



# Street enterprises, urban livelihoods and poverty in Kinshasa

*Guillaume Iyenda*

Guillaume Iyenda holds a doctorate from Royal Holloway, University of London. His research has focused on urban poverty and survival strategies of the urban poor; employment and sustainable urban livelihoods; gender, household and development; and development policies and strategies in urban areas. At present, he is a freelance researcher based in the UK, and is currently a member of the Royal African Society and a member of the African Studies Association of the UK.

Address:  
giyenda@yahoo.com

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1. Iyenda, G (2002), "Urban poverty and households' livelihoods: sociological study of strategies for development of Congolese cities", PhD dissertation, Royal Holloway College, University of London, unpublished.

2. World Bank (2000), *World Development Report 2000/2001: Attacking Poverty*, Oxford University Press, Oxford and New York.

**SUMMARY:** *Unemployment and poverty are currently the main preoccupations of people in Kinshasa. State bankruptcy has prevented the formal economy from stemming a rising tide of poverty, making the Democratic Republic of Congo (DRC) one of the poorest countries in the world in terms of living standards. This paper examines the living conditions of the poor in Kinshasa in relation to the current situation of state bankruptcy, and looks, in particular, at the phenomenon of street enterprises in the city. Despite the capacity of street enterprises to provide employment for many poor people in the city, they have not proven to be a solution to poverty and its correlates of unemployment, illiteracy, disease, hunger, poor health, high infant mortality, social exclusion and poor housing conditions. The paper concludes by suggesting the need to fight corruption, mismanagement and political authoritarianism, and to increase the participation of poor people in the development process.*

## I. INTRODUCTION

MANY PROBLEMS RELATED to underdevelopment in much of Africa, Asia and Latin America will have to be addressed during this twenty-first century. The hopes that were raised by the end of colonization in Africa in the early 1960s and the era of globalization that was supposed to improve living conditions in low- and middle-income countries have not been realized. In sub-Saharan Africa, and in the Democratic Republic of Congo (DRC) in particular, the lives of most people are characterized by illiteracy, high rates of infant mortality, malnutrition, short life expectancy, inadequate shelter, lack of health care and hygiene, unemployment, hunger and famine.

Since the late 1970s, the scale of social and economic disaster, poverty and underdevelopment in Kinshasa have seemingly increased.<sup>(1)</sup> Throughout the last century, underdevelopment in Kinshasa and in the whole of the DRC has been a central concern for many scholars across all major social science disciplines. More recently, greater emphasis has been placed on the social, political and economic crises, which have been mutually reinforcing and have created instability and poverty throughout the country. Political instability has led to state bankruptcy, with deep social and economic destabilization, and has created concerns about the country's future and people's welfare.<sup>(2)</sup> A glance at the country's history shows that never before have people experienced this kind of suffering. Even during the period of turmoil just after independence, when the country faced nearly five years

of political turmoil involving secession and rebellion, the instability, poverty and despair never reached current levels.

Over the 40 years of the Mobutu and Kabila I and II dictatorships, the DRC has been engulfed by corruption and by impunity for the political elites, a situation that is institutionalized and encouraged at the highest state levels. As a result, the DRC has become one of the poorest countries in the world in terms of living standards. According to one analyst, "...as an externally backed autocracy, the Mobutu regime was a pure product of the Cold War." It originated in the Cold War strategic calculations by Western powers that leaders with no social or political base were preferable to those with strong national constituencies to which they were accountable.<sup>(3)</sup> Nowadays, the DRC has become a beggar state, while its demographic transition has been dramatic. Annual population growth rates in Kinshasa stood at 15 per cent between 1940 and 1950, at 12.6 per cent between 1950 and 1955, 10.6 per cent between 1959 and 1967, 4.9 per cent between 1967 and 1976, and at 5.4 per cent between 1976 and 1984.<sup>(4)</sup>

At independence in 1960, Kinshasa had 400,000 inhabitants; by 2004, the figure had risen to more than 7 million, making the city one of the largest in sub-Saharan Africa in terms of population. Poverty and unemployment in the city are a growing concern, however, there has been little formal documentation of these problems and, consequently, a lack of effective policies for tackling the problems of the urban poor. The state, the principal provider of people's welfare, has abrogated its responsibilities and has denied the Congolese people the right to lead the life to which they are entitled.

The study on which this paper is based examined the living conditions of the poor in the city in relation to the current situation of state bankruptcy. This paper will analyze, in particular, the phenomenon of street enterprises in Kinshasa. Some central questions in the research were: how do street economic activities and street enterprises operate in Kinshasa? And why, despite the capacity of street enterprises to provide employment to many poor people in the city, are the practitioners of street enterprises unable to tackle poverty and its correlates of unemployment, illiteracy, disease, hunger, poor health, social exclusion and poor housing conditions?

## II. BRIEF DESCRIPTION OF THE CURRENT SITUATION OF THE CONGOLESE ECONOMY

THE DETERIORATION IN living standards in the DRC is an acute problem. All social and economic infrastructure has been destroyed and the majority of people live in very poor conditions. The main economic sectors have collapsed and the absence of the state in many areas of the country's economy has made the situation worse. The following section will describe important aspects of the current state of the Congolese economy, and will explain the central role that economic collapse has played in the increase in poverty facing the majority of people in the DRC.

The DRC's economic situation started to deteriorate in November 1973, when the then Zairian government implemented a set of measures called "Zairianization" in order to nationalize the economy. These measures implied the total recovery by the state of all land belonging to foreigners; also the transfer to the state of all small and medium-sized businesses and agricultural, artisanal and service industries owned by foreigners; and the transfer to local politicians and elites of Zairianized businesses.<sup>(5)</sup> The

3. Nzongola-Ntalaja, G (2002), *The Congo: From Leopold to Kabila. A People's History*, Zed Books, London and New York, page 142.

4. Piermay, J-L (1997), "Kinshasa: a reprieved mega-city?", in Rakodi, C (editor), *The Urban Challenge in Africa: Growth and Management of its Largest Cities*, United Nations University Press, Tokyo, page 227.

5. Institut National de la Statistique (INS) (1984), *Rapport Annuel*, Ministère du Plan, Kinshasa.

6. Concerning the impact of structural adjustment programmes in Africa, see Simon, D (editor) (1995), *Structurally Adjusted Africa. Poverty, Debt and Basic Needs*, Pluto Press, London; also Simon, D (1997), "Development reconsidered; new directions in development thinking", *Geografiska Annaler* Vol 79(b), No 4, pages 183–201.

7. Marysse, S and T de Herdt (1996), "Globalisation and exclusion: the mismatch of tradition and modernity in Kinshasa (Zaire)", University of Antwerp, page 11.

8. See reference 1.

9. Schatzberg, M G (1991), *Mobutu or Chaos? The United States and Zaire: 1960–1990*, University Press of America, Laham and London, page 39.

10. *Jennie Afrique* (1998), May, page 121.

11. See reference 7.

12. World Bank (1985), *World Development Report 1985*, Oxford University Press, Oxford and New York; also World Bank (1986), *World Development Report 1986*, Oxford University Press, Oxford and New York.

13. Simon, D (1999), "Development revisited: thinking about, practising and teaching development after the Cold War" in Simon, D and A Närman (editors), *Development as Theory and Practice*, Longman Press, Harlow.

14. See reference 1.

economic situation worsened in 1982, when the former Zaire, under Mobutu, signed an agreement on the implementation of a structural adjustment programme with the World Bank and a stabilization programme with the International Monetary Fund. The implementation of these measures had huge consequences on people's lives.<sup>(6)</sup>

In 1982, the formal economy saw a 4 per cent decline in GDP, a fall in exports and a brutal decline in government income. This led to a budget deficit of 10 per cent of GDP.<sup>(7)</sup> The GDP per capita decreased from US\$ 288 in 1960 to US\$ 116 in 1997 and, by 2001, was only US\$ 88.<sup>(8)</sup> The value of the Congolese currency against other currencies has also declined sharply. In 1972, the rate of exchange for the Zaire (Z) was US\$ 1.00 = Z 0.50; in April 1990, it was US\$ 1.00 = Z 496.99;<sup>(9)</sup> and by May 1997, when Mobutu left power, it was US\$ 1.00 = Z 180,000.<sup>(10)</sup>

During this period, civil servants not only saw their incomes deteriorate to a very low level (10 per cent of the 1960 income level) but also saw their numbers decline dramatically, from 429,000 (including those in the health and education sectors) in 1980 to 289,000 in 1985, with health and education being particularly hard hit; in the education sector, the number of teachers was reduced from 285,000 to 126,000 in that period.<sup>(11)</sup> The country is still suffering from these cuts in personnel within the public service and, as a consequence, the quality of teaching and the literacy rates have fallen dramatically. In some urban areas, class sizes have risen from 30 to 80 or 90 pupils per class in primary and secondary schools. The formal economy no longer plays the key role of employment creation in the country.

Debt repayments amounted to 11 per cent of GDP in 1980, 15 per cent in 1982, 17 per cent in 1983, 30 per cent in 1984, 58 per cent in 1985 and 56 per cent in 1986.<sup>(12)</sup> Conventional analyses of the debt crisis and of the most effective solutions have, in effect, blamed the victims of development, the vast majority of whom had little if any say in the policies adopted by their states or the transnational banks and other financial institutions and official donor bodies.<sup>(13)</sup> Teachers, civil servants, medical personnel and the bulk of the population (with the exception of the ruling class) bore the brunt of the repayments. How could people live in a country where 58 per cent of all government expenditure went on debt repayments on borrowed money from which the population has never gained any benefit?

The Congolese monetary situation has been characterized by hyperinflation and a continued increase in the number of banknotes in circulation. Indeed, inflation began in the mid-1970s, and the loss of foreign trade taxation from the early 1970s created the need for the government to print banknotes in the late 1980s for its expenditure commitments. The banking system does not work and there is a lot of hoarding within the country, as people have lost faith in the system and cheques have ceased to be a reliable means of payment. While public infrastructure is still deteriorating and poverty is increasing, the fortunes of Kabila, his generals, close supporters, clients and political elites are growing. Under the late Kabila rule, the "Présidence de la République" was said to control 18–23 per cent of the national budget for his personal use and that of his close supporters, while the Health Department budget was less than 5 per cent.<sup>(14)</sup>

Trade in the DRC has declined continually since 1973 and, in the early 2000s, at a greater rate than in all other African countries. This is the result mainly of a fall in local production, of economic chaos and of political strife. For years, it has been difficult to construct reliable and accurate data on the Congolese balance of payments, as statistics in that sector are almost non-existent. It is very difficult to determine with accuracy the amount of foreign

currency earned from exports, and the value and composition of all imports for a particular year. Moreover, smuggling and fraud account for a substantial amount of the imported and exported goods.

The Congolese industrial sector has been in a state of neglect and abandonment for nearly a quarter of a century, having been hard hit by the chaotic economic situation. By 1994, industry in the DRC accounted for 15.6 per cent of GDP, less than half of what it had been in 1980 and well below the sub-Saharan African average of 30 per cent.<sup>(15)</sup> Manufacturing declined on account of difficulties in importing spare parts, the riots and lootings of 1991 and 1993, and mismanagement. As with other sectors in the country, transport is in a state of total chaos and ruin.

Food production has been a matter of concern since independence. For many years, the country relied on food imports and, since 1996, food production has been hit by the war-related abandonment and destruction of plantations, fields and crops. Animal production decreased by 6 per cent for cattle and by 10.5 per cent for goats in 1998 alone. Fish production also decreased from 142,000 tonnes to 140,000 tonnes in 1998.<sup>(16)</sup>

While the "entrepreneurs of insecurity"<sup>(17)</sup> have been getting rich, the consumer price index has been rising. It was 88 per cent in 1988, 39 per cent in 1989, 26 per cent in 1990, 4,134 per cent in 1991, 2,990 per cent in 1992, 4,652 per cent in 1993 and 6,682 per cent in 1994.<sup>(18)</sup> By contrast, national per capita income has decreased from US\$ 375 in 1956 to US\$ 102 in 1994 and US\$ 87 in 2002, while the legal minimum wage decreased from US\$ 100 in 1990 to US\$ 18 in 2001.

A large proportion of the population in the city is either undernourished or malnourished. According to the CEPLANUT (National Centre for Nutritional Planning), in 1999, 126,000 children in Kinshasa alone suffered from acute malnutrition, 31.1 per cent of all children suffered from chronic malnutrition and 29.6 per cent of the remainder were underweight.<sup>(19)</sup> The World Bank stated that between 1996 and 1998, 61 per cent of people in the DRC were undernourished; between 1995 and 1998, 34 per cent of children under five were underweight; and between 1995 and 2000, 45 per cent of children under five were below normal height-for-age.<sup>(20)</sup>

With a minimum wage of US\$ 18 per month, most Congolese can no longer afford even the relatively low fees required for a medical consultation and the first dose of prescribed medication against malaria. People struggle, even for food of poor quality, and neglect other goods of secondary importance such as clothes, shoes and good housing conditions. A 2001 study highlighted the fact that the proportion of the total family budget spent on food was 63.3 per cent.<sup>(21)</sup>

### III. DATA COLLECTION

THIS PAPER PRESENTS a case study of vending and informal economic activities in some of the streets of Kinshasa. These street enterprises involve the production and trade of goods and services outside of all legal trade and economic regulations (i.e. no licence, no insurance, no minimum wage, no health and safety standards) and bureaucratic rules. Goods are sold from fixed stalls, from the pavement, in front of people's houses and doors, in small shops and, in most cases, from people's heads as they walk along the streets. According to Thomas:

"...the informal sector can be characterized by: ease of entry, reliance on indigenous resources, family ownership of enterprise, small scale of operation,

15. The Economist Intelligence Unit (2000), "Country profile. The Democratic Republic of Congo", *The Economist*, page 26.

16. Banque Centrale du Congo (2000), *Rapport Annuel 1998*, Kinshasa.

17. "Entrepreneurs of insecurity" are war lords who have been fighting an ongoing civil war for the past eight years. They have divided the country into several economic zones and are looting the wealth of the country.

18. Ngindu, G (1996), "Which economic policy for Zaire?" in *Afrique et Développement* No 7, Faculté Catholique de Kinshasa, page 119.

19. CEPLANUT (1999), "Situation de la malnutrition à Kinshasa", CEPLANUT, Kinshasa.

20. World Bank (2001), *World Development Indicators*, Oxford University Press, Oxford and New York.

21. Ivenda, G (2001), "Street foods and income generation for poor households in Kinshasa", *Environment and Urbanization* Vol 13, No 2, October, pages 233-241.

22. Thomas, J-I (1992), *Informal Economic Activity*, Harvester Wheatsheaf, page 53.

*labour-intensive methods of production and adapted technology, skills acquired outside the formal school system, an unregulated and competitive market.*"<sup>22</sup>

Following these guidelines, data were collected from 125 street entrepreneurs in five different streets located in the north, east, west and centre of Kinshasa. Streets were selected based on a high concentration of people, vending activities and traffic. The selected areas were all terminals for local buses or buses and lorries coming from the countryside with food or other goods. All vendors were selected based on their regular presence on the streets (they had to have worked in the area for at least a year).

