

INFLUENCE OF EFFECTIVE DUTY FREE MOTORCYCLES TO SOCIO-ECONOMIC EMPOWERMENT IN NAIROBI COUNTY, KENYA

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ABSTRACT

Transport is an important element in development and it affords the social, economic and political interaction that most people take for granted. The provision of transport infrastructure has grown extensively across the globe through a range of networks of modes which have undergone technological improvements cutting across the motive power, the tracks and the means that serve as compartment for passengers and goods. In developing countries, motorcycles operations are the most essential and effective means of transport in daily life and overall livelihood. This study examined the influence of duty free motor cycle's operations in the informal sector in enhancing socio-economic empowerment in Nairobi County, Kenya. A descriptive research design was used in this study. The target population of this study comprised of the 1500 owners and operators of the commercial motorcycles operations in Nairobi County. The samples size of this study was 150 respondents. The researcher collected primary data from motorcycle operators and owners from their work stations. Primary Data was collected using a structured questionnaire. Descriptive statistics such as the mean score, frequencies and percentages for each variable were calculated. The mean score for each attribute was calculated and the standard deviation used to interpret the respondents deviation from the mean. Data analysis was done with the help of the statistical package for the social sciences (SPSS version 20). The study concluded that income generation, improved living standards, service delivery and regulatory measures/policies positively influence socio-economic empowerment in Nairobi County. The study concludes that Motor cycle industry provides a range of opportunities including employment to motorcycle mechanics and motorcycle spare parts dealers, local

revenue generating sources through taxes/levies on motorcycle owners/riders as well as motorcycle registration and licensing. As a medium between this two structures duty free motor cycles, has potentially emerged as a tool for enhancing socio-economic empowerment in Kenya particularly in the urban areas.

Keywords: *Transport, socio-economic empowerment, motorcycles and commercial.*

INTRODUCTION

Over the past decade, there has been a significant increase in the efforts of developing countries to achieve regional economic integration mostly through reduction or complete removal of tariffs. In many parts of the developing world, existing regional arrangements have been revitalized or expanded and new groupings have been formed (Gina, 2002). The African continent is plagued with security problems. Complicated by power hungry leaders with a high thirst of corruption and self-centeredness, the continent is an uneasy breeding ground for socio-economic development, as neither formal or informal structures are good components for development because they do not provide for the actual needs of the underprivileged (Leinbach, 2000).

However, due to the underdeveloped infrastructure and low income levels, the volume of consumption of high capacity motorcycles is small, and the motorcycle used are mainly small in size with low capacity (50 - 150 cc) at prices ranging from several hundred to several thousand USD (Nguyen, 2007). The high ownership and use of motorcycle in the urban areas in Nairobi had come with its accompanying challenges like motorcycle accidents involving fatalities; environmental and public health concerns from the emissions; non-compliance to motor traffic regulations-for instance helmet use is generally low in Kenya among others among other things.

The high incidence of motorcycle ownership and use has also been contributing significantly in the betterment of many livelihoods of urban residents in Nairobi and its environs (Charles, 2011). The increasing growth in the number of motorcycle operations has come to solve the mobility needs of many urban residents in the light of poor and inadequate public transport system, poor road conditions particularly those leading into the slum-urban areas where many people in Nairobi reside as a result of urban sprawl. It also comes along with a host of opportunities including employment to motorcycle mechanics and motorcycle spare parts dealers, local revenue generating sources through taxes/levies on motorcycle owners/riders as well as motorcycle registration and licensing. As a medium between this two structures duty free motor cycles while not without its limitations, has potentially emerged as a tool for enhancing socio-economic empowerment in Kenya particularly in the urban areas (World Bank., 2002).

The resort to motorcycles as an alternative mode of transport in savaging urban mobility problems of towns in Nairobi County has introduced varying dimensions of issues including traffic accidents and safety on the roads, registration issues and the repair and maintenance activities around these motorcycle operations (Charles, 2011). Various researches have been conducted on the issues of motorcycle traffic accidents, motorcycle traffic management in motorcycle dependent cities, commercial motorcycle operations among others.

Motor-Cycle Industry in Kenya

Like many economic activities that are capital intensive in infrastructures, the transport sector is an important component of the economy impacting on development and the welfare of populations Surjit (2002). When transport systems are efficient, they provide economic and social opportunities and benefits that result in positive multipliers effects such as better accessibility to markets, employment and additional investments (Charles, 2011). When transport systems are deficient in terms of capacity or reliability, they can have an economic cost such as reduced or missed opportunities.

The lifestyles of the people of Nairobi have greatly changed with modification in the means of transport within and around the city with respect to movement (World Bank, 2011). Before the coming of motorcycles movement, the city was basically dