coffee, cotton and sugar cane for export on the best arable land following the European model of farming, Kenyans could no longer produce enough food to feed the whole nation. The greatest victims of this food deficiency were the urbanites who did not produce any food at all. This resulted to food poverty that was frequently experienced all over the country, but particularly in the towns and cities.

Fourth, the colonial legal system of issuing land titles and making transfer of land by those holding the titles without the consent of family created two major classes of people, the land owners and the landless people in Kenya. Eventually those people who are not named in the title document had little or no influence on the decisions relating to the use or sale of the land. Eventually the landless people had no means of producing their food and joined the group of the poor who moved to Nairobi seeking for alternative means of livelihood.

Fifth, in Kenya, the most productive land which had been allocated to the European farmers by the colonial government was after Kenya's independence in 1963 bought by a small group of wealthy Africans. The majority of the peasant farmers were relegated to the most unproductive land. Many of these marginal farmers moved to Nairobi to look for alternative occupation.

Sixth, during the colonial period the African laborers in Nairobi were paid low wages which resulted in the inability of the poor to accumulate savings and to develop a culture of saving. The Africans were, therefore, unable to accumulate the incomes they needed to meet occasional crises frequently encountered by their households. This system of low wages continues in Nairobi where we
observe large numbers of working people whose incomes are below the subsistence levels.

Seventh, the colonial government remained indifferent to African development with the best services being availed to the European farmers. Nairobi city was segregated into African settlements, Asian settlements and the high class European residences. The best services, water, roads, telephone, electricity and sewerage were concentrated in the European settlements which (after Kenya's independence in 1963) were transferred to a small group of African, "the comprador . . . [that the colonial government had assisted to acquire leadership] in politics, business and education . . . [and that] was assuming leadership" (Wa Thiong'o 1986:20). These few people had now become wealthy and politically influential so that they had access to credit and government assistance to enable them to buy property from the departing European settlers. This relegated the majority of the people in Nairobi to struggle to survive in the city's slums like Kibera, Kawangware, Kangemi, Kasarani, Githurai, and Mathare Valley, without adequate supply of essential services.

Under the colonial rule, urban land in Nairobi was owned by the local authority who granted leases only to the Europeans and some wealthy Asians. For the Africans, only laborers, usually male could be allowed in Nairobi. Other categories of Africans coming to the city were considered by the authorities either as temporary surplus labor that did not have to be considered when planning for city social facilities or as "anti-social" elements who were vagabonds and vagrants who should be discouraged in Nairobi (Hake 1977:36). This attitude towards people not directly engaged in the modern or formal sector continued in
independent Kenya so that the legitimate social needs in the slums continued to be considered as "Nairobi's 'surplus' or unprovided-for population over the years [and any structures either for business or for residential purposes by these people were and are still considered illegal, therefore, had to be demolished]" (Hake 1977:36,40).

Another cause of material poverty in Nairobi has been the politics involved in the World Bank's initiated Structural Adjustment Programs (SAPs) initiated in 1980s in Kenya. The government of Kenya was expected to undertake sweeping economic and political reforms that included:

- Privatization of parastatal institutions,
- Liberalization of financial and energy sectors,
- Liberalization of price controls,
- Phasing out import controls.

These measures were supposed to produce a more competitive environment that would increase use of local resources, promote exports and employment (Ikiara 1991:12).

Although the government initiated and continued with the reforms in the 1980s and in the 1990s, the implementation failed to satisfy the expectations of the foreign donors who "froze their quick disbursing aid to Kenya as a result of the slow pace in economic and political reforms" (Ikiara 1991:12). Most of the aid frozen had been destined to provision of social services like schools, health, roads, and water. This loss aggravated the living and working conditions in Kenya, particularly in urban centers like Nairobi where the provision of social services depends predominantly on public institutions.
Nairobi during the Colonial and Post-Colonial Kenya

The colonial administrators, business entrepreneurs, explorers and missionaries must have been overwhelmed by what they saw on reaching Nairobi as they arrived from such Western cities such as London, New York, Berlin, Paris or other cities in the West. They would have noted especially the lack of capital, lack of western technology and lack of industries which had led to "development" in the Western countries where they had come from. The impact of the Western model of industrial-based development and its related perspectives of "development," "underdevelopment," and "dependency," in Kenya are evaluated in this section to help us to understand how colonialism and the civilizing aspects of missionary Christianity contributed to poverty in Nairobi.

The Kenyan economy has experienced a lot of externally inspired innovation and change since 1890s (Ochieng' 1992:x). The overview of the various perspectives of development, in this section, is critical to our understanding of what needs to be done to make the poor in Nairobi free from these externally inspired changes. These changes have contributed to transforming Kenya from her traditional or pre-industrial state to become a part of the world capitalist system. European, principally British, commercial capital was responsible for the development of infrastructure and the commercialization of production for export that made Kenya part of worlds capitalist system (Ochieng' 1992:x). Whereas this colonial development initiated industrialization
and other forms of modernization in Kenya, it created the following problems manifested in the poverty experienced in Nairobi today.

First, Kenya came to be dependent on European manufactured goods and capital resulting to the situation that large amounts of national resources are used not to meet the needs of the local people but for the payment of these imports and the long-term development capital loans (Ochieng' 1992).

Second, the most productive land and labor in Kenya is devoted to production of raw materials exported to meet the needs of the Western manufacturers. This way, Kenya is unable to produce enough food to feed her people who frequently suffer from hunger and food poverty we experience in Nairobi and other urban centers in Kenya (Ochieng' 1992:x).

Third, in terms of colonizer-colony relationship, Kenya was made a periphery of Europe, principally Britain, which means that Kenya became a market for goods and services from the West and that the natural resources in Kenya were exploited as and when needed for the development in the European countries (Ochieng' 1992:x).

Fourth, this industrial-based modernization produced a dichotomy set up in the economy in Kenya. We came to have an advanced and wealthy group consisting of those people owning shares or employment in the advanced industrial sector. Then, there was a continuous formation of an underclass in the city of Nairobi and also in the agricultural sector. This underclass consists of: the people working as casual laborers in the factories; the peasants not absorbed in the cash crop farming; the landless group displaced to make room for the industrial agriculture; the unfortunate people whose land was taken by the
European settlers; the people whose land was suitable for the location of industries, and also the hangers-on who drifted to the city of Nairobi with hope of getting employment in this modernized sector. Andrew Hake expresses the hopelessness and the misery of this underclass in Nairobi as:

> Without sufficient industry to employ them, what do (sic) the urban multitude do? In part, they enter the so called 'service sector'-a dignified name for all the myriad hangers-on and odd-job men who live on the rim of starvation in the run down slums and the miserable fringe settlements. . . (1977:9)

There is a vast literature on the dominant theory of development, underdevelopment and dependency. We shall, however, focus on Colin Leys (1975) because he writes to express his observations on the impact of the dominant paradigm of development in Kenya. But how does a country like Kenya become modern and developed from the Western perspectives? Srinivas R. Melkote, states that “it was generally assumed that a nation became truly modern and developed when it arrived at the point where it closely resembled Western industrial nations in terms of political and economic behavior and institutions, attitudes towards technology and innovation, and social and psychic mobility (1991:42). Therefore, the Western countries were treated as models of political, economic, social, and cultural modernization that the Third World nations like Kenya would do well to emulate (Melkote 1991:42). The British colonial government, in Kenya, emulated the development pattern in Europe and unfortunately the independent Government of Kenya perpetuated this

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17 This statement is quoted from Fjes, Fred. 1976. “Communications and Development.” Unpublished paper, College of Communications, University of Illinois, Urbana-Champaign.
modernization model of development introduced by the British. Leys affirms this as he states that the independent Government of Kenya "emphasized the strong continuity with the colonial economy which was to characterize development strategy throughout 1960s" (Leys 1975:220).

Development in this sense of modernization or industrialization was, therefore, treated in Kenya as a national priority both by the colonial and neo-colonial regimes (Leys 1975:x). Based on the strategy of using modernization to transform Kenyan economy to a modern capitalistic system, after achieving only partial success towards this end, in 1996 the Government passed a development policy "for achieving industrialization by the year 2020" (Ronge 2000:iii). This is the chief approach in the dominant development perspective whereby based on the "trickle-down theory" the strategy involves selecting some "leading sectors, [with the assumption that] once advanced, [these sectors] would then spread their advantage to the lagging sectors" (Rogers 1975:354). There are development practitioners who still strongly support industrialization as the main strategy for addressing the principal challenges of development in Kenya. An example is Paul Andre de la Porte, the Resident Representative, UNDP in Nairobi who states:

First, industrialization is the principal instrument for putting technical progress into use; hence, it permits improvements in the way different factors of production are applied in the production of goods and services. Industrial activities also offer unique scope for learning, improvement and transformation. Moreover, industrialization entails empowering cultural changes and in producing resources by expanding human capabilities through education, skills development, and socio-cultural changes and in producing products that are vital for nutrition, health care, and other human needs to improve the quality of life. (UNDP 2005)
We agree with Colin Leys that this model, the dominant development theory, based on industrialization, has not worked for Kenya. Leys has raised objections to this approach as follows: First, this approach to development is based on the assumption that the central government or the people in leadership who are in charge of the development can determine what is good for all the communities in Kenya and that the government can raise enough resources to provide what is needed nationally (1975:x). Second, the centralized planning system required to bring about this national development “embody the dominance of different combinations of class interests, in practice it tends to take as given the interests which the ‘leadership’ represents,” (1975:x) in Kenya the interest of the local elites while ignoring the fate of the masses who relinquishes in poverty. Third, as a result of modernization in Kenya, the country, “experienced only the destruction of her traditional economy and society and after that nothing but ‘the chronic catastrophe of the last two centuries’” (1975:4). Fourth, industrialization, resulted in the removal of natural resources from Kenya to foreign countries (1975:5). Finally, the industrial development created a small group of wealthy people, those who owned the industries, so that the local income distribution is skewed towards this section of the population in Kenya (1975:13). A report by the Kenya Government in 2003 affirms this fact that the majority of Kenyans are currently experiencing poverty in spite of efforts to promote industries in the country (Republic of Kenya 2003:5). This report highlights the poverty position in Kenya as follows:

Poverty rose in Kenya during the 1990s. . . . It is estimated that the proportion of the population living in poverty has risen from about 48.8 percent in 1990 to 55.5 percent in 2001. The proportion is estimated to
have risen to more than 56 percent in 2003. Non-income dimensions of poverty worsened. . . . Illiteracy rates increased as enrolment rates in primary schools declined during the 1990. Life expectancy declined from, 57 years to 47 years between 1986 and 2000; while the situation in infant mortality and child mortality and HIV/AIDS worsened. Estimates on unemployment also indicate an increasing trend over the last decades. In 1978 the urban unemployment rate was approximately 7 percent. By 1986 it had increased to 16 percent and continued to rise to 25 percent by 1999. . . . Currently, geographical variations in the distribution of poverty are large. . . . Households that are large, headed by females, headed by adults with low educational attainment, or deriving most income from agriculture are more likely to be poor (sic) than others. (2003:5)

The geographical variation in poverty in Kenya, particularly the variation between the rural and urban centers, shows that while some people are benefiting from the industrial development, others are still declining into poverty. There is, therefore, a necessity for churches to develop a strategy for helping people, like the poor in the city of Nairobi, who are not benefiting from the current development strategies in Kenya.

**Nairobi's Informal and Self-Help Development**

Under the circumstances of having been deprived resources for development, the Africans initiated self-help activities through which individuals and groups of people in the informal sector of the city of Nairobi could work to provide for their political, economic and spiritual needs in the city. The groups were based on regional, ethnic or trade basis (Gakuru 1998:15).

Today in Nairobi, this informal, self-help sector, called the *Jua Kali*, “has overshadowed the formal sector in terms of employment creation” and promotion of businesses for the poor households (Republic of Kenya 2002b:17). The development strategy recommended in this dissertation hopes to apply these capabilities of the *Jua Kali* sector to create employment and income for the poor.
We also hope, within our model, to incorporate the capacity of the Gospel to transform individuals and communities in the slum of Nairobi. This way, we shall be able to create a sustainable and holistic ministry for these people. But in doing this we shall be guided by the needs of the poor revealed in our research in the Jua Kali sector of Nairobi. We recognize that the greatest contribution that can be made by the informal sector in the reduction of poverty in Nairobi is in the transformation of the poor into agents in charge of their own development by giving them opportunities for entrepreneurship. Our focus relating to entrepreneurship is the possibility of the men and women in the slums of Nairobi to establish and run profitable business units which they control either as individuals or as groups, but ultimately are run for the benefit of their households.

Several scholars and institutions, both Kenyan and foreign, have researched the informal sector in Kenya (King 1977, 1996, Nembrini 2000, Alder 1995, Mitullah 2003, La Ferrara 2000, Maundu 1997, ILO 1972 GOK/UNHABITAT,) have detailed several deprivations in the area of essential services mainly water, health facilities, housing, credit, land tenure, security, schools and transport. But in this dissertation we want to focus on the potentials in the informal sector for development so that we can utilize these resources to establish, in solidarity with the slum dwellers, an indigenous and sustainable holistic development which would help us reach the people in the slums for Christ but at the same time work with them in bringing about a reduction of their principal problem, the absolute poverty.
We obtain some historical aspects of the informal sector in Kenya from Kenneth King as he states:

The very conspicuousness of the informal sector in Nairobi today, therefore, is the result of a town planning constraint from the colonial period which did not anticipate the rise of the African petty producer. For this reason petty commodity production initially grew out of the designated market places such as Burmah and Kariokor in Nairobi... The official scope for expansion was so small in the case of Nairobi that production spilled out along the river banks and on to any waste ground which might be temporarily available. Admittedly after Independence the fortunate few were able to buy over permanent workshops from the departing Indians in all the major towns, and continue, often on the basis of multiple occupancy, a similar line of production to that of the Indian fundis [technicians]. But this option was simply not available to the majority of Africans, who had to improvise premises where they could get a foothold. (1977:198)

In 1980s, the term Jua Kali which is a Swahili word for “hot sun,” was initially adopted for informal settlements and also for such informal activities as “car mechanics and metal works who were particularly noticeable for working under the hot sun because of the absence of premises” (King 1996:iii) in Kenya. Later, the term was used for all activities carried out of the formal or modern sector, in Kenya. It is worth noting that although the term “informal sector” was first used by Keith Hart in Ghana in 1971 in his paper “Informal Income opportunities and the structure of urban employment in Ghana,” to indicate the distinct characteristics of the unemployment crisis between the traditional and the modern sectors, it was in Kenya that this term was widely applied in 1971 and 1972 by the ILO Kenya Mission when this mission published its report Employment, Incomes and Inequalities: A Strategy for Increasing Productive Employment in Kenya (ILO 1972) (King 1996:7). The general impression of a Jua Kali business unit includes “retail stores selling... cigarettes, cloth and
general groceries . . . bicycle repairers and blacksmiths, hotels and bars, tailors and butchers, a barber, a photographer, a hides and skins dealer, a posho mill [corn mill], a furniture maker, a watch repairer . . . [or petrol pumps] (King 1996:6)." The general outlook of a Jua Kali business or production location can be conceptualized from some descriptions by King as:

One of the areas where . . . the entire shell of a used car . . . will be recycled into some household goods. Geographically, it may be taken to refer to the whole concentrated areas of Nairobi, for instance, where without demarcation of plot from plot, petty producers are packed tightly on the slopes of the Nairobi River, or cluster on open ground at Eistleigh, Kariobangi or Shauri Moyo. On the Gikomba site, along the Nairobi River, the debris from the reworked and gouged-out cars and lorries rises higher and higher, and threatens to overwhelm the diminishing open ground left to the petty mechanics, tinsmiths, and woodworkers . . . in the villages, again, petty artisan activity tend to be associated with a homestead or semi-permanent work area . . . The impression of . . . [Jua Kali] activity, particularly in the Nairobi concentrations, is one of exceedingly hard work for long hours under the sun or a makeshift shelter. (1977:44)

Lack of proper planning for the industrial sheds and also lack of supportive services from government or Nairobi City Council particularly for the removal of the debris from production activities makes the Jua Kali accumulate some harmful garbage. This can block access roads cutting off the residents there to be cut off for deliveries or rescues in case of fires. This makes working in the informal sector both hazardous and risky because when fires break out entrepreneurs lose their residences, stock in trade or even their lives.

As the spaces allocated by the authorities for informal activities become fully occupied, informal business spill over into any open space, with business potentials. A Street Vending Business is a venture where low income people earn a living by selling a wide range of goods and services on the streets. The street
vending business, known as “hawking” now undertaken by hawkers in the Central Business District of Nairobi are common sites during the peak periods in Nairobi. Women with babies on their backs and youths position themselves with some fast moving food items like tomatoes, potatoes, green corn, green peas or fruits like mangoes, bananas, oranges or plums or household items like electronics, perfumes or other women items that would be attractive to working people who do not have adequate time during the day to do enough shopping for these goods. The principal targets for the hawkers are working women who must go home with fresh food to feed their families.

We agree with Women in Informal Employment: Globalization and Organizing (WEIGO 2002:6) that street vendors make some contribution to urban life particularly in Nairobi. Street traders themselves generate work along a chain of supply and distribution. The hawkers generate money through the informal trade while they also offer products in convenient small quantities in the streets of Nairobi. This service becomes very convenient, in the evenings, when it is raining in Nairobi for on such evenings people from formal employment in offices and other working places would find it difficult to go to the markets and shops where the goods being displayed at convenient locations by the hawkers are normally sold. The major concern at these late times is how to catch the public transport back to their homes before the sun sets. As already stated, security is very poor in the slums where the majority of the low class workers in Nairobi live, therefore, people avoid moving at night.

However, in spite of all these benefits, the hawkers encounter great harassment from local authorities who constantly evict them from selling
locations, often confiscating their goods and sometimes even arresting and fining them, which increases their poverty. Running battles between hawkers and city police are very frequent in Nairobi. Sometimes hawkers are even killed. Then, their immediate families suffer as they lose their bread earners.

There are three reasons why street trading in Nairobi should be incorporated within the legally accepted economic development of the city. First, the economic contribution of these entrepreneurs should be recognized and supported as a strategy of reducing poverty in Nairobi. Second, it should be recognized that this is one of the training grounds for entrepreneurship for the informal sector and formal business in Nairobi. Mama Kimani whose story is presented in Chapter Five, is an example of a person who started from trading in the informal sector and rose to own business in the formal sector in Nairobi. In Chapter Four we presented a story of another person who through credit from MED has managed to rise from the informal sector to the formal sector, Claris Odhiambo who,

was a beggar in the streets for many years. She started her first steps out of the streets frying fish and chips to workers in Koma Rock who needed an inexpensive lunch. She was frying two or three fish and selling small pieces to her hungry customers. Her daily income was no more than what she could get as a beggar but now she was proud and had gained her dignity and self-confidence. Claris’ business grew step by step and she was able to get bigger and bigger loans. Today Claris has a wholesale business selling fish in Gikomba market to many shops, hotels and restaurants and to small vendors in town. Claris has inspired hundreds of desperate people to join Jamii Bora and get out of poverty. (Jamii Bora Trust 2004:4)

Third, we should recognize that old hawkers, children workers and pregnant women suffer seriously in these running battles, they lose their goods and sometimes they are seriously injured or even killed.
One way of solving this type of poverty arising from oppression, discrimination and marginalization of the poor is for the churches in Nairobi to work in solidarity with them to help them to form solidarity, self-help, groups to teach the poor about Christian discipleship and ways of reducing oppression and other forms of poverty in the slums where they work and live.

Foundations of Christian Discipling and Solidarity-Group Initiatives as Vehicles for Demonstrating Christianity in Nairobi

In this section we present ways in which churches in Nairobi can evangelize the poor.

Solidarity Group Initiatives

Churches in Nairobi can adopt small church groups founded on the African experiences of working together to solve some common problems.

Traditional Group Initiatives. Jomo Kenyatta affirms that voluntary, self-help, group initiatives were used in African cultures, for example among the Kikuyu in Kenya, to solve spiritual and secular communal problems (Kenyatta 1938). He explains:

House-building, cultivation, harvesting, digging trap-pits, putting up fences around cultivated fields, and building bridges... [were] usually done by... group[s]; hence the Gikuyu saying: "Kamuingi koyaga ndere (sic), which means collective activities make heavy tasks easier. In the old days sacrifices were offered and wars were waged by the tribe as a whole or by the clan. Marriage contracts and ceremonies are the affairs of families and not individuals. Sometime even cattle are bought by joint effort... There is no payment or expectation of payment. They are well feasted, of course. This is not regarded as payment, but hospitality... It is taken for granted that the neighbor whom you assist in difficulty or whose house you help to build will do the same for you when in similar need. (1938:117)

Thus, the traditional people in Africa reduced poverty through caring for one another and solving problems that were difficult for an individual family so
that, if they were left to face such problems on their own, they would remain poor. This virtue and strategy for development was taught to the African children so that they would be able to perpetuate the traditional religions and to alleviate poverty during their adult lives. The Kikuyu nurtured the traditional practices among their people as Kenyatta explains:

Children [learnt] this habit of communal work like others, not by verbal exhortations so much as by joining with older people in such social services. They see the household and friends building a house for somebody, when everybody brings poles for the uprights or grass for thatching. They go with their relatives to help in another man's garden, building his house or his cattle-pens or granary... All help given in this way is voluntary, and kinsfolk are proud to help one another. (1938:117)

The Africans were also taught to care for disabled and other vulnerable people in their community. Kenyatta explains that an old man who had no children of his own was helped by neighbor's children in almost everything (1938:117). We have incorporated these good traditional practices, the caring for one another and the traditional self-help initiatives, in our proposed discipling model.

In Chapter One we discussed how the African tradition of harambee should be incorporated into the discipling strategy proposed in this study. In addition to this traditional system, churches in Nairobi can also utilize other venues wherever the poor have gather to do business to make disciples.

Christian Group Initiatives. Our major interest in basic ecclesial communities is that they give us an insight of how to utilize the "spiritual potential in the people in poverty" (Barreiro 1982) necessary in the construction of our poor-based discipling strategy. Whereas we have no objection to individuals and organizations offering assistance when the poor in the slums of
Nairobi encounter such disasters as outbreaks of epidemics like cholera, fires, earthquakes, ethnic conflicts, and whereas we do not object to having clergy in churches in the slums, this overview is based on our contention that development undertaken by empowered poor people themselves is more sustainable and that making disciples undertaken by laity will lead to a faster church growth in the slums in Nairobi. Alvaro Barreiro explains the meaning of the "Basic Ecclesial Communities" as he describes the operation of these groups in Brazil. He also shows the environment under which such Christian discipling initiatives could thrive. He explains that:

They are ecclesial communities [because] they live in the spirit of the church, they call themselves "basic," reminding us of the beginning of evangelization of the Apostles. . . .
When the good news is preached to the poor, in a pure, free and fearless manner, it kindles in them the fire of hope, transforming their lives. . . .
By insertion into the concrete reality of their lives, the gospel is prompting those communities to create new forms of life and, in joint endeavor, to invent new types of open, committed, and fraternal communities. . . .
As hearers of the gospel which is proclaimed to them and privileged beneficiaries of evangelization, they will soon become proclaimers of the gospel themselves. . . . In them and through them "the poor are hearing the good news. (1982:vii)

Our aim in this study is to transform the people in the slums of Nairobi by giving them hope and also to make them disciples who should also participate in witnessing for Christ. Will such communities work in Nairobi? One reason for thinking they will is that the situation of the masses in Brazil in the 1970s when the CEBs were initiated resembled the fate of the poor in the slums of Nairobi today. Barreiro explains the position of the poor in Brazil as follows:

Everything is lacking: employment, housing, food, health and schools. "The majority of the people[led] lives of doing without," oppressed and afflicted by vicious circle of poverty . . . "The poor majority have no fixed work . . . Many adults are sick, and cannot buy medicine. . . . Most people
here . . . reside in flimsy dwellings, in mud huts. There is almost no sanitation in those dwellings, they have no cesspools. All children have swollen bellies, and are vomiting with dysentery, which is endless. The school facilities are very unstable. . . .

The state of neglect, deprivation, and extreme poverty . . .
The Christians who make up these . . . communities are "deprived" of all resources: cultural, social, and political." Their misery . . . is deep -seated [but] the farmers were still living without worrying about their survival . . .

The CEBs located on the outskirts of the cities are also poor, and at times very poor . . .

"The people's occupations [which are also similar to those of the people in the slums of Nairobi] are as follows: small merchants, minor public, state and municipal employees, members of the military, teachers, drivers, nursing aids, domestics, seamstresses, laundresses, laborers (service personnel, bricklayers, electricians, plumbers, watchmen, and mechanics) doing odd jobs and underemployed. The number of unemployed and beggars is large." (1982:9,13)

The Basic Ecclesial Communities (Comunidades Ecclesias de Base-CEB) in Brazil have transformed the poor in several ways (Barreiro 1982): First, by evangelizing them and liberating them from sin. We consider that this insight is critical to our study which aims at spiritual transformation as part of the liberating the people in Nairobi because we agree that "the liberation of the poor, the hungry, the afflicted, and all those who are suffering, will be possible only to the extent that first, that is, liberation from sin and selfishness in the hearts of human beings, takes place whether explicitly or anonymously" (Barreiro 1982:27).

Second, the establishment of CEBs has given the church a vehicle through which local churches can establish solidarity with the poor and also obtain some presence in their local communities. Third, the poor are also liberated through a process of education, through conscientization that has resulted to human advancement (Barreiro 1982:30). Barreiro shows that:
Group studies based on the gospel, courses for adults, meeting of mothers and young people concerning specific problems, community health work, and personal contacts . . . prompt people to gather, discuss their problems, unite, find solutions, and direct them towards their total liberation. (1982:31).

W. E. Hewitt has described the activities undertaken in the CEBs in Brazil (Hewitt 1991). The poor in the CEBs perform several activities. First, traditionally CEBs perform religious activities such as Bible study, baptisms and baptismal preparation classes (1991:46). The poor in the groups participate actively in the religious activities to such great extent that we can say that they evangelize other poor people. The catholic mass offered in these groups is “less formal and tends to be led by lay ministers and nuns as opposed to priests. Many times, as well, they are conducted using liturgical pamphlets prepared by the local church or specific religious congregations (1991:43). Second, some perform community actions like charity, establishment of food cooperatives, crime watches or joint-labor initiatives, all these actions being directed towards improving their neighborhoods (1991:47). They also perform innovative activities for improving the skills and income of the members in the groups. Such actions include development of craft skills such as knitting, crochet and carpentry. These people can use these skills to earn money for their families (1991:43). Third, some are politically active groups that, in addition to religious activities, also participate in a fairly extensive range of political functions including consciousness raising. Such groups use their newly gained empowerment to secure basic services where they live, to fight for infrastructural improvements, or to obtain legal land titles for the residential plots where they
live (1991:43). The people in the informal settlements in Nairobi can undertake and benefit spiritually and materially from such activities as these.

**Christian Discipling as Strategy for Evangelization**

The material in this section will enable us to evaluate the nature of evangelism undertaken by mainline churches in Nairobi.

Discipling is “the process of finding and winning the lost, folding them into a local church, and building them up in faith. This process comes directly from Christ’s command to (make disciples)” (McIntosh 2003:68). This concept is derived from the Gospel of Matthew where Jesus Christ commands His disciples as:

> All authority in heaven and on earth has been given to me. Therefore go and make disciples of all nations, baptizing them in the name of the Father and of the Son and of the Holy Spirit, and teaching them to obey everything I have commanded you. (Matthew 28:18-20, NIV)

The church must also agree to be sent for this mission and consequently this sent church must actually go to some people group who God has identified. The church is going because “their leaders are convinced that they are “called” and “sent” to reach an undiscipled population [or they might have been] “sent out” by God to reach one or more distinct populations” (Hunter 1996:151). Thus, God wants us to reach the poor in the slums of Nairobi. Discipling or “making Christians necessarily involves a process, which takes place in stages, over time” (Hunter 1996:154). George G. Hunter explains why churches should not expect quick and short programs to work in the process of making disciples since:
Helping someone become a follower of Christ involves more prolonged process-weeks, months, or years . . . any one-shot “hypodermic” approach to evangelization is unrealistic, and likely counterproductive. John Wesley understood a process approach to evangelism with great clarity. His model of the “Order of Salvation” involved four stages:

1. Lost people were first awakened to their lost state, their sins, and their need for God, to desire to experience the grace of God.
2. Awakened people were enrolled in a Methodist class and, if persistent in their quest, in a Methodist society.
3. In time, awakened Methodists were justified, that is, they experienced God’s acceptance.
4. In time justified Methodists were Sanctified, that is, they experienced the completion, in this life, of the gracious work God began in their justification, and were now freed and empowered to live by God’s will and by love for their neighbors. (1996:154)

At its root, the word disciple means “learner” and learning is to be a continuous process of learning and doing what Jesus taught (McIntosh 2003:72). But these learners must mature in faith so that they can effectively participate in making disciples through evangelizing their social contacts such as friends, neighbors, colleagues and relatives (Hunter 1996:157). Our model in mission is Jesus Christ. “In the discharge of this mission, He ministered among us as a servant, caring for the sick, healing the brokenhearted, and preaching the Gospel to the multitudes . . . He concentrated in making disciples . . . who would learn of Him and follow His steps” (Philips 1981:7).

Both verbal and nonverbal communication is required for the Word of God to have meaning in the world today through the mission of the church (Luzbetak 2002:385). According to L. J. Luzbetak, while the church should use verbal communication in the teaching and prophesying, “a kerygmatic image of the Church may make Christians so absorbed in the word that they may neglect other dimensions of the church, including the institutional, the sacramental, and the social” (2002:385).
We have special interest in the nonverbal communication of the gospel because it not only appears to have been neglected by churches in Nairobi but also because it helps the church to attract non-believers to accept the Christian faith (Stark 1997). Today, we need a mechanism that can make Christianity relevant and attractive to the poor in the slums of Nairobi. Rodney Stark shows that the non-verbal communication by the Christians in the early church, particularly their work of charity “done to all . . ., not merely to the house of faith” made Christianity to grow. “Christianity revitalized life . . . by providing new norms and new kinds of social relationships able to cope with many urgent urban problems. To cities filled with the homeless and impoverished, Christianity offered charity as well as hope” (1997:87,161). An effective discipling model “places the ministry in the hands of the laypeople . . . [this way] the entire body of the church is to be involved in the ministry of the church [since] all believers in the body of Christ have spiritual gifts and are necessary to the life and vitality of the church” (Malphurs 2004:229). If all the members of the church are to be involved in discipling we must, therefore, train the poor in Nairobi to build their church (Paoli 1987:168). To enable the laity to participate in discipling, the clergy in the churches must change their strategies of operations in the churches from “management to co-management, from deciding for others to sharing” (Paoli 1987:171).

The pastoral letter issued by the Catholic Bishops of Kenya, in April 2004, outlining the new approach to evangelization to all the people in Kenya states that “Small Christian Community . . . is an irreplaceable means of New Evangelization” (2004:11). Use of small groups for discipling is critical to our
research because this strategy provides an effective means of accountability in local congregations. This is true historically, especially in Wesley’s ministry and even today, small groups are effective means of incorporating, teaching and practicing accountability in churches. In our model for mission, for mainline churches in Nairobi, we are recommending adopting the small group set-up available in the solidarity groups in MED for making disciples particularly teaching, and practicing Christian life that focuses on love of God and love of the neighbors. In our research, we encountered people currently involved in the Catholic small Christian Community and their performance is highlighted in this dissertation. In Chapter Four, we have incorporated a discussion of how insights from Bauta D. Motty (2005) and Nebert A. Mtange (2006) can be applied by mainline churches in Nairobi for disciple-making. Our interest in this overview of small groups as a strategy for making disciples is based on recognition that:

Small groups at this stage share unique relational depth-emotionally, interpersonally, and spiritually. These groups love one another deeply, carry one another’s burdens, and admonish one another. They affirm what they appreciate about one another, expressing affection toward one another, and are honest in confronting issues (good and bad) in the group. (Stark 2004:117)

It is because of the love, trust and solidarity in small groups that we have identified them as vehicles, ready to be used by churches in Nairobi, for implementing Gods desire that all people be saved and come to the knowledge of the truth (1 Timothy 2:3-4). In addition, it is in these small groups that Christians will hold each other accountable for their actions as well as caring for

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18 Motty D. Bauta discusses how small groups are used by churches in Nigeria while Nebert A. Mtange discusses how this strategy is used by churches in Kenya for making disciples. Their ideas can be applied in our context.
and ministering to one another. But one of the nonverbal strategies for discipling that would make Christianity relevant to the poor, in Nairobi, is evangelizing through microeconomic development which is an aspect of business as mission.

**Empowering the Poor in Nairobi through Microeconomic Development**

"Evangelism and discipleship can be integrated into natural workday situation . . . where prayer, Bible study and worship can take place" (Rundle 2003:16). In addition to this, Steve Rundle and Tom Steffen show that secular business enterprises can be developed to adopt a second bottom line (the first bottom line being the economic one, the profitability) "to glorify God by promoting the growth of the local churches in the least evangelized, least developed areas of the world" (2003:42).

The overview of microeconomic development (MED) in this section is to give us an understanding of how business in the nature of the MED can be used by the poor in Nairobi to achieve these twin bottom lines, the generation of income and Christian discipleship. Another objective is for us to understand how the concept of Kingdom business and business as mission can be integrated in our model for holistic mission for churches in Nairobi.

Kingdom Business is business pursued with a goal of achieving spiritual, economic and social transformation in individuals and communities (Eldred 2005:12). Our interest in this strategy of doing business is for us to harness its ability to connect the secular and spiritual aspects of development to address the poverty in Nairobi. It is also based on our recognition that "God can and does use business skills and experience on the mission field" (Tunehag 2004:9). We see
If we want to preach the gospel in a way that is Good News to the world, we must be seen as meeting real needs and influencing the whole of society. Therefore, we will increasingly need to emphasize business and economic development intentionally with a Kingdom point of view. . . . Business as mission is more than just business development. . . . It flows out of our love for God and mankind (sic), driven by His calling to disciple peoples and nations, working with others (vertically linked) in a holistic ministry, to see societies transformed by the power of the gospel in the market place, harnessing its power for God's Kingdom.

"The emphasis is on mission as transforming community through business with the intentionality that Jesus is made known, encountered or followed. In other words the daily work of doing and being in business is one of engaging with society, bringing the kind of transformation which builds up the common good from the perspective of faith. (2001:3)

We want be able to examine ways in which the church in Nairobi can use business to transform the society in the slums by empowering the poor there.

Empowerment of people can be seen as “enabling them to help themselves [in] removing social, economic, cultural and psychological barriers, which would transform them from being passive recipients of . . . programmes to being active participants and managers of their own affairs” (Burra 2005:45). One of the ways of empowering the poor in a community is by removing inequalities that hinder the poor from full participation in education, health services, housing, livelihoods or other public services such as credit and employment (2005:47). A major way of removing these barriers is formation of Self Help Groups such as microeconomic development “since it is believed that micro credit will result in a set of mutually reinforcing ‘virtuous spirals’ of increasing economic empowerment, improved wellbeing and social/political/legal empowerment” (Burra 2005:46). Although empowerment cannot be given to an oppressed group
such as the poor in Nairobi, by someone else, the process “can be facilitated by others through, *inter alia*, education, capacity building, political mobilization, changes of property rights, and the social and legal institutions that marginalize [the poor]” (United Nations 2001:26). We identify that the church can play the role of facilitating the empowerment of those living in the slums of Nairobi because of the church’s involvement and commitment in the welfare of the society. We propose that the church in Nairobi should work with the poor helping them to establish and to run microeconomic development. We expect the poor to be empowered by the individual and group activities to be undertaken through and by these communities comprising of and controlled by the poor.

**Microeconomic Development**

Microeconomic development as a tool of poverty alleviation and empowerment, has gained credence in development dialogue the world over (Burra 2005:31). The appropriateness of microeconomic development (MED) programmes for the poor in Nairobi can be deduced from the words of the Secretary General of the United Nations Kofi Annan as he introduced the “Concept Paper” for “The International Year of Microcredit 2005” by stating:

> Sustainable access to microfinance helps alleviate poverty by generating income, creating jobs, allowing children to go to school, enabling families to obtain health care and empowering people to make the choices that best serve their needs. The great challenge before us is to address the constraints that exclude people from full participation in the financial sector. Together we can and must build inclusive financial sectors that help people improve their lives. (UNCDF 2003:1)

MEDs are the inclusive financial institutions that can serve the financial needs of both poor men and women in Kenya. But for this to happen there has to be a reform in the financial sector in Kenya because as it is today, this sector is
not inclusive. An inclusive financial sector does not exclude poor and low-income people from accessing credit, insurance, remittances and saving products (UNCDF 2003:21). In Kenya, these services are not accessible to the low income people whose financial needs are taken care of by microfinances and informal institutions. There is, therefore, an urgent need to implement reforms in the financial sector to make it inclusive.

Our commitment to the idea of church involvement in MED is based on four convictions. First, no part of a community’s institutional life should be left to the devil. This is the basis of engaging socio-political-economic systems for the kingdom now being advocated by development practitioners (see Myers 1999; Eldred 2005; and also Befus 2001). Second, MED has proved itself as an effective method of assisting people to escape the lowest levels of income (Bussau 2000:68). Third, Christian MED is an effective strategy for creating social capital necessary for alleviating poverty, of evangelizing the poor, of expanding the local church by making the gospel relevant to them and of constructing local theology by the poor. Fourth, it is an effective way of applying and benefiting from the wisdom in John Wesley’s economic rallying cry, as he states:

The highest concern [for] all who fear God [is] how to employ this valuable talent; [Wesley, therefore, teaches Christians that we should] gain all we can without hurting our mind any more than our body. . . without hurting our neighbor, . . . Save all you can, [then] ‘render unto God the things that are God’s’, not only by what you give to the poor, but . . . Give all you can, . . . (Outler 1991:350-356)

We shall apply this concept by asking churches in Nairobi to teach the poor how to

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• Work together in legitimate productive work that gives them remunerative incomes,

• Save money as contingency for the shocks in their lives,

• Participate in church’s mission of making disciples in Nairobi,

• Utilize credit from microeconomic development institutions, by forming solidarity groups to guarantee each other for credit.

Microeconomic development can be defined as

small financial institutions (MFIs) that extend loans, savings and credit to the poor to enable them to start up and operate productive activities, particularly at the bottom 50% of those below a nation’s poverty line, with a particular focus on those who are marginalized. (McWilliams 2003:2).20

To most people, [microcredit] therefore, means providing very poor families with very small loans . . . to help them engage in productive activities or grow their tiny business. Over time microfinance has come to include a broader range of services, also sometimes called product mainly credit, savings and insurance.21 (McWilliams 2003:13)

These poor families require a variety of financial products as they lack access to traditional financial institutions.

The concept of microcredit came to prominence in 1980s after the successful implementation of the concept of operating a “bank for the poor” by Muhammad Yunus who in 1974 realized that “A poor person must work hard to stay alive in a country that provides no safety net” (Two 1998:1). Yunus’ methods of reaching the poor with financial services have been replicated in many developing countries in Asia, Latin America and in countries like Kenya in

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20 MFIs are taken to perform the same basic function of granting credit to the poor just as MED. Generally, MED offer additional services such as training in addition to the traditional package of savings, loans, and insurances generally offered by most microfinance institutions.

21 In this dissertation we use the term “microcredit” or “microfinance” to refer to a “small loan.”
Africa. The success of microcredit in empowering the poor is expressed in the words of a borrower from a microcredit (FONDECAP), Peru as:

I don’t know how to read or write, but I have a head with which to think. Before the credit, I was just in my house, taking care of my children and animals. I did not know anything about business and only looked at my husband’s face. My children did not go to school because there was not enough money. Now that I have started to take credit with FONDECAP, I have learned how to run my own business. My husband respects me and now I talk with him. I count on my money to take my children to school. (Awimbo 1999:5)

There are many success stories, in Nairobi, of people who have benefited from microcredit. But there are stories of many more people who have not yet been reached by this new technology. This may be because there are not adequate MED facilities in their slums or because they have either excluded themselves, or they have been excluded by others from this technology.

In Figure 4, Stuart Rutherford has summarized the informal microcredit units that have been the chief source of credit for the vulnerable households who do not have collateral to pledge to formal financial institutions. But this is only one type of MFIs (Micro Financial Institutions) in operation in a country like Kenya. MFIs can be categorized into informal, semi-formal and formal (Rutherford 1999b:6). The formal credit institutions are those that are subject to banking laws of the country of operation, provide conventional retail facilities to customers and engage in diversified financial intermediation, for example the legally-recognized banks that are relatively large and are based on collateral and explicit contract.
Major Types of Informal Finance

Savings and credit services extended by individuals or groups to others

Savings, credit and insurance services within membership organisations eg. RoSCAs, ASCrAs and burial funds

Deposit collectors

Non-profit lenders eg. Kith, Kin and neighbours

Intermittent for-profit lenders eg. traders

Regular for-profit lenders eg. traders, moneylenders and pawnbrokers

Tied Credit

Untied Credit

Tied Credit

Untied Credit

Figure 4. Financial Services Available to the Poor.²²

The Informal sources of credit include moneylenders, traders, savings clubs, rotating savings and credit associations (RoSCAs), the savings and credit associations (ASCrAs), deposit takers and non-bank pawn brokers. The presence of informal institutions reveals the real need for money by the poor that is not catered for by banks and the state. The semi-formal providers are the MFIs that are mostly registered NGOs (Non-Governmental Organizations) or banks with special charter which legalizes them to take deposits from their customers and also to grant loans not backed by property collateral (as required under the

²² Source: Rutherford, S., David Hulme, and I. Martin (1999:8).
banking acts). The Grameen Bank of Bangladesh is a prime example (Rutherford 1999b:6). All these categories of MFIs are found in Nairobi.

The people living in poverty in the slums of Nairobi need access to a diverse range of financial services, including loans, savings and insurance. Our research in Nairobi demonstrated that the poor are systematically excluded from the services currently being offered by banks and other formal financial institutions. This is where the church can help. Access to financial services enables the poor to increase their income and to smooth consumption flow, and thus expand their asset base and reduce their vulnerability to the external shocks that are a part of their daily existence (Wikimedia 2006:1). The poor who are not members of any MED get access to the lump sums of money they require to meet these external shocks either from gifts and charity from community (which develops a sense of dependency if done over along period), from selling their assets (which increases their poverty and moves them further down below the poverty line), from mortgaging their property, or pawning (which interferes with their control and even with the utilization of what they own) or from depleting their past accumulated savings, which makes them even poorer (Rutherford 1999b:4). Denied access to financial services in the formal financial sector, the poor in Nairobi can only turn to the informal credit market for their savings and credit needs.

There are four major assumptions behind the introduction of Microfinancial services in poor communities in developing countries. First, the assumption that "small loans to poor microentrepreneurs puts them on a conveyer belt that takes them over the poverty line . . . high quality microfinancial
services can help the poor to help themselves to overcome their problems and to seize the opportunities that they identify" (Rutherford 1999a:ii). Second, there is the assumption that the poor can save in small amounts, the lump sums of money they need to meet occasional external shocks that face them. The job of the financial services to the poor, then is to provide them with mechanisms to turn their little savings into lump sums for a wide variety of uses (Rutherford 1999a:v). Third, there is the assumption that the poor have skills which remain unutilized or underutilized and that unleashing this energy and creativity within these people is the answer to poverty (Yunus 2003:3). Fourth, there is the assumption that the poor are creditworthy and bankable, therefore, the microfinances offering the poor micro financial services (MFIs) can operate profitable and sustainable business as they can cover their costs if they are well managed (Verhagen 2000:6).

It should be noted that the efforts of the poor to accumulate the lump sum of the money they require to meet their needs is frustrated by the fact that, currently, most of the MED operating for the poor are credit-led while among the poor the demand for savings accounts is much greater (Verhagen 2000:11).

In spite of all these benefits from MED, some pitfalls relating to the operations and philosophy of microfinance have been noted. Such pitfalls include the following: First, it has been argued that serving the poor is relatively costly so that if the poorest are to be included, financial sustainability of the MED will be difficult to achieve without “cross-subsidisation” from the income from the transactions of not-so-poor or lower-middle class clients (Verhagen 2000:19). This observation, particularly the need for symbiotic relationship between the
people of unequal abilities and capabilities, is one of the pillars of the group approach or the solidarity strategy in MED because people benefit from helping each other and also from social relationship (the social capital) built up in these group activities. The benefits of group activity is emphasized in the Bible as, “Two are better than one, because they have a good reward for their toil. For if they fall, one will lift up the others; but woe to one who is alone and falls and does not have another to help” (Ecclesiastes 4:9-10; NRSV).

Second, it is also argued that MED ignore and marginalize the most vulnerable people in the society, the women particularly the single parents and women-headed households. But it has also been noted that many microcredit agencies have opted for exclusive or almost exclusive focus on women as antidote against such discrimination and oppression (Verhagen 2000:19).

Third, another pitfall in MED is the lack of subsidiarity whereby, particularly in the cooperative movements in Kenya, the higher level defines unilaterally the rules and regulations, which the lower level has to respect and apply. But it has also been noted that the higher level supports the lower level and the higher level cannot operate without the lower level, what we see is the relationships of dependence between these two groups in leadership.

Fourth, It has also been noted that in the group credit systems, the obligatory group savings serve primarily the purpose to guarantee loan repayment, but groups are not encouraged to create their own source of lending capital, or form the pool of savings, reserves and or/shares which would make borrowing from the MFI superfluous (Verhagen 2000:21). This is a major problem which has to be addressed to keep the poor participating in the MED
when their income base improves instead of breaking away from the solidarity groups and running away to commercial banks which offer deposit facilities, thus weakening the MED.

Fifth, some observers are critical of the group approach in MED, which is forced by MED to ensure repayment by peer pressure. It is also argued that the very poor do not need credit but food, medicines, employment, housing and skills training. Thus, the very poor, destitute, street children, the elderly or the physically disabled are excluded from the solidarity groups (Verhagen 2000:27). But MED enable the poor to afford the things they need for their households. In addition to this, the group solidarity acts as substitute for collaterals which the poor people do not have. However, provision should be made for MED to provide skill training for the people without experience for running business.

**Empowering Women in Nairobi**

Microcredit is a strategy that empowers the poor and through which a critical mass is formed that can be harnessed to pull households out of poverty (Burra 2005:45). Poor women in Nairobi, particularly the single parents and the women-headed households form a category of the poor who are currently marginalized and who, therefore, need to be empowered because of the following reasons. First, there is still lack of equality and equal partnership of women and men in development which places restrictions on women’s choices, opportunities and participation in development, thus lowering women’s socio-economic status, that of their households and the nation at large (Republic of Kenya 2002a:ix). Kenya is a country with more women than men. According to the Kenya 1999 population census over 50% of the total population was made up of women.
Females in Kenya tended to be disadvantaged in socio-economic aspects that affected their individual development as follows: they appear to get married earlier than males (the mean age at marriage being 22 years for females compared to 26 for men); 62% of all the Kenyans who never attended school were women; there were fewer women than men who were economically active, females constitute about 48% of the economically active population in Kenya; Fewer women than men were engaged in wage employment, 57% of the unemployed persons were females (Republic of Kenya 2002a:ix-x).

The position of women in Nairobi is no better than in the rest of the country. In Nairobi, “female entrepreneurs are more clustered within subsistence self-employment, working more frequently from home, using less skilled labor, relying on informal rather than formal credit” (King 1996:41). Furthermore women in Nairobi are unable to access credit from commercial banks because: women are very often unable to meet loan conditions due to the cultural barriers that restrict women from owning fixed assets such as land and buildings, of the cultural aspects of male mentality that makes leaders of financial institutions (who are mostly men) to lack confidence in projects owned by women, women are perceived to be credit risk by banks, even when a project is "bankable," women often lack business skill because of having low education and lack of technical skills, since women lack full-time employment their savings are low (Stevenson 2005:31). Therefore, “Women [who] form 49% of urban dwellers (Republic of Kenya 2002b:21) should be empowered so as to improve their welfare.
As a result of this situation that women face, microfinance programmes are currently being promoted as a key strategy for simultaneously addressing both poverty alleviation and women's empowerment. Linda Mayoux shows four ways in which women's participation in micro-enterprise development empowers women (Mayoux 1997). These four ways are:

- First, microcredit increases women's income levels and control over income leading to greater levels of economic independence,
- Second, credit gives women access to networks and business giving them wider experience of the world outside the home, and giving women access to information and possibilities for development of other social and political roles,
- Third, by enabling women to participate in the business world, credit enhances perceptions of women's contributions to household income, increasing women's participation in household decisions about expenditure and other issues,
- Fourth, by enabling women to be involved in community life credit helps women to achieve general improvements in attitudes and enlightens them in women's roles in the household and community (1997:1).

In Nairobi, there are three microfinance organizations that specifically focus on women entrepreneurs. The first is The Kenya Women Finance Trust (KWFT) - one of the largest micro finance in Kenya that has attracted funding from local commercial banks and from such donors as Ford Foundation and USAID. The second is Women Economic Empowerment Consort (WEEC) an NGO targeting grassroots women and collaborates with banks, government
departments, research institutions and communities to mobilize groups of women in micro-enterprises providing them with financial services, promotes their entrepreneurship and management skills and builds capacity of women’s groups to effectively manage revolving funds. The third is The Women’s Economic Development Corporation (WEDCO) which operated as an NGO of the Care International but in 2005 became an MFI funded by Opportunity International of Chicago, USA. WEDCO targets low-income women’s groups offering them group and individual loans for working capital and personal consumer loans.

But in spite of the presence of these three institutions, it has been noted that the financial needs of all the women in the city of Nairobi are not adequately met. First, we should note that three financial institutions are not adequate to meet the financial requirements of all the women in Nairobi. Second, it has also been noted that many women are unable to benefit from the current MED systems in Nairobi. This happens where the MED are not situated near the women’s residences. Again, poor women fail to obtain loans if the minimum size of loan is beyond the women’s repayment capability. Third, women may fail to acquire loans from MED when the loan offered do not meet women’s specific needs (such as school fees, medical, housing, etc.). Fourth, women may fail to be granted credit if they are unable to attend the compulsory weekly meetings and loan repayments imposed by MED (Mugwanga 1999b:30). Figure 5 provides some guide to the modifications that are necessary to make microcredit institutions operating in Nairobi vehicles for empowering women.
Figure 5. Financial Requirements for the Poor Women.23

Christian Microcredit Development For Nairobi

The ultimate concern of CMED is to open the community to experience the kingdom of God. This is done by incorporating Christian workers as loan officers and also as trainers in the CMED. Christian development workers share the gospel with the poor. Through the microcredit they help the poor to escape poverty. CMED is spiritually focused, with strong leadership and is sensitive to sound financial management. CMED has two objectives: the spiritual transformation and microfinance growth (Mask 2000).

The particular impact of CMED is on a person’s economic life, but also affects the borrower’s family, social life and religious life. CMED enables people to address their economic poverty. They are made to see themselves not as

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victims or oppressed but as people made in God’s image and, therefore, responsible for their lives and their community (Mask 2000). African church leaders are now realizing this opportunity for spreading the gospel to the unreached people in the African slums and have started to develop the logistics for the implementation of this concept starting by holding regional meetings to evaluate this new technology.

In February, 2003, the African Christian Microenterprise Development group (ACMED) held the first conference, in Nairobi, which was attended by 114 delegates from 50 different organizations based inside and outside Africa. These participants drawn from Christian microenterprise development institutions, Christian development organizations, mission organizations and churches involved or planning to initiate CMED, met to define “how they could effectively contribute towards wealth creation, poverty reduction and kingdom building” (Getu 2003b:130). Agreeing that that MED can contribute to sustainable transformational development in the extension of God’s kingdom; they encouraged their churches to use the ACMED network as a vehicle for promoting enterprise development in their respective areas in Africa (Getu 2003:132). The deliberations at this forum have offered us important insights for helping churches in Nairobi to engage, through CMED, in Holistic mission in solidarity with the poor.

The decision to adopt use of CMED for discipling and alleviation of poverty in Africa was based on the following philosophies: First, they presented the concept of transformational business as a model for discipling the poor. Transformational business was defined at this forum as “an economic activity...
conducted by creative and industrious men and women under the ordinances of God following biblical imperatives and values in pursuit of the creation mandates (family and work) the great commission (making disciples and teaching) with the ultimate goal of serving God and extending his [sic] kingdom (Getu 2003a:154).

Second, they advocated the approach of “servant leadership as an essential part of . . . [CMED] business” (2003a:148). This model is biblical (see Matthew 20:28) and would lead Christians to emulate Christ in serving God through serving and empowering the people including the poor (Getu 200a:148). The servant leadership is characterized by listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to growth of people and building community (2003a:148).

Makonen Getu shows that the poor will be discipled, by the leaders of the CMED, when:

they are consulted and involved in decision-making and planning processes, and when their potential is unleashed through appropriate skills training, when their socio-economic needs, including family issues, are attended to, their creativity, productivity and commitment is enhanced resulting in increased business performance and wealth generation . . . not for the sake of popularity and profitability alone but also for the glory of God. (Getu 2003a:148)

The ACMED’s forum links discipling the poor with the concept of the church of the poor constructing development “theology from below” which we are incorporating in our CMED model, proposed in this dissertation.

Theology From Below for the Poor in Nairobi

Today, theology in the Third World Countries, like Kenya, are being grounded “in local popular” values and are continuously rejecting “as irrelevant [any] academic type of theology that is divorced from action” as the poor nations
of the world continue their struggle against poverty and oppression and as these poor nations seek to formulate a theology that reflects their history and current situations (Frostin 1984:132-133).

This new approach to theology is now being presented in a world previously dominated by theology from the West. Consequently, as Per Frostin affirms, we are now experiencing two major approaches to Christian theology, in the world, both being "expressions [evolving] from the differences between two distinctive perspectives: that of the rich "from above" and that of the poor "from below. The new epistemological approach signifies that the choice falls on the latter vantage point, the perspective of the poor from the underside of history (Frostin 1984:134)." The major focus of the new approach to theology is to ensure that the church incorporates contextual theology, both the theory and the praxis, solidarity with the poor, so that when Christian universal claims are first "stamped in their contexts" the gospel can be able to transform individuals and communities in the Third World Countries (Frostin 1984:135). The theology of the poor through use of CMED, proposed in this dissertation, will be in the context of theology from below.

Since CMED is "people-centered [based on the objective] that poorer people may benefit" (153) it can be used as the basis for a "theology from below." As theology based on people's context, CMED as a strategy for community development would focus on personal and institutional capacity, justice, sustainability and inclusiveness, what the people themselves define as positive changes in the quality of their lives and on responsible stewardship of the environment (Mwangi 2003:154). The implementation of this approach in our
model is a new approach to development, an approach designed to benefit the poor more than in the “growth-centered” development models currently being applied in Nairobi by the government, NGOs and church organizations. This will also be a contribution to the knowledge of development. In addition, the forum showed that CMED institutions contribute to the growth of the local church through increased giving (tithes and offering) by clients, of the of the management team and also of the staff (Getu and Mensah (2003c:179).

Summary

The Church must be incarnational in the slums of Nairobi, work in solidarity with the poor, and create disciples there by establishment of holistic ministries among the poor. The church must make the gospel relevant to them while helping the poor to reduce their poverty which has been increasing since Kenya attained political independence from the British Government in 1963.

Women and youth and victims of AIDs/HIV now the majority of the poor in Nairobi must be put in the limelight of development since development programs in the past have marginalized them.

Empowering the poor to participate in their liberation from poverty and oppression is the key for evangelizing them as an unreached group in Nairobi and also for uplifting the poor from poverty.

Various efforts to evaluate the incidence, the depth and variation of poverty in Kenya have established both qualitatively and quantitatively that the majority of the people in Nairobi are poor and that the incidence of poverty in
more prevalent among the female-headed households, the uneducated people and the unemployed people.

One of the pragmatic approaches to the improvement of the circumstances of the poor in Nairobi is to adopt strategies that have proved successful in similar contexts. These include use of solidarity groups, microeconomic development, and empowerment of the poor including empowerment of women and youth as special neglected groups.

In Nairobi, the development of the informal sector identified, by the ILO in 1972, as having great capacity to create new jobs, now required by the poor in Nairobi, is critical in reducing poverty in Nairobi. But the church, working in solidarity with the poor, must consider the multidimensional nature of poverty in Nairobi and help the poor to solve all the material and spiritual hungers that are now oppressing and dehumanizing them.

The first step in empowering the poor to be transformed as individuals and in their communities is carrying out an overview of their institutions, the churches, the MED and the micro businesses that help the poor in Nairobi to cope with the socio-economic and political challenges in their lives.
Chapter 3

The Poor, the Mainline Churches, and the MED Institutions in Nairobi

Anthropologists have taken another approach to the study of the city. They use ethnographic methods . . . to examine the city from the street level. They live with the people and hear their stories. They participate in neighborhood activities and observe life in its everyday flow. This approach helps us to understand everyday life . . . [particularly] systems that structure the lives of ordinary people [the poor] . . . We need to use both micro and macro approaches . . . [including] street-level interviews – to help us understand this great, complex, and confusing thing we call a city. (Hiebert 1995:261)

I traveled to Nairobi in May 2006 and spent about five months examining the city and carrying out interviews on the street level. Our aim was to understand the life experienced by the poor and how this category of Kenyans is assisted in their struggle for survival by the mainline churches and the microeconomic development (MED) operating there.

Our research problem is to identify and to recommend a model of Microeconomic Development that churches in Nairobi can adopt so that they can participate in integrated ministry with the poor in the informal sector of Nairobi in ways that churches can help the poor to address physical and spiritual needs. Before constructing our model, it is critical to examine how the poor make their living in the informal sector, the only sector in Nairobi today where a micro entrepreneur can establish a small business or a small production unit. We need also to examine the spiritual status of the poor particularly by looking at data that would show us any links between the poor and the mainline churches in Nairobi. We shall also present data about the availability of capital for development to the people in the informal sector today. By asking questions about the financial
needs of the poor and by looking at the data that show how these needs are currently being met we shall be able to discuss how the poor could be helped with their financial needs. But before discussing the data in this research, we need to explain how the data were collected, recorded and coded.

At this point of the dissertation, we shall not evaluate the data. Our general critique, extended evaluation and discussion of the data presented in this chapter are carried out later in Chapter Four.

**How the Data was Collected, Recorded and Coded**

We carried out 100 interviews, as planned, using pre-determined interview schedules presented as appendixes A to C. In Chapter One we explained how this sample was selected and that it constituted of 60 church leaders, 10 Hawker or street traders, 20 traders operating businesses in Kiosks and stalls, and 10 MED officials.

**Interviews for Church Leaders in Nairobi.**

The ten questions in the interview schedule in Appendix A were used to guide the researcher when conducting face-to-face interviews with the sampled 60 church leaders. We had identified six Christian denominations that have congregations in or near the major slum settlements in Nairobi. These churches are the Roman Catholic Church, the Methodist Church of Kenya, the Presbyterian Church of East Africa (PCEA), the Anglican Church of Kenya (ACK), the African Inland Church (AIC) and the Baptist Church. In each of the congregations sampled, we interviewed the clergy and a lay church leader for a total of 60
interviews (5x6x2; 5 divisions; 6 congregations in each division; two interviewees in each congregation).

We made field notes, writing down as clearly as possible the answers to each of the ten questions directed to each interviewee. There were about 110 pages of field notes from the answers for this section of the research. To help us manage this data, we had prepared a coding sheet for capturing this data, before we had commenced the field research. The coding form for this sample is headed "Responses of Church Leaders in Nairobi" and is presented as Appendix G. The aim of the coding sheet is to capture, in a brief form, information given as answer to each of the ten questions and to help us to compare answers to identical questions across board. This method would enable theory emerging from the data to be traced easily. On the average, we were able to complete two interviews each day. At the end of each day we coded the data from the interview field notes into the coding sheets using a separate coding form for each church leader interviewed.

We completed 60 coded data sheets to record in organized manner information received from the church leaders interviewed. We have presented examples of two of these forms to show the basis of the summaries, tables and conclusions that we have made in this dissertation about the mission of mainline churches to the poor in Nairobi. Appendix G (a) was completed from the field notes and shows the coded answers given by one of the church leaders interviewed at an ACK Church in Dagorretti division. Appendix G (b) is a second example of data that are captured and coded from answers received from another church leader who serves one of the PCEA Churches in Langata Division. There
are 58 answer sheets for the other church leaders interviewed. The characteristics of the data captures in this part of the research are discussed later in this chapter.

We noted that the people interviewed were very helpful in giving information about their institutions but most of them were also concerned about the security of the information. We shall not, therefore, try to link directly information to specific respondents.

Interviews for the Traders in the informal Sector in Nairobi

The aim in this section of the research was to interview 30 traders in the informal sector in Nairobi, and we targeted three classes of micro entrepreneurs in Nairobi; 10 street traders (also called street vendors or hawkers), 10 the kiosks and stall traders, and 10 jua kali business entrepreneurs.

We used the ten questions in Appendix B as we made face-to-face interviews with these traders. As far as it was possible we preferred to interview the owner of the business. Sometimes this was not possible. In such cases, we interviewed the employee in charge of the business at the time of our interview. We made field notes recording the answers given by each respondent as we asked the ten questions shown in the interview sheet. From this section of the interviews we compiled 96 pages of handwritten field notes. We then organized this data for analysis by coding them using a separate coding sheet for each person interviewed. The coding form for this section of the research is headed “Responses of the Microentrepreneurs in the Informal Sector in Nairobi” and is presented as Appendix F.
We completed 30 coded sheets presenting the data gathered from the traders in our sample. We have presented two examples of the coded data sheets to indicate the contents of coded data that have formed the basis for the analysis of the nature and the state of business in the informal sector in Nairobi. Appendix F (a) shows coded responses from one of the Hawkers, Mali Jema (not his real name), that we interviewed along the Uhuru Highway while Appendix F (b) shows coded data from the answers received from a stall trader along Tom Mboya street. After completing all the 30 interviews with the traders and after all the information obtained had been coded the data were now ready for the next step in our research, the comparison of the answers given by the various traders for corresponding questions with an aim of tracing categories and themes that could emerge from the data. The analysis of the data gathered from these traders is presented later in this section.

After completing interviewing the sample of the traders in the informal sector we proceeded to interview officials from the ten microeconomic development institutions (MED) that had been selected in our sample following the steps explained in Chapter One.

Interviews for the MED Officials

In the third area of our research, we carried out interviews with officers in ten microeconomic development institutions operating in Nairobi. So as to understand the complete range of financial services that are available to the poor in Nairobi, we intentionally included as many categories of the micro credit institutions in our sample. The sample of MED described in Chapter One includes the following categories: at least one MED focusing on women, an MED
operated by a mainline church, one MED operated by the Organization of the African Initiated Churches (OAICs), some locally funded MED and at least one MED focusing on HIV/AIDS victims. This area of research produced 10 interviews.

The data for this sample were collected using the interview schedule shown as Appendix C. The answers received from each respondent to each of the ten questions on this form were recorded during the interviews in our field notebook. Later the data were organized by coding them on the coding sheet headed "Responses of Managers/Officers from Microeconomic Development in Nairobi" and shown as Appendix H. We compiled ten coded sheets for the sample in this part of the research. We have presented two examples of these data coding sheets to show the basis of the tables and the conclusions presented in this dissertation about the services given by MED institutions to the poor in Nairobi. Appendix H (a) presents information gathered from officers in the K-Rep Bank, while Appendix H (b) shows the coded information from managers in the Jamii Bora Trust. The analysis of the information gathered and recorded this way from the ten MED institutions is done later in this chapter.

The data in this dissertation was collected using a qualitative method consisting of observations and of face-to-face interviews with the respondents. The results of the research are presented in this chapter by descriptions, in tables and in figures.
The Nature of Jua Kali Economy in Nairobi

The informal or the Jua Kali economy in Nairobi is today characterized by three categories of micro enterprises; the Hawkers or the Street Vendors, the traders in the stalls in the "trade/exhibition centers", the Kiosk traders, and the Jua Kali artisans who are involved in the manufacturing and in the selling of the goods they make in their informal production units.

Hawkers and Street Vendors

We interviewed ten street traders using the questions in Appendix B. We had planned to interview two hawkers in each of the five major streets (Kenyatta Avenue, Uhuru Highway, Moi Avenue, Tom Mboya, and River Road) all in the Central Business District (CBD) where hawking business has been prohibited by the Nairobi City Council (NCC), the local government in Nairobi Province, since the colonial period.

Street traders in Nairobi can be categorized into three different groups. First, there are the youth, mainly between 18 to about 30 years old that target the rich motorists along the busy Uhuru Highway. These youth carry their goods with them. The merchandise traded by this group include some assortment of electronic items, small appliances like hedge cutters, vehicle towing ropes, wall clocks, vehicle window-screen shades, some textile goods or some popular items in fashion such as fancy pens, sun glasses or fancy hats. They wait until the traffic slows down when they attempt to do business with the occupants in the various vehicles passing them by.

This type of hawking is risky for at times the people in a vehicle could easily turn out to be police people. Then the traders are arrested. But these
traders are not only crafty but they are also very fast. Speed is of great essence in this business. If one was apprehended, he would either go to jail or be fined for obstructing the traffic. Our attempts to interview one of these traders were all frustrated. We came to conclude that this failure was due to the fact that these hawkers mistrust people they do not know well because of the many plain clothes police people that hunt them down daily. Another possible explanation is that since they have very little time to do business with the motorists, the opportunity cost of allocating this time to other uses such as interviews is very high. Our understanding of how this category of hawkers operates was gained through observation.

As the street traders progress in age becoming young adults (between 30 to 40 years), they tend to be more sedentary. Therefore, the second category of hawkers is formed by sedentary traders, men or women, who display their goods at some strategic locations within the Central Business District.

Mali Jema (not his real name) is a 39 years old Hawker or Street Trader along the Nairobi’s Uhuru Highway, see Figure 6. His favorite site for business is the corner between the P.C.E.A, St. Andrews Church and the University Of Nairobi’s Women Halls of Residence. He originally came to Nairobi in 1999, after high school education, from Gatundu in Thika District, about 50 miles from the city of Nairobi. He has worked as a hawker in this location for the last five years. Mali Jema is an example of street traders in Nairobi.

Mali Jema who attracted to Nairobi in 1999 by the difference in employment opportunities between his original home area in the Central Province to the north of Nairobi and the booming industrial, international centre
and capital city of Nairobi. Before joining the street trade, he had been hired as a waiter in the Nairobi’s international and prestigious, five star, Grand Regence Hotel along Uhuru Highway that caters for international tourist and business personnel. He worked here for five years. All these years, the low wages forced him to conceptualize how he could increase his income by entering into self employment. After saving Kenya Shillings 5,000 he quit his job in the hotel and started a hawking business involving women’s handbags, along Uhuru Highway. He could not obtain a trading license from the city authority; the Nairobi City Council (NCC) because hawking business is not allowed in this part of Nairobi.

Discussions with street vendors revealed that the majority of them were able to save money. Seven out of the ten hawkers interviewed started their businesses with capital obtained from savings from incomes earned in their past employments. This indicates that, given an opportunity to save money in an organized way, the poor in the slums of Nairobi can accumulate the lump sums of money they need to improve their quality of life.