Interviews were the main method of data collection, and involved approximately 60 minutes of conversation with each informant. All interviews were semi-structured, and included a core set of questions that constituted the main research focus, with open and closed questions, and also the possibility of raising other non-prepared questions during the interview. Questions were asked about the origin of goods, the amount and source of the investment, the professional origin of the vendors, their timetable and their relationship with wholesalers and customers. Based on this information, questions were asked about their daily income and profit, whether these activities allowed them to fight poverty and, finally, the role of their street activities in the overall survival of their households.

The interviews were hampered by many of the respondents' illiteracy and a general suspicion about questions concerning their activities. Discrimination, exploitation and injustice dominate people's lives, and interviewees are often reluctant to answer questions from strangers, especially in a public place as, for many years, they have been victims of state harassment, and are fearful of expressing their views in public.

#### IV. DATA ANALYSIS AND DISCUSSION

##### a. Categories of street entrepreneur and types of goods

IN RECENT YEARS, the quality of life in Kinshasa has changed dramatically. The current social and economic crisis has stimulated innovation, and changes are taking place in urban dwellers' behaviours as they adapt to the crisis. Street-vending activities are widespread throughout the city, and are a way of gaining livelihoods and of regaining the social esteem lost by many within Congolese society. Although street activities are numerous, accurate data on their extent are impossible to obtain, as people move about all the time, and businesses expand, go bankrupt or vanish overnight.

Broadly speaking, Kinshasa's vendors can be classified into two main groups: walking vendors and fixed vendors. The first category includes porters, vegetable sellers (cassava, spinach, sweet potatoes, amaranth), fruit sellers (mangoes, oranges, avocados, pineapples, bananas) and sellers of bread, cakes and pastry, cooked food, and modern and traditional medicine; also sellers of different kinds of manufactured goods including soap, cigarettes, matches, cigarette lighters, nail cutters, pens, pencils, notebooks, watches, combs, tissues, children's and adult clothing, body lotion, toothpaste, razor blades and knives. The second category includes people who work in fixed locations, including battery and tyre repairers, mechanics and cobblers, and vendors of modern and traditional medicines, cooked foods, frozen foods (fish, meat and poultry) and tubers (cassava roots, sweet potatoes, yams); also barbers, money dealers, kiosk owners and small shopkeepers.

## b. Organization of the activity

During the colonial period and up to the mid-1970s, jobs in Kinshasa were organized and provided by the formal sector and were located mainly in the former colonial core of the city in two main areas, Gombe and Limete. Nowadays, as the formal sector has ceased to provide employment for most people, the location of jobs has shifted to all over the city. People locate their enterprises according to the availability of raw materials, the supply of goods, and other relevant factors such as market demand. Many interviewees acknowledged that they wanted to operate on the streets because they could keep all the profits from their activities, as they were able to avoid the formal economy and its attendant expenses and taxes.

As no legislation guides these activities, each street entrepreneur organizes his/her own work and operates on the streets according to his/her needs and the possibility of reaching customers. In many places, hundreds of women sit at intervals along the kerbside, displaying their goods on the pavement. In streets where there are shops, vendors sit in passageways between the shops. Others use stalls that are erected daily by their owners; and those who are well established and possess a significant quantity of merchandise rent small shops or kiosks. The majority, however, carry their merchandise from street corner to street corner, shouting loudly to advertise their wares. Most of the interviewed sellers said that they chose to locate their stalls at the intersection of major roads, where there was a mix of commercial, residential and business properties and where they could take advantage of a high volume of customers both during the day and at night. At night, fluorescent lights are put up and electrical connections run to houses and nearby shops or stalls.

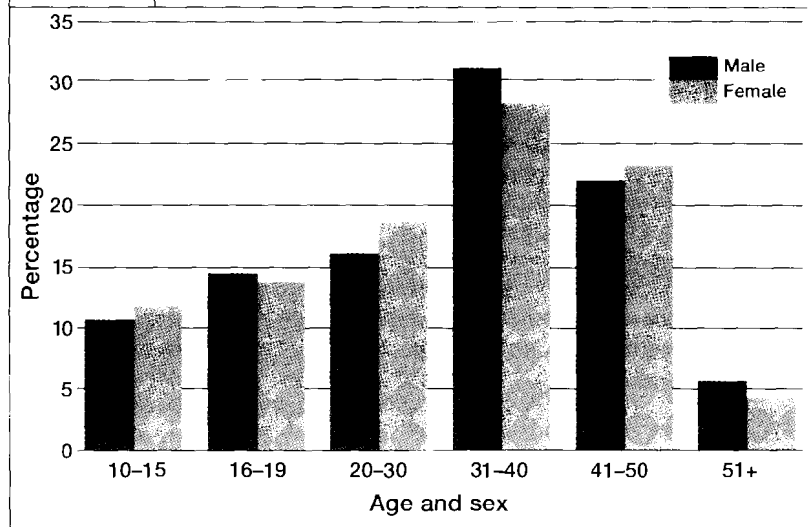
Our research showed that the highest diversity of sales took place between 10 and 12 in the morning. As many households consume only one meal a day, people prefer to do their shopping at this time and then cook a meal that is eaten between 4 and 5 p.m. In the late afternoon, sales are high in what is locally called the *wenze ya bitula*, the "market of the unsold". Here, people generally sell all their perishable goods, which they are unable to keep from one day to the next because they lack freezers. As a result, these goods are sold at half price or less. Shoppers who most frequently use these markets are those who consume their one daily meal between 8 and 10 p.m.; most of them have to wait for the main income earner to return from work, bringing back the daily money for the food shopping.

