Economics of Urban Space: *Are the Street Vendors in Nairobi City Spared?*  
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**Abstract**  
Street vending in Nairobi city is not a new phenomenon. City governments have changed overtime but perception of street vendors as a city menace has persisted through all regimes of the capital city. Various attempts of both legal and spatial approaches to resolve the menace have been made by successive city governments with little success. There are those that criminalize hawking in city streets by canceling their licenses while others issue licenses indicating hawking is a legitimate business. Spatial strategies adopted in the past are diverse some aimed at settling the hawkers in markets, allowing them to operate within Central Business District (CBD) in selected spaces at specific times in addition to allocating them the back lanes of the cities’ blocks. However, none of the strategies has contained hawkers from the temptation of spilling over to the CBD streets and walkways. It is therefore important for urban managers to study the street vending as a unique business venture that requires specific conditions to thrive in addition to a comprehensive study of the city dwellers’ behavior in relation to urban space in order to understand what sustains street vending. The paper is structured in a way that it started by; first, presenting the history of street vending in Nairobi city. Second, an analysis of the current situation and characteristics of street vending in Nairobi. Third, classify various types of hawkers that operate within Nairobi CBD. Fourth, an evaluation of the past and existing state interventions and policy developments on street vendors space allocation. Fifth, an account of the existing strategies for street vendors space allocation by Nairobi county government. Sixth, field results and interpretation. Seventh, an evaluation of the underpinning urban economic principles to be considered in allocation of space for street vendors. Eighth, review of urban management challenges that hinder space allocation for street vendors in Nairobi. Lastly, the paper has given policy recommendations on how economics of urban space principles can be used as a guide for the space allocation of street vendors in the City of Nairobi. The study was carried out through, review of relevant literature in both published and unpublished media, field observation and key informants interviews. The study analyzed the successes and failures of past and existing spatial strategies carried with assumptions that hawkers just need space to operate without considering the fact that the location characteristics of the space provided is of extreme importance if hawkers’ needs have to be met without a sting to the city economy. The paper aimed at reviewing the economics of urban space principles in entrenching right to the city by all business classes. It assessed the viability of offering urban space for free in favor of informal traders in a capitalist city in ensuring fair competition and equity in the business platform. In conclusion the paper made recommendations drawn from analysis of the study findings.

**Key Words:** Hawkers, space allocation, spatial strategies, urban space.