The types of business undertaken by the hawkers include selling textiles, particularly clothes and handbags, electronic goods including electrical fittings, newspapers and books and providing services such as watch repairing and shoe shining. All these businesses, except the newspaper selling, were illegal and were carried out either on the pavements or on road reserves.

There are two major competing daily newspapers in Nairobi. These are the Standard Newspaper and the Daily Nation Newspaper. These companies are licensed to distribute newspapers everywhere in the city. The hawkers selling these newspapers are issued with licenses as agents. Hawkers selling other
they were harassed because they were only poor people who did not have as much financial power as these newspaper companies.

Figure 6 shows Mali Jema at the worst period of street business. This picture was taken when harassment by the NCC's police was at its peak. He is prepared to do business at his corner but he is also ready also to run at the first sign of police patrol. He does not take any chances. But this type of operation is very restrictive. He can only carry a limited selection of his stock. Again he exposes himself clearly as a hawker to any would be authority by the possession of the bulky trading commodities. According to Mali Jema, harassment by the NCC is the greatest barrier to the operation of hawking business in Nairobi. He explains, “it is difficult to develop under conditions of harassment and uncertainty. You cannot borrow credit for as soon as you increase your stock, the NCC would come and either confiscate it or destroy it. This way, we lose our working capital and also lose our customers as we are pushed from one place to another.”

One alternative to this strategy of doing business is for the hawkers to team up in groups as shown in Figure 7. The less agile older hawkers were found doing business in groups of from three onwards. In Figure 7, we see five traders. Their stock is displayed over large plastic bags. At the first warning of danger, these goods are wrapped up quickly in these bags and the owners run as fast as they can for security. In Figure 7, four of the traders are watching out in various directions while one of them is attending to the customers.
This is not a cost-effective utilization of labor. But it is necessary if the street traders are to undertake business in these prohibited areas.

Although hawkers in the CBD in Nairobi carry out business without licenses or any other form of authorization from the Nairobi City Council, there is a social benefit that we attribute to this type of team strategy of doing business. The longer that these people work together, the more united they become. They

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24 Source: Our research data, Nairobi, May 2006
develop social capital that will be a major component in our group-based discipling model, in Chapter 5.

Figure 7. Team Work among Hawkers in Nairobi: Some traders must focus on watching the approach of NCC’s Police.25

An alternative to this team watch is for hawkers to employ at least three people to undertake for them the job of watching out for NCC’s police. This alternative would greatly increase their operating cost, thus reducing their gross income.

Our discussions with the hawkers revealed that hawking business in Nairobi is best along Kenyatta Avenue, Uhuru Highway and Moi Avenue in the CBD. These are locations in Nairobi with the highest number of formal

25 Source: Our research data, Nairobi, May 2006
businesses. People working here willingly purchase groceries they find at convenient locations, near their places of work. They are busy all day. They do not find adequate time, during the working hours, to go to the city markets to purchase groceries.

Women hawkers, hoping to sell their food products to the rich women working here, were found strategically positioned in the three streets, in the late afternoons. They displayed tomatoes, green pepper, green corn (maize), cabbages, carrots, fruits, onions and other food products in season. These three streets are also very popular with hawkers who shine shoes and also with those involved in roasting maize (corn) because of the good business provided by the high number of rich people working in several offices in this area.

However, during the period of our research, we observed that the NCC utilizes their police force to remove street traders from operating in the CBD. NCC deters hawkers from trading in these locations by imposition of heavy penalties on those hawkers they arrest in the act of doing business in this part of the city. The reason for this heavy government intervention is that it is here that we find national and international offices. The National Parliament, most of government offices, international conference centers for example Kenyatta International Conference Centre, bank headquarters, tourist centers including five stars tourist hotels, and legal courts are situated here.

The third category of hawking business consists of hawkers who have been issued with trading licenses by the Nairobi City Council and who, therefore, operate their business legally, unlike the first two classes of traders who operate illegally. People working in stalls and those operating kiosks in buildings whose
building plans have been approved by the Nairobi City Council (NCC) are normally issued with a trading license by the city council. People who operate kiosks on their own land are also issued with trading licenses. This includes kiosks in places like Kawangware, Kangemi, Kasarani, Zimmerman and Uthiru. Generally, kiosks built on road reserves and those built on public land are not legal and are, therefore, not issued with trading licenses.

Ninety percent of the hawkers considered harassment by the city authority to be the major hindrance to their business. The rest, 10% of the hawkers claimed that their businesses were not doing well because of the lack of purchasing power in Nairobi due to poor economic performance in the country. Hawkers did not mention credit as a major problem in their trade. However, we noted from the interviews that in order for these hawkers to supplement their savings as a source of working capital, 30% of them participated in and got financial assistance from informal financial groups, the merry-go-rounds. The lack of participation in credit programs by hawkers was not due to lack of information about MED. Eighty percent of the hawkers interviewed had knowledge of financial institutions operating micro credit programs in Nairobi. There are branches of such MED as K-Rep, Equity, Family Bank and Cooperative Bank in Nairobi’s CBD. Other MED, Jamii Bora, Kadet, Eclof, Jitegemea and Faulu have offices in strategic locations in the slums in Nairobi.

In response to our interview Question Eight, through which we were seeking to understand the link between hawkers and mainline churches, 80% of the hawkers said that they had some relationship with churches in Nairobi. Forty percent were church full members while 40% were regular attendants of services.
in mainline churches. Twenty percent of the hawker interviewed had no time to attend churches since they worked for seven days in a week including on Sundays. Our data shows that forty percent of the hawkers attended the Roman Catholic Church, 10% attended the ACK, 20% attended the AIC, 20% attended the African Initiated Churches (AICs) while 10% attended other protestant churches.

Seventy percent of the hawkers responding to our Question Nine in Appendix B, said that their churches did not have programs for meeting the material needs of the poor. In the same question, 80% responded that their churches did not have MED and that their churches did not recruit members for financial assistance from the MED operating in their areas. Ninety percent of hawkers in answer to Question Ten in Appendix B affirmed that they would consider getting credit from a church-based MED. They thought that churches would deal sympathetically with their problems and that mainline churches, being non-profit organizations, could consider advancing small loans required for small businesses such as theirs.

Kiosk Traders

Kiosk business is a common phenomenon in all the divisions of Nairobi. In our research we interviewed 20 micro business entrepreneurs. These included Kiosk traders, Stall traders and the Jua Kali artisans. We were guided by the 10 questions in our interview schedule, Appendix B. We interviewed 6 women and 14 male traders. We would have liked to interview an equal number from both gender but several women traders refused to be interviewed. The average age of those interviewed was 34 years. Our objective was to discover the main causes of
their material poverty and also to discover their spiritual condition and how churches can work in solidarity with them to reduce both dimensions of their poverty.

Toto Salama (not her real name) represents those trading in Kiosks in the slums of Nairobi. She is a young single parent operating a food Kiosk at Kenyatta Market, near Kenyatta National Hospital, in Langata division. 26 Her Kiosk, constructed of old pieces of timber and pieces of corrugated iron sheets, is located on the road reserve in front of the new shopping complex at Kenyatta Market. This Kiosk is typical of thousands of Kiosks found all over Nairobi, and is one of the physical signs that alert visitors to Nairobi that they are in a slum settlement. Toto Salama has nailed together pieces of timber to form make-shift tables and chairs to be used by her customers. She uses recycled, 20 gallon plastic, containers for storage of water bought from a nearby gas station. Piped water is not available in the unplanned structures like Kiosks in the slums of Nairobi. She cooks using a stove locally called Jiko made by the black smiths in Nairobi's Jua Kali. Her menu includes tea, milk, uji (corn or sorghum porridge), Ugali (thick corn porridge), githeri (cooked by boiling corn and beans together), chapati (an Indian term for wheat pan cakes), rice, muthokoi (a form of githeri) and beef stew. Her Kiosk is popular with the poor people because customers are treated to both ethnic and urban foods. Food is also cheap here. In her Kiosk you can buy enough to eat for as low as 10% of the cost of a similar dish in any modern restaurant in the near by Kenyatta Shopping complex.

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26 Langata division was previous known as Kibera. Maps of Nairobi use both names for this division. In this dissertation we shall use Langata for the division and Kibera for Kibera Slum in Langata division.
Toto Salama is 23 years old. She has a one year old child which she supports from the income from her informal business. She lives in the nearby Kibera slum where 700,000 other poor people live (Bodewes 2005:9), (see map 2 for the location of Kibera).

Without her informal self employment, Toto Salama and her child would go hungry. Although she was born in Nairobi, she was sent to school by her parents to their rural home in Machakos in the Eastern Province. After completing eight years education, she came back to Nairobi to seek for employment. She was initially employed as a waitress in a disco club in Nairobi’s formal sector. Later, she started her business with a capital of Ksh.2, 000/- from savings from her previous employment.

When we asked Toto Salama about the major constraints to the growth of her business she told us, “my major problem is lack of clean water for food preparation, and so I have to spend a lot of money to buy clean water at the BP petrol station. If I had piped water I could pay for the water usage at the end of the month and use the money to expand my business and to support my child.”

Although Kiosks like where Toto Salama works are illegally constructed on the road reserves and on public land, people like her have to pay rent to some landlords. These landlords are people who for one reason or another have been allowed by the NCC to construct such structures. However, tenants are the people who undergo harassment for lack of trading licenses. The NCC would not provide trading licenses for these structures.

There are hundreds of Kiosks where various commodities are sold in Nairobi. We observed that generally the roasting of corn (maize), the grilling of
meat, shoe shinning and vehicle repairing are done in the open air, in any open space, just close to these Kiosks. But in many of the shopping plazas which have come up in various parts of Nairobi, we noted another category of business, the stalls. People who trade in these stalls often label their premises as "exhibition or trading centers." These enterprises can be said to be a transitional stage between the illegal Kiosk enterprises and formal businesses.

**Exhibition Stalls**

Small scale business in trade centers is a new phenomenon in Nairobi. These business units share some of the characteristics of informal kiosks and also some qualities of small scale formal business units. They appeared to us as a new wave or form of Kenyanization of the former large Asian owned businesses in the Central Business Center and in various high class shopping centers in the peripheral parts of Nairobi in South B, Adams Arcade, Westlands, Eastleigh and Ngara. The originators of this category of business must have been very aggressive. The trade exhibition business comes as a voluntary withdrawal by the Asian business entrepreneurs in Nairobi from merchandising business to the more remunerative real estate business.

The concept of the trade exhibitions must have developed in 1970s after an attempt by the Government of Kenya to transfer businesses run by Asians to individual African traders failed because the Africans could not generate enough business to sustain the rent required for the business premises located in the prime buildings in the city. Today, several small scale traders are getting together to establish businesses in some of the buildings.
A building which comes up for rental is first acquired by some aggressive persons who enter into rental contracts with premises owners. Such people now act as the landlords. They first partition the premises into several small stalls of about ten feet in width by eight feet in length and then sublet these stalls to small scale traders many of whom come from the street and hawking businesses.

The trading in these stalls is normally licensed by the NCC and, therefore, stall traders, although they operate the same types of businesses as hawkers and at times in the same locations, escape the harassment experienced by the street traders. Our interviews with stall traders revealed that they were facing peculiar challenges. We asked Kabura (not her real name), one of the ladies selling mens' clothes in a stall at an Exhibition center along Tom Mboya Street, to tell us the main problems facing her business. She told us “the rent for this small place is too high. For this stall that is three feet by three feet, I pay 200 Kenya shillings every day. If I put a second table here, I shall pay 400 shilling every day. The rent takes away almost all my daily profit.” Other traders said that they were facing stiff competition in these exhibition markets because adjacent stalls were selling similar goods, mainly shoes, new clothes or musical and electronic items.

**Jua Kali Artisans**

The economic activities undertaken by the traders that we interviewed are summarized in Table 5. As can be seen in Table 5, business in clothing materials dominated the trading activities in the slums of Nairobi. But people who have ever visited Nairobi's informal sector will agree that it is the "incessant hammering and clattering of the metal workers who many years have clustered there, and have transformed the heavy metal of the secondhand oil drums into
cooking vessels, and the lighter tin sheets from the adjacent industrial area into a whole variety of domestic goods" (King 1996:1) that make a visit to places like Kamukunji, Ziwani, Gikomba, or the Stadium/Burma, where most of Jua Kali activities in Nairobi are situated, memorable.

Mwangi Chuma (not his real name) is a blacksmith in one of the sheds in Kamukunji Jua Kali development project established by Kenya Government in Pumwani division, in Nairobi, in 1985. The government had hoped that once the tinsmiths/blacksmiths and vehicle mechanics in the Jua Kali were properly organized, their skills could be harnessed to the mainstream of the country's industrial development. It was also hoped that this process would facilitate some vertical integration of the Jua Kali artisans into more skill-intensive and capital-intensive modes of production that would enable Kenya to produce better goods and to create more jobs (King 1996). In Chapter Four, we will show that more than an allocation of an industrial plot was required to make this objective to be realized.

However, the government's establishment of industrial sheds like the one occupied by Mwangi Chuma was a significant change in political direction from "politics of harassment . . .[to] security of tenure" (King 1996:32) for the lucky few like Chuma who could now work peacefully, without being harassed by the political and weather elements.

People like Chuma are technicians who come to the informal sector with some technical know-how acquired in some industrial enterprises in the formal sector. Chuma, after receiving on the job training in making metal items in the Jua Kali was employed in an industry that manufactured metal boxes. After
working in the industry for six months he saved enough money to start his own business in the *Jua Kali*.

Chuma now manufactures equipment demanded for business, household use or for farm development in Nairobi or in the rural areas in Kenya. He makes such household items as cooking stoves, tin lamps, metal boxes, frying pans, bicycle carriers and burglarproof windows. He also makes such farm items as chicken troughs while the person in the next shed makes chaff cutters and wheelbarrows. Chuma and other technicians now working in the *Jua Kali*, in Nairobi, have been the means of transferring technology from the formal industries to the informal sector. Most of the sheds like Chuma’s normally have one or more trainees who pay to get on the job training for periods between one to two years after which they are employed or they start their own businesses. This is how jobs are created in the *Jua Kali* sector in Nairobi.

The aim in Question Three in the interview schedule was to enable to us to understand whether the informal sector has the capacity to create jobs in Nairobi. Our research revealed that the micro businesses in the informal economy did create several jobs. A total of 112 people were engaged in the 20 Kiosks where we carried out interviews. This gives us an average of 5.6 people in each of these micro businesses. If we excluded the owner of the business, on the average, four people are employed in each of these Kiosks. The open air vehicle garages turned out to have the highest number of jobs. In Langata division, there were 30 mechanics engaged in one open air garage. These people did not have the basic facilities, water, sanitation, and electrical power to enable them to undertake
welding jobs, sheds to protect them from the rain and from the hot equatorial overhead sun.

Eighty percent of the Kiosk traders had not obtained credit from MED. Although credit could assist them to expand their businesses, this group, when questioned why they did not utilize financial services from the MED, replied that the terms of the loan programs were not favorable to them. They quoted the mandatory weekly meetings, the weekly loan repayments and the weekly mandatory savings as difficult conditions since their incomes were very irregular. They also stated the minimum loans granted by MED could not be repaid from their weekly incomes. Smaller loan sizes would, therefore, be suitable to them. In addition, they claimed that for credit from MED to be beneficial to them, their repayment should be aligned with their income cycles. They earned most of their incomes near the month ends when the people in Nairobi get their salaries and wages.27 Under the circumstances, monthly or biweekly payments would be more realistic for them.

On the other hand, they would find problems in accumulating money to meet loan repayments since, because there no institutions that allowed them to operate savings accounts. At the moment, the majority of the MFIs are no licensed to collect deposits from the public. They would not be able to fulfill the conditions required for operating savings accounts in the formal financial institutions. This failure by MFIs to accept customers’ deposits is one of the problems expected to be addresses and resolved by the ongoing Financial Reforms in Kenya (Omino 2005).

27 Salaries and wages in Kenya are paid after every 30 days.
In answer to our Question One in Appendix B, 85% reported that their businesses were doing poorly. Bad weather, particularly rain that negatively affects open air activities, was given as the reason for the low business by 11.7% of the traders. Harassment by NCC was claimed to have affected 17.6% of the businesses.

Table 5
Types of Businesses Undertaken in the Kiosks in our Sample

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Number</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Butchery</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Furniture</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Food</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Vehicle repairs</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Hair dressing</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Recycled containers</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Blacksmiths</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Clothes business</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>Charcoal</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Hardware and building materials</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

Total 20 100%

The poor status of the national economy was given as the reason for the reduction in business by 58.8% of the traders while stiff competition was the
reason why the business for 11.7% of the traders was low. Other traders, 5.8%, claimed that their sales were low because of government policies, particularly the trade licensing that increases their overheads. They are charged Ksh. 7200 (US $102.8) per year.

More than half (65%) of the traders in the informal economy had come to Nairobi to seek for employment. Of this group, 80% started as employees in the formal sector and then, through money accumulated from savings in these jobs, they were able to become self-employed by starting small scale businesses in the Jua Kali sector. The majority of the people (90%) we interviewed in the Jua Kali sector, as we had assumed, had migrated from the provinces neighboring the city of Nairobi. Most of them (60%) had originated from Central Province to the north of Nairobi. Our sample consisted of people who had come to Nairobi from all the Provinces in Kenya except from the Coast and the North Eastern Provinces (see Map 1 for the location of provinces in Kenya).

This dissertation seeks to construct a discipling model which could help churches in Nairobi to evangelize through use of business in the informal sector. To establish a starting point in doing this we made inquiries of whether the traders now working in this sector were affiliated to Christian churches. The results of our investigations surpassed our expectations. Far more traders were related to churches than we had expected. Ninety five percent of all the traders interviewed were attending Christian churches, 60% of these people were full members. This claim was verified by the fact that all those interviewed had Christian names, as their first names, which suggested that they might have been baptized in a Christian church. Table 3 shows the churches attended by the
traders we interviewed. Since churches were well represented in the informal sector it is possible to utilize Christian churches for dissemination of information to the informal traders.

Another piece of information critical to us as we attempt to use churches to create MED for the purpose of transforming the informal sector was the determination of how churches were linked to MED. We found out that adoption of MED as a strategy for social outreach was still in the formative stages in many churches in Nairobi. Only 35% of the traders were attending churches that operated some forms of MED.

Table 6
Church Affiliations of Traders in the Sample

<table>
<thead>
<tr>
<th>Name of the church</th>
<th>Number</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>African Inland Church</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>ACK</td>
<td>4</td>
<td>20</td>
</tr>
<tr>
<td>African Initiated Churches (AICs)</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>Roman Catholic Church</td>
<td>8</td>
<td>40</td>
</tr>
<tr>
<td>Pentecostal Churches</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>PCEA</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>20</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The churches reported to be operating MED were the Roman Catholic Church, the ACK, the Presbyterian Church, and the Organization of African Initiated Churches (OAIC).
Our research was able to discover the nature of the informal sector in Nairobi. Here, we encountered, small scale traders operating as hawkers, kiosk traders, stall owners and *Jua Kali* artisans with little provision of infrastructure, particularly water, sewerage, electricity and accessible roads. The hawkers operate illegally without trading licenses in the Central Business Centre where such informal business is prohibited by the Nairobi City Council. Some of the kiosk traders, especially those trading on road reserves and on public plots also operate illegally and they are not licensed. The stall business is a relatively new phenomenon in the informal sector. Stall traders interviewed said that they faced the great problem of paying high rent for the stalls on daily basis that they considered to be great challenge to the sustainability of their businesses.

To obtain additional insights that we need for the construction of our model that uses the mainline churches in Nairobi as the agents of transforming the informal sector we had also planned to collect data from these churches.

**The Nature of Church Outreach to the Poor in Nairobi**

We carried out interviews at 30 churches in Nairobi. At each of these churches we interviewed a clergy and a lay leader giving us a total of 60 interviews. In this part of the research, we were guided by the questions in Appendix A.

When Philip Jenkins discusses the anticipated expansion of Christianity in the Third World Countries in the present age (2002:4), he reminds me of what we observed in Nairobi. As we walked through Nairobi, we discovered that several new congregations had been established within the last decades in the
various parts of the city. But we also discovered that this increase in the number of churches had also been accompanied by an increase in the number of the poor people for the reasons we have highlighted in this dissertation. This increase in the number of poor people continues to create a major challenge to churches in Nairobi. Our research revealed that some poor people, when they could not meet their needs, turned to churches for help. We discovered that besides the problems presented to churches by the local poor, churches have also to deal with the large number of refugees that flock into Nairobi every year.

Victims of the political conflicts and wars that have been taking place over the last two decades in most of the countries neighboring Kenya were also contributing to the challenge now being faced by churches in Nairobi. The civil strife in Uganda, Ethiopia, Sudan, Rwanda, and Burundi and in Somalia has resulted to thousands of refugees coming to Nairobi. One of the major reasons why these refugees come to Nairobi, once they are displaced from their countries, is to seek assistance, mainly resettlement by the United Nations High Commissioner for Refugees (UNHR) branch office in Nairobi. We discovered that refugees who are not resettled immediately and those who escape from the refugees camps are eventually found in the slums of Nairobi. Here, the first place they go to seek assistance is in the Christian churches. Refugees are also attracted to Nairobi by the presence of such Christian organizations as CARE International or Compassion International that provide relieves to refugees.

In order to preach the gospel holistically, churches in Nairobi must meet both the spiritual and the physical needs of their members, those of the of non
believers and of the refugees in their communities. To do this, churches in Nairobi were found to be adopting various strategies discussed in this section.

**ParaChurch Agencies/ Sodalities**

Ralph D. Winter discusses how, in the 19th Century, churches in Europe used parachurch groups or sodalities in mission (Winter 2000). He defines a sodality as a social group formed out of a congregation for the purpose of performing a specific function in church mission (2000:894). This way, churches in Europe were able to undertake various aspects of mission such as medical, education, evangelism, social welfare and income generation activities in their foreign missions.

We have shown in this dissertation that the mainline churches in Nairobi originated from these missionary activities of churches in Europe, just as the way the new Pentecostal Churches that have recently been established in Nairobi have originated from the mission departments in churches in North America. In our research, we discovered that this strategy of using sodalities as vehicles for undertaking church functions and ministries has been adopted by churches in Nairobi.

**Traditional Church Groups.** In response to Question One in our interview schedule in Appendix A, all churches in Nairobi reported that they undertook their evangelical and social functions through sodalities or church groups formed from sections of their congregations.

Groups were referred to by various names in different churches in Nairobi. Some churches called their groups departments, others called them fellowships, while other churches called their sodalities committees or movements. Churches
mentioned seven groups as the leading departments in their local missions. We call these groups “traditional” in this dissertation in the sense that, from what we learned, the operations of these departments had been constant over many years as opposed to adhoc church committees which are normally constituted to undertake some non recurrent functions in the church and which are disbanded once such needs were resolved. The traditional committees were Men’s Fellowship, Women’s Fellowship, Youth Fellowship, Choir, Sunday school, The Board of Social Responsibility, Development Committee and the Mission and Evangelism Committee.

The Women’s Fellowship also called the “Woman’s Guild” in the P.C.E.A churches and as the “Mother’s Union” in the ACK churches was the group reported to be most involved in the collecting and in the disbursement of donations to the poor in the slums. This group was reported be involved in regular visitations to the poor in their homes. They also visited the poor people who were hospitalized. They also prepared hot meals for orphans. Some women groups are also involved in visiting and praying with the widows and widowers, paying school fees for orphans, donating food and clothes to the poor in the slums and in evangelizing women in their communities.

**Schools and Hospitals.** Answers given to Questions Two and Three in our interview schedule, Appendix A, revealed that church members and non-members approached churches mostly for money to pay school fees for their children, to buy food or to meet medical bills for their sick relatives.
Some churches have established their own schools and hospitals as part of their services to their communities. Out of the 30 congregations interviewed, we found the following schools:

- Nursery Schools: 19
- Primary schools: 16
- High schools: 5
- Schools for training in computer technology: 7
- Schools for tailoring: 4
- Technical schools: 3
- Training for skills in house help: 1

We were informed that these schools, although run on commercial basis, had programs for awarding bursaries and scholarships to students from poor families who were not able to pay the full commercial rates.

In our sample of churches, we encountered seven medical clinics run by churches. The charges in these facilities were so low that even the poor could afford to access the services.

One congregation in Pumwani division operated a low class hostel which offered food and accommodation. Another church in the same division was running a home for poor aged women who had no relatives to care for them. This church met all the operating expenses for this facility.

**Rehabilitation of Street Children.** One of the most vulnerable groups in Nairobi is comprised of street children. Children in the streets are there because they have run away from home, have been rejected and neglected by their families or they have been left behind by victims of HIV/AIDs. Such children are
desperately in need of love and security that can be found in Christian rehabilitation centers. Five churches in our sample had established homes for rehabilitating street children.

Small Church Communities. We found this concept being implemented for social welfare and evangelism purposes in the Roman Catholic, the Anglican and in the Presbyterian churches in our sample. In general, a congregation is divided into various groups depending on the size of the geographical area covered by the church. A church could have its area divided into between six to ten divisions. For example, the Presbyterian Church in Dagoretti division in Nairobi from where I come has eight divisions called districts. In the Anglican churches these districts are called regions. In the Roman Catholic Church these divisions are called small Christian communities. The church members in the same district are the primary units for evangelism and social outreach in a given church. They normally meet regularly under the leadership of a church elder who is normally an ordained lay leader in their church. When they meet, they perform such spiritual functions such as praying, bible study, teaching, preaching, teaching catechism and they also discuss ways to assist those families, living within their district, reported to be in trouble. We learned from the Anglican churches that every month a region is nominated to bring to the Sunday service their donation of food, clothes and money to be distributed to the poor. The donations that were not distributed immediately were accumulated to form donation banks from where subsequent requests for assistance were supplied.

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28 In the Presbyterian and in the Anglican Churches, in Kenya, lay people are ordained as elders in charge of a particular area. Pastors are ordained as teaching elders.
Networking with NGOs/ Child Development

Churches operating in the slums of Nairobi typically lack money, in part because their members are poor. Some of the churches in our sample had developed linkages with local and international Non Governmental Organizations (NGOs) so as to be able to provide some expensive services required by the people in their communities. Compassion International, for example was collaborating with several Protestant churches in Nairobi to provide children facilities for children in Kibera slum. Some churches were also linked to international churches and Christian organizations for this purpose. Several churches were participating in a bursary fund for educating orphans and children from poor families operated by World Vision in Nairobi. The Roma Catholic churches in Nairobi were also collaborating with the international Jesuit Refugee Association to supply relief to refugees.

Child Development Program. The P.C. E.A Emmanuel Church Kibera has a joint Child Development Program with Compassion International. The local church provided the physical facilities, including the classrooms, the kitchen, the playing field and the teachers while the NGO provided the financial and the technical support needed to operate the project. Compassion International had hired a full time manager, a social worker, to run the Child Development Center operating on these church premises.

This program, which is focused on Christian child development and child advocacy is also based on the belief by the sponsors that early childhood is a critical time for overall development, brain growth and learning, all of which prepare the student for later success in school and in life. Funds from
Compassion enable this local church to provide for a variety of critical needs of the children in the part of Kibera where the church is situated. This church would not have been able to provide these services without such external aid.

The children are provided with nursery and primary education, food, uniforms and also with medical care. This program helps develop children in four areas. The first area is the social aspect, focusing on emotional development and a child's ability to socialize. The second area is the physical aspect, achieved through providing food, the medical care and physical exercises and games. The program also aims at developing children's spirituality through the teaching of Scripture. There is also an economic aspect of development which is achieved by the program through paying for the school fees for the poor children, buying their uniforms and by teaching them such skills as drama and fine art that the children could utilize later in life to generate income. Compassion has a clinic where the children in this program go for free treatment.

**Church Based Microfinance Programs**

Our research discovered that five congregations in our sample operated microfinance programs for their members. The MED at the ACK Emmanuel Church Kawangare in Dageretti division and the self help programs reported in the various congregations of the Roman Catholic Church are good examples of the church based MED in Nairobi. These MED operated at the church premises do not include “merry-go-round” groups run by communities. Church members could possibly be participating in these community economic activities in their neighborhoods.
Now, we present the data from our interviews with microenterprise development institutions in Nairobi.

**Microenterprise Development in Nairobi**

Churches, NGOs, commercial banks and business entrepreneurs have established microfinance institutions to cater for the financial needs of the people who cannot obtain loans from formal financial institutions in Nairobi. In this part of the research, our objective was to collect data that would help us to understand the nature of financial services that is currently available to the poor, particularly those struggling to alleviate poverty by doing business in the *Jua Kali* sector in Nairobi. When collecting this data from our sample of ten microfinance institutions, we were guided by the questions in Appendix C of this dissertation.

**Lending Methods**

The ten institutions where we carried out interviews had adopted the group solidarity method generally called the Grameen method after the Grameen Bank of Bangladesh where the method was first used by Mohammed Yunus in 1976 (Aleke-Dondo 1991).²⁹ The Grameen method works generally as follows:

- The MED, for example the K-Rep, goes to a center in the informal sector such as Kawangware in Dagoretti division and explains the role of a microfinance institutions to a group of people involved in running micro businesses,

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²⁹ Mohammed Yunus received the Nobel Peace prize in Economics for this work in 2006.
• The people who show interest in getting assistance from the institution are asked to form themselves into groups of five, people from the community who are not close relatives,

• Once the groups have been composed, credit or loan officers from the microfinance start preparing these groups for loan disbursement. This is done by short term training to ensure that all the prospective borrowers understand the objectives of the lending institution, that the people are able to work as groups, that the people are able to assess other members characters, that the people understand the rules governing the credit they are about to obtain.

• The groups are then asked to elect group leaders (chair person, secretary and treasure for each group) and to draft and to sign constitutions that would direct their group borrowing and loan repayments. A constitution, for example, could specify: that a weekly meeting attended by all group members was mandatory, that the amount of weekly savings by members of this group will be a specific amount, that loans borrowed would be repaid in equal weekly installments to be paid at the weekly meetings, that the loans which must be for business development, would be secured by the collective group savings which must be deposited in an account with the MED, that the domestic items to be pledged by borrowers to the group as security for the members savings would held as lien and as guarantee for the loans, that members could not withdraw their savings with the MED as long as there were outstanding loans
from any member of the group and that the MED was a signatory in
the group savings account with the MED. Subsequent to the
signing of the constitution, members are expected to familiarize
themselves with the business activities undertaken by all the
members and to make regular evaluation of how each activity was
performing. They should also know where each member lives and
the domestic articles they possessed,

- Once this is done, the groups are asked to start collecting their
weekly savings and depositing the money at the MED branch office.
The group is also asked to implement their weekly meeting
programs,

- Finally, credit officers from the microfinance institution visit all the
groups who had completed the six to eight training, to determine
those who were ready for financial support,

- From each eligible group, the first two members who were
considered ready by the group are recommended for a loan,

- Each member recommended to obtain a loan then completes a loan
application form with the assistance of the officers from the
financial institution. The application forms are then transmitted to
the branch manager for him to make final evaluation and approval
and for him to ensure that, if the applications were in order, loan
cheques for these people were prepared and disbursed. The credit
officer processing the credit facilities for this group would then
deliver these cheques at the next weekly meeting for this group.
These solidarity groups were reported to be necessary for MED dealing with poor people, like those trading in the *Jua Kali*, who had no property for collaterals. It was also at these central meetings that all the transactions between the borrowers in a group and an MED took place. Staff members from the lending MED attended the meetings, collected the records of individual loan repayments together with the weekly members savings (Aleke-Dondo 1991:17). These statistics are used by the MED to prepare and monitor their loan and savings records and to reconcile these with records kept by the individual groups.

Groups were found to be assuming names to enable the MED to identify quickly client’s records among the high volume of statistics generated in the various lending programs.

**Products provided by MED in Nairobi**

We noted from the pamphlets issued to the public by the MED in our sample that these institutions classified their loan programs as products. Most of these products have been given Swahili names so that clients can identify with the products without language problems as some of the borrowers are not literate.

We found some common themes in the classification of the loans. For all the MFIs, borrower’s initial loan was a relatively small amount. The borrower was expected to borrow progressively increasing amounts. No new loan could be approved until all the past dues had been fully repaid. Some MED were granting very large loans to people who had already borrowed and repaid several loans. MED that had not converted into commercial banks did not accept deposits from people who were not their clients.
Table 7

Products offered by Selected MED in Nairobi

<table>
<thead>
<tr>
<th>MED</th>
<th>K-Rep (Kenya Rural Enterprise Programme)</th>
<th>Jamii Bora</th>
<th>Jitegemea</th>
<th>KWFT (Kenya Women Finance Trust)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local name of Loan</strong></td>
<td><strong>Juhudi</strong> (Ksh. 25,000)</td>
<td>Micro Business Loans (no local name was provided); (Ksh. 10,000)</td>
<td><strong>Gitati #1</strong> (Ksh. 20,000)</td>
<td><strong>Mwamba</strong> (Ksh. 30,000)</td>
</tr>
<tr>
<td><strong>Initial loan</strong></td>
<td><strong>Kati Kati</strong> (Ksh. 100,000)</td>
<td><strong>Daraja #1</strong> (Ksh. 60,000)</td>
<td><strong>Gitati #2</strong> (Ksh. 40,000)</td>
<td><strong>Mwangaza</strong> (Ksh. 50,000)</td>
</tr>
<tr>
<td><strong>Medium size loans</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Large Loans</strong></td>
<td>No name was provided</td>
<td><strong>Daraja #2</strong> Up to (Ksh. 100,000)</td>
<td><strong>Gitati #3</strong> (Ksh. 100,000)</td>
<td><strong>Mwangaza #2</strong></td>
</tr>
<tr>
<td></td>
<td>Over (Ksh. 100,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-business Loan</strong></td>
<td>1. <em>Simu Ya Jamii</em>, Ksh. 100,000 to enable Micro entrepreneurs to purchase and to operate a community pay phone.</td>
<td>1. School Fees Loans offered after a client had had one successful business loan. Amount depends on the fee structures.</td>
<td>None</td>
<td>1. School Fees Loans called <em>Elimu Loans</em>.</td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td>2. <em>Matatu</em> (mini bus) Ksh. 700,000. – repayment 60 months</td>
<td>2. Housing Loans, repaid over ten years.</td>
<td></td>
<td>2. Emergency loans called <em>Tatua Loans</em></td>
</tr>
</tbody>
</table>

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1. *Simu Ya Jamii*, Ksh. 100,000 to enable Micro entrepreneurs to purchase and to operate a community pay phone.
2. *Matatu* (mini bus) Ksh. 700,000. – repayment 60 months

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1. School Fees Loans offered after a client had had one successful business loan. Amount depends on the fee structures.
2. Housing Loans, repaid over ten years.