As shown in Figure 1, people's involvement varies according to age and gender. A high percentage of street traders are aged between 31 and 40 (29.62 per cent of women and 31.3 per cent of men). Obviously, this age bracket is the one most affected by unemployment. These statistics highlight one reason why the Congolese economy is so weak. This age group, in theory the most productive, is not in the formal sector or officially contributing to the national GDP. The 41–50-year-old cohort is also heavily involved in street activities. Again, where an economy is functioning well, people of this age are, in many cases, working in the formal sector of the economy. In Kinshasa, these are also people who have been made redundant and who still have important family and household responsibilities; now, the only way that they can generate an income is to work as street entrepreneurs.

In addition, a significant number of children and young people (12 per cent in the 10–15-year-old cohort and 14 per cent in the 16–18-year-old cohort) work on the street as carriers, shoe shiners and sellers of drinking

23. See reference 1.

24. See reference 20.

**Figure 1: Vendors by age and gender**

SOURCE: Research in Kinshasa, May 2001.

water, peanuts, fruit and different kinds of cooked foods. As there are not enough schools for the growing number of children in the city, they operate a double-shift system, one in the morning and one in the afternoon. Children who work in the streets organize their school activities to fit in with their work. If they go to school in the morning, they come to work in the afternoon, or vice-versa.

As Figure 1 indicates, there are not many traders over the age of 50. In some districts and areas, certain behaviours can make trading difficult for older people. For example, in Avenue Victoire and Avenue Kasa-Vubu, traders tend to be violent. For the youngest, especially those who are illiterate, using aggressive behaviour is almost the only way in which they can operate and function as traders. The constant pressure of hunger and the lack of other income-generating activities continually oblige them to return to the streets.

### c. Gender and street entrepreneurs

With all the political, economic and social changes that have taken place in the DRC, the characteristics of the labour market and the working population have altered. Most notable is the changing role of women within society. Their role as the main income earner for many households has increased over the last 15 years.<sup>(23)</sup> Table 1 shows that the majority of interviewees were women, 56 per cent of the total sample.

Given the low literacy rate for women in Kinshasa (51 per cent against 66 per cent for men),<sup>(24)</sup> many of them are excluded from the formal employment market, and so work as street entrepreneurs. Lacking qualifications for formal employment or any form of wage labour, women find themselves obliged to work on their own and, in many cases, on the streets. In some families, all household members over the age of seven were involved in different street activities; survival in an economic situation where cash is king means bringing in money from a wide variety of activities within the informal sector.

23. See reference 1.

24. See reference 20.

**Table 1: Type of activity by gender of street traders in Kinshasa**

Activity	Gender				Total	%
	Male (44%)		Female (56%)			
	No.	%	No.	%		
Cobblers	2	3.6	0	0	2	1.6
Shoe shiners	4	7.2	0	0	4	3.2
Street money dealers	5	9.1	7	10	12	9.6
Barbers	2	3.6	0	0	2	1.6
Mechanics	3	5.5	0	0	3	2.4
Street artisans	2	3.6	0	0	2	1.6
Trolley owners	7	12.7	6	8.6	13	10.4
Small shopkeepers	6	10.9	8	11.4	14	11.2
Tyre repairers (Quado)	4	7.2	0	0	4	3.2
Cooked food sellers	3	5.5	9	12.9	12	9.6
Vegetable sellers	0	0	14	20	14	11.2
Cake and pastry sellers	4	7.2	9	12.8	13	10.4
Manufactured product sellers	13	23.6	5	7.1	18	14.4
Cereal and tuber sellers	0	0	8	11.4	8	6.4
Frozen fish, meat and poultry sellers	0	0	4	5.7	4	3.2
Total	55	99.7	70	99.8	125	100

SOURCE: Research in Kinshasa, May 2001.

Many of the interviewed women asserted that they were currently major contributors to the financial and material life of their households. Nearly 95 per cent of them pointed out that they needed a support system, including a short- and medium-term credit system, to allow them to improve the quality of their work and increase their daily profit. Given women's crucial role in daily household management and the provision of income in Kinshasa, credit schemes to allow them to improve their ability to provide the household with sufficient income and food would benefit the whole family. Women working as street entrepreneurs were sharing skills, information about their products, responsibilities, markets, clients and even capital and money to help those who were on the edge of bankruptcy.