---

1. School Fees Loans called *Elimu Loans*.
2. Emergency loans called *Tatua Loans*.
MED like the Equity Bank, the K-Rep and the KWFT which have become banks were granting individual loans outside the Grameen system and were granting consumer loans or loans for such non-business activities as for paying medical, school fees and for purchase or construction of housing. Some product names and amounts noted were as shown in Table 7.

The cost of hospitalization creates a financial burden for many Kenyans. Motivated by this fact, and also by their experience that many business people after paying large hospital bills had problems meeting loan repayments and in meeting their weekly saving plans, MED now require borrowers to take life insurance for the period they had outstanding loans with them. For Jamii Bora, for example, members with loans pay 1% of the loan amount for this benefit. In event of death or permanent disability, Jamii Bora is compensated for the outstanding loan balance by the insuring company. For a payment of additional Ksh.1,000, members can buy medical insurance for self and a maximum of four children. This insurance covers all in-patient costs including maternity and HIV treatments.

The initial loans offered by the MED in Nairobi were generally below Kenya Shillings 25,000 and had to be repaid within one year but groups could decide on shorter terms like three, six or nine months.

Specialized Microeconomic Development Institutions in Nairobi

In our research we encountered MED who focused on special groups. These included Jamii Bora, MED started by individual congregations to support
their members alleviate their poverty, CARE (Kenya), who were helping people with HIV/AIDs to be self-reliant by engaging in economic activities, and the KWFT, which focused on granting credit to women who had been marginalized in other credit program.

**Jamii Bora Trust.** This MED was established by Mrs. Ingrid Munro, the Managing Trustee, in 1991 at the initiative of 50 street beggar families in Nairobi (Jamii Bora Trust 2004). Munro is an architect from Sweden. She is well known by women in Kenya for her work with poor women’s self-help groups.

Members who can open individual or group accounts can borrow twice as much as they have saved. By June 2004, the Trust had 72,000 members served by 44 branches in Nairobi, the Central, Coast, Rift Valley, Western and in Nyanza Provinces in Kenya.

The Trust’s portfolio includes a former beggar in the streets of Nairobi who through subsequent loans from this institution today has a wholesale business in Nairobi. They also have helped a woman to establish a cinema and two restaurants in Nairobi. This woman came as a beggar to Nairobi in 1992 from Molo in the Rift Valley Province where she had lost all her properties on account of politically motivated ethnic conflicts.

There was a single grandmother who had succeeded to take care of her 12 grandchildren in one of the major slums in Nairobi. Her children and their spouses had all died in AIDs leaving these 12 children. She had four successful businesses: a grocery store, butchery, a restaurant and a stone house which allowed her to rent out rooms. Her grandchildren were able to get good education and the oldest had now joined Jamii Bora Trust as a staff member.
There was a client who was previously a violent criminal feared by all people in Nairobi. He had borrowed twelve times and had a successful second hand clothes business which had enabled him to change his life. Today he is active in counseling other young people to get out of crime.

Jamii Bora’s loan portfolio also included an active client who previously was a prostitute in the streets of Nairobi. Today this woman has enough money to feed her children and send them to school. Jamii Bora Trust has helped her to run a successful business and to get out of poverty.

_Ukristiano Na Ufanisi Savings & Credit Cooperative Society Ltd_. This is an MED operated by an individual church congregation in Dagoretti division. It caters for members of ACK Emmanuel Church Kawangware. This Fund is managed by a Board of 12 members elected in the General meeting of their church. The vicar of the parish is also a permanent member.

Members of the church who are interested in getting loans from this fund are organized into cell groups of 5 to 20 people. Each member is required to pay Ksh. 750 as registration fees and buy share sold in units of Ksh.500. Individual loans which must be approved and guaranteed by the cell groups are normally granted in amounts which are three times member’s savings. Their loan capital is formed from members’ shares and interest payments.

_CARE (Kenya) in Kibera_. The CARE (Kenya) is a branch of an American NGO, CARE whose name stands for “Cooperative for Assistance and Relief Everywhere, Inc. This institution has through their Community Support Group (CSG) established an MFI for HIV/AIDS victims at Boboruru in the slum of Kibera. The project is also used for promoting community health care and
teaching tolerance-based AID education. It is also a means used by CARE(Kenya) for teaching the HIV/AIDS victims that they can become self supporting by engaging in income generating projects.

This institution does not follow the Grameen method of lending. In the Grameen method the money for lending comes mainly from the bank providing the MFI services. In Kibera, CARE (Kenya) does not provide any money. Their role is just to organize the people into groups, to give them venue for meetings and to create an enabling environment where the poor could meet and collect savings for lending among themselves. CARE (Kenya) also following a five module program trains the groups formed on how to operate in groups, leadership, how they can build up savings, record keeping and how they can govern their group activities without the participation of officials from CARE (Kenya).

Loans are made from the savings accumulated by each group. There were about 105 groups consisting of 142 men and 1362 women. CARE (Kenya) starts the program by assembling a group of at least ten people together. Once a group if formed, members decide their group name, the amount of money they would contribute, the venue of their meetings and the frequency of meetings. The contributions, which depend on the economic strength of the group members, determine the amount of loan that can be granted and the number of the people who can benefit at any one time. All the money contributed is given out as loans. The borrowers are charged an interest of 10%. Loans below Ksh. 5,000 are repaid within one month. Loans above this amount must be repaid within two months. Loans are granted to help people meet any of their physical needs.
Loans are not limited to business activities. But to be able to repay the loans, most borrowers utilized their loans for economic activities, like operating groceries, selling second hand clothes, operating hair salons and construction of Kiosks. Both the money from loan repayment and payment of interest on loans are used to make new loans.

The African Initiated Churches were also found to be adopting the MED technology for reducing poverty for their members through their apex body, the Organization of African Initiated Churches (OAICs) based in Nairobi.

The Organization of African Initiated Churches. The Organization of African Initiated Churches (AICs) is an association of African Independent Churches (AICs) which was founded when the leaders of African instituted churches met in Cairo, Egypt in 1987. Nairobi was selected as the location of the organization’s headquarters.

The leaders of OAIC decided to establish microfinance to alleviate the poverty of members in their churches and also to help them to utilize untapped local opportunities in their churches and in doing so enable the members, considered to be among the poorest of the poor in Kenya, to meet their basic needs. There are over 60 AICs denominations in the urban and rural areas in Kenya.

The OAIC has established their MED with a funding from the Trickle-Up organization from New York in USA. The Trickle-Up Program (TUP) provides seed capital at a rate of US $100 for each member in a solidarity group consisting

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30 From our discussions with an official of OAIC in July, 2006.
of up to 30 members, formed by an AIC church, for the purpose of getting loans for business development. The money from TUP is a grant to the AIC churches.

The grant from TUP is interest free. Solidarity groups are required to open bank accounts and to deposit their members' savings. These groups once formed would receive from the TUP fund grants which are to be utilized for establishing revolving funds called “Table Banking” or “Community Savings and Credit Schemes.” After saving for two months with a solidarity group, people can borrow three times the total of their savings.

The loans are granted to people who want to expand their businesses. Loans are free from interest and are repaid in equal weekly installments within a maximum period of three months. All the receipts from loan repayments go to the revolving fund which is then available for extending new credit.

Some AIC churches have modified the TUP lending program to charge interest on loans to boost their revolving funds and to prevent a dependency syndrome which could be formed by the interest free donor loans.

Kenya Women Finance Trust. The KWFT has demonstrated the power of an indigenous organization tailored to respond to local needs. This institution which is now the leading microfinance institution in Kenya was started by a few professional women in 1982 who got a vision for establishing “a woman-serving, woman-led bank” (KWFT 2006).

KWFT which started as not-for-profit membership institution has now converted into a bank with projected disbursements of Ksh.2.4 billion and outstanding loan portfolio of Ksh. 1.42 billion by December 2005. It has
branches in Nairobi, the Central, Rift Valley, Coast, Western, Nyanza and in the Eastern Provinces in Kenya.

In addition to the products shown in Table 7, KWFT has introduced an insurance product to enable medium and low-income women to access life insurance between Ksh, 30,000 and Ksh. 100,000 for annual premiums ranging from Ksh390 to Ksh. 1,300.

This institution has helped hundreds of women to become self reliant by giving them financial support to establish successful businesses.

Categorization of MED in Nairobi

The MED in Nairobi can be put into three categories (Omino 2005). In one category are such MED like the Jitegemea, Eclof and Jamii Bora that are registered as NGOs. The second category is made of two MED, Equity Bank and K-Rep that recently converted into Banks. This way they can be able to lend to non members as well as collect public deposits. The others that are non banks can only receive savings from their members who also borrow against the guarantee of these deposits. These institutions operate either with loans, grants or other forms of donations from donors. Officers working in these institutions informed us that micro lending was profitable. They also claimed that their greatest hindrance to expanding services to the poor was lack of capital. Most of these institutions were at various stages in converting their institutions into commercial banks.

The third category consists of MED that operate as SACCOs or saving and credit cooperatives. These include the MED sponsored by CARE (Kenya) in Kibera, the Catholic Self Help Programs, and the Savings & Credit Cooperative
Society of ACK Emmanuel Church Kawangware. MED in this category operate as members' Savings and Credit Cooperatives (SACCOs). The essence of this group is that the MED is formed exclusively from members' contributions which are recorded as shares. Both the money paid by borrowers and the interest charged on loans belong to the members. An MED in this category, for example the Catholic Self Help Program, grows by recruiting more members. People who are not members of the MED have no access to credit from this source.

General Operations of MED in Nairobi

From the answers given by the MED operating in Nairobi to our Question One in the interview schedule shown in Appendix C, we learned that all the institutions had designed loan programs to suit the needs of their clients (see also Table 7).

The majority of the MED (90%) in our sample were part of national corporations with nation-wide branch networks. CARE (Kenya) was the only institution without branches in the rural areas in Kenya. The other MED have branches both in the urban and also in rural centers in Kenya. The majority of the MED (60%) recruited clients or members through their field officers. Twenty percent of the institutions recruited members through churches in Nairobi.

MED in Nairobi utilized group solidarity as their principle method of lending (70%). Only 30% of the institutions, mainly the MED that had been transformed into banks, were lending money to individuals. All the institutions interviewed reported that lending to the informal business was profitable. Majority of them (80%) were already linked in some ways with churches in Nairobi. The Eclof, the Jitegemea, the Catholic Self Help Programs, the Ufanisi
Na Ukristo, the SMEP were owned either by churches or by Christian institutions.

Half of the institutions planned to improve their services to the poor by establishing products that are more relevant to the needs of the poor while 20% of the MED operating in Nairobi planned to improve their services by converting into commercial banks. Sicknesses of clients and lack of working capital were quoted as the major problems affecting the credit delivery by the MED interviewed.

The majority of the MED (65%) operated with members' savings while 30% were still funded by donors' loans and grants. When we asked the question about what ideas the MED had for improving lending to the informal sector, we got various responses. Developing products that matched the needs and the circumstances of the poor was the answer with the highest scores (30%). Starting to accept deposits from the public followed with 20% score. New ideas included increasing lending to women who are the majority in the informal sector. Some MED planned to increase lending to the poor by recruiting clients though churches in Nairobi. It was also stated that MED would improve services to the informal entrepreneurs by working with them in marketing their goods.

The variations reported in the marketing strategies by the MED interviewed indicate that the microfinance market in Kenya is dynamic.
Summary

This chapter reported data gathered in five administrative divisions in Nairobi. We conducted 100 face-to-face interviews in three major areas within five months.

The first part of our research covered micro businesses in the informal sector of Nairobi. Observations and interviews enabled us to get a good overview of the strategies used by the poor to generate the income they required to meet their financial needs. We learned two lessons from this part of our research. We noted that although the poor have small incomes they still can make savings to obtain the lump sums of the money they need to meet their needs. We also learned the need for group solidarity for the survival in the informal sector. The development of social capital was achieved through team work.

The second part of our research involved interviewing 60 church leaders. This part of research sought to understand the services extended to the poor by churches in Nairobi. We learned that churches used three strategies to reach the poor. They used their traditional committees to evangelize and to distribute welfare services to the people in the slums of Nairobi. Churches also had established sodalities to undertake specialized and professional services required by the poor. Given that the majority of the members of the churches in the slum settlements were generally poor, we learned that several churches networked with foreign donors and other NGOs to be able to afford delivery of services too expensive to be met from church budgets. This way churches were able to participate in various aspects of community development.
In the third part of our research we interviewed officers of ten Microfinance Institutions operating in the informal sector in Nairobi. The major lesson learned from this part of the research was that financial services to the informal sector were profitable as the poor were faithful in paying their financial obligations. We also learned that the poor were able to work together in solidarity groups.

The research gave us opportunity to ask questions about life in the informal sector from the street level. However, in order for us to understand the implication, of the data gathered, for mission, we have to evaluate and critique this data. This is done in Chapter 4 of this dissertation.
A theory is a way of making sense of a disturbing situation so as to allow us most effectively to bring to bear our repertoire of habits, and even more important, to modify habits or disregard them altogether, replacing them by new ones as the situation demands. In the reconstructed logic, accordingly, theory will appear as the device for interpreting, criticizing, and unifying established laws, modifying them to fit data unanticipated in their formulation, guiding the enterprise of discovering new and more powerful generalizations. To engage in theorizing means not just to learn by experience but to take thought about what is there to be learned. (Kaplan 1964:295)

In this chapter, we start by looking at our research data through particular theories from the areas of colonialism/neo-colonialism, the theology of the poor and the theory of microeconomic development (MED) presented in Chapter One. The theory of colonialism/neo-colonialism will help us make sense out of the status of the poor, particularly the increasing gap between these poor people, who are the majority in the city, and the few rich people in the city of Nairobi. We shall use theology of the poor to show how the mainline churches in Nairobi can now redirect their mission to the marginalized people who are now suffering in the informal sector. In this chapter, we shall also show that churches in Nairobi can use the theory of MED to bring about the transformation of the people who are now oppressed in the slums of Nairobi.

Before evaluating the three categories of data collected in this research; data from interviews with the poor, data collected from mainline churches, and the data gathered from officials in MED institutions in Nairobi, it is useful to
review how our data relate to the theoretical framework that informed the data collection.

**Data Collected in Relation to the Theoretical Framework**

In Chapter One we identified theories that informed the field research. In this section we present highlights of how research data reflect on the theories that informed the data collection.

The analysis of answers given by the traders in the informal sector affirms Frantz Fanon's assumption that a colonial regime produced two classes of citizens in a former colonized state, a rich class that replaces the departed foreigners and an underclass of poor people (1963:35). In Nairobi, the rich who took over some of the businesses from foreigners were operating in the formal industrial area located in many parts of Nairobi but with high concentration in Embakasi Division (see Figure 2).

However, several businesses in Nairobi are still under the control of multinational corporations. This affirms the post-colonial theories by Colin Leys (1975) and Robert Maxon (1992) about how British multinational corporations continued to dominate and to control Kenya's economy after independence. This evidence was obtained by observing the trade names and the types of operations on premises in the industrial area as we traveled to the informal structures in the industrial area. We could note such names as the Mobil Oil Company, The Shell and the British Petroleum company and the Caltex which are names of foreign companies involved in the oil industry in Kenya. We also noted names of companies involved in vehicle assembling, for example the General Motors Corporation, firms dealing in computer technology, companies involved in
transport and communications, and some companies dealing in banking and others dealing in foreign trade. This affirms what Maxon has asserted that corporations from “richer countries” played great role in modern production in Kenya (1992:384).

On the other hand we noted how the poor struggled to do business, without basic infrastructure, in the informal sector, where many of them operated in the open air under the equatorial heat and humidity. This affirms the colonial theory expressed by the Comaroffs that colonial models of governance and production produce dualistic societies marked by the presence of modern and traditional sectors and dividing people into two categories made up of those in the “center” and those on the “periphery” of national development (1997:18;25). In Nairobi, we noted that the people in the “center” were the rich people while people on the periphery of national development, those in the slum areas continue to be materially poor. Specific ways in which our data lead us to make these conclusions are discussed later in this section.

The analysis of the answers to Question Two, Question Three, Question Eight and Question Nine in the interview sheet (Appendix A), lead us to conclude that these mainline churches were not maintaining the balance between spiritual nurture and the care of the physical needs of the poor that is called for in Luke’s theology of the poor highlighted in Chapter One of this dissertation. How these churched deviated from this norm is discussed later in this Chapter.

The data collected from MED institutions operating in Nairobi, affirm that Muhammad Yunus is correct in asserting that credit can offer the poor an opportunity to break out of poverty (1999:58). The example given in Chapter
Three of this dissertation of Claris Odhiambo and Mama Kimani, two previous poor beggar and hawker in Nairobi, who are now running wholesale businesses, affirms this assertion. These two people succeeded through credit from Faulu and Jamii Bora Trust MED institutions respectively. The credit system that is based on group guarantees developed by Yunus has been copied by the MED in Nairobi. This system was helping these institutions to operate credit to the poor in Nairobi without the traditional collaterals used by commercial banks and financial institutions. Our study affirms the theory by Yunus that the group credit method adopted by MED leads to the development of social capital in poor communities (1999:57). We found that in the solidarity groups, people used their savings to support one another to get credit. Other ways in which social capital is developed through MED institutions are explained later in this section.

We have brought together data to support our claim, presented in Chapter Five, that churches in Nairobi can use MED to help the poor to reduce their material and spiritual poverty. We aim to show the place of MED in discipling the poor and in helping the people now confined in the underdeveloped informal sector, in Nairobi, to generate the income they require to meet their financial obligations without depending on handouts from any donors. The model recommended in this dissertation proposes to make the poor in the slums of Nairobi self-reliant following the ancient Chinese adage “If you give a hungry man (sic) a fish, he will be hungry again the next day; but if you teach him how be a fisherman, he’ll not hunger again” (Tonna 1982:149). For this to happen in Nairobi, there is a need for the development agents, including churches, to undertake development projects that are inclusive in the sense that all the
undertake development projects that are inclusive in the sense that all the residents in the city will be allowed to participate in their implementation. Such community participation in development was not allowed to take place during the colonial regime in Kenya.

Inclusive Development in Nairobi

The theories of colonialism/neo-colonialism can help us to understand why after 43 years of political independence in Kenya there are 946,699 poor people (51.1%) in the city of Nairobi (Republic of Kenya 2000a:7)

Many families in Kibera, in Mukuru Kwa Njenga, in Mathare Valley and everywhere in the slums in Nairobi, do not have access to basic social and physical facilities. The facilities lacked by these people include good housing, health, literacy, employment, personal security, clean water, sewerage, roads and electricity. The children in the slums need schools, churches and playing fields so that they can grow as healthy and useful citizens like the children growing in other parts of Nairobi. To end the harassment now experienced by street traders, these people should be allocated some accessible public land in the city where they could be licensed to do businesses and undertake other income generating activities as individuals or as self-help groups.

Kamau Safari (not his own name), one of the hawkers we interviewed along Uhuru Highway, explained to us some reasons why hawking businesses are always located on streets with many people. First, he told us that hawkers are in business to generate income. He explained to us the importance of an accessible business location. He revealed to us what happened to their businesses in 2005,
when hawkers trading in the Central Business Center in Nairobi were relocated by NCC to some location in Ngara area in Parklands (see Map 2). Second, he gave us various reasons why hawkers refused to relocate here. The first reason was that this new market was far away from their customers, the people working in offices in the CBS. For the short period they traded at Ngara they experienced great reduction in their sales. The second reason was that the business they got from the residents in Ngara, mainly from the house wives, could not compare with that they received from the salaried people in the city center. The third reason was that people living in other parts of Nairobi did not find it convenient for them to visit the new hawkers’ market at Ngara. The final reason that he gave us was that the size of the trading stalls that were initially allocated to them was not realistic. These stalls were two feet by four feet (2 x 4). Safari wondered what business one could undertake in a stall of this size.

After complaints from hawkers, the size of these stalls was greatly increased, but then most of these large stalls were allocated to rich people who were now renting out the stalls for a lot of money to hawkers. Safari and his group, having been discouraged from doing business here, returned to the Central Business Centre.31

By being restricted from trading in the city center, hawkers felt that they were being excluded from sharing in the benefits of national development. Hawkers felt strongly that they were part of the community in the city of Nairobi. In the month of September, 2006, hawkers were removed from the city center

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31 This information is from our interview with a hawkers along Uhuru Highway, in Nairobi, in May, 2006. His real name is not revealed to safeguard his security.
during the “All-African Mayor’s Conference in Nairobi.” With respect to these evictions in September, they felt that they were not, unlike other citizens, allowed to harvest the business that came to the city during this international conference.

We found out in our research that the frequent relocations and disruptions of teams or groups of hawkers from one place to another, like the movement from the city center to Ngara shopping center in Parklands, affected the hawkers’ social lives. Such involuntary relocations often ended up in splitting hawkers’ solidarity groups. This militated against any efforts by the hawkers to form coherent communities.

Lack of solidarity groups reduced the capacity of hawkers to join MFIs which are based on the group-lending method. The experience of these hawkers affirms claims presented in some scholarly literature, for example (Gmelch 2002) that urbanization make community building difficult. Several of the people we interviewed had such experiences. By their coming to settle in Nairobi, these people had separated themselves from their nuclear families who continued to live in the rural areas in Kenya. These immigrants could no longer rely on their families for the emotional and material support they needed, while living in Nairobi. Life in the city of Nairobi reflected what Sally Englel Merry, describes as “relations between strangers . . . [which are often ] impersonal” (2002:115). In order to overcome anomie in Nairobi and the impersonal attitudes of the individuals living there, hawkers worked together in small groups. Because the hawkers’ groups play such important social-economic roles, they should not be destroyed as it is now happening in Nairobi. People like those we interviewed live away from their rural communities. These people, unless they become part
of other functional communities, cannot enjoy the benefits described by Benjamin Tonna as he states:

The human being is a social being. Employment, housing, and public services do not suffice for human fulfillment; there is also a need for society. . . . If the right to shelter is a basic human right, it cannot be fully enjoyed unless there are corresponding rights to community, or rather to those human benefits which can only be provided by a community. Some of them are social – health, literacy, employment, personal security. Some of them are physical – pure water, good drains, clean air, access, and mobility. Some are cultural – freedom of expression and choice, continuity, responsibility, effective influence, beauty, great art, rights to visions and dreams. (1982:20)

We also noted that the spirit of society existed among the people in Nairobi, for example in the group shown in Figure 5 in Chapter Three. But we also noted that because of the constant demolitions of kiosks taking place in the city, these people are not given the opportunity to form cohesive groups. These people are not allowed to work together for long enough periods for them to experience the need to participate in the provision of social and the physical facilities they required in their communities.

When we noted the status in which people in the informal sector worked and lived, we were forced to ask the question; what can the church do to work with them and to help these poor people to improve the situation where they live and where they work? The church can for example help these people to fight against the constant demolitions of their settlements. But the church should also teach these people about the need of also performing their responsibilities such as keeping the environment where they worked or lived clean. This can be done
by organizing rallies whereby the community are invited to clean up the environment.

There are many people involved in substance abuse in the slums of Nairobi. There is, therefore, need for establishment of rehabilitation centers to enable us to transform for such people.

After 44 years of Kenya's political independence, the people living and working in the informal settlements in Nairobi are still being marginalized and excluded from participating in the socio-economic activities in the city. Take for example Toto Salama who could not get some clean water she needed to cook at her kiosk at Mbagathi in Langata division. The suffering now experienced by the poor in Nairobi is not a new experience, but it is a continuation how the colonialists had been treating the poor people in Nairobi. The people that were marginalized by the colonialists included the manual workers and migrants from the rural areas who came to seek for unemployment in Nairobi.

**The Impact of Colonialism/Neo-colonialism in Nairobi**

Colonialism is the process of Western expansion which resulted in the extension of European rule in many parts of the now Third World Countries and which culminated in the nineteenth century (Grunder 1999:67). This process was experienced in Kenya in two phases. The first phase of imperialism took place in 1840 when the Sultan of Zanzibar, Seyid Said annexed a ten-mile belt of land along the Indian Ocean coast of Kenya. After the annexation, the Sultan imposed his rule there. After several years of British influence in Kenya through the Imperial British East African Company, the second phase that brought the whole
of the Kenya under the British Empire took place in 1920 when Britain, finally, declared Kenya as their colony (Leys 1975:28).

The term neo-colonialism came into general use by African nationalists, in 1961, specifically Kwame Nkruma in his book Neocolonialism: The Last Stage of Imperialism, some two years before Kenya attained her political independence, when the nationalists began to understand the humiliations and limitations of formal independence in Africa (Leys 1975:26). This new political experience was given a definition at the All-African People’s Conference held in Cairo in 1961. It was defined as “the survival of the colonial system in spite of the formal recognition of the political independence in emerging countries which became the victims of an indirect and subtle form of domination by political, economic, social, or military technical means” (Leys 1975:26). In this dissertation, therefore, we have used the term colonialism or the compound term, colonialism/neo-colonialism, to express this notion of colonial tendencies in independent Kenya. According to Colin Leys, the following are the major effects of colonialism that can be observed in places like Nairobi:

formation of classes, or strata, within a colony, which are closely allied to and dependent on foreign capital, and which form the real basis of support for the regime which succeed the colonial administration. . . . Neo-colonialism generally represents a new alliance, one between external imperialism and the sections of the local bourgeoisie and petty – bourgeoisie. . . . On one hand, neo-colonialism reproduces and further extends underdevelopment . . . Under most circumstances this implies that it is likely to give way to forms of ‘dependent capitalist development’ which resemble the old ‘colonial system’ less and less closely. (1975:27)

Another scholar who has highlighted the effects of colonialism/neo-colonialism in Africa is Bakole wa Ilunga (1984). He shows that;
• The old colonialism left behind unsuitable institutions and persons unprepared to manage their own future,

• Colonialism replaced us in organizing our own society which means that the colonized people did not participate in the development of their society,

• The colonial system reduced the colonized people to mere objects in the hands of the colonizers,

• The colonial system destroyed traditional systems,

• The colonized did not fully benefit from Western civilization including modernization because these concepts introduced in a context of domination. (1984:20)

How do we relate these highlights to the fate of the poor in Nairobi today? We can answer this question by comparing the fate of the poor in Nairobi during the colonial regime with their conditions today. During colonialism, the private land in Nairobi was owned by a few settlers. Today, the land is owned by a few rich people who are now the local elite.

The manual labor for the colonizers was performed by the natives who had been denied opportunities for getting an education. Today, the majority of the people who do this work are Kenyans who did not get education because they had grown up in poor families that were denied opportunities for generating adequate incomes and who are, therefore, unable to send their children to school.

During the colonial period cash crops were exported to Britain. The white settlers could influence, through their colonial representatives, the commodity prices they obtained. The settlers and their families could, therefore, depend on
farm income to meet their needs in life. Today, the cash crops are exported to the West and local farmers cannot influence prices in the commodity prices.

Many farmers who cannot now make decent living from farming flock to Nairobi city and are seen struggling to make a living from informal businesses. Some of the people found in the informal sector, in Nairobi are farmers who are there to generate incomes to supplement their inadequate farm earnings.

Under the colonial regime the poor who ventured to do business in Nairobi were harassed or even arrested because they were considered to be anti-social elements or vagrants (Hake 1977:36). Today, hawkers found doing business in Nairobi are considered as anti-social elements and are, therefore, either harassed or arrested. Based on these comparisons we can, therefore, conclude that the tactics used by colonizers continue to be applied for oppressing the poor in the post-colonial regime in Kenya. These oppressive policies have contributed to some of the underdevelopment observed in Nairobi today.

The Causes and the Impact of Underdevelopment in Nairobi

Some tactics that were used, under colonialism in Kenya, to prevent the development of African settlements were;

- Discouraging the Africans from establishing permanent residences,
- Refusing Africans the right to own land in Nairobi,
- Refusing them the right to establish business enterprises,
- Repatriating Africans who were not employed in colonial establishments in Nairobi.

How did these policies contribute to the underdevelopment we see in Nairobi today? There are several relationships that we can establish between
these policies which continued in the post-colonial period and
underdevelopment in Nairobi.

Homelessness. When people are chased around they are not likely to have
long time preferences. They take one day at a time. The harassment kills
initiative in some people. This can affect development. African presence in the
city was treated as temporary. The colonial government in Kenya did not,
therefore, make any provisions within their development plans and budgets to
provide such social services as housing, water, sewage, power, hospitals and
school in the slum settlements.

Andrew Hake (1977) describes clearly how these colonial controls worked
as he states:

In Nairobi, the numbers of African consumers were reduced by restricting
the number of domestic servants, by redirecting their employment,
conscripting or repatriating urban unemployed, and by limiting the
unemployment . . .’
In September 1945, the General Purposes Committee of the Municipal
Council minuted concern about ‘the number of flower and other hawkers
in the town who did not appear to be licensed by the Municipality.’ . . .
‘during the first nine months of the present year, court action had been
taken against 213 hawkers for trading without a license or within a
prohibited area.
. . . within weeks of its inauguration the Town Committee was
demolishing shacks . . . (1977:35)

We agree with Hake that these controls did not succeed in keeping people
from migrating to towns like Nairobi, where they believed they could find better
opportunities for development than they could in their impoverished rural home
districts. Hake informs us that “despite strong police action in Nairobi . . . the
number of homeless transients Africans in Nairobi was estimated to have . . .
[increased] because as fast as they returned them as vagrants to the reserves, the faster they flocked back again” (Hake 1977:60).

**Beggars and Street people.** There are direct consequences that follow the government's demolition of people's homes and businesses. One result is that some of the homeless people become beggars in the streets of Nairobi. Some of the homeless people are seen sleeping by the road sidewalks or on the verandahs. Others roam the streets begging for alms. Some people give up hope for being self-reliant when their kiosks and stock in trade are destroyed.

**Need for Restoring hope.** The work of restoring hope to street people in Nairobi being done by some NGOs, like Jamii Bora Trust, gave us insights that churches in Nairobi can help the street people by operating similar rehabilitation projects. The churches can use such venues to preach the gospel to the poor while helping them to recover spiritually, socially and economically.

We have already discussed how in 1999 Jamii Bora Trust started rehabilitation of 50 street people, mainly women, who operated as beggars or as prostitutes in various streets in Nairobi. We found out that this institution had unique services to marginalized people in Nairobi and that they had succeeded in rehabilitating many of them. In Chapter 3, we described some of the people who had been assisted by Jamii Bora Trust to get out of material poverty.

The mission statement for Jamii Bora Trust shows determination to empower the poor to alleviate poverty through their own efforts (Jamii Bora Trust 2004:2). Its founder, Ingrid Munro was motivated by her belief that,

\[
\ldots \text{any family, however poor, miserable, and hopeless, is capable of getting themselves out of poverty. We want to strengthen and utilize all}\,
\]


the skills, determination and hard work of the people of Kenya to build better nation through better families. (Jamii Bora Trust 2004:2)

Jamii Bora Trust strives to fulfill this mission through several programs designed to help the poor to get themselves out of poverty and also to build better families. These include: a savings and credit facility through which the poor have established successful businesses in various parts of Nairobi, a housing loan facility which has assisted majority of its members to get out of slum settlements by buying land and constructing modern permanent houses on their own land, a health insurance through which a member enjoys health benefits for the entire family covering all in-patent treatment including maternity and HIV, counseling to give hope to the poor and a rehabilitation program for members or family members who have drug problems.

What lessons about the informal sector in Nairobi did we learn from the operations of Jamii Bora Trust? One major lesson was that their initiatives succeeded because Jamii Bora Trust was providing products which were relevant to the needs of the poor in Nairobi. Jamii Bora Trust offered them the financial and non-financial facilities they needed to survive in the informal economy.

But as Christians we found a short coming with the work of Jamii Bora Trust in that there was no effort to present the gospel to their members. Therefore, their project was not integrated in the sense that the poor are not offered assistance to overcome the spiritual dimensions of poverty discussed in Chapter Two of this dissertation.
So far we have discussed the problems experienced in Nairobi because of the colonial history of Kenya. In the section that follows we shall examine how situation in Nairobi changed after Kenya’s independence in 1963.

**The Impact of Modernization in Nairobi.**

Colonialism impacted the people of Nairobi in several ways in addition to initiating social classes and marginalizing the poor people into informal settlements. One of the results was the creation of dependency at various levels in Nairobi.

**Dependency.** The dependency among the poor was created unintentionally though colonial NGOs like CARE and colonial missionary projects like the Salvation Army and The Church Army that focused on the provision of relief to the natives without teaching the recipients of their donations practical ways of becoming self-reliant. After independence, relief institutions, even under local management continued to operate as they did in the colonial period. They continued to offer free services to the poor. People who expect to receive free services, because of their dependency on handouts, are generally very reluctant to join self-help development groups such as the MED that have helped many people to reduce their poverty. The solution to this problem is to equip the people to be self-reliant as a way of figuratively speaking helping them to “catch their own fish” themselves instead of “supplying them with fish.”

**Deceleration and Lack of Appropriate Technology.** There are other ways in which “Modernization” as part of colonial development created some aspects of the underdevelopment now noted in the informal sector in Nairobi. Literature on modernization for example Everette M. Rogers 1975; Andre Gunder Frank
1969; and Srinivas R. Melkote 1991, show that the major assumption in the dominant paradigm for development under colonialism was that transformation of traditional societies could only be achieved through industrial revolution.

We cannot attribute all the suffering experienced in Nairobi to industrialization. Some of the poverty is due to bad governance that marginalizes some groups, poor personal choices through which people waste family resources through alcohol and drugs, lack of empowering environment (particularly the lack of infrastructure) in the informal sector, and the gender bias that leads to discrimination of women so that they are denied equal opportunities for development.

However, there is some underdevelopment that is a direct result of modernization in Kenya. For example, modernization in Kenya did not cater for a development of intermediate technology that is appropriate for small and medium enterprises in the Jua Kali in Nairobi. Because of this lack of appropriate technology, in Kenya, goods manufactured in the Jua Kali were considered to be substandard until the Jua Kali technicians developed intermediate technologies that now enable them even to produce machine parts for industries in the modern sector.

Kenneth King (1996) gives good examples of machines produced in the Jua Kali and how such technology has benefited both the Indians working in the industrial area in Nairobi and also other manufacturers working in the informal sector. King shows that Njoroge, a technician working in the Jua Kali at Gikomba market,
constructed a woodworking lathe. It was extremely popular, and he was able to exchange a second one with a spot welding machine.

Finally, the move into coffee grading machines, which involved putting together into a single complex: a rotary feeder, a pulper, a pregrader and a re-passer. In addition to machine making, one of Njoroge and Karoki's mainlines of work was threading pipes in plastic, metal and aluminum, and making bushes. This was made possible by their having purchased, at least second or third or fourth hand, a metal turning lathe. (King 1996:91-92)

Such locally made goods as these helped the country in several ways. The first way was that it saved foreign exchange that would have been used to import similar goods. The second way was that it helped the country to create appropriate technology for the local market. The third way is that it helped Kenya to conserve resources through recycling old machines. The future of production in Kenya depends on this sector where production is done using cheap materials that can be obtained locally. Finally, production in the informal sector created employment that is needed to alleviate poverty in Nairobi. It is surprising, therefore, that the government has yet to show full commitment to encouraging this sector to develop without such hindrances as demolitions of stalls and harassment highlighted in this dissertation.

The effects of the deceleration of economic growth in the primary nations can be seen in Nairobi. Deceleration is a term used to show that countries that produce the raw material required for industrial manufacturing will lag behind in industrialization as they specialize in the production of the raw materials, and as they continue to depend on getting all the manufactured goods and technology they need from the Western industrial centers instead of doing the manufacturing of the goods in their own countries (Rogers 1975:348). The impact of this intensive production of raw materials is that the primary
producing countries will not have the opportunity to undertake industrial development. This theory shows that such primary producing countries, as Kenya, would eventually experience deceleration of economic growth while Western countries achieved high rates of economic growth.

Since the colonial time, Kenya specialized in the production of several industrial crops which were introduced in Kenya from various parts of the world by colonial government for the purpose of supplying raw materials for the industries in Britain. The cash crops, such as coffee, tea, pyrethrum, cotton, sisal, cashew nuts, coconut, tobacco, wattle, were then allocated the most fertile land previously used for food production in Kenya. The irony of the situation is that Kenya pays more for imported goods than she gets for her exported primary products a position that means that Kenya is always experiencing need for foreign loans to bridge this trade deficit. One way to deal with this deficit is to manufacture these goods locally. The Jua Kali sector, even with the poor access to basic industrial infrastructure, has since 1970s been producing several goods used locally to substitute imported goods.

This deceleration is manifested in two major ways in Nairobi. The first way arises from lack of adequate supplies of food from the agricultural sector where the most productive land has been allocated for the production of industrial crops for export. Kenya is today not able to produce adequate supplies of food to feed the rural and urban populations. Hunger arises from this farming method that leads to food shortages in Nairobi. We can get an impression of the imbalance that now exists between production of food crops and the production
of exported industrial crops by looking at the comparative data on marketed food and industrial commodities in Kenya in the year 2001, shown in Table 8.

Table 8

Food and Industrial Crops, Production in 2001 (at Constant 1982 Prices)\textsuperscript{32}

<table>
<thead>
<tr>
<th>Product</th>
<th>Value Ksh'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Food Crops</strong></td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>247,410</td>
</tr>
<tr>
<td>Maize \textsuperscript{33}</td>
<td>411,019</td>
</tr>
<tr>
<td>Barley</td>
<td>73,244</td>
</tr>
<tr>
<td>Rice</td>
<td>28,905</td>
</tr>
<tr>
<td>Other cereals</td>
<td>28,343</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>788,921</td>
</tr>
<tr>
<td><strong>B. Industrial Crops</strong></td>
<td></td>
</tr>
<tr>
<td>Coffee</td>
<td>1,516,573</td>
</tr>
<tr>
<td>Sisal</td>
<td>116,802</td>
</tr>
<tr>
<td>Tea</td>
<td>5,718,178</td>
</tr>
<tr>
<td>Coconut</td>
<td>4,080</td>
</tr>
<tr>
<td>Wattle</td>
<td>13,580</td>
</tr>
<tr>
<td>Cashew Nuts</td>
<td>90,721</td>
</tr>
<tr>
<td>Fruits and other permanent crops</td>
<td>37,880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,497,814</td>
</tr>
</tbody>
</table>

The second way in which the effects of economic deceleration are reflected in Nairobi is in the increase in the number of people that migrate from the rural areas to Nairobi. As people fail to get adequate food supplies to feed their households from their small plots, many of them come to Nairobi to seek for employment. This causes an increase in the population and unemployment in the city. According to the Kenya Statistical Abstract (2002) the population of Nairobi in 1979 was 828,000 people. By 1999 the population in the city had risen

\textsuperscript{33} Maize is the staple food in Kenya.
to 2,137,000 people. We attribute this increase in population in the city partly to this rural to urban migration.

Other problems experienced in Nairobi as a result of the colonial history of Kenya, are related to the country's foreign debt. Kenya government took over long term development loans from the colonial regime in 1963, in order to compensate foreigners for their investments in Kenya, The investments acquired this way included the Railways, the Postal Services and the land previously alienated by white settlers. In addition to these initial foreign debts, the government has taken new long term loans to cover national capital development in the last two decades.

The impact of repayment of these loans is felt in Nairobi in the sense that these loans are serviced by money that would have been used either to provide or to maintain social services in the city. In addition, when external loans are curtailed or withheld local people suffer in three main ways. The first way is that when this happens, government expenditure on social services is reduced which causes rationing of such essential services as water and electricity in Nairobi. The second way in which people suffer is that, following credit squeezes, the government introduces higher charges for social services. Payment for medical services in hospitals in Kenya during such periods of credit squeeze in the 1990s is a good example of an increase in cost to the public following a reduction in foreign aid. A third way in which the people suffer from a reduction in public funding is that there are normally general price increases in the country which make people pay more for goods and services.
We are only able to give just a few illustrations of the many contextual problems that oppress the poor in Nairobi. But these examples were adequate to show us that we need a theology of the poor for Nairobi to make the gospel relevant to the people experiencing such suffering.

**Theology of the Poor**

In this section we present our research data in light of the theology of the poor. Our aim in doing this is to understand the efforts being made by churches in Nairobi to make the gospel relevant to the people living in misery in the slum settlements. This evaluation we will be guided by Luke’s interpretation of the theology of the poor and the African interpretation of the Theology of the Poor as Liberation Theology. Our aim in this evaluation is to be able to the question; what is the “good news to the poor” and how are the churches in Nairobi delivering this Good News?

**Luke’s Theology of the Poor: What is the “Good News to the Poor?”**


All the 30 churches where we carried out interviews are involved in serving people from slum settlements in Nairobi. We shall start our evaluation with a review of how Luke defines the poor. Which categories of people are the shown to be the poor in Luke-Acts and how are these categories represented in our data? We identify two categories of people who are described as poor. The poor in Luke are people who are disenfranchised, and people who are stigmized.
and thus considered as sinners and outcasts (Blomberg 1999). In his gospel, Luke illustrates these categories through stories and parables used by Jesus in His teachings and proclamations. We have also examined Luke's theology of the poor from his account of the Early Church in Acts.

One useful insight we get from Luke is that people who are disenfranchised in the sense that they do not have material possessions, for example Lazarus in Luke 16:20, may not be spiritually poor if their "hearts are right with God" (Blomberg 1999:222). Luke shows that when Lazarus died, he was "carried away by the angels to be with Abraham," (Luke 16:22) because his heart was right with God. Although Lazarus is called "poor" in this text, we agree with Blomberg that Lazarus was spiritually rich, a status that earns him a place with Abraham. In this parable, the person who is described as "rich" is eventually shown to have been spiritually poor because his heart was not good with God. This is indicated by the fact that when he died he ended up in "Hades, where he was being tormented" (Luke 16:23). People now working and living without basic social services; proper housing, clean water, medical facilities and educational facilities in the slums, while in other parts of the city we find adequate supplies of these services, can be said to be disfranchised in terms of Luke 16:23. We shall use the insight from this text to give hope to the poor in the slums particularly to encourage those who have accepted Christ to continue and to grow in their faith.

Our research established that the poor in the slums in Nairobi had active relationships with mainline churches. We found out that 95% of the traders in

34 From the NRV (New Revised Standard Version) Bible.
the informal sector of Nairobi attended churches. Sixty percent of those who attended churches were full members in those churches and this is no small thing because church membership means that one has to be baptized in the church and to participate in church activities, including regular tithing. Therefore, the poor in the slums of Nairobi are not lost as they have heard the gospel through the churches working there.

But our argument in this dissertation is that the mainline churches should make disciples from the people found to be now nominal Christians in the informal settlements. There is a need for churches to disciple these people by teaching them what it means to be a disciple of Jesus. The model recommended in Chapter Five has components for giving them Christian education, and teaching them how to demonstrate Christian values in their communities. This way, these people will have been "enabled to reorder their lives in order to care for the needs of others . . . [and to] orient themselves around the priorities of the Kingdom of God" (Green 1997:477). The aim of this discipling process is to help these people that have been baptized to deepen their faith through a better understanding of the practical dimensions of the gospel. This understanding will help them to demonstrate Christian values in their private lives and in their solidarity groups. They will thus become true disciple witnessing for Jesus, to others both rich and poor, in word and also through their Christian lives.

In the book of Acts, in 2:44-47, 4:33-35 and in 6:2-7, Luke gives some insights that have helped us to evaluate our data in terms of how MED solidarity
groups can be used in the slums of Nairobi for poverty alleviation and for making disciples.

Luke shows that this community of faith

With great power the apostles gave their testimony to the resurrection of the Lord Jesus, and great grace was upon them all. There was not a needy person among them, for as many as owned lands or houses sold them and brought the proceeds of what was sold. They laid it at the apostles’ feet, and it was distributed to each as any had need. (Acts 4:33-35 NRSV)

Pilgrim interprets Acts 4:33-35 and Acts 6:2-7 to show us some pertinent lessons as,

... a voluntary community of sharing, in which the needs of the poor were met by gifts of the wealthier. Certain economic distinctions remained; some owned property, some didn’t; some could give, others lacked; widows were cared for out of the community’s common fund. (1981:169)

This can be interpreted as disciple-making through the act of witnessing in this group or community, a method that we hope to emulate in our disciple-making model.

Luke also shows a category of people who were “shamed or without honor who permeate the gospel... [and who because of]... the stigma that attached to their occupation” who were excluded from socio-economic life in Israel because they were considered as sinners and outcasts (Blomberg 1999:225). We considered that such people experienced poverty since Myers (1999:67) argues that exclusion is a dimension of poverty. People sick with contagious diseases like leprosy also fall in this category. The tax collectors, although they were materially rich also fall in this group (Luke 18:10-14; 19:1-10) as well as the prostitutes (Luke 10:38) and the Samaritans (Luke 10: 29).
But again Luke shows that rich people such as the tax collectors described in his gospel could be welcome in the company of Jesus if they re-ordered their lives according to His call. This can be deduced from the story of Zacchaeus (Luke 19:8) where Jesus is happy with Zacchaeus's public proclamation of his re-ordered priorities in his future life.

In Nairobi the people in the informal sector, since the time of the colonizers when they were treated as “vagabonds and vagrants” (Hake 1977:36), have often been held with suspicion particularly by people who have never had the opportunity to know them by associating closely with them. Currently, the victims of HIV/AIDS are stigmatized by many people in Nairobi. During our research, CARE (Kenya), an NGO, was the only institution that we found making efforts to help these people overcome this stigma. They were doing this by helping these people to gain honor, to gain dignity and to become self-reliant by engaging in economic activities such as their MED described in Chapter Three. This MED helps these people to form solidarity groups. In these groups these people are able to experience social life. We imagine in this dissertation a church stepping in, in such MED with some Christian education to help these people overcome their spiritual poverty.

We have described in this chapter that in Nairobi hawkers are often chased away from the streets just the lepers were excluded from public life in Israel. For the church to liberate these hawkers, they could start by assisting them to overcome this oppression.
The Lukan theology of the poor is highlighted in Luke 4:18-21 (Blomberg 1999; Pilgrim 1981) a passage that also gives Luke’s definition of the “good news” and that reads,

The Spirit of the Lord is upon me, because he has anointed me to bring good news to the poor. He has sent me to proclaim release to captives and recovery of sight to the blind, to let the oppressed go free, to proclaim the year of the Lord’s favor. (Luke 4:18-19 NRSV)

We agree with Pilgrim that in this passage Jesus has announced good news to all the people who are “socially and economically dispossessed” and that here Luke has defined the “good news” (1981:166). The “good news” is defined as the “assurance of divine forgiveness and the promise of sufficient of life’s daily needs” (1981:166). From this text (Luke 4:18-19) we have obtained the notion that Luke’s theology of the poor leads to a form of integrated development. Our conclusion is based on the fact that here, the poor are given spiritual liberty, through divine forgiveness of their sins, and they are also liberated from physical suffering and deficiencies. In this text, both the spiritual and the physical dimensions of poverty are alleviated.

The divine forgiveness comes from the Lord’s favor proclaimed by Jesus. Therefore, announcing good news to the poor must also present the poor with a means for accessing the forgiveness of their sins. This is the reason why we argue in this dissertation that an establishment of a poor-based MED (for example K-Rep, Equity Bank or Jamii Bora Trust now operating among the poor in Nairobi) is not in itself “good news” unless such an MED presents some mechanisms for their members to obtain forgiven of their sins. This is why we must have a
Christian MED (CMED) through which the church presents the gospel to communities in Nairobi.

We get some useful insights of how we can apply Luke’s theology of the poor in Nairobi from Blomberg who shows that:

Christians today must seek to meet people’s physical needs, while at the same time helping them understand that ultimately only God can release them from their oppression . . . [There is also] the need for radical sharing by the rich, offering the poor both dignity and daily bread within the Christian community and fighting against the oppressive structures in society that thwarted this . . . [in order to] create substantially better model of equality and justice. (1999:220)

All the churches in our sample had created committees such the Woman’s guild, the mother’s unions, and social responsibility committees that enabled the church to distribute relief to the poor. Several churches had food banks from which they supplied food to the hungry in their communities. But in this dissertation these churches are being challenged to do more than this distribution of relief and donations. They are challenged to empower the poor to be self-reliant, for example, by helping them to invest in MED because this helps them to get credit to generate the income they need; a sustainable method of meeting their needs than begging.

The Presbyterian, the Roman Catholic and the ACK churches in our sample had created the Justice, Peace and Reconciliation Committees (JPRCs). But these committees focused all their attention to constitution reforms, ongoing in Kenya. In Question Ten, Appendix A, we were seeking to find out methods churches would use to improve their services to the poor. We had hoped that churches would identify helping the poor to fight against oppressive,
policies that exclude the poor from benefiting equitably from the national development. Churches in our sample did not include this type of liberation in their agenda. Although there has been an improvement in public awareness of their human rights as a result of the civic education through the JRPCs, we hope to convince churches in Nairobi also to utilize their JPRCs to do conscientization in the community so as to bring some awareness to the people that it is their right to eliminate the oppression at the grassroots in Nairobi.35

The discussion of Luke’s theology of the poor by Joel Green (1997) has given us insights that we have used to interpret our research data in light of Luke’s theology of the poor. He presents it in a background of “celebrating the recovery of the lost.” This makes it easy for use to draw the conclusions that “lovers of money,” unless they use their wealth to extend the kingdom of God, for example, by helping the poor, who are loved by God, will be lost in the sense of Luke 15.

On the other hand, Green gives us an insight that the rich, in Nairobi, can become “an active agent, engaging in dialogue and making requests” on behalf of the real poor and the lost (1997:606). We see this advocacy of the rich in Luke 16:27 as,

He said, “Then, father, I beg you to send him [Lazarus] to my father’s house – for I have five brothers – that he may warn them, so that they will

35 The concept of conscientization originated from a Brazilian educator and theorist, Paulo Reglus Neves Freire who expounded it in his book Pedagogy of the Oppressed (1970). Freire noting that the oppressed lived in silence decided to liberate these oppressed masses in his country through a “dialogic, problem-posing and consciousness-raising” community education Douglas, Lois Mckinney 2000 “Freire, Paulo Reglus Neves (1921-97).” In Evangelical Dictionary of World Missions. A.S. Moreau, ed. Pp. 373. Grand Rapids, MI: Baker Books. Pp.373. The aim of this mass education is to make the “people to discover the experiences that have structured their world” and to motivate them to take action against their oppression (van Willigen 2002:95).
not also come into this place of torment.' Abraham replied, 'They have Moses and the prophets; they should listen to them.'

To us the reference of “Moses and the prophets” in this text can be interpreted to apply to the church who are today charged with the responsibility of warning the lost about such torments. Thus, using this insight from Green, Christians (who are generally wealthy) in the mainline churches in Nairobi can use such facilities as the JPRCs to dialogue with the Government of Kenya about the needs to create better working and living facilities in the informal sector. We agree with Green that the rich by “neglecting the poor, they have disregarded the will of God so clearly expressed in the scriptures” (1997:610).

The African Theology of the Poor

In our evaluation of the data in light of the African theology of the poor, we shall be guided by four African scholars. We shall use insights from Jean-Marc Ela (1986); Manas Buthelesi (1997); Francis Gichia (1989) and Bakole wa Ilunga (1984). We shall, however, listen to other scholars such the Paul G. Hiebert and E. Hiebert Menese, and Per Frostin who have offered us insights relevant to our understanding of our research problem. We hope to understand the poverty in Nairobi in light of current theories that have shown how churches in Africa should undertake mission among the poor. The common theme that emerges from these four scholars is that the theology of the poor in Africa should be implemented through liberation theology that calls Christians to work in solidarity with the poor to liberate people still suffering from oppression.

From Ela (1986) we get the insight that an interpretation of liberation theology should challenge the church to improve the “human condition as
assumed by Jesus of Nazareth... [by helping to eliminate] the structures of dependency that generate so much injustice and misery" (1986:135). He bases this concept of the theology of liberation on Luke 10:29. He shows that a good understanding of the basic lesson in this parable should motivate Christians in Africa to act in solidarity with the poor. He suggests this as he states:

The church must see that... It cannot refrain from intervening when the lives and dignity of women and men are threatened. It must speak to them in a meaningful way and discover the internal bond between faith and the problems of people’s everyday lives... it must move beyond the problems of the parish. The church is not defined in terms of clerical questions. It is defined in its dynamic relationship to crucial existential situations in which women and men think, struggle and dream... poverty of the majority of the Africans is due to lack of power, a lack of the ability and opportunity to speak, the outgrowth of an unfair position in the interplay of socioeconomic factors. The situation of poor populations cannot be analyzed solely in fiscal terms. It is first and foremost a situation of marginality and dependency... Ought the churches be so conspicuous by their absence from the struggle, which radically determine the becoming of the human being in Black Africa... the churches of Africa... may not attempt to reread the gospel apart from liberation struggles and hopes. (Ela 1986:136)

The efforts of the churches in our sample were concentrated in meeting their parish problems. In general, church responses to people's problems, with the exception of the few churches that had established special ministries described in Chapter Three, were limited to the food banks. We did not discover any active church participation in the struggles of the traders against the harassment and evictions which affect their ability to feed their households. Questions One, Two, and Four, in our interviews with churches in Nairobi aimed at understanding the bond between churches and the struggles of the poor people in the informal sector in Nairobi. Churches in Nairobi according to Ela's interpretation of theology of the poor must now be involved in the struggles of
the poor. The first step could be the application of a model that immerses these churches in the daily lives of the poor.

An application of theology of the poor by African churches should include “initiating actions of liberation” against injustices and working in solidarity with the poor as they struggle against hunger, violence and corruption (Gichia 1989:94). Gichia bases his theology of the poor on the Gospel of Matthew 25. He focuses on the “existential conditions of many . . . in Africa [where] one encounters many whose dignity is trampled underfoot by injustice, poverty, exploitation, hunger and corruption. . . . [Here, people also] suffer on account of lack of educational opportunities, lack of social services and because of civil wars” (Gichia 1989:95). The church would encounter Christ in the sense of the lesson in Matthew 25 by joining the poor to improve these existential conditions that dehumanize them.

The dehumanizing conditions described by Gichia prevail in Nairobi. We have illustrated in the story of Kamau Safari, in this chapter, the suffering that is experienced by hawkers as a result of corruption by officials in charge of allocation of plots to hawkers. We narrated how plots at Ngara were allocated free of charge to some rich people who then rented them to Safari and his friends. Gichia is, therefore, correct in his claim that Christians in Nairobi, by helping to liberate the poor from injustices and corruption, will “encounter Christ who is hungry, thirst, naked, sick and in prison” (1989:95). In another scholarly work Ela (1988) emphasizes Gichia’s concept when he argues that an African liberation theology must challenge the church to go and rediscover Christ in the
slums and other places of misery and domination among the oppressed and among the poor people (Ela 1988).

The African interpretation of Liberation theology or the theology of the poor can also be interpreted in terms of "wholeness of life" (Buthelezi 1997) which is now lacking in many parts of Africa including the slums in Nairobi. Buthelezi looks at the theology of the poor from two perspectives. First, he bases his theology on the "unique dignity of [human] relatedness to God" that he derives from Genesis 1.26., a text that shows that the humans were created in the image of God. He argues that the poor should have the opportunity to sustain this image by being allowed "to be truly human . . . [by being liberated so that they can] have the power to be truly human" (1997:85). Buthelezi also argues that the African traditional religion which is "characterized by the motif of the wholeness of life" (1997:85). The demolition of informal settlements and lack infrastructure in the slums in Nairobi make it extremely difficult for the poor to experience the wholeness of life. The act of Christian faith must motivate the church in Nairobi to struggle with these poor so that no one is in the city is denied the opportunity to experience the wholeness of life.

In addition to liberating the Africans from oppression by other people who interfere with their human right to experience wholeness of life, the African liberation theology should also lead people in Africa to be liberated from sin (Ilunga 1984). Ilunga contends that:

the source of all this evil is, . . . human beings whose concern is not for their brothers and sisters but for their own advantage. Thus, human sin is the ultimate underlying source of our afflictions. . . .
Sin is the comprehensive attitude that makes us turn away from others and from God and seek only our own advantage. It is sin that in the long run makes life in society impossible. . . .

A period such as ours calls for generous men and women to respond effectively to the challenges of the historical situation, by devoting themselves unselfishly to the good of all. The reason why the situation is becoming more and more difficult to cope with is because such men and women are lacking at all levels and especially among the individuals who occupy the positions of greatest responsibilities. Sin -- the attitude that refuses to say "you" or "we," and only keeps on repeating "me, me, me" -- prevents us from getting out of our difficulties and locks us into a hellish circle in which every person's hand is raised against the brother or a sister. (1984:35-36)

Ilunga's approach to liberation theology is based on the concept of God who wants to free us from our state of sinfulness. It is derived from various texts in the Bible, particularly in Psalms 104:30 that shows that God is ready to renew the face of our earth and John 1:5 that shows that churches in Nairobi can use God's light to shine in this darkness. How do these insights help us to understand our data?

As we traveled through the slums of Nairobi we observed that several informal settlements were situated in unhealthy locations. For example, Mathare Valley and Mashimoni in Kibera are situated in quarried areas. Such places are generally swampy during the rainy seasons. Such places are full of mosquitoes that are the vectors for life threatening malaria. On the other hand, Dandora in Embakasi division is situated in the area set aside for the garbage disposal in Nairobi. The only reason why the poor have been pushed to these unhealthy frontiers of human survival is that some people in Nairobi do not want to share good land with them. Hake calls such greedy people "anti-social elements . . . who were speculating in land and were exploiting the situation to their own
profit” (1977:36). Such speculative business on land in Nairobi pushes the cost of land to levels far beyond the incomes of the poor people.

While undertaking our research we could also observe other ravages caused by human greed and corruption. We could see these effects on the neglected public services, for example roads that had large potholes and water pipes that were leaking thousands of clean water because they had not been maintained because the money intended for their repairs was not utilized for this purpose.

But we noted that for the first time, the new Government of Kenya is now recognizing that corruption and inefficiencies at all levels of economy has caused serious impediment to economic and social development. The government has noted that poor “economic governance, including high levels of corruption and poor management of public resources, is one of the key impediments to economic and social development” (2003:28). To address these causes of underdevelopment highlighted in the Economic Recovery document (2003) the government has declared a commitment to eliminate corruption, to restore the rule of law and to bring about equitable development that favors all citizens. This policy document has also outlined specific anti-corruption measures as it states:

Pervasive corruption has slowed growth and deepened the poverty level in the country. Eliminating corruption will free significant resources for investment in infrastructure and in programs that deliver services to the poor.
To eliminate corruption the government enacted and is implementing the Economic Crimes Act (2003). This provides for the establishment of an Anti-Corruption Commission . . . charged with achieving zero tolerance on corruption. . . . To reduce corruption in the public service, parliament approved the Public Officers Ethics Act in 2003 which requires all public officials (including the President), employees and their families to declare their assets. . . . Other measures are intended to reduce opportunities for
corruption and eliminating conflict of interest. [These include] the timely presentation of final accounts on government operations by the Controller and Auditor General; and the reform of the public sector procurement system. (2003:29)

In May 2006, when we traveled to Nairobi to undertake our research we noted that these anti-corruption measures had been established. What is now critical to the success of these new policies is whether the government will sustain its current commitment to the zero tolerance on corruption and whether the resources redeemed this way will be utilized to provide services now lacking in the informal sector.

In the same document, the government has specified measure to “address poverty reduction targets, [which include] some priority programs that target poor communities . . . [including] the urban poor, and the marginalized groups” (2003:25). These programs include the establishment of a social action fund to reduce the vulnerability of marginalized groups (the youth, the orphans, the women and the disabled) and for the implementation of slum upgrading programs. Again the effects of these programs will depend on how fully and where they are implemented.

After noting the status of the poor in Nairobi, we were forced to ask the question; what can the church in Nairobi do to transform these urban communities? They can start by deepening the faith of the Christians in Nairobi so that they can adopt an attitude of caring for the poor

The African Theology from Below

Theology from below also known as “a theology from the underside of history” is a theology whose origin is The Ecumenical Association of Third World
Theologians (EATWOT) from Africa, Asia and Latin America and it is based on the historical experiences of the people in these countries (Per Frostin 1984). The aim of this theology is to make theology relevant to contexts in Third World Countries which are characterized by experiences of colonialism, poverty, social-political and economic domination by foreign ideas and systems. The characteristics of theology from below are:

- It is a contextual theology constructed after analysis of the relevant context. It is based on a critical contextualization of the local cultures and traditions and it is formulated by the indigenous people and not imported from other cultures.36 The aim of doing this is to make the theology relevant to the people it is supposed to

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36 The term "critical contextualization" refers to an approach for dealing with cultural issues when these may conflict with Christian beliefs. See Paul G. Hiebert, "Critical Contextualization" In International Bulletin of Missionary Research. 11(3):104-112, 1987. Hiebert noted that problem of cultural beliefs over the past 100 years was due to the fact that the missionaries rejected the beliefs and practices of the people they served as "pagan". His 1987 critical contextualization model provides the guidelines for adapting traditional or non-Christian practices for Christian use. These guidelines consist of a four-step process to be followed by the Christian believers from a given culture under the guidance of church leaders with cross-cultural training and experience in order to adapt their traditional practices for Christian use.

Hiebert's first step is phenomenological where the congregation uncritically gathers information about the traditional practice associated with some question at hand, to give the church the opportunity to understand the practice objectively and very well and therefore approach its analysis without bias.

The second step is biblical investigation. The church group looks for the Bible passages that relate to the traditional practice they are addressing. The aim is to ensure that elements adopted fro such practice are in agreement with the teaching in the Bible.

In the third step, the people engage in critical examination of how the traditional practice compares with their renewed understanding of the teachings of the Bible on the practice they are evaluating. Hiebert suggests a number of ways how they might treat the practice after testing it against the Scripture. First, if they find it is not unbiblical, they may accept the practice as it is for use in their church. The second option is that the church may need to modify the practice so that they give it an explicit Christian meaning. Another possibility is that the practice may be rejected by the church for being completely unbecoming for use by Christian believers. A fourth possibility is where the congregation may substitute the practice with a symbol borrowed from another culture for the practice they have rejected from their own tradition. A final possibility is where the congregation may find it fitting to create new symbols to enable them to communicate Christian beliefs in forms that are indigenous to their culture.

Hiebert's fourth step of critical contextualization is the application of the practice after steps 1-3. The congregation, guided by its trained leader, puts into practice the forms they have chosen for their church and checks that it is conveying the intended Christian meaning.
serve and at the same time to make cultural and traditional practices adopted for worship to be biblical,

- It should be constructed after a detailed analysis of the social conditions of the context,

- It is based on a way of knowing the truth through a reflection of human experience as opposed to Western theology or "theology from above" which establishes the truth through Western philosophical analysis,

- It is not based on abstract doctrines but on human activity and their participation in activities in their world,

- Its locus is "solidarity with the poor" which shows that it is expected to be a theology that speaks with the voice of the poor and the people marginalized in history,

- It was designed because theologians from poor countries claimed that the theology originating from the rich countries was not relevant to the poor majority in Third World Countries (Frostin 1984:132-137).

The African theology from below is, therefore, based on the assumption that the Africans will understand the revelation of God in Jesus through a reflection of the experiences of Africans – experiences of colonialism, oppression, exploitation and mass poverty. Its application should challenge the churches in Nairobi to adopt "a prophetic mode of living, challenging the context" that
oppresses and marginalizes people in this city (Frostin 1984:134). This means that in addition to the proclaiming of the word of God to the people in Nairobi, churches should also challenge the people to act in ways that will help the poor to alleviate their poverty.

Hiebert and Meneses give some insight on how a theology of the poor could be constructed. They show that:

A theology of the poor must begin with Christ. His incarnation among the poor, his miracles, and his suffering model for us what our ministries should look like.

This theology must also proclaim the kingdom of God that has invaded the earth wherever God's people gather to worship him and live together in peace and reconciliation. . . . [O]ur ministry . . . should include preaching the good news of salvation, healing the sick, feeding the hungry, educating the ignorant, and seeking to transform the structures of society that oppress people and keep them poor (Luke 4:18-19). . . . We must not serve people who are poor from positions or attitudes of pride and superiority. If we do so, we only add to their oppression. . . . We must come as paupers, pointing people to God, who can transform their lives. . . . Our goal in ministry is not simply to help poor people to meet their daily needs, but to see them transformed by the power of God and empowered to be people of dignity and worth in society. (Hiebert 1995:354)

The Christian community-based model of MED presented in Chapter Five can be used by churches in Nairobi to achieve the objective of helping the people to meet their daily needs and also to achieve the objective for discipling the beneficiaries of such facilities.

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37 Frostin's model of "theology from below" is based on a case study showing that for the church in South Africa to present a theology that is relevant to the segregated and marginalized poor in South Africa (mostly Black and Colored people) there was need for the church here to shift from presenting to the poor a theology based on needs of the dominant cultural group (the rich) to a contextual theology that addresses the perspectives of the poor. Such theology would address such concerns of the poor as liberation from sin and all other oppressive forces (social-economic-political). The contextual circumstances of the people in the slums of Nairobi are generally similar to those previously experienced by the Black People in South Africa. We, therefore, consider that Frostin's model can be applied in Nairobi.
The Experiences of Microeconomic Development in Nairobi

Microeconomic Development refers to a development strategy that provides a broad package of microfinancial services (savings, credit, and insurance) as well as other business development services (such as business training and marketing assistance to entrepreneurs including the poor to enable them to operate their own productive economic activities (Mask 2000:4). The system normally works through revolving loan programs from a provider who could be a commercial bank, a donor agency, a Christian organization, a church, an NGO, people's cooperative or a member's groups. Such a provider would provide credit to people who have a business plan, and usually some experience and who with additional capital can generate funds to pay back the loan with interest (Befus 2002:207).

Investors who provide the working capital for the MED are called "providers." A "Christian MED . . . [is created when the provider such as a church or a Christian agency] has intentional spiritual transformation goals and is more holistic in vision and objectives" (Mask 2000:2) than secular groups. This dissertation recommends a Christian MED (CMED) for dual purposes; the alleviating poverty and the making of Christ known and witnessed among the poor in Nairobi. The model will be used as a means of helping the church to participate in community development by showing the poor how to use their resources to liberate themselves the poor from poverty and other forms of oppression affecting them in Nairobi.
In this section we will use the theory of microeconomic development (MED) to help us to understand and then to evaluate the financial services offered to the poor in the city of Nairobi. In doing this we shall be guided by insights from several scholars including Russel P. Mask (2000); David R. Befus (2002); Rosemary Atieno (2001); Stuart Rutherford (1999) and H. Mugwanga et al. (1999). The operations of the banks and financial institutions in Kenya are controlled by the Ministry of Finance through the Central Bank of Kenya. Eventually, as we shall show later in this chapter, the operations of the MED will be brought under the supervision of the Central Bank of Kenya. The Central Bank of Kenya is the government agent for ensuring that all financial institutions comply with the “The Banking Act, Chapter 488 of the Laws of Kenya.” A review of the Banking Act is, therefore, critical to our understanding of the future operations of the MED in Nairobi.