Some of the women who were interviewed were single mothers, divorcees or widows, and were heads of households. The political and economic crises in the DRC have brought about many changes in social organization. As part of a strongly patriarchal society, Congolese people still expect men to be heads of households and to be the main breadwinners. This discrimination leads to female-headed households being hit by chronic poverty more often than male-headed households. Although to date there have been no reliable studies on female-headed households in Kinshasa, this study showed that 33.2 per cent of the women who were interviewed were heads of households. This figure is comparable to that found in other Central and Southern African cities.<sup>(25)</sup>

Forty-three per cent of interviewees who worked as street entrepreneurs had never worked in the formal sector. Most of the respondents in this category were women, children under the age of 18 and illiterate men. Some men who had been employed admitted that when companies had made job cuts, they had been the worst affected; they did not receive suitable redundancy packages and, with no appropriate qualifications, they had started to work as street entrepreneurs. Some of the men had been unemployed for more than ten years and were unable to find any work in the

25. Potts, D (1997), "Urban lives: adopting new strategies and adapting rural links", in Rakodi (editor) (1997), see reference 4, pages 447-494.

26. Beharrell, A (1992), *Unemployment and Job Creation*, Macmillan, New Zealand, page 37.

formal sector. Long-term unemployment has huge consequences – the longer people remain unemployed, the more they forget their skills and become unemployable. As Beharrell has argued, “...unemployment hits harder at the top of the age range. It hits harder at the less qualified and less skilled.”<sup>(26)</sup>

The research revealed important differences in the categories of goods sold in the streets by men and by women. As Table 1 shows, men (23.6 per cent) often sell the same kind of goods, mainly manufactured goods. On the other hand, women often sell all kinds of foods, and manufactured and non-manufactured goods. They sell clothes, soap, body creams, vegetables, cooked foods, frozen fish, frozen meat and poultry, bread, peanuts, palm oil, all kinds of fruit and all kinds of tubers. In some areas, like Rond Point Ngaba and Avenue Kasa-Vubu, some women work as money dealers and dealers in different kinds of goods.

To the inhabitants of poor areas of Kinshasa, economic disaster has meant working at least 12 hours a day, on the street or in a market, to earn an income that will allow them to tackle the different problems they face and to look after their households. The author's analysis of gender relations in the context of household survival in Kinshasa has shown the importance of giving women, and young girls especially, access to adequate support in their efforts to participate in development, and in obtaining the purchasing power to buy what they need for their households. The promotion of gender equality in household management and decision-making should be an important goal, in order to increase the involvement of women in urban development.

#### **d. Investment, daily income and daily profit**

The dire economic situation in Kinshasa has pushed people to organize their own livelihoods within the informal economy, which is facilitated by the absence of entry restrictions. Within the informal sector, people can start any kind of business without any particular skill, training or significant amount of capital. The lack of any bank credit to start their own business has also encouraged people with small amounts of money to throw themselves into street activities.

Approximately 90 per cent of interviewees were officially unemployed before starting their street activities, and street enterprises were their only livelihood activity at the time of the research. Very few undertook street-vending activities jointly with other employment. Among the traders who were interviewed, only 5.6 per cent had another income-earning activity, mainly as civil servants – primary school teachers and some nurses who had not been paid for months and who worked as shopkeepers and sellers of medicines on the streets or from stalls erected daily; 4.4 per cent of those who were interviewed were sons or daughters of civil servants, teachers, nurses, police officers or soldiers.

The majority of respondents, especially those who worked in the open air, had started their businesses with a mere US\$ 10–50 capital. Those who were well established and had shops had started their businesses with capital of between US\$ 500 and US\$ 1,000. Thirty-nine per cent of interviewees realized a profit of US\$ 2–5 per day. Some 47 per cent earned between US\$ 6 and US\$ 10 per day, 5 per cent between US\$ 11 and US\$ 15, 4 per cent between US\$ 15 and US\$ 30, and 3 per cent between US\$ 30 and US\$ 50. Only 2 per cent earned more than US\$ 50 per day.

The economic and social importance of street enterprises in income

supply for many poor households is generally unknown or underestimated in the DRC. Nevertheless, for many poor households it constitutes the main or only source of income. Although it has never been easy to get people to talk about their income from street-vending activities, and there is no reliable research available on the informal sector that includes data on daily incomes and profits, the author endeavoured to win people's confidence and gather such information. To achieve this, it was necessary to visit the same sellers many times but, in the end, the interviewees were frank and open about their financial activities, enabling confidence in the reliability of the data obtained.

Most of the sellers who earned more than US\$ 30 a day worked in the middle of the city, where there is 24-hour activity. Sellers with a daily profit of more than US\$ 50 (after deducting all costs) were mainly to be found on Avenue Victoire in Kalamu and Kasa-Vubu, and on Avenue Kasa-Vubu between Pont Kabi and Rond Point Victoire. These high earners were mainly money dealers. In a city where monthly salaries rarely exceed US\$ 25 in the public sector and US\$ 100 in the private sector for lower- and middle-class workers, some literate people have chosen to work for themselves as money dealers or as dealers in particular luxury goods such as shoes, clothes, perfumes and other manufactured goods. However, although many of them earn more than they might in the unproductive, disorganized and bankrupt formal sector, their earnings barely cover their living costs, which average approximately US\$ 385 a month for a small family (of six members), excluding the unplanned costs of serious illness, mourning or other unexpected expenses.