The Banking Act, Chapter 488 Laws of Kenya

This Banking Act is an Act of Parliament of the Government of Kenya for regulating the business of banking. According to the Banking Act, every institution intending to transact banking business or to provide financial services must apply for a license through the Central Bank of Kenya (Republic of Kenya 1995).

A license shall not be issued unless the institution meets the minimum capital requirements and makes the appropriate payments shown in Table 9.
Table 9
Capital Requirement under the Banking Act of Kenya

<table>
<thead>
<tr>
<th>December, 2005</th>
<th>Banks</th>
<th>Financial Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Kenya shillings (US$) millions</td>
<td>Kenya shillings (US$) millions</td>
</tr>
<tr>
<td>Minimum Capital</td>
<td>500 (7.1)</td>
<td>375 (5.35)</td>
</tr>
<tr>
<td>Initial and annual fees</td>
<td>400 (5.7)</td>
<td>400 (5.7)</td>
</tr>
<tr>
<td>Charges for opening every branch in a municipality</td>
<td>150 (2.1)</td>
<td>150 (2.1)</td>
</tr>
</tbody>
</table>

The Central Bank also regulates the opening of branches for financial business (1995:15). The Banking Act Chapter 488, Laws of Kenya restricts institutions not licensed as banks or as financial institutions from undertaking deposit-taking business. During our interviews with officials of MED in Nairobi, some of them claimed that this restriction from collecting deposits from the public reduces the amount of money available to their institutions from which they can extend credit to the poor. Such institutions are now eagerly waiting for the implementation of the "Proposed Deposit - Taking Micro-Finance Bill" which should authorize them to take deposits. But this bill is also expected to put all deposit-taking institutions under the supervision of the Central Bank of Kenya. But what are deposits?

Money is considered to be a deposit if it has been placed with an institution by members of the public; repayable on demand or at expiry of a fixed period or after notice and employed for lending, investing or in any other manner for the account and at the risk of the person employing the money (Omino 2005). It was claimed that deposit-taking gives MED the potential to expand their financial services to the poor. Nevertheless, in our research on the operations of the MED in Nairobi we found out that those MED as the K-Rep and the Equity bank which have converted into deposit-taking institutions are redirecting their focus from programs intended for serving the poor to more profitable banking business so as to make the profits necessary to meet the cost of this additional funding.

The Microfinance Sector in Nairobi

Today, there are over 100 organizations that operate microfinance business in Kenya (Omino 2005). These include 50 non Governmental Organizations (NGOs). Such international NGOs as Opportunity International, Trickle-Up, Tear Fund, CARE International, and foreign governmental development agencies such as USAID, Department for International Development (of UK), and the Dutch Co-Financing Program have provided the MFIs in Kenya with part of their working capital comprising of loans and grants.

Majority of microfinance institutions registered in Kenya have several branches in Nairobi. During our research we interviewed officials from ten of these MED.39 The evaluation of the operations of MED in Kenya is complicated.

39 We interviewed officials from: KWFT, K-Rep Bank, Eclof, Jitegemea, Jamii Bora Trust, OAIC, CARE (Kenya), Ack Kawangware, Equity Bank, and the Self Help program of the Roman Catholic Church.
by the fact that they operate under eight different Acts of Parliament. Omino (2005) lists these Acts as:

- The Non-Governmental Organizations Co-ordination Act,
- The Building Society Act,
- The Trustee Act,
- The Societies Act,
- The Co-operative Societies Act,
- The Companies Act,
- The Banking Act,

The Government of Kenya has, therefore, planned to "finalize the Micro Finance Bill 2001 to facilitate the operations of micro-finance institutions" to be regulated and to be supervised, by the Central Bank of Kenya, under a single Act (2002b:11). This bill is expected to present a legal framework for the MED that want to convert into deposit-taking institutions.

In our research we were able to establish that MED have helped to uplift the lives of many households in Nairobi. Our discussions with the traders in our sample, who were members on MED, affirmed our prior assumption that small loans to the poor can go along way towards the development of their businesses and towards the improvement of the quality of life.

Njoroge Wa Mbau (not his real name) who started his business in the informal sector with a loan of Kenya shillings 10,000 (US$ 142.8) from Faulu Kenya and who was currently repaying a loan of Kenya shillings 105,000 (US$
1,500) from the ACK’s *Ukristo na Ufanisi* had this to say about the impact of these loans. “My business has grown, I have been able to send my children to good schools, I now can buy medicine for members of my household, we get enough good food and we now live in a permanent house in a good neighborhood.” Wa Mbau had now developed a successful business and had attained higher standard of living. We came across many cases of former poor people who had been uplifted from material poverty by credit from MED.

Another example of such people is a trader we interviewed, in Pumwani division. A few years ago, he was just a hawker in the streets of Nairobi. But today, he is able to secure letters of credit with one of the local banks to enable him to import hard-wood timber worth millions of Kenya shillings from the Republic of Zaire.

The concept of MED was introduced in Kenya by international donor agencies after the model had been successfully implemented in 1976 in the Grameen Bank in Bangladesh by Muhammad Yunus who had successfully established a microfinance institution to grant small loans to help the poorest of the poor to establish micro-business. As in the case of the Grameen Bank, most of the clients for the MED in Kenya are women. The Welfare Monitoring Survey (WMS) of 1997 shows that out of the 946,699 poor people living in Nairobi, 48.6 were women (Republic of Kenya 2000a:7). These women could not access loans from formal financial institutions because of the gender bias described by Aloys B. Ayako (1997) as he states:

> Gender bias, rooted in the country’s cultural and ethnic traditions, has discriminated against women by denying them land, credit, input, agricultural extension, and training. Furthermore, traditional division of
labor overburdens women who have to spend time and expend energy on domestic chores, such as fetching water and fuel and marketing. Similarly, the distribution of resources within a home exhibits anti-women bias. (1997:15)

Women are and other marginalized groups who did not own land that they could use to secure loans from banks are, therefore, motivated by this discrimination to associate with the MED that is ready to assist them. But how do the MED help in the creation of jobs that are instrumental to the alleviation of material poverty? We will be able to answer this questions by a review of the economic concept of the “multiplier effects” of saving and investment and by an examination of how the “Christian MED (CMED)” operates.

The Multiplier Effects of Spending. The multiplier effect is an economic concept used to show that when there is an increase in the general level of spending in a local community jobs are created through the production that is developed to meet this increase in effective demand, assuming that there are good taxation mechanisms that will protect the economy from inflation. There is normally an increase in spending that is generated through loan funds granted as credit by MED. The creation of jobs through credit from MED takes place following such processes as illustrated in Figure 8.
Figure 8. An illustration of how a multiplier process initiated by an expansion of credit can take place in a local economy.\textsuperscript{40}

The multiplier effect of credit injected in an economy can be summarized as a three-step process as follows:

- The loan disbursement leads to an increase in investment which is reflected in an increase in spending on goods and services,
- There is an increase in production to service the higher demand for goods and services. This creates jobs in the production sector, starting from individual business units where the investment has been injected,
- Depending on the rate at which the increase in investment is spent on consumption of the goods produced (the marginal propensity to consume) there is a series of increases in production induced by

the new jobs created and this process goes on to generate improvements in the earnings of the individual micro businesses and of the local economy.\textsuperscript{41}

Our research affirmed our assumption in this dissertation that MED helps the informal sector to create jobs. We established that 112 people were working in the 20 small business enterprises in our sample (excluding the 10 hawkers). All the 20 entrepreneurs interviewed informed us that they had started working alone but hired the additional labor as their businesses expanded. The average employment for the 20 businesses was nearly six people (5.6) for each of the business unit in our sample of the \textit{Jua Kali}. But to what extent do the micro-entrepreneurs in the informal sector in Nairobi utilize credit?

The results of our research with respect to borrowing from MED by the micro-business entrepreneurs in the informal sector in Nairobi are shown in Table 10.

\textsuperscript{41} This model is a micro-level operation in a local economy, for example in the \textit{Jua Kali} in Nairobi. It is not a national or macro-level operation. If it were a macro scale operation, we would run the risk of inflation if there comes a point where we have more money chasing few goods and service. Therefore, a macro-level investment model should be accompanied by an appropriate taxation to get rid of any excessive liquidity in the economy to prevent such inflation taking place. One of the roles of the Ministry of Finance in Kenya is to monitor money circulation in country and to apply the fiscal controls as need arises to prevent there being adverse effects from increased levels in spending.
Table 10
Micro-businesses with Loans from MED\(^42\)

<table>
<thead>
<tr>
<th>Type of Traders and their sources of Credit</th>
<th>Hawkers</th>
<th>Traders in Stalls, Kiosks, and Open Air Garages</th>
<th>All Traders in the Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number (Percentage)</td>
<td>Number (Percentage)</td>
<td>Number (Percentage)</td>
</tr>
<tr>
<td>MED</td>
<td>3 (30%)</td>
<td>4 (20%)</td>
<td>7 (23.3%)</td>
</tr>
<tr>
<td>Merry-Go-Round</td>
<td>1 (10%)</td>
<td>6 (30%)</td>
<td>7 (23.3%)</td>
</tr>
<tr>
<td>Money lenders</td>
<td>Nil (0%)</td>
<td>1 (5%)</td>
<td>1 (3.3%)</td>
</tr>
<tr>
<td>No loans</td>
<td>6 (60%)</td>
<td>9 (45%)</td>
<td>15 (50%)</td>
</tr>
<tr>
<td>Total</td>
<td>10 (100%)</td>
<td>20 (100%)</td>
<td>30 (100%)</td>
</tr>
</tbody>
</table>

To understand the real implication of the data shown in Table 10, we need to review this picture in relation to the condition of business in Nairobi during the period of our research. This information was presented in Chapter Three where we discussed the responses to Question One of our interview schedule for traders (see Appendix B). When we asked trader how their business were, 85% of these people stated that the business was poor as a result of two major reasons, the harassment by NCC (17.6%) and because of the poor state of the economy in Kenya (58.8%; there were other reasons such as bad weather and competition that were given). These circumstances did not encourage people to borrow money. The data in Table 10 affirms the business climate that prevailed in Nairobi.

The continuous harassments and evictions had greater impact on the willingness of hawkers to borrow money from MED. The majority of the hawkers (60%) did not borrow money from any source while 55% of the sedentary group

\(^42\) Source: Our Research Data, May 2006.
had loans with 20% of the loans being from MED. The merry-go-round was an important source of money for the people in this sample.

The results of our research was in agreement with the claims made by various scholars of microfinance for example, Mugwanga (1999a:23); and Koenraad Verhagen (2000:27), that MED in Kenya do not serve the "very poor people." The MED selected the wealthier people in the informal sector for funding. The very poor people; "the very destitute, street children, the neglected elderly, the mentally or physically disabled; they are not served by microfinance" (Verhagen 2000:27). In Mugwanga et al.(1999a) it has been shown that the recent wave in Kenya whereby MED have been converting into banks has enhanced this digression from serving the very poor, as the "focus of these institutions has gradually changed from emphasis on the very poor to the enterprise poor as the demands on these institutions to become financially sustainable has increased" (1999b:4).

Other scholars such as Monique Cohen (2005) are in agreement with this observation that the microfinance market does not address the financial needs of the poor. Such needs include their financial requirements to purchase household assets, money for home improvements, money to meet personal emergencies such as funerals, and sicknesses of relatives, money to pay for school fees or money to fund weddings (2005:2). Loans from MED in Nairobi are expected to be used exclusively for business development. To meet their social needs, the poor are forced to become members of informal credit institutions such as the merry-go-rounds or even to borrow more expensive money from the "money lenders." This means that they have to make two weekly withdrawals of the money, from their
businesses, to meet these two major financial obligations. This reduces their working capital and their income levels. But even with these weaknesses, Christians who are involved in Microeconomic development in Africa have noted the great potential in MED for helping churches here to transform and to disciple the poor.

**Churches African Can Achieve Servant Leadership through CMED**

In Africa, the church has great concerned with the transformation of the poor and the marginalized groups. This is the reason why churches in Africa have now become members of the Association of Christian Microenterprise Development (ACMED), an association that held its first conference in Nairobi, Kenya in February, 2003. The participants drawn from Christian microenterprise development institutions, Christian development organizations, mission organizations and churches involved or planning to initiate CMED, met to define "how they could effectively contribute towards wealth creation, poverty reduction and kingdom building" (Getu 2003b:130). We have used insights from this ACMED conference to interpret out data.

The resolutions reached at this conference are reported by Makonen Getu (2003b). He gives the highlights of resolutions at this conference as follows;

- ACMED noted the enormity of poverty in Africa, the high unemployment and limited employment opportunities in the formal sector,
- ACMED also noted the immense richness and unexploited potentials in Africa,
- They also noted the immense potential employment opportunities that MED could offer,
• They noted the new critical role CMEDs could contribute to sustainable transformational development in the extension of God's kingdom,

• The participants of this conference, therefore, resolved to establish ACMED Network as a vehicle for promoting enterprise development in Africa. (2003b:132)

In his own contribution on the role of CMED in church mission, Getu presents the concept of transformational business and he also gives us several discipleship approaches that can be applicable in African churches. First, he presents transformational business as a model for discipling the poor. He defines transformational business as "an economic activity conducted by creative and industrious men and women under the ordinances of God following biblical imperatives and values in pursuit of the creation mandates (family and work), the great commission (making disciples and teaching), with the ultimate goal of serving God and extending his [sic] kingdom (2003a:145). Second, Getu advocates the approach of "servant leadership as an essential part of . . . [CMED] business" (2003a:148). This model is biblical (see Matthew 20:28) and would lead Christians to emulate the example of Christ of serving God through serving and empowering the people including the poor (Getu 200a:148). The servant leadership is characterized by listening, empathy, healing, awareness, persuasion, conceptualization, foresight, stewardship, commitment to growth of people and building community (2003a:148). Getu shows that the poor will be discipled, by the leaders of the CMED, when:

they are consulted and involved in decision-making and planning processes, and when their potential is unleashed through appropriate skills training, when their socio-economic needs, including family issues,
are attended to, their creativity, productivity and commitment is enhanced resulting in increased business performance and wealth generation . . . not for the sake of popularity and profitability alone but also for the glory of God. (Getu 2003a:148)

From these ideas by Getu we got the insight that a CMED should be operated for the sake of generating wealth and for the glory of God. Our research established that all the MED in Nairobi were helping their clients to generate wealth none of them was involved in proclaiming the gospel to the poor. Therefore, for us to understand how to construct a holistic model for alleviating both the material and spiritual dimensions of the poverty now being experienced in Nairobi, we need to examine how a MED model can be transformed into a Christian MED (CMED).

Holistic Ministry through Use of CMED

MED as a financial institution for the poor is not a new idea in Kenya. Although there are MED owned by churches, we do not as yet have any CMED in Kenya because such church initiated MED operate along secular MED business methods. We therefore need to establish such institutions based on our understanding of the critical needs of the poor gained from this research. A good starting point in the construction of a CMED is a review of how the MED now existing in Nairobi operate.

Ninety percent (90%) of the MED documented in our sample had adopted the Grameen methods of operations, particularly the credit delivery systems. CARE (Kenya) was the only MED that was granting individual loans. The two MED (K-Rep and Equity Bank) that had converted into banks had not as yet withdrawn the group loans as they had to wait until all the existing group loans
had been paid in full before switching to the banking system of credit. The operations were highly simplified and decentralized. It was noted that the loan process involved less documentation and fewer appraisal procedures than in commercial banks in Kenya. MED could disburse loans much faster than commercial banks. By the time an MED disburses the first loan to a client, they do not know this client well. As shown in Table 7 in Chapter Three, the initial loans are generally small, ranging from Kenya shillings 10,000 (US$ 142.8) to Kenya shillings 30,000 (US$428.5). As borrowers satisfactorily repay loans they get progressively larger amounts. Their credit worth is established from their loan repayment records. The borrowers mostly women form groups to guarantee each other loans.

Credit officers also called field officers from the lending MED counsel borrowers weekly. The borrowers meet to perform group activities including presenting their mandatory savings, and presenting the repayments for their loans. It is at these weekly members’ meetings that members are counseled on how to manage the loans. This group –based method uses peer pressure to ensure good loan repayments. These groups select their own members. Our research established that Russell Mask is right when he suggested that this way of forming groups discriminated the very poor. He informs us that “Poor repayers are not allowed into the group” (2000:16).

The people in our sample that had not borrowed from MED informed us that they had been discouraged by such discriminations from getting loans. Without being allowed to join such groups these poor people were marginalized, a form of oppression of the poor by the poor. Another major weakness with the
operations of MED in Nairobi is that that the training provided to the borrowers focused on ensuring good loan repayments. It did not include training the people how to improve themselves, their businesses or their communities. Recently, MED such as Jamii Bora Trust, Faulu and Eclof have introduced health insurance programs for their members as we described in Chapter 3.

During our research we discovered that the World Vision, a Christian organization running an MED subsidiary called The Kenya Agency for the Development of Enterprise and Technology (KADET), had a mission of witnessing to Jesus Christ through deed and good life of their staff members. But they had no programs for proclaiming the word of God to their clients. Similar omissions were also noted with Eclof, Jigema, *Ukristo na Ufanisi*, and Self Help all of which had been established by churches. We noted that these MED were concentrating their efforts and resources on fighting material poverty and that they were operating just like the secular MED. To engage in the holistic ministry their operations have to be changed to include evangelization and discipling in their objectives.

We agree with David Bussau that Christian Microeconomic development can become, for churches, an effective marketplace tools for proclaiming the gospel, building the local congregations and empowering the laity to demonstrate Christ’s love to the poor in their communities (1998:11). We recommend churches in Nairobi to adopt this strategy for mission. An authentic CMED will provide all the functions of MED but in addition it will undertake spiritual functions. Churches adopting a CMED strategy for outreach to the slum communities will have opportunities for providing two outreach programs in one
institution; working in solidarity with the poor to uplift their poverty through economic "deed" and building the Kingdom of God through the proclamation of the "word" of God through the small communities established in the weekly meetings of the CMED. The major challenge in such a model will be maintaining the proper balance between the secular function of loan making and the spiritual objective proclaiming the word intended for disciple-making.

In our research we were informed that since most of the members were Christians, some Christian rituals take place in the MED. Meetings are opened and closed with prayers. When group members fall sick others go to prayers in their houses. But there are no systematic activities for evangelization and discipleship. By adopting a CMED the church will take her evangelization and discipling to such a level that should enable such a local church to impact the community.

Brian Fikkert has some proposals of how a CMED can be created. He shows that this can be done:

By hiring Christian staff, by giving them incentives to provide spiritual as well as financial services, by using group-based methodologies that provide forums for biblical instructions, and by partnering with local churches, it is possible to keep the "word" and "deed" aspects of the program in some degree of balance. . . . [Alternatively] each [CMED] elects a chaplain, who oversees the group's evangelism and discipleship activities. . . . missions, churches and small Christian NGOs are trying to implement very small loan programs using Christian donors. . . . Because the funding source values evangelism and discipleship activities, such programs do not face the restrictions on sharing the gospel that are often present when the donor is a secular [institution]. (2003:19)
To complete our CMED holistic model for mission we must now integrate the MED component with the processes to be used for making disciples in the city of Nairobi.

**Use of Small Groups for Discipling in Nairobi**

In Chapter Two, we defined discipling as the process of finding and winning the lost, folding them into a local church and building them up in faith. In our sample the people in the MED were already attending some congregation within the churches in Nairobi. This presence of MED widely distributed in Nairobi provided us with an idea that MED can be used as the primary units from which churches in Nairobi can evangelize and make disciples in the informal sector.

We will use highlights from recent research work, carried out by two African scholars, Motty Bauta (2005) and Nebert Mtange (2006) whose aim was to establish methods for disciple-making in Nigeria and in Kenya respectively. They have described ways of maturing responsible African Christians within Christian faith through the process of learning from one another, also through “walking alongside in order to encourage, equip and challenge one another to grow towards maturity in Christ” (Motty 2005:22). Practical methods that have been tested and applied in discipling new believers in the SIM/ECWA churches in Nigeria include: teaching new believers how to write and how to read, teaching them how to adopt a prayerful life, teaching them how to observe moral integrity characterized by love, joy, peace and patience in community life. Some of the methods used include:

- use of teaching materials which are written in local languages,
- use of radio messages,
- use of discipleship classes,
- organizing fellowship meetings,
- passing Christian through drama,
- organizing Stewardship and Accountability seminars,
- and deepening people's faith through worship activities (Motty 2005:65-71).

Some of these methods can be adopted for use by churches in Nairobi. The hiring of a chaplain to oversee evangelization in the CMED will ensure that the methods adopted are relevant to the lessons intended to be taught at their contexts when they engage the church members in the preparation of their curricula for disciple-making.

Some of the insights from Mtange (2006) will be helpful to us when we come to the preparation of the discipling curriculum. He has described small church group methods used by churches in disciple-making in the Western Province in Kenya (Mtange 2006). Three things have made it possible to use small groups for disciple-making; “prayer, song and dance and time for refreshments” (Mtange 2006:103).

Mtange is right that people in Kenya prefer “working in groups” (2006:124). But there are differences between the socio-economic needs of the rural people and the needs of the urbanized communities in Nairobi. The disciple-making methods intended for rural communities will need to be modified to suit their use in Nairobi. We can cite a few differences between the people living in the rural communities and those in the informal sector in
Nairobi. Since the rural people do not experience harassments such as the ones the hawkers are subjected to, the issue of conscientization does not feature in these two models for disciple-making. People in the rural areas produce their own food. There is, therefore, no need for hawkers' markets there. On the other hand people in the city have relatively higher levels of education. For people in Nairobi, literacy classes may not carry a high priority as in Western Kenya.

While our model, being a Christian disciple-making model, must also aim at achieving spiritual guidance, it must include two additional factors for it to be said to be holistically addressing the needs of the poor in Nairobi. We have to address their need for lump sum money to meet the socio-economic shocks in the city highlighted in this chapter. In the rural areas there are social networks such as families, clans and people living together as tribes. This makes it easy for churches to form cohesive groups of people for the purpose of disciple-making. Churches can even work within existing natural groups.

In the city churches have to create primary units such as CMED from which they can transform the community. In these CMED, churches must then teach the people the need for “unconditional sharing their lives with other members of Christ’s body;” Christian fellowship is not replicating church worship but practicing “unconditional availability for brothers and sisters emotionally, financially and spiritually” (Sider 1997:190). A typical small group program includes prayer, sharing of concerns, bible reading, announcements, business for the day, closing prayer which is followed by time for refreshments (Mtange 2006:108). In our CMED small groups some time will be allocated for the group to transact financial business relating to their savings and loans.
Summary

This chapter presented research data in light of our theoretical framework. We were guided by the theory of colonialism/neo-colonialism, theology of the poor and the theory of microenterprise development to analyze the data we gathered in Nairobi from the poor, from church leaders in main line churches and from leaders of microeconomic development in Nairobi. Our objective was to understand how the poor lived in Nairobi and how they were assisted by the mainline churches and MED to address their contextual problems. In this research we hoped to identify and to recommend a model of Microeconomic Development that can be used by churches in Nairobi to establish holistic ministries to the poor.

We have shown that the marginalization of the low class people started in the colonial regime but continues in the Kenya under neo-colonial administrative structures. In addition, we have shown that the national development based on the modernization model of development has relegated Kenya to specialization in primary production which has created; food shortages, dependency on foreign debts, and the inability of the small and decelerating formal sector to create enough jobs to match the population increase in Nairobi. People who are not catered for by the formal institutions were found to be struggling to survive, without essential basic infrastructure and the freedom to engage in business, in the informal sector.

Although churches in Nairobi were conversant with the biblical worldview that teaches the need to care for the people who are needy and oppressed, their
actual practices showed that they only partially fulfilled this mission. The church leaders upon their understanding of the implication of the liberation theology that challenged Christians to work in solidarity with the poor to eliminate structurally-induced problems of oppression and mass poverty had created forums for Justice, Peace, and Reconciliation Committees (JPRCs) that if used effectively, could have helped these churches to address the two contextual problems. But the efforts of the JPRCs were found to have been focused on macro issues such as the on-going Constitutional Reforms in Kenya at the expense of assisting the poor to address micro issues such as the demolition of their kiosks and eviction from the Central Business District (CBD). While churches were active in the proclamation of the word and in the funding of their institutional needs in their parishes, their social outreach to the poor, widows and orphans was through occasional distribution of relief collected through church member's "food banks." A few churches had established MED. But these church-based MED were focusing on the material poverty of the poor and were not being utilized by their founder churches to address the spiritual dimension of the poverty experienced in Nairobi.

This situation showed that churches in Nairobi were not fully implementing the theology of the poor. This chapter has introduced the biblical view of the caring for the needy according to the Lukan theology of the poor. We have argued that Luke calls for Christians to care for the material and the spiritual need of the poor; to liberate them from oppression and to engage in disciple making. African theologians interpreting this theology in terms of liberation theology have called for the churches in Africa to implement theology
of the poor as a contextual theology from “below” which is based on the African traditional religion that advocated for “wholeness of life” and also on the African experiences of mass poverty and political structures that marginalize some people groups to poverty.

This chapter presents ideas that churches can benefit from adopting the strategy of CMED. They can use these small groups for delivering financial assistance to the poor and for disciple-making. We pointed out that our data confirmed what has been observed by scholars of MED that these institutions, particularly those that have converted into deposit-taking institutions, were not serving the needs of the “very poor.” Then, how can these poor be served? In Chapter Five, we will recommend a CMED model that can be used by churches in Nairobi to address this problem.
Chapter 5

Use of Christian Microeconomic Development for Discipling and Poverty Alleviation in Nairobi

Human beings find themselves enmeshed in a structure that makes them what they are at the moment, but they can change the structure and thereby profoundly modify their being. Men and women can change the structures of society from structures of dependence and oppression to structures of equality. (Paoli 1987:44)

. . . many Christians are now learning . . . [that to] be followers of Jesus requires that they walk with and be committed to the poor; when they do, they experience an encounter with the Lord who is simultaneously revealed and hidden in the faces of the poor (see Matt. 25:31-46 . . . ).¹ This is a profound and demanding spiritual experience that serves as the point of departure for following Jesus and for reflection on his words and deeds. . . . [and that enables Christians to say that] We Drink From Our Own Wells.² . . . [The] observation, “Everyone has to drink from his [sic] own well,” raises the question: From what well can the poor. . . drink? (Gutiérrez 2003:x)

In this chapter, we will present a model that will help the poor in Nairobi to change the structures that block them from participating in developments that affect their lives. This strategy has arisen from our research. We believe that when it is implemented by mainline churches in Nairobi, it will enable Christians in these churches to encounter God, who is described in Gustavo Gutiérrez as “the Lord who is simultaneously revealed and hidden in the faces of the poor” (2003:x). By using this model, these Christians will be able:

• To demonstrate their faith and their Christian love in “word” and in “deed,”

¹ The key words in this text are in Matt. 24:45-46 which state: “Who then is the faithful and wise servant, whom the master put in charge of the servants in his household to give them food at the proper time? It will be good for that servant whose master finds him doing so when he returns.” (TNIV)
² This observation is borrowed from St. Bernard of Clairvax (See Gutierrez 2003: x)
To care for the spiritual and for the physical needs of the poor,

To empower the poor in the slums of Nairobi to liberate themselves from the poverty now oppressing them,

To transform the poor in Nairobi to become disciples of Jesus and, therefore, to bring these poor to a position when they can declare that “We Drink from Our Own Wells.”

The implementation of this model will enable the mission of these churches to go beyond verbal proclamation of the gospel in their pulpits to transforming communities in Nairobi. Arturo Paoli is right. For us to construct a model that addresses the spiritual and physical dimension of poverty in Nairobi, we must adopt an integrated strategy. He argues that the “battle we have to win, the step we have to take, is to build a poor, proletarian, popular church, and this will not occur as long as we reason in dualistic categories of soul and body, of poor spirit and rich existence” (1987:169). In order to understand the steps we have taken to arrive at this strategy for mission that we recommend, in this chapter, it is critical that we review the principal implications of our research about the poor, about churches, and about MED in Nairobi.

**Evaluation of the Church's Mission to the Poor in Nairobi**

The mainline churches in Nairobi are decentralized. The parish is the center of church activity. In the past, a parish was comprised of several small

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45 *We Drink from Our Own Wells* is the nuanced articulation of the spirituality experienced by the poor in Latin America, a spirituality that is rooted in their experience of their struggle for life. Their encounter with the Christ presented to them by churches there help the poor to affirm their human dignity and to claim their true identity as sons and daughters of God (Gutiérrez 2003: x). We hope that the holistic ministry recommended for mainline churches in Nairobi will have similar effects in the lives of the poor in Nairobi.
churches. Because of the fast growth in membership in churches in Nairobi over
the last decade, the parishes we encountered during our research consisted of
single congregations.

**Use of Small Groups by Churches in Nairobi**

Although the clergy at the churches we visited were the people exercising
authority over the administration of worship and sacraments we noted that the
laity had limited participation in directing the mission of the churches in
Nairobi. The traditional ministries relating to women, men, children, choir,
mission and evangelism, finance and development, social responsibility, Justice
Peace and Reconciliation Committees (JPRCs) and Christian Education were all
headed by lay men and women.

But as we reported in Chapter Four, we did not note disciple-making
activities in these lay groups. The perception seemed to be that disciples were
made sufficiently when the ordained ministers and pastors baptized believers and
also when they administered sacraments to them. Rene’ Padilla is right, when he
argues that “the universal priesthood of all believers is still far from becoming
historical reality” (2004:152), and this describes disciple-making activities in the
churches in Nairobi.47

Solidarity groups organized to serve savings and credit needs of the members
in a congregation can be used to undertake mission in a local church. John

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46 Mainline churches in Nairobi are: the Presbyterian Church of East Africa (P.C.E.A.), the Anglican
Church of Kenya (A.C.K.), the Roman Catholic Church, the Methodist Church, The Baptist Church, the
Quakers (the Friend Church of Kenya), The Pentecostal Assemblies and the African Inland Church
(A.I.C.).

47 See 1Peter 2:9-10 for biblical basis for Martin Luther’s concept of the Priesthood of all believers which
implied that all Christians are qualified to serve as priests in the church. We are using Luther’s argument to
support lay ministry in the CMED in Nairobi.
Driver puts this very well when he argues that “to know God is to be part of a people, God’s holy people. Peoplehood is part of the Good News as well as an essential instrument for mission” (1997:211). The model in this chapter is based on a mission by laity in the market place as they associate with other Christians and also as they associate with non-believers in MED’s solidarity groups. In the solidarity groups people become familiar with each other as they meet to do mutual business week after week. It is, therefore, easy for trained Christian disciplers to talk about their faith in Christ to the other people on one-on-one basis. The purpose of doing this is to offer the poor in Nairobi a means of attaining “shalom” and “wholeness in the life of the church” (Driver 1997:220) and also to help them to understand the spiritual aspects of their poverty and how to alleviate it. In order to achieve this wholeness in life, people in the solidarity groups will be taught to obey the commandment of Jesus in Matthew 6:33—to “seek first the kingdom of God.” The CMED will be a mission of the church where the church will train the lay people in the solidarity groups how to utilize their respective gifts for making disciples. Padilla shows the benefits of using people’s spiritual gifts as he cites an insight from John Driver (1997) which states;

The church will be truly the body of Christ to the extent that all the gifts of the Spirit are recognized and exercised in the community. The plurality (where more than one person can exercise a single gift) and the universality (whereby every member has a single gift or gifts to use) are part of the very essence of the church. (Driver 1997:162)

The discipleship program in our model will aim at educating people biblically as well as encouraging them to be active in caring for others and to exercise their
talents to improve the quality of their lives and the lives of others in their community. The CMED will aim at:

- Bringing the power of the gospel to those participating in the solidarity groups in the CMED,
- Helping as many people as possible to be involved in these groups with the intention of reaching these people with the gospel,
- Developing a desire to know more about Jesus and to use their social networks to make Jesus known by others.

In this section we will review the mission undertaken by churches, in Nairobi, through small groups and MFIs.

**Demonstrating Christianity Through Small Groups.** Mama Wairimu (not her real name) is a wonderful woman in our district called “Nembu” in the Presbyterian Church in Waithaka Parish in Dagoretti division. Every last Sunday of the month when we (about 50 families) have our monthly Christian home fellowship, she does something that makes me remember her throughout the following week. It could be her testimony of how Jesus has helped her to obtain school fees for her daughter, Wairimu, who was in the Alliance Girls High School. Such a testimony encourages other single parents who like her are struggling with raising school fees for their children.

But I like it most when she asks the group to open up their books and to sing with her hymn number 100 - which in Kikuyu language reads as “Muti-ini” or “At the Cross” when translated in English. With this song she reminds us that only Jesus who can liberate us from our problems and she invites all of us to show commitments in following Jesus. But some times she forgets to bring her hymn
book to the group meeting. In that case we are entertained and guided to sing one of her newest choruses. Last time when this happened, we sung a chorus saying in Kikuyu, “Chumbi. chumbi, chumbi wathi; inyui ni inyui chumbi wathi!” In English this translates as, “salt, salt, salt for the earth, you’re chosen to be the salt for the earth!” What I like about Mama Wairimu is that she has patience to teach slow learners like me. But her emotions move from one extreme to the other. One time she is smiling; the other time she is broken down as she asks the district to pray for her aunt who was at Kenyatta National Hospital. Her aunt could not be discharged because of some outstanding bills. At this time I took over and played my role as the district elder. I conducted the prayer. Then, I lead the group to make contributions to assist this family. We were all surprised to see that this abrupt Harambee raised nearly all the money that Mama Wairimu required.