Nowadays, political and economic instability affects all business activities, and all respondents recognized that they would make higher profits if inflation were controlled and prices in the markets were stable. High inflation, constant price fluctuations and the "dollarization" of the economy have made it very difficult for sellers to increase their profits. This is because they buy their goods in Congolese francs, but at a fixed rate in US\$ from Western wholesalers, but can only sell in local currency, which fluctuates in value almost by the hour. It is important to know that all over Kinshasa, people use cash for all transactions as opposed to barter or credit cards. Many have large holdings of cash, and the use of high-denomination banknotes is preferred over having bundles of small-denomination banknotes.

The research included keeping a daily diary of the total income and profit earned each day by respondents. Some of the traders' households were also visited to gather information from all income earners in these households about their expenditure, in order to compare this with their income. Comparing monthly income and expenditure showed that people were far from escaping chronic poverty. Their economic activities on the streets did not allow them to improve their living conditions. Many of them were still living in deep poverty and in appalling conditions, characterized by poor dwellings, poor food, poor health, high numbers of malnourished children, high infant mortality rates, poor education for the children, unclean water, lack of electricity and sanitation, and difficult conditions of movement. This is why, in Kinshasa, poor people engage in more than one income-generating activity, each member of the household exploiting the field he or she knows best in order to increase their level of income. Potts describes similar findings in other African cities, notably Dar es Salaam, Abidjan and Kampala.<sup>(27)</sup>

These findings run counter to much of the accepted wisdom on this topic. In 1969, the International Labour Organization (ILO)<sup>(28)</sup> launched a

27. See reference 25, pages 474–477.

28. ILO (1976), "Meeting basic needs. Strategies for eradicating mass poverty and unemployment", ILO, Geneva.

29. Len. Ismael (1991), "Informal sector mobilisation: the process by which poor people shelter themselves and implication for policy focus in the Caribbean", Doctoral thesis, University of Pennsylvania, page 69.

30. Dewar, David and Vanessa Watson (1990), *Urban Markets. Developing Informal Retailing*, Routledge, London, page 1.

31. See reference 7; also Marysse, S et al. (1997), "La pauvreté urbaine en Afrique subsaharienne. Le cas de Kinshasa", UFSIA, Antwerp.

32. MacGaffey, I and G-R Bazenguissa (2000), *Congo-Paris. Transnational Traders on the Margins of the Law*, James Currey, Oxford, page 4.

World Employment Programme, aiming to promote a wider distribution of economic benefits by encouraging greater informal sector employment. The Kenya Report, which was an important early part of the programme and which advocated an important economic development strategy for the country, suggested that the informal sector was very powerful and might have the potential to play an important role in providing employment. In his doctoral thesis, Len points out that:

*"...the development of small-scale, low capital to labour microenterprises of all types results in the production and circulation of goods and services within the informal sector, allowing...the expansion of job opportunities in the absence of formal sector availability."*<sup>(29)</sup>

Dewar and Watson have pointed out that:

*"...considerable rhetorical emphasis is being placed, in many countries, on the potential role of the informal sector in alleviating poverty and employment, and there is a call for the 'stimulation' of this kind of activity."*<sup>(30)</sup>

And in their work cited in this paper, Marysse et al.<sup>(31)</sup> discussed the potential benefit of the informal sector in reducing poverty in urban DRC. However, contrary to these studies, my field research reported here found that, despite their capacity to offer employment and income to many households in the city, street enterprises are not a panacea capable of improving people's living standards, and they cannot lift poor people out of chronic poverty. They simply offer short-term, volatile and insecure employment opportunities, often with mediocre profits or achievements. For most street entrepreneurs, life these days is characterized by uncertainty over whether daily basic needs will or will not be met. As MacGaffey and Bazenguissa argue:

*"...in confronting such chaos, people rely on the trust of personal relationships to compensate for the absence of a functioning legal and judicial apparatus to sanction contracts; creating their own system of values and status, their own order amidst disorder; and evading a venal bureaucracy and an oppressive state by operating in the second economy to find opportunities to better their lives."*<sup>(32)</sup>

Nearly 99 per cent of respondents believed that job creation and employment provision in an organized, well-managed, stable, productive and growing formal sector is the only way to lift them out of poverty. Every interviewed street entrepreneur who was a head of household, male and female, told me the same in the local language:

*"Tolingi misala ya solo, misala ya contract. L'etat mpe bakonzi ya ba compag-nies ba pesa biso misala, misala ya ba mbula ebele, misala ya seko mpe na likolo na nyonso, misala ya lifuti ya malamun de esilisi bobola oyo na mboka."* ("We want work, work in the formal economy. May the government and the private sector provide us with jobs, long-term, secure and, most importantly, well-paid jobs that will end poverty in this city.")

Seventy-four per cent of respondents were ready to stop their activities within the informal sector if they could find secure and well-paid jobs. Nearly 91 per cent were confident that the formal sector remained preferable, as it provides a guarantee for social allocations as well as health treatment for the worker and his/her family, transport facilities and, in many cases, education costs for children, and housing. Therefore, the creation and the reinforcement of well-paid formal sector employment are most necessary.

While the country is concerned primarily with the question of political instability and civil war, there is growing concern about the sustainability of livelihoods in many households; hunger, destitution, illiteracy, the lack of clean water and sanitation, the lack of decent housing and electricity, the

lack of an adequate health system, and chronic poverty hit the majority of households in Kinshasa. With very limited financial means, people are struggling to buy even poor-quality food, and the majority of interviewees asserted that members of their households consumed only one main meal a day.<sup>(33)</sup> With slight variations from year to year and from district to district, more than 60 per cent of the surveyed households' expenditure went on food and housing. This is to say that more than 60 per cent of people in Kinshasa at that time lived in poverty.