After this Harambee we had a bible study. Mama Wairimu asked me to ask the parish priest to visit her aunt and pray for her before she left the hospital. This is an example of how a small Christian community can become a bridge between the community and a local church. I had invited a Christian doctor from the local hospital to teach us about how to care for the People living With AIDs (PWA). Several members in the district had relatives who were living in this condition.

This narrative is an example of how a Small Christian Community works within the mainline churches in Nairobi. It also shows how we can integrate traditional practices such as the Harambee within the Christian church to address the social problems affecting its members.
The diversity in Nairobi caused by subcultural communities (Hiebert and Meneses 1995:271) is not a major factor in the establishment of solidarity groups. We found that tribal groups coexisted side by side and interacted with one another in Nairobi. Although in the slums, for example in Kibera, people live according to their tribal affiliations; the Kikuyu, the Kamba, the Luhya, the Luo or the Nubi people, we found out that people from different tribes established businesses according to their lines of businesses. We also found that churches and MED were composed of members from different tribes. The intertribal associations become stronger as people from different tribes intermarry.

For the poor to improve the quality of their lives, it is necessary for the poor to be brought within the systems of the city. Proper development is dependent on the availability of the basic social facilities; land, water, sewers, credit, schools, hospitals and police protection. These facilities were found to be lacking in all the slum settlements where we did our research. The people in the informal sector were willing to work together to help those in problems. They had mutual support systems; for security against police harassment (see Figure 7, Chapter Three), for paying fines for colleagues who are arrested, and for reconstruction for kiosks that are demolished. Their social values for caring for the needy people in their communities will be enhanced by introducing then to Christian values in their solidarity groups. Our goal for introducing the CMED model is not just to help the poor in Nairobi to meet their daily needs but also to “see them transformed by the power of God and empowered to be people with dignity and worth in society” (Hiebert 1995:354).
In the small groups we will also implement the themes arising from African theology. In 1986 at the Ecumenical Association of Third World Theologians (EATWOT), the Synod for Africa offered *Anthropological poverty* as the theological locus for Africa and in 1994 they offered “the church as family of God (Karl Muller 1999:10) as the theme to guide churches mission to the poor and the oppressed. In this dissertation we have identified the church’s small groups as the most ideal organizations in the church in Africa where these two themes, the elimination of poverty and adopting church as family, can be implemented most effectively.

Another external forum which influenced the development of local theological themes in Nairobi is the Roman Catholic Vatican II (1962-65) and its theology of the local church. Vatican II has been used as the reference by the Roman Catholic churches in Nairobi as they focus on their mission to the poor. The most important development out of this global influence was the replication in Kenya of the small church groups that are intended to operate as the CBES that had helped the catholic churches in Brazil to transform communities there. In Nairobi, the Roman Catholic Synod adopted the Small Christian Communities (SCCs) as the cornerstone of a renewed African ecclesiology and for “empowerment” and “subsidiarity” of Catholic social teaching (Orobator 2005:82). All the Catholic churches visited in Nairobi had adopted the SCCs as a strategy for social outreach in their congregations. The Small Christian Communities in Nairobi are used by their congregations to implement their models of church-as-family-of God (Orobator 2005:79).
It is through these communities that they donate goods to the poor and assist the poor to get training and employment as a strategy for poverty alleviation. However, apart from the district prayers, we noted that, generally, there were no other disciple-making activities that took place in the SCCs. Nevertheless, a SCC at Korogocho in Embakasi division in Nairobi was noted to have established programs for helping the “very poor” including people with HIV/AIDS. The Korogocho program for the people living with HIV/AIDS (PWA) includes a MED to extend credit to these people so that they become self-reliant (Orobator 2005:94). The clients for this MED are described by the program coordinator as follows:

What we see in Korogocho is a degree of poverty that results in a higher percentage of the women having to rely on prostitution in order to survive and feed their children. . . . 60% of homes in Korogocho are headed by women alone; their reasons for coming to Korogocho are varied. . . . They live with the rather unrealistic hope that they will earn money to educate their children who will then get good jobs. AIDS ends all these hopes. Instead they get sicker and sicker and worry about what will happen to the children. (Orobator 2005:94)

In 2001, this program cared for 1000 people. This SCC at Korogocho, which is a good example of how the Roman Catholic churches in Nairobi use small group model to engage in holistic ministry in Nairobi, offers several points of ecclesiological interest as follows:

- This program grew out of a local church parish,
- They care for anyone in the geographical area of the SCC, even members of other churches or Muslims. The expectation is that eventually the beneficiaries of the assistance from this programme that are not believers
will start to appreciate the relevance of Christianity and, therefore, may be consider accepting the Christian faith,

- There is strong sense of ownership of the programme by the local community. This is a sign that the program is sustainable,

- The programme emphasizes the community’s capacity to cope with their problem, the crisis of AIDS,

- All health and pastoral workers are volunteers without remuneration. We find this case to be interesting to us for another reason that Christian professionals work together for solving their contextual problem. This is the corporate effort we visualize to take place in the CMED whereby bankers and pastoral staff work together to address mass poverty. In this program the staff have been trained how to process MED facilities for the clients,

- This programme is both a consequence of and a solution to the failure of the public social services in the area. It is an example of community initiatives that can help people to solve their problems in other parts of the city,

- The pastoral care for this group is limited to prayer and, according to the programme’s coordinator, the work of the church with such groups as this one is inadequate and patchy. A possible solution to this problem in involving more participation of the laity in the ministry,

- This program has transformed community in Korogocho by helping the people to adopt moral living that not only has improved their spiritual lives but has also reduced their risk for contracting the HIV/AIDS,
Without the church programme, there would be very little assistance to the people here. (Orobator 2005:96)

Small groups, such as the CMED solidarity groups, therefore, are possible vehicles for use by churches in Nairobi for transforming communities. Their greatest appeal is that, if the church provides the necessary training and other forms of empowerment, through such groups people can experience sociological development and growth in their Christian faith.

For our CMED model for discipling and poverty alleviation in Nairobi, we will adopt from small-group-training practitioners such as David Stark (2004) principles that have been used to form the foundation of successful small-group ministries. Figure 9 shows an illustration of how principles of small groups postulated in David Stark and Betty Veldman Wieland (2004) can facilitate spiritual transformation of people from a state of being just nominal Christians to being active servant workers and leaders in a community. The transformation comes from the biblical teachings by the group leaders, the learning by the participants and their decisions to become committed to the teachings of the gospel.

Our choice of the small group strategy is based on the fact that in these groups it is easy to connect the poor in Nairobi with trainers who will teach them about personal development (business entrepreneurship), about community action, particularly conscientization and confront them with the gospel. The sizes of these groups will depend on the people who work together or live in the

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48 The ideas from David and Betty Stark have been used as the foundation of small-church ministry at The Lutheran Church in Burnsville, Minnesota.
same neighborhoods. The idea is to make group meetings convenient to all the people in the same solidarity group. A group of about five to ten people is ideal and would allow personal relationships to be developed.

Figure 9. Principles of Small Group Ministry.49

In addition we have selected this strategy because we believe that the sociological principles shown in Figure 9 will help churches to transform the people. Stark describes how these principles work to transform the people as,

the sociological principles that underlie the process of people's growth build on one another, beginning with the principles of belonging and support, then moving to the principles of learning retention, life transformation, accountability, experimentation, risk taking, synergy, decision-making, and problem solving. (2004:72)

During our research we were told stories that emphasized the fact that personal and spiritual development of people through the influence of a local church depends on the people’s sense of belonging and that people are comfortable when they find a place they feel that they belong to.

We were told about Mama Kimani (not her real name). Mama Kimani is now a very wealthy woman owning property in the high-class parts of the city including wholesale businesses in Nairobi’s Central Business Centre.

She started her business life in Nairobi as a hawker selling tomatoes and cabbages at Gikomba market in Pumwani, before she started to sell Mitumba (local name for second hand clothes). Before very long, she was importing second hand clothes and distributing them all over Nairobi and to other parts of Kenya. She was able to change her residence from the slums to Karen where the wealthy people in Nairobi live. But we were told that she never withdrew from her merry-go-round savings and credit group at Gikomba. She attends the weekly meeting and remits her weekly payments without failure. She even invites the group to meet at her house when her time comes for her to get the payment. People are today puzzled when they see her expensive vehicle parked in front of a kiosk where she stated trading in Gikomba. Mama Kimani belongs to Gikomba’s community life. She feels more comfortable here. Our CMEd model is intended to make people comfortable with church activities such as mission to the poor.

As already stated in this section, the establishment of the Small Christian Communities in Roman Catholic churches in Nairobi was greatly influenced by the Basic Ecclesial Communities (BECs) in Latin America. We have, therefore,
taken some interest to note the objectives of the Roman Catholic Bishops in creating the BECs. Their intention was that these community groups:

- Should be groups where Christians find opportunities for living out a biblical Christian communion (see Acts 2 and Acts 4; practicing community-based spiritual life, loving one another, caring for one another and sharing goods each according to one's needs),

- Should be communities of their locality,

- Each should be a homogeneous group that has a size that allows for personal, fraternal contact among the members,

- Should be the focus of the church; the church pastoral effort must be oriented towards the transformation of these groups into "family of God,"

- Should be places where the church start by making itself present among the people as leaven by means of which these groups will grow in faith, hope and charity. As a way of applying this insight in Nairobi, our CMED is based on the assumption that there will be mature Christians working with the members of the solidarity groups,

- Should be the first and fundamental ecclesial nucleus which on their own levels must make themselves responsible for the expansion of faith. In Kikuyu language, the language of my people in Kenya, there is a popular proverb that states "mburi nicio iciaraga tuuri no ti ariithi." This translated into English would state "It is the sheep that produce kids, not the shepherds."
• Should, therefore, be the initial cell of the ecclesial structure and the focus of evangelization and the fundamental factor in human promotion and development. We have adopted this strategy for development because of its capacity to develop “social capital,”

• Should be staffed with a mixture of priests, deacons, religious men or women, or laity. (Hebblethwaite 1994:179)

**Conscientization through Small Groups.** As already stated in this dissertation, liberation of the poor in Nairobi will not be complete without making these people aware of their rights and also making them aware of their social responsibilities.

The adoption of the conscientization, the adult education method, formulated by the Brazilian educator Paulo Freire (van Willigen 2002:73), is one of the methods that can help us achieve this objective. Conscientization means the development of critical awareness of the structures that cause one’s circumstances (2002:73). Our objective is to mobilize the poor to take positive and constructive action against the entire dimension of poverty in this context. Conscientization is “learning to perceive social, political, and economic contradictions, and to take action against the oppressive elements of reality” (van Willigen 2002:73). This method for changing community life is based on empowering the poor so that they are able to participate in the “naming the problem, reflecting on the problem, and then acting on the problem” (van Willigen 2002:73).

We agree with Freire that human beings can know and act and not just be the object of others knowing and acting for them through “false charity”
Freire is right that the false charity (because it does not transform the people) creates dependency whenever people, even churches, act for the poor instead of working with the poor to solve community problems. It is, therefore, important that Christians in Nairobi must live and work with the oppressed people. The only way this will happen is if the church trains the poor to evangelize the other people in the slums. The training will take the form illustrated in Figure 7. Activities to take place in our format of Christian small groups, the CMED, will include:

- The poor will be shown the benefits that they can get from investing in CMED,
- The poor will be taken round the informal sector to see some developments that have been achieved through credit from MED,
- The poor will be assisted to establish successful microbusinesses in Nairobi. We shall use insight obtained from our research data that the MED in Nairobi were not reaching the very poor, to ensure that our model of MED, the CMED serves the needs of the very poor. To do this we shall implement insights obtained from David Befus (2001:23). The process of implementing this idea is discussed later in this chapter,
- Disciple-making so that the poor in CMED can participate in effective evangelism in their solidarity groups,
- Teaching the poor to actively participate in their local churches and in community efforts to care for the needy,
Conscientizational education for the poor, so that the poor become committed to changing their spiritual and economic standards and also to changing their environment,

Creating dialogues between churches and the poor in Nairobi through the CMED with an objective of transforming the slums.

A complementary objective in this research is to support the growth of a local church through the disciple-making that will take place through the CMED. Linus J. Morris (1993) affirms that the small group strategy is ideal for making disciples and multiplying local churches as he states:

The best place to make disciples is within the intimacy and trust of a small group. [Here] newcomers can form relationships, discover gifts, meet needs, heal hurts, kindle hope and build faith. [Small group]-structured church provides the infrastructure for Christians to grow, be natured, develop leadership, and extend the kingdom of God. . . . The cell group ministry establishes a vital, healthy church body. The cell group infrastructure promotes maturity, nurturing, discipleship, life transformation and accountability for the believer. The intimacy of small groups encourages the development of godly character. In this context people can discover faith, grow, and become committed to Christ's body and to the world. . . . cell groups fulfill the biblical mandate to evangelize and disciple all people. In a growing church, the pastoral staff is strained in its ability to provide primary pastoral care. A decentralized caring structure is needed to insure that everyone's needs are met. The role of the pastoral staff should shift from being the providers of the pastoral care to equipping lay leaders to provide it.

Cell groups led by non-professional shepherds allow the church to provide care and community for every believer. Lay-pastoral care is provided as members use their gifts to minister to one another. Serious counseling needs should be referred to professional Christian counselors, but most pastoral needs can be met through cell groups.

The cell group structure is an ideal vehicle for providing the fellowship, and the caring needed to bring people to maturity in Christ. As a new believer, I attended numerous training seminars that helped me grow as a Christian. But the thing that impacted me most was coming together each week with two other new Christians to share needs, study the Bible, and pray. (Morris 1993:153)
The sharing of the pastoral care between the clergy and laity will be adopted in the CMED. Lay supervisors serving under the Parish Minister will be trained to provide oversight for the small group leaders who also will be trained in making disciples and in leadership styles required for effectively management of these Small Christian Communities. But every one will be trained in the use of their spiritual gifts; some will be trained for specific roles such as book-keeping, worship, bible study, while one or two will be trained in group leadership (Morris 1993:186). The advantage of this approach is that the local church encourages ministry opportunities for all believers, in contrast to the hierarchical model. The hierarchical model inherited from the missionaries is one where the leadership does the ministry to the people who receive the ministry. This model is now dominating all churches in Nairobi. In this lay ministry, the people in the church will bediscipled, mobilized, empowered, equipped and encouraged to use their God-given gifts to do and also receive the ministry (Morris 1993:169).

Another advantage of use of CMED for disciple-making is that it will offer the many nominal Christians, such as the ones we encountered during our research, in the informal sector an opportunity to reconsider the biblical principles of “repentance . . . turning away from an old life and spiritual rebirth to a new life . . . commitment and lifelong surrender” (Morris 1993), and linking again with a local church where they could extend their support and fellowship.
Use of MED by Churches in Nairobi

In Chapter Four, we showed that MED as institutions that are needed to "serve non-collateralized, poor clients" (Rutherford 1999b:27), have now been established in Nairobi. We also pointed out that the MED currently operating in Nairobi have failed in the mobilization of the savings of the poor and that these institutions were, therefore, not serving this critical need of the very poor people in the city. Because the formal MED were not meeting all the financial needs of the poor, the poor now resort to the informal market where their needs are better satisfied. These informal credit sources comprise traders, relatives, friends, ROSCAs, welfare associations, and money lenders (Atieno 2001:14).

There is, therefore, need in our CMED model to mobilize savings from the poor in the city of Nairobi. These deposits will help the CMED to operate without dependency on external capital. The saving facility will provide banking services for people who are now not served by the existing providers.

Rutherford argues that mobilization of the savings of the poor requires an understanding of the nature of poors' savings. The savings of the poor:

- Are tiny temporary surpluses that accrue to the household,
- Are seasonal,
- Can only help the poor families if they are accumulated to become lump sums,
- Help the poor to cope with crisis. (Rutherford 1999b:27)

We have, therefore, introduced a savings mechanism in the CMED to help the poor in Nairobi to save their small surpluses into usefully large sums. The possibility of the poor taking the money they wished to save to their solidarity
group meetings is designed to enable very poor slum dwellers to save as conveniently as possible.

A provision will also be made for individuals who do not wish to join the traditional group -credit-guarantee system with a facility to save money on their individual accounts and to borrow money against a lien on these deposits. However, these people who opt to operate personal savings accounts outside the solidarity group-system will be required to attend the weekly meetings that is attended by other members of the CMED. This is to ensure that all members of the CMED benefited from the discipling and teaching programs.

Another problem that we must address regarding the credit system now operated by MED in Nairobi is their practice that people without existing businesses are ineligible for credit. The church in Nairobi, therefore, need to get a strategy for helping people excluded this way from benefiting from MED. One possibility is use of the “business incubators” method advocated by David Befus (2002:23). The suggestions presented by Befus will be integrated in the CMED as follows:

- The church will select the target group consisting of the people that need to be assisted to establish business units. These are the people that have been unable to establish businesses because of either because they lacked capital or because they did not have experience required to run businesses. In Nairobi we have many people like these. These include poor women who have no capital to invest in business or youth graduating from colleges whose only hope for employment is self-employment in the informal sector,
• The church will evaluate, through dialogue, the feasibility of the business ideas presented by the target population,

• The church will raise the necessary capital to start the project, organize for people to mentor these apprentices who will now be hired as employee-apprentices,

• Through business activities these people will learn how to run the businesses and how to support themselves from the income generated from their businesses,

• When in each of the cases, the people being trained are able to take care of the businesses independent of the mentors provided by the church, the businesses are transferred to them. The church will introduce these people to the CMED where they could get credit to pay off money used by the church to equip the business and to provide any additional money required by the new business entrepreneurs,

• By helping such people the church will be creating direct link with the poor and making some visible witness that they are working in solidarity with the poor.

The CMED Model for Discipling and Poverty Alleviation in Nairobi

The CMED model presented in Table 10 will help churches in Nairobi to establish holistic ministries in the informal sector.
Table 10
Components for a CMED Model of Discipling and Poverty Alleviation in Nairobi

<table>
<thead>
<tr>
<th>Goals to be Achieved</th>
<th>Activities to achieve these Goals</th>
<th>The Person to coordinate the activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Need for <em>Relationship</em></td>
<td>Formation of Small Community Groups (SCGs)</td>
<td>The pastor of a local church, the evangelist in the given community, and the community leaders</td>
</tr>
<tr>
<td>2. Need for <em>Business Finance</em></td>
<td>Introduction of the concept and practice of Microenterprise Development. Establish of a community-based MED. Group members are assisted to form solidarity groups for savings and credit activities described in Chapter Three and Chapter Four</td>
<td>MED project manager, credit/field officers hired by the local church.</td>
</tr>
<tr>
<td>3. Need to accumulate <em>lump sums</em> of money, Savings to meet non-business needs (purchase of food, clothes, medicine, payment of house rent, purchase of medicine, payment of school fees)</td>
<td>Either establish a Deposit Department in the MED, or start informal arrangements for people who need to accumulate savings apart from the mandatory credit-guarantee savings to start saving informally within their solidarity groups in the MED</td>
<td>MED officials, solidarity group leaders</td>
</tr>
<tr>
<td>4. Financial needs of the &quot;Very Poor People&quot; (poor women, youth, beggars, disabled people, HIV/AIDS victims and elderly people)</td>
<td>Either establish &quot;Business Incubator&quot; program, or Organize &quot;Harambee&quot; for the &quot;Very Poor&quot; to collect funds required to buy shares in the MED</td>
<td>MED officials, all members of a solidarity group, family members and friends of the &quot;very poor&quot; people</td>
</tr>
</tbody>
</table>

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50 See Greenway, Rogers S. (1992 b), *Discipling the City: A Comprehensive Approach to Urban Ministry*. Eugene, OR: Wipf and Stock Publishers. Pp.113. He shows that "Four types of leaders in every urban community make it function: gate-keepers, caretakers, flak catchers and brokers. Every community has them. They make it run. Without them, there is no community."
5. Liberation from socio-economic, political structures that create poverty in the local community

Teaching Theology of the poor (loving God and loving the neighbor) Conscientization, teaching the poor their rights and responsibility and motivating them to improve the quality of their lives (Learning + Action)

Chaplain of the MED officials, JPRCs officials, the MED's Evangelist, other people specially trained by the local church.

6. Discipleship. Accepting Jesus, biblical worldview, becoming a servant/discipler

Introducing Christian Education in the MED to constitute a CMED. Implementing disciple-making methods discussed in Chapter Four as part of the activities undertaken at the weekly meetings of the solidarity groups. Linking the disciple-making activities with the mission and evangelism activities of the local church to ensure that the discipling is done in line with the teaching and the practices of the local church.

The Chaplain, Evangelist, all members in a solidarity group.

Satisfying the Need for Relationship

The small community group strategy that we identified in our research to be effective means of developing relationships will be introduced to help the poor in the slums of Nairobi to address their dimension of poverty associated with isolation and the powerless (see Figure 3 in Chapter Two). The social interactions, the teachings in these groups create a “web of relationships,” (Christian 1994:198) that eliminate the isolation and give the poor some
collective power that they can utilize to improve the quality of their lives. Kenyatta affirms that collective activity can achieve what individual members in a community cannot achieve on their own. He highlights the effects of the "strength and power of social ties . . . [that is generated when people are] unified and solidified as one organic whole, the community" (Kenyatta 1938:116).

Examples of group efforts can be seen in Nairobi where groups of Africans were able to acquire large business premises previously owned by foreigners. During our research we observed that several premises that were bought this way can be identified in many parts of Nairobi by group names such as "Kandara Coperative Building;" "Kiambaa Cooperative Building;" "Kangema Cooperative Building or "Gatundu Women Group." These names show that these buildings were acquired through cooperation of many poor people from certain geographical locations such as Kangema, Kiambaa, Kandara or Gatundu. This is evidence that people in Nairobi have a history of working together to address huge problems such as the Kenyanization of business properties in 1970s.51 The intention is for churches in Nairobi to utilize this insight to help the poor people to address their poverty. The collective power for these people working in groups emanates from the synergism as shown in Figure 9 in this chapter. Our discipling model is planned to utilize these social ties for the advancement of the people and for the development of communities in the slums of Nairobi. The expectation is that once these people are empowered and transformed, they will support their local

51 The term "Kenyanization" is commonly used in Kenya to refer to transfer of ownership rights from foreigners to local people.
churches which will then grow, having more human and material resources that can be allocated for mission.

The social life in these small community groups forming the MED will help the poor recover their self-worth and will also help the poor to regain their identity and honor. The poor can now feel that they belong to the community because they are able play part in the social life of their communities.

It is expected that local change agents, for example churches and NGOs, will not have problems in gaining the understanding of the people that they require to implement this model. However, people not familiar with the context of Nairobi should seek to know more about the social life of the people before they can be able to implement the CMED model in the informal sector in Nairobi.

What a Change Agent Needs to Know to Implement this Model

To be able to implement this model, a foreign Change Agent might find it useful to learn about the social networks of the people in Nairobi. This is because functional solidarity groups are critical to the success of this model. Solidarity groups that work well operate along; tribal lines, age groups, neighborhoods, gender or church denominations. One can learn what social network is suitable for a particular area only by knowing the social life of a given location. This is why churches are better placed to implement this model as they know the people in the informal settlements where their churches are situated.

It is important to know well about the dominant group in each informal settlement and the main traditional practices honored by these people. People’s desire to participate and contribute resources towards community rituals and ceremonies such as funerals, childbirth, weddings and religious rites determine
their need for cash and their willingness to join others to form support or solidarity groups. In some areas, such solidarity groups operate along ethnic lines while in others support groups are formed with business or religious associates. The Change Agents should take time to learn the nature of the social networks in their target areas.

Politics also affect business in the informal sector in Nairobi. Normally, during the election year, harassment and demolition of informal sector is minimal. At such times, illegal structures, therefore, mushroom in many public plots reserved for such public use as construction of schools, public communication or road access in the residential and business areas. Some aspiring politicians give material and political support for the construction of some of these settlements. But several of these structures would be demolished after the election period. The problem that would arise to MED funding business development in such structures is that they would lose their capital when these kiosks are eventually demolished.

During the election times, many people also come to Nairobi to take advantage of material rewards offered by politicians. Some of these migratory poor people with no means of moving back to the rural homes are found stranded in the informal settlements. Such people take the first available opportunity to go back to their rural origins. This way, credit disbursed to such people is likely to turn bad.

Another aspect that need to be investigated before a Change Agent is the quality of leadership in the solidarity groups seeking credit from MED. People with some organizational experience in community activities, such as informal
savings and credit groups or the “merry-go round” groups are most likely to succeed in organizing viable groups.

Since this is a discipling model the people selected to be leaders should show commitment to Christian values and to community development. It is only by learning the local people, particularly by investigating the nature of their commitment to community development and to Christian values that a reliable assessment can be made of whether or not this model can succeed in a given settlement in Nairobi.

Our research revealed the need for a development project to be inclusive and also to cater for people’s felt needs so as to effectively alleviate poverty in Nairobi. This means that the Change Agent in addition to helping the people to meet their real needs should also empower all the vulnerable people groups, including women, youth and HIV/AIDS victims to make them capable of taking care of their basic needs. The Change Agent should learn how; to identify, to provide for these people categories and to work in solidarity with them.

Finally, the Change Agent sponsoring the implementation of the model should train the target groups how MED credit systems work and how to make disciples. Table 10 provides the guidelines necessary for organizing a successful training.

Provision of Business Finance

Our research revealed that poor people in Nairobi can reduce their poverty by getting business loans from MED. Churches in Nairobi will, therefore, be urged to introduce this system of delivering financial assistance to the poor. This way, the poor will feel that churches are concerned about their felt needs and are
working in solidarity with them to address their problems. This relationship will offer churches an opportunity to evangelize and to disciple the people in the informal sector in Nairobi. Business loans from MED will be processed in the manner described in this dissertation. These funds will enable the poor to develop productive economic activities which will earn them income to meet their financial needs including the caring for needy people in their community, to support their families and to support their local churches. The income obtained will help the poor to overcome their material poverty by the acquisition of the material goods and services that they now lack. In addition to this, Christian (1994:202) is right that when these people “are useful to the urban economy (economically productive), then they . . . [feel that] they have value.”

Facility to Accumulate Lump Sum of Money

Our study revealed that the poor need to accumulate lump sum of money to meet shocks that confront them. An establishment of a deposit department in MED is, therefore, included in our model to offer the poor the opportunity for accumulating lump sum money they require to address crisis they encounter in their lives. Alternative to this method is for those people within an MED who are desirous of saving money to unite into “merry-go-round” groups and assist each other to accumulate the money as and when the need arose. We prefer the first option because some money accumulated as savings in the MED can be utilized to extend credit to more needy people, following the traditional banking procedure of making loans from deposits considered to be over and above the average withdrawals from the deposits collected. The poor who hold the deposits utilized this way will benefit from interest payments. The poor can also use their
deposits with MED as collateral to obtain individual loans to meet their financial needs.

Financial Services to the "Very Poor"

Our research revealed that MED now operating in Nairobi are not meeting the financial needs of the "very poor" people. Provisions have, therefore, been made in our recommended model for these "very poor" people to be served with their financial requirements.

In Chapter Two, we showed how the poor in Nairobi had utilized community action, the Harambee, to collect gifts from friends, relatives and neighbors to meet personal financial obligations. Similar efforts will be undertaken to raise money to help the "Very Poor" to participate in the MED. The method of "business incubator" discussed in this chapter will also be used. Members of the MED with recognized experience in running businesses will be requested to act mentors for these very poor brothers and sisters whenever they needed some help. The social responsibility committees at the local churches will also help to obtain help for the very poor people, from the Christians in the local churches.

Liberation from Oppressive Structures

Our study revealed that traders in the informal sector in Nairobi operate under harassments by the Nairobi City Council. The research also revealed that there are policies that discriminate against the poor, particularly in the allocation of business plots and in the issue of trading licenses. The study, for example, revealed that hawkers are denied access to business in the Central Business
Center in Nairobi. Our recommended model is, therefore, designed to contribute to the liberation of the poor in Nairobi from oppressive structures.

Assisting the poor in Nairobi to overcome all forms of oppression and underdevelopment is, therefore, part of our recommended discipling model. Roger S. Greenway (1992a) affirms that doing this is a necessary component of an urban discipling strategy as he states:

Urban disciplership means getting serious about issues like good schools, responsible government, sanitation and clean streets, fairness in the market-place, and justice in the courts. It means working to eliminate squalor, slums, and every depressing condition that dishonors God by degrading human life. Once the urban disciplers see the big picture of what it means to be citizens of Jerusalem in cities where they are, they begin to work from a new and enlarged perspective. Obedience to King Jesus takes them to every nook and cranny of the city. . . . Disciple making was key to Jesus' strategy for the salvation of the world. . . . Jesus educated them and disciplined them, that through them the movement of God's kingdom might pass on to the world. (1992a:46)

Teaching is part of this model. The awareness education will motivate the poor to participate in all civic forums where issues of infrastructural development are implemented. In addition as stated in this dissertation, they will also be trained to honor their responsibilities such as cleaning up their premises and keeping all public facilities in hygienic and working conditions.

Discipling Through the CMED

This study has shown that the poor must be alleviated from both the material and the spiritual aspects of poverty. The CMED recommended in this dissertation, therefore, incorporates the undertaking of financial services and disciple-making ministries to help churches in Nairobi to fully address the poverty position of the people.
Microenterprise development, as defined by Russel P. Mask (2000:4) are financial institutions that are operated by their investors to serve the poor people, not served by the formal commercial banking system, as follows:

- To provide microfinancial services (savings, credit and insurance),
- To provide business development services (business training, marketing assistance),
- To provide any other services required to enable the poor entrepreneurs to operate their own productive economic activities,
- To serve microenterprises that are small businesses employing from one to ten people,
- The MED should be distinguished from Microfinance (MFI) by the fact that MFI are limited to the provision of the financial services (savings, credit and insurance).

The Christian MED (CMED) has the intentional spiritual transformation goals and is, therefore, more holistic in vision and objectives than the MED (Mask 2000:4). In order to construct a CMED with a discipling component that can help us to achieve spiritual transformation in the informal sector in Nairobi, we have adopted the following assumptions for Christian development;

- That a personal relationship with Jesus as Lord and Savior is necessary for a person to become what God intended him/her to be. There is no true development without conversion,
• Christian development must have its foundation in a Biblical Worldview. Lack of kingdom values aggravate poverty and oppression in communities in Nairobi,

• Christian development seeks to build the church (both local and universal). A Christian MED that wants to build God’s kingdom must be serious about serving the local church. This is because the local congregation is the bridge between the church and the local community,

• Christian development seeks to equip people and communities to move beyond meeting their basic needs. This is why we are adding teachings to enlighten the poor on economic, political and spiritual concerns in this model.

The aim of our discipling component of this model is to make the poor more mature in their faith in God, to make them better stewards of their lives, make them better stewards of their money and also better stewards of their environment. To meet these goals our curriculum will include a combination of training to enlighten the poor on biblical worldview, on health issues, on literacy and on business management. But it is the spiritual dimension of the training under this program that distinguishes it from secular MED.

In Chapter Four, we showed that there are several institutions that were involved in disciple-making in the city of Nairobi. For example, The Navigators Kenya, operating in Nairobi since 1972, and the Harvest Discipling Ministry, started in Nairobi in 1996 (Mtange 2006:123). Such institutions as these have developed and tested disciple-making programs that are appropriate for use by
churches in Nairobi. These institutions have some disciple-making programs in the Swahili language, a language understood by all the people in the *Jua Kali*. One of the cost effective approaches to implement our discipling component is to acquire some of these materials that are relevant for use by our CMED groups. The Daystar University that has one of its campuses in the Nairobi, has courses on discipling ministry.

Following the networking concept advocated in this dissertation, we will invite disciplers from these established disciple-making organizations as facilitators to teach the poor in our CMED disciple-making classes. Some of the themes that can be considered for discussion in the discipling classes are: evangelism, relationships, Christian living, God's basis for unity, kingdom issues, fruit of the spirit, proclamation and witnessing, demonstrating God's love in community, knowing the bible, making Christianity relevant in Nairobi, leadership, business management, stewardship in relation to one's rights and one's responsibilities in society, Christian family, obeying God's word. The Chaplain/Evangelist will be responsible for preparing the detailed weekly curriculum to be used for the discipling in the CMED.

Two main methods of teaching will be used in our discipling exercises. The first method is the classroom method whereby an expert in a given a subject such as consciertization, accounting, business management, methods for disciple-making, teaching the bible through music, dances and drama, will present lectures to the CMED members at their weekly meetings or at other venues and times as agreed with group members. This method will also be use in blocks of seminars where all the solidarity group members are brought together to review
material from lecturers who cannot afford to train these groups individually. The seminar method will also be used to unify learning from all our groups. Some local experts will be invited to give seminars on such subjects that are considered useful to the informal businesses that cannot hire professional consultancy. These subjects include creating business plans and budgets, marketing concepts including E-Marketing, management accounting, banking and cash management, employee management and preparation of tax returns. A typical group meeting of a CMED group will be conducted as follows:

- **Opening Prayer**
- **Review of the Business for the Day;**
  - Loans
  - Savings
  - **Member' concerns/problems**
- **Prayers for concerns**
- **Bible Study**
- **Guest Teachers**
- **Announcements**
- **A.O.B (Any other Business)**
- **Closing Prayers**
- **Tea/Refreshments (Time for informal relations).**

The second method is the mentoring method. This will be done by the discipler selecting some successful Christian business people both within the solidarity groups and within the local church. The people being discipled will be introduced to these people who will then let the learners into their lives. It is
expected that through discussions about business performances that issues concerning church and spiritual growth between these two groups of people will surface, those being discipled will learn “successful business practices and biblical . . . practices . . . in order to transform local . . . dysfunctional economic environments and grow spiritual capital” (Eldred 2005:218).

It is expected that membership and income for the local church will expand. It will be possible to meet the additional training costs from this increased church income.

During our research we noted that there were some areas not covered by our research problem but required investigation to enhance the effects of this model.

The Limitation of the CMED Model

Although a Christian Microeconomic Development may have the capacity to create employment, there can be a number of limitations that can arise in its implementation as a strategy for development and as a tool for mission in a local church.

First, although a number of our sources give the impression that this is a program that can succeed as a stand alone (Russel P. Mask 2000; see also, David Bussau n.d; Tetsuno Yamamori 2003, and David Befus 2002), we should recognize the fact that development involves application of human, material, technological and financial resources so that “micro finance is only one of the tools and its limitations should be recognized” (ECLOF 1998:3). There should, therefore, be deliberate effort by the implementing local church to network with
other development agencies. This includes working closely with institutions that provide non-financial resources that are also needed by the poor to improve their lives. It also requires the implementing local church to network with the Nairobi City Council so that the poor in the informal sector could be provided with land, where they could undertake their businesses legally, and so that Nairobi City Council could provide the poor with other infrastructure such as water, sewerage and roads that are the responsibility of this body.

Another limitation is presented by the current Banking Act, Chapter 488 Laws of Kenya that restricts institutions that are not registered as banks or as financial institutions to collect deposits from the public. Under this Act, CMED institutions would be classified as non-banks and would face this problem now being experienced by the MED now operating in Nairobi. The manager from ECLOF when asked about the problems facing MED in Nairobi had this to say, “although lending to microenterprises is viable, we have to borrow from the Cooperative Bank of Kenya so as to meet the demand for credit. This is why we are considering the possibility of registering to be licensed to collect deposits from the public to solve this problem.” As described in Chapter Three, MED obtain money for their loan disbursements partly from the compulsory savings by their members and partly from donor funds. Since the CMED model is planned to operate as a sustainable indigenous and independent institution it is prudent for a CMED, therefore, always to match the value of loans approved with members’ savings so as to remain in business.

There could also be another limitation that could arise during the implementation of the CMED model. This can happen if non-believers are
denied membership and credit. This would reduce its power as a tool for making disciple in a local church.

**Recommendations for Further Research**

During the course of our research we encountered some issues that could have been researched. But our research focused on understanding the services given to the poor by mainline churches and by MED operating in Nairobi. There are areas that are related to this dissertation that need to be investigated.

The first issue that was outside the parameters of this project was the issue of the nature of ministry by the new Pentecostal churches that had several congregations in the informal settlements in Nairobi. Why were crusades organized by Pentecostal and other new churches in Nairobi overcrowded with youth and women as opposed to crusades held by the mainline churches? Are there some services provided in these new churches that the poor could not find in the mainline churches? These are the questions that need to be asked as mainline churches seek to become relevant to the poor in the informal settlements in Nairobi.

Another area that needs investigation is the participation of the street traders in the political life of the city of Nairobi. We noted in our research that several of the traders interviewed commuted from outside Nairobi from towns like Githunguri, Banana, Limuru, Ruiru, Naivasha, Machakos, and Kajiando. Is it possible that the oppression these people experienced in the city was related to the fact that they were not participating in the political life of the city of Nairobi? Could the city have been different if these commuters took active roles in the
election of city representatives such as the Mayor and Councilors in the wards where these people traded?

Relevant to the implementation of the CMED strategy is the establishment of the language to use in the disciple-making. We need to know the educational levels of the people in the informal sector to be able to establish what percentage of the teaching material will be in English and that to be in Swahili.

Another area that needs to be investigated is the real control that women who acquired wealth through MED actually had on these businesses? Could it be that the women were used by men to do the business while the men did not involve themselves in economic production thus increasing the burden and the oppression of women?

**Contribution of the Research to Missiology**

Our research has led to several theoretical advancements in the field of missiology. These include the use of a popular community practice- *Harambee* for outreach to the "very poor." This approach should give the very poor access to financial services and lead the poor to conclude that the mainline churches that have made this possible are concerned with their welfare and are, therefore, relevant to them. We have also introduced use of CMED for disciple-making in a context where proclamation of the gospel is limited to preaching from the pulpits. In Chapter Four we showed that the MED operating in Nairobi focus on uplifting the material welfare of the poor. We have presented a model to allow CMED to cater for the spiritual welfare of the people as well. We have also recommended use of the poor laity to evangelize the poor in contexts where the mainline
churches use clergy for making disciples. Our research has also recommended making the poor work for their own liberation in the concept of working "with" the poor instead of working "for" the poor now practiced by the mainline churches in Nairobi. Our other contributions to missiology are discussed in this section.

In Chapter Four we argued that the microenterprise developments now operating in Nairobi do not cater for the financial needs of the "very poor" people consisting of the youth, disabled, HIV/AIDS victims, the elderly and poor women who are unable to raise the finances necessary to make the six to eight weeks weekly savings to make them eligible for credit from the MED institutions. Without the introduction of such initiatives as the Harambee fundraising efforts, these people will remain outside the circle of the people served by CMED institutions and also outside the church outreach. In Chapter Two we showed that money given to the poor and those in need through Harambee contributions, under the African traditions, was "given . . . [voluntarily] and kinsfolk are proud to help one another. There is no payment or expectation of payment" (Kenyatta 1938:117).

The fund-raising under Harambee will take place as follows: A church leader in charge of CMED will not that there several people who would like to join the CMEd but that those people had no money to make the mandatory six weekly savings. This matter will be discussed at the solidarity groups and also at the church's local council where the amount to be raised will be estimated and announced. A date for the fund raising will then be set and all the people asked to come with money at the church hall or any other venue where the fund-raising
will be conducted on a Sunday after service. This *Harambee* Sunday can be identified as the “CMED Sunday” in program of the local church.

After the money has been raised, it will be given to the treasurer of the CMED who will register the beneficiaries of the *Harambee* as members of the CMED. They can now borrow money following the credit procedures of the CMED. The poor people assisted this way will now feel accepted in the solidarity groups as well as in the local church. This is a form of radical outreach to this marginalized group. By assisting the “very poor” to participate in the CMED, the church will be enabling them to generate the incomes they require to sustain their households.

This research, also by recommending the use of CMED to support the growth of the *Jua Kali* in Nairobi, has opened a window for mainline churches in Nairobi to participate in the mission of addressing people’s social concerns by creating jobs. If Reinhold Neibur is right in his statement that “You have no soul left when your stomach has been empty for three days!” (De Jong 1962:4), then when the welfare of the people in Nairobi is improved through the creation of jobs, the church should expand in the informal sector as these people give their souls to Christ. This way our research through use of CMED will have contributed a strategy of church growth in poor contexts such as Nairobi.

There have been many voices in Kenya, calling for development practitioners such as NGOs and churches, to “redress the existing gender bias which marginalizes women” (Ayako 1997:24). In this dissertation, we have shown that this bias can be overcome by giving women access to productive resources, by giving women access to basic social services such as health care, education so
as to empower them to become self-reliant and to enable women participate in the development process in their communities.

There was also a call for churches to empower women who like the sick, the old and the handicapped, are unable to take advantage of the income—earning opportunities due to the discrimination practiced against them (Ayako 1997:17). Our research has contributed church mission of empowering women by providing the CMED model that helps the church to address the financial needs of these marginalized people. The justification for advocating for CMED to focus on women is that “they constitute the majority of the poor, they repay their loans much better than men” (Verhagen 2000:6) and they use their income on the needs of their families.

We have shown in Chapter Four that theologians from the Third World Countries as well as theologians from Africa have called the church to work in solidarity with the poor and to adopt the theme of the option of the poor and oppressed. In this dissertation we interpreted this call as a call for churches in Nairobi to implement practical and contextual theology that is based on the experiences of the people in Nairobi, that are now suffering in the mass poverty existing in the Jua Kali. By presenting the CMED model that gives the mainline churches loci from which to empower the poor to bring about their own liberation, we have contributed to missiology, in this regard. This contribution is significant as it allows marginalized communities to participate in development. Jerry Aaker (1993) is right when he states that real development will help the poor to meet their most basic life—sustaining needs. He defines development as collective effort between all the people in a community as he states:
Development is a process by which people collectively address and seek to mitigate the causes and consequences of poverty, hunger, sickness, ignorance and injustice. Its aim is to achieve more fully the God-given human potential of all community members, creating more caring and just communities in which all members have access to means for meeting their basic human needs for food, shelter, clothing, employment, health care and human development. (Aaker 1993:70)

By presenting the CMED model for use by churches to alleviate poverty in Nairobi we have contributed to missiology, since the churches will now use this model to enable poor to effectively participate in the development in their communities.

Another important implication of this research for mission is that it has provided churches in Nairobi with a model that helps them to attain selfhood in a sense that they can now by using CMED to increase the wealth of their members transform their congregations to be self-supporting. We have assumed in this dissertation that as people's income increase they will give increased support to their local churches. This material support in addition to the conversions and the increase in membership acquired through the small group activities initiated in the local church by the CMED activities will transform the local church into "indigenous church ... [with] its self-image" (Tippett 1973:151).

In Chapter Two we described how the mainline churches in Nairobi continue to be influenced by Western churches. This influence is possible because some church activities such as training and capital development are undertaken largely through foreign funding. By adopting the CMED strategy the local churches will have opportunity to operate without such donor support but instead depend on support from their congregations. The CMED will help
churches in Nairobi to move progressively towards becoming self-supporting. This is an important achievement given the donor fatigue, leading to reductions in grants, currently being experienced by the churches, in Third World Countries, that depend on foreign assistance to fund their mission.

In our analysis of the theology of the poor in Chapter Four, we intimated that the Church in Africa is struggling to make theology relevant to her context where there is mass poverty, injustice, corruption, and regional and internal ethnic conflicts. We also intimated that the relevance of the gospel to the people being evangelized will be judged on the basis of whether or not the theology is leading churches to identify and to work in solidarity with the poor and the socially and economically marginalized people such as the ones we found in the slums of Nairobi. We have shown that through the CMED the local churches in Nairobi will start focusing their mission to serving the spiritual and physical needs of the poor in the informal sector. This way, our research will contribute to missiology by making the African theology of the poor relevant to such people as the ones in the slums of Nairobi.
Appendix A

Interview Schedule for Churches in Nairobi

1. Could you please tell me what are the various ministries and services that this Church has?

2. What are some of the activities undertaken by this church to help people in your congregation who are needy?

3. How does the church help non-members who seek help from this congregation?

4. Who is responsible for developing the programs for assisting the poor in this congregation?

5. Why did your church decide to do something for those hurting in the community in Nairobi?

6. What problems concerning the needy does your congregation have to deal with most frequently?

7. How would you relate what your church does for the poor with the gospel of Jesus Christ?

8. How are the members of your congregation affected by socio-economic problems in the city of Nairobi?

9. What are some of the ways in which your church helps such members to deal with these problems?

10. How do you think that churches in Nairobi can improve ministry to the needy?
Appendix B

Interview Schedule for the Poor in Nairobi

1. How is the business?
2. How would you describe your business?
3. Who works here? Who are the owners of this business (self/ family/ partners)?
4. How did you come to establish business in Nairobi?
5. Have you had any credit or loan to establish or run your business? If yes from whom and how much money?
6. Have you heard about MED like Faulu, World Vision or any other? Where do traders in this area get their loans for business development?
7. If you had any loans how would you say that the credit assisted your business or hindered it from growing? What were the problems, what were the advantages?
8. Do you attend any church? Are you a member? Which church would you think of joining as a full member, where and why?
9. Does your church do anything to help your business?
10. Would you borrow money from an MED supported by a church? If no, please explain?
Appendix C

Interview Schedule for the Microeconomic Development (MED) Officials

1. What programs do you have for extending credit to the informal sector?
2. Where and who are the majority of your clients? How do you recruit clients?
3. What are the terms of loans to Street Vendors, Jua Kali, Kiosks, and other types of small businesses?
4. How is the business of lending to the informal sector?
5. How do you lend to individuals, groups, co-operatives, corporations?
6. Does your organization partner with any church to extend credit to the poor? Would such a partnership be a possibility?
7. What are your future plans for lending to the informal sector?
8. What are the principle problems of lending to the poor and how does your institution approach these problems?
9. What are the main sources of capital for your lending to the poor?
10. What ideas do you have for improving the lending to the informal sector in Nairobi? What are your plans for the future?
Appendix D

Confidentiality and Letter of Consent

I am conducting research to establish the relationship between churches and social development in Nairobi.

During this visit, we are visiting your institution for the purpose of collecting data for this purpose.

The issue of confidentiality of information given and the persons giving the data are important in this research. Neither the names of the respondents nor any data gathered will be used in any other way than in writing the dissertation.

This letter requests your permission to use direct/indirect quotes from our discussions and to take down notes and to tape the conversations for latter transcription and integration in to our dissertation.

When it becomes necessary to make reference to this interview in our dissertation we shall use generic terms (a business person, a Church leader, or a certain church in Nairobi).

Please grant your consent by signing this letter.

Signed: Date____________________

__________________________________

__________________________________

Respondent Philip Thuo, Researcher.

Ph. D. Candidate, Asbury Seminary.
Appendix E

Analytical Framework for Research Data

Step 1. Analyze

1. The Poor:
   a) Vendors
   b) Jua Kali Artisans
   c) Kiosk Operators

2. Denominations:
   a) Catholics
   b) Presbyterians
   c) Methodists
   d) AIC
   e) Anglicans
   f) Pentecostals

3. MED Officials:
   a) Church-based
   b) NGOs
   c) Mixed (church/NGO/Government)

Step 2. Compare and Collate

1. Poor - Summary of concepts and themes
2. Churches – Summary
3. MED – Summary

Appendix F

Responses of the Microenterpreneurs in the Informal Sector (the Poor) in Nairobi

Question 1  How is business?
(i) Status of the Business:
   Very Good____, Fair______, Not doing well
(ii) Reasons for poor status of Business:
   Harassment by NCC____, Competition_____, Lack of Credit
(iii) Other reasons (specify)_____

Question 2  Business Type:
Grocery Kiosk____, Butchery____, Hotel including food Kiosks____
Bars etc.____, Woodwork including furniture making____,
Metal/Blacksmith sheds____, Textiles including old clothes, new
clothes and tailoring____, Hardware including building materials____,
Recycled containers____, Vehicle repairs including Jua Kali, open
air, vehicle garages____, Other type of business (specify)

Question 3  (i)  Number of Employees:
   One Employee____, Two Employees_____, Three_____
   Four____, Five____, More than five (specify the actual number)
(ii)  Family Labor:
   Husband alone____, Wife alone _____, Husband and wife____,
   Family plus other employees _________, Other type of labor
   (specify)__________

Question 4  Reasons for Migrating to Nairobi:
(i)  Province of Origin: Central Province____, Rift Valley
    Province____, North Eastern Province____, Western
    Province____, Eastern Province____, Coast Province____, Nairobi
    Province____
(ii)  Why you came to Nairobi:
   (a)  To attend Training/ school/college
   (b)  To be employed in Formal sector, GOK,
        Banks____, Formal MFI____, Churches etc.____
   (c)  To be employed in informal organizations:
        House help____, Business help____, Church/Religious
        ___ Other engagements____
   (d)  To join Family
   (e)  To get married

Question 5  Accesses To Credit:
(i)  General status
   Yes_______, No________
(ii) Origin of Credit:
Commercial Banks
Coorporative Bank
K-Rep, Equity, KWFT, SACCO, ROSCAs
MFI
Other Sources (specify)

(iii) Amount borrowed:
Original loan
Last loan

Question 6  
(a) Knowledge about MED credit: Yes__No__
(b) Where traders in the neighborhoods get credit:
MED__MFI__Com. Banks__Informal FI__Other Sources (specify)___

Question 7 Did credit assist business? Yes______, No______

Question 8 Relationship with church:
(i) Yes______, None______
(iii) Member of church______, Attendant______,
Employee______, Pastor______, Evangelist______,
Elder______, Other capacity (specify)______

Question 9 Does the church help those in problems?
(i) Yes________________, No________________
(ii) Church has MED? Yes________________, No____
(iv) Church Recruits for MED? Yes________________, No____

Question 10 Would you join an MED Sponsored by a church?
(i) Yes________________, No________________
(ii) Would not join any MED: Yes______, No______
(iii) Reasons why you would not join MED______
Appendix F (a)

Responses of a Street Hawker, Mali Jema (not his real name, see page 126), along Uhuru Highway, Nairobi, (Responses are recorded in words or marked “X”)

Question 1  How is business?
   (i) Status of the Business:
       Very Good______, Fair______, Not doing well _X____
   (ii) Reasons for poor status of Business:
       Harassment by NCC _X__, Competition______, Lack of Credit
   (iv) Other reasons (specify)

Question 2  Business Type:
   Grocery Kiosk______, Butchery______, Hotel including food Kiosks______
   Bars etc.______, Woodwork including furniture making______,
   Metal/Blacksmith sheds______, Textiles including old clothes, new
   clothes and tailoring _X_ (lady's bags)______, Hardware including
   building materials______,
   Recycled containers______, Vehicle repairs including Jua Kali, open
   air, vehicle garages______, Other type of business (specify)

Question 3  (i) Number of Employees:
   One Employee_X___, Two Employees______, Three___,
   Four______, Five______, More than five (specify the actual number)
   (iii) Family Labor:
       Husband alone______, Wife alone _____, Husband and wife______,
       Family plus other employees __________, Other type of labor
       (specify)__________

Question 4  Origin and Reasons for Migrating to Nairobi:
   (v) Province of Origin: Central Province__X__, Rift Valley
       Province___, North Eastern Province___, Western
       Province___, Eastern Province___, Coast Province___, Nairobi
       Province___
   (vi) Why you came to Nairobi:
       (a) To attend Training/ school/college
       (b) To be employed in Formal sector__X__, GOK______,
           Banks__ Formal MFI Church etc.____
       (f) To be employed in informal organizations:
           House help__ Business help__ Church/Religious
           ___ Other engagements____
       (g) To join Family
       (h) To get married

Question 5  Accesses To Credit:
   (iv) General status
       Yes______, No X______
(v) Origin of Credit:
Commercial Banks
Coorporative Bank
K-Rep, Equity, KWFT, SACCO, ROSCAs, MFI
Other Sources (specify)

(vi) Amount borrowed: N/A
Original loan
Last loan

Question 6
(a) Knowledge about MED credit: Yes__ No____
(c) Where traders in the neighborhoods get credit:
MED/MFI_X__ Com. Banks____ Informal FI__ Other
Sources (specify)____

Question 7
Did credit assist business? Yes______, No_____ , N/A

Question 8
Relationship with church:
(i) Yes____ X______, None____
(vii) Member of church__X_ (Roman Catholic)___,
Attendant____, Employee____, Pastor____,
Evangelist____,
Elder____, Other capacity (specify)________

Question 9
Does the church help those in problems?
(i) Yes______________, No_X______
(ii) Church has MED? Yes______________, No______
(viii) Church Recruits for MED? Yes______________, No___

Question 10
Would you join an MED Sponsored by a church?
(iv) Yes____ X______, No________
(v) Would not join any MED: Yes______, No______
(vi) Reasons why you would not join MED________

Respondent's Comments: (1) The mainline churches now take stand with the
government not with the poor. (2) Mainline churches should help to reduce
poverty in Nairobi instead of building large buildings. (3) The mainline
churches serve the rich and ignore the plight of the poor. (4) However, I could
borrow from a church-based MED because churches can operate small loans
needed by the poor and their charges are likely to be lower.
Appendix F (b)

Responses of a Stall trader, along Tom Mboya Street, Nairobi,
(Responses are recorded in words or marked by "X")

**Question 1**

How is business?

(i) **Status of the Business:**

   Very Good____, Fair_____, Not doing well_X___

(ii) **Reasons for poor status of Business:**

   Harassment by NCC____, Competition_____, Lack of Credit

(v) **Other reasons (specify) X__**, the state of the economy is that the citizens in Nairobi have little money to buy our goods.____

**Question 2**

Business Type:

Grocery Kiosk____, Butchery____, Hotel including food Kiosks___

Bars etc.____, Woodwork including furniture making____, Metal/Blacksmith sheds____, Textiles including old clothes, new clothes and tailoring_X___, Hardware including building materials____,

Recycled containers_____, Vehicle repairs including Jua Kali, open air, vehicle garages_____, Other type of business (specify)

**Question 3**

(i) **Number of Employees:**

   One Employee____, Two Employees_2_ in addition to the owner__, Three___, Four___, Five____, More than five (specify the actual number)

(iv) **Family Labor:**

   Husband alone_____ , Wife alone ___, Husband and wife___,

   Family plus other employees ________, Other type of labor (specify)_________

**Question 4**

Origin and Reasons for Migrating to Nairobi:

(ix) **Province of Origin:**

   Central Province_X__, Rift Valley Province____, North Eastern Province____, Western Province____, Eastern Province____, Coast Province____, Nairobi Province___

(x) **Why you came to Nairobi:**

   (a) To attend Training/school/college

   (b) To be employed in Formal sector, GOK, __Banks__ Formal MFI __Churches etc.____

   (i) To be employed in informal organizations:

   House help___ Business help___ Church/Religious

   __Other engagements____

   (j) To join Family_X__

   (k) To get married_____
Question 5  Accesses To Credit:
(vii) General status
Yes_X______, No________
(viii) Origin of Credit:
Commercial Banks
Coorparative Bank
K-Rep____, Equity____, KWFT____, SACCO____, ROSCA____
MFI_X (initial loan was Ksh. 20,000 from Faulu)____
Other Sources (specify)____
(ix) Amount borrowed:
Original loan
Last loan

Question 6  (a) Knowledge about MED credit:  Yes_X_No____
(d) Where traders in the neighborhoods get credit:
MED/MFI_X____Com. Banks____Informal FI____Other
Sources (specify)___

Question 7  Did credit assist business?  Yes__X______, No____

Question 8  Relationship with church:
(i)  Yes__X______, None____
(xi) Member of church_X (Roman Catholic)______,
Attendant______, Employee______, Pastor______,
Evangelist______,
Elder______, Other capacity (specify)____________

Question 9  Does the church help those in problems?
(i) Yes__ X (through the Self Help savings and credit cooperatives
organized by the Roman Catholic Church), No________
(ii) Church has MED?  Yes__X______________, No____
(xii) Church Recruits for MED? Yes__X__________, No____

Question 10 Would you join an MED Sponsored by a church?
(vii) Yes__X___ No____________
(viii) Would not join any MED: Yes______, No______
(ix) Reasons why you would not join MED____

Respondents' Comments: (1) Difficult to make profit because the rent is too
high, a space of three feet by three feet cost Ksh.300 per day. (2) NCC license is
also too high at Ksh. 7,200 per year. (3) MED should consider giving small
loans to small entrepreneurs. (4) Social infrastructures particularly water;
sewage and electricity should be provided to the informal sector to support
business to grow to create more jobs.
Appendix G
Responses of Church Leaders in Nairobi

Question 1  Services/Ministries offered by the Church:

(i)  Traditional ministries

(ii) Word only

(iii) Word and Social Action

(iv) Specific Social Actions

Question 2  Social Activities to help members (Congregation)

Question 3  Social Activities to help Non-Members (Community)

Question 4  Who is in charge of Social activities? (i) Clergy

(ii) Laity

(iii) Others (specify)

Question 5  Reasons for this church helping the poor:

Question 6  Most frequent Social Problems in the area:

Question 7  Theology for helping the poor:
Question 8  Were there incidences of members in this church who experienced
the negative effects of SAPs?  Yes____, No_______

Question 9  Ways in which the church helped victims of the socio-economic,
political problems (SAPs): ______, ______, ______, ______,

Question 10  Proposed Strategies for improving ministry to the poor:

_______, ______, __________, __________, 

_______, ______
Appendix G (a)

Responses of a Church Leader in Dagorretti Division, in Nairobi (Responses are recorded in words or marked by “X”)

Question 1  Services/Ministries offered by the Church:

(v) Traditional ministries (1) Men’s Fellowship (KAMA) (2) Women’s Fellowship (Mothers Union) (3) Youth Fellowship (KAYO) (4) Mission Board (5) Saving s and Credit Cooperative Society (SACCO) (6) Sunday School (7) Development

(vi) Word only ____________________________

(vii) Word and Social Action____X___________

Question 2  Social Activities to help members (Congregation) __ (1) Food, (2) Clothes, (3) money for school fees, (4) money for rent, (5) money for medical expenses, (6) Credit from the church SACCO.

Question 3  Social Activities to help Non-Members (Community). Same as in Question 2, except the credit from the church SACCO.

Question 4  Who is in charge of Social activities? (i) Clergy____ (ii) Laity____X____ (iii) Others (specify)______________, ________________, ________________

Question 5  Reasons for this church helping the poor: __ (1) There are many poor people in our parish. (2) There are many refugees, from the countries neighboring Kenya, in our village. (3) It is commanded in the Bible.
Question 6  Most frequent Social Problems in the area: food, shelter, medical expenses

Question 7  Theology for helping the poor: _the caring for the poor in Luke’s Gospel

Question 8  Were there incidences of members in this church who experienced the negative effects of SAPs? Yes X____, No________

Question 9  Ways in which the church helped victims of the socio-economic, political problems (SAPs): making material donations, Counseling, those who are church members are introduced to the SACCO to obtain credit to start small businesses

Question 10  Proposed Strategies for improving ministry to the poor:

(1) Starting income-generating projects to benefit the poor

(2) Helping women and youth to start business so that they can be self-employed and so that they can generate the income they require to develop themselves.
Appendix G (b)

Responses of a Church Leader in Langata Division, in Nairobi (Responses are recorded in words or marked by “X”)

Question 1  Services/Ministries offered by the Church:

(viii) Traditional ministries: (1) Woman’s Guild (2) Youth Fellowship (3) Presbyterian Church Mens’ Fellowship (PCMF) (4) Development Committee (5) Peace, Justice and Reconciliation Committee (PJRC) (6) Mission and Evangelism Committee (7) Health Board (8) Christian Education

(ix) Word only

(x) Word and Social Action_ X

Question 2  Social Activities to help members (Congregation) (1) Counseling, (2) Food, (3) Medical expenses, (4) Rent (5) School Fees

Question 3  Social Activities to help Non-Members (Community) (1) Money is collected from members to help the poor from the slum to meet their expenses for food, medical bills, rent, clothes, transport for those stranded in the city, (2) The church help them to get jobs, (3) The church networks with Compassion International to operate a development program for children from poor families. Through this program children are given clothes, food, education, medical care, facilities for games and vocational training like arts and drama which can get them formal employment or basis for starting self-employment.
Question 4  Who is in charge of Social activities? (i) Clergy (ii) Laity X (mainly the Woman's Guild) (iii) Others (specify) ___________ ___________ ___________

Question 5  Reasons for this church helping the poor: (1) Our church is situated among the poor, (2) The church is commanded in the Bible to care for the poor

Question 6  Most frequent Social Problems in the area: food, rent, school fees, clothes

Question 7  Theology for helping the poor: Example and the commandment of Jesus for us to care for the poor

Question 8  Were there incidences of members in this church who experienced the negative effects of SAPs? Yes X, No __________

Question 9  Ways in which the church helped victims of the socio-economic, political problems (SAPs): (1) Counseling, (2) Praying with them and to give them hope, (3) giving them community support

Question 10 Proposed Strategies for improving ministry to the poor: (1) Using the JRPC to fight for justice for the poor members in our Parish, (2) Starting an MED to help people operate businesses to create employment
Appendix H

Responses of Managers/Officers from Microeconomic Development in Nairobi

Question 1    Programs focusing the Informal Sector, ______, ______, ______, ______, ______, ______, ______, ______.

Question 2    (i) Major Location of Your Clients/Members, ______, ______, ______, ______, ______, ______.

Question 3    Are there Special Terms of lending to:
                (i) Jua Kali
                (ii) Kiosks
                (iii) Street vendors
                (iv) Solidarity Groups
                (v) Other businesses

Question 4    Evaluation of lending to the informal sector:
                Profitable
                Unprofitable/Unsustainable
                Risky

Question 5    Lending Terms To:
                (i) Individuals
                (ii) Groups
                (iii) Corporations
                (iv) Others
Question 6  (i)  Does the MED partner with churches in lending to the poor?  Yes______,  No________

(ii)  Can it partner with a church?  Yes______,  No________

Question 7  MED Future plans for lending to the poor ________, ________, ______

Question 8  Problems experienced in lending to the poor______, ________, ______

Question 9  Sources of Lending Capital ________, ________, ______

Question 10  Ideas for improving lending to the informal sector

(i)  __________________

(ii)  __________________

(iii)  __________________

(iv)  __________________

(v)  __________________
Appendix H (a)

Responses of Managers/Officers from an MED that is operating as a bank in Nairobi (Responses are recorded in words or marked "X")

Question 1 Programs focusing the Informal Sector: (1) Individual Loan – Mwamba Loan which is a provision of financial credit to people in groups of at least 10 micro and small enterprises seeking to borrow an average of Ksh. 25,000 for first loans and progressively increase to Ksh. 500,000 with no conventional collateral. (2) Medium or Kati Kati Loan Product to medium size enterprises to businesses seeking to borrow between Ksh. 100,000 and Ksh. 1,000,000. (3) Simu Ya Jamii, a facility to enable micro enterprises to purchase and operate community pay phones. This loan is of a maximum of Ksh. 100,000. (4) Life Insurance for members for insurance operated in partnership with AAR Health Services (4) Emergency Loan, (6) Education Loan, (7) Loan to purchase a mini Bus.

Question 2 (i) Major Location of Your Clients/Members__,
(a) Kenyatta Avenue and along Moi Avenue, in the Central Business Centre, (a) At Kawangware along Naivasha Road.

(iii) Methods for Recruiting of Members/Clients: through our filed officers

Question 3 Are there Special Terms of lending to:

(vi) Jua Kali: Yes_X__ No____

(vii) Kiosks: Yes__X__ No____

(viii) Street vendors: Yes_X__ No____
(ix) Solidarity Groups: Yes_X_ No_

(x) Other businesses

**Question 4** Evaluation of lending to the informal sector:

Profitable: Yes_X_, No ___

Unprofitable/Unsustainable: Yes___, NO___

Risky: Yes_X___, No___

**Question 5** Lending Terms To:

(v) Individuals: Yes____, NO_X_

(vi) Groups: Yes_X____, No____

(vii) Corporations: Yes___, NO__X__

(viii) Others

**Question 6** (i) Does the MED partner with churches in lending to the poor? Yes__X____, No________

(iii) Can it partner with a church? Yes_X____, No________

**Question 7** MED Future plans for lending to the poor: (1) Offering better products, (2) Collecting deposits from the public to provide funds for meeting the current demand for loans

**Question 8** Problems experienced in lending to the poor: 1) Insufficient funds for granting all the loans the require, (2) Problems in obtaining external loans to support our business

**Question 9** Sources of Lending Capital (1) Donor funds, (2) Members’ savings

**Question 10** Ideas for improving lending to the informal sector: (1) Granting loans for acquisition of equipment, (2) Starting a program to help people
retrenched from formal employment to be self employed, (3) Networking with churches to recruit members
Appendix H (b)

Responses of Managers/Officers from Jamii Bora Trust Microeconomic Development in Nairobi (Responses are recorded in words or marked “X”)

**Question 1** Programs focusing the Informal Sector: (1) Micro business loan which is the first loan ranging from Ksh. 10,000 to Ksh. 60,000, offered to all members that have saved some money with Jamii Bora for a minimum of six weeks. The borrower pays a flat interest rate of 0.5% per week. This loan is repaid in 3-5 months.

(2) Daraja Business loan which a medium loan between Ksh. 60,000 and Ksh. 700,000 with interest at 0.5% per week on a declining loan balance and a repayment within two years. (3) School Fees to help parents to even out payment of school fees over fifty weeks.

(4) Housing Loan. A successful Micro business borrower, with perfect repayment of at least three business loans can borrow for housing. Housing loans are paid on monthly basis over a maximum period of ten years at an interest rate between 8.5% and 10%. A member requires to have saved 15% of the total cost of the house.

(5) Life Insurance and Health Benefit. Members with loans pay 1% of the loan amount for their life insurance. For Ksh. 1,000 fees for a year one adult and a maximum of four can obtain health benefit which covers all in-patient treatment including maternity and HIV and has no upper limit in cost.
Question 2  
(i) Major Location of Your Clients/Members: Soweto, Kasarani, Kibera, Kariobangi, Mathare, Jogoo Road, Dagoretti and Outer Ring.

(ii) Methods for Recruiting of Members/Clients: (1) Through field officers, (2) Through training classes

Question 3  
Are there Special Terms of lending to:

(xi) *Jua Kali:* Yes_X__, No__

(xii) Kiosks: Yes_X__, NO__

(xiii) Street vendors: Yes_X__, NO__

(xiv) Solidarity Groups: Yes_X__, NO__

(xv) Other businesses

Question 4  
Evaluation of lending to the informal sector:

Profitable: Yes____X__, NO__

Unprofitable/Unsustainable

Risky: Yes_X__, NO__

Question 5  
Lending Terms To:

(ix) Individuals: Yes____NO_X__

(x) Groups: Yes_X__, NO__

(xi) Corporations: Yes___, NO_X__

(xii) Others

Question 6  
(i) Does the MED partner with churches in lending to the poor? Yes______, No_X_______

(iv) Can it partner with a church? Yes_X______, No________
Question 7  MED Future plans for lending to the poor (1) More products, (2) Collecting deposits from the public

Question 8  Problems experienced in lending to the poor: Lack of funds to meet the demand for loans

Question 9  Sources of Lending Capital (1) Members compulsory savings, (2) Donor loans

Question 10  Ideas for improving lending to the informal sector:

(1) More products

(2) Meeting members needs, for example, granting more home loans and loans for production
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