Currently, the DRC has one of the highest infant and child mortality rates in the world, at 245 deaths per 1,000 births.<sup>(34)</sup> Access to health services is low for the entire population and street entrepreneurs cannot afford to bring their children to good-quality hospitals when they are ill; they cannot even afford to pay for anti-malarial medication when prescribed.

Throughout the city, the rate of primary and secondary school enrolment for children from poor families is now lower than at any time in the last 20 years. The lack of financial means oblige many street entrepreneurs to choose who should go to school and for how long. During the research, many of the interviewees expressed dissatisfaction with their children's education, as the quality of the entire education system has collapsed, and schools and universities in Kinshasa face problems related to a lack of finance, corruption, lack of materials, unpaid teachers, and poor repairs and maintenance.

Poor people working in the streets and earning a profit of between US\$ 2 and US\$ 5 a day asserted that they could only afford to send their children to public schools where furniture and school equipment are no longer replaced, and where pupils do not have desks and sit on the floor or on bricks. In some schools, all furniture, even blackboards, has been looted, classrooms lack doors, windows, toilets and some do not have roofs. School personnel have often been unpaid for more than a year. At night, some of these schools are used for housing livestock.

In Kinshasa, where the average rent in poor areas is US\$ 55 per month, many people pack themselves into one house or compound; this results in overcrowding, facilitating the spread of disease and the destruction of the environment. Many street-vendor households occupied only one bedroom. Sharing accommodation, houses and compounds was widespread in many areas. Two, three, five or even more households shared a compound. Many of the interviewees lived in compounds that only had one toilet and one bath shared between 30–35 people, and one children's playground. Most cooking took place outside the houses, where drainage and used water passed, and food was always covered in swarms of flies. In many houses, on average 7.8 people shared the house, and 3.3 people shared a bedroom. In households with one bedroom, children of all ages and both sexes slept in the living room, often on old bags made from cotton and laid on the floor. The same room housed all kitchen utensils and household cleaning materials; in some cases, it also housed some kind of family livestock such as poultry. Where there was no door, the parents' bedroom was separated from the living room with a curtain, often made from the wife's old clothes.<sup>(35)</sup>

## V. CONCLUSION

THE FIELD OBSERVATIONS and interviews in this study have illustrated how, in the absence of state support, with the entire economy in chaos, with most of the public and private infrastructure in ruins, and with one of the

33. For different studies conducted in Kinshasa on urban dwellers' purchasing power, see Hoyoux, Joseph et al. (1986), *Budgets des Ménages, Kinshasa 1986*, BEAU/ICHEC, Kinshasa and Brussels; also de Saint Moulin, Leon (1996), "Les problèmes sociaux à Kindele (Kinshasa)", *Zaire-Afrique* No 309, pages 489–508; see reference 31, Marysse et al. (1997); and Iyenda, G. (2002), "Pauvreté urbaine et secteur informel à Kinshasa", *Développement et Coopération* No 5, September/October, pages 18–21.

34. PNUD (2000), "Coopération au développement. République Démocratique du Congo", PNUD, Kinshasa.

35. See Iyenda, M (1990), "Le rôle de la fiscalité et de la parafiscalité dans la hausse des prix et la baisse du pouvoir d'achat des masses laborieuses Zaïroises", dissertation submitted for the degree of "Licencié en sociologie", University of Lubumbashi, unpublished; also Kalele, K-B (1984), "Le FMI et la situation sociale au Zaïre: Basusu na Mawa, Basusu na Bisengo, Lubumbashi", LABOSSA.

highest rates of unemployment in central Africa, people in Kinshasa, through their own initiative, have developed ways of surviving.

Over the years, patterns of work have changed markedly throughout the city, and the closure of many companies in Kinshasa has had a significant effect on people's lives. On top of the economic collapse and the bankruptcy of the state, nine years of civil war have hit employment very hard. The availability of formal jobs and real wage levels have declined dramatically, while the supply of labour has constantly increased. As illustrated in this paper, the lack of formal employment opportunities has obliged people to set up their own income-generating activities within the informal sector. People have changed the employment map of the city, and the informal sector has now become the largest employer. However, the informal sector and self-employment, although providing a critical survival strategy for people with no alternative, show no sign of being the solution to development in the DRC.

Despite being able to offer poor-quality employment and low-level incomes to many households in the city, street economic activities cannot improve poor urban dwellers' living standards nor develop a country. Most of these activities provide little profit and are unable to lift poor people out of chronic poverty, with its multiple deprivations. In Africa, political authoritarianism has been detrimental to economic growth and even political stability. It has been associated with arbitrariness, a lack of transparency, rent seeking, and the dissociation of performance from reward.<sup>36</sup> Fighting corruption, mismanagement, political clientelism and the misappropriation of public funds is fundamental to improving people's living standards in the DRC.

36. Ake, C (1996), "Democracy and development in Africa", Brookings Institution, Washington DC, page 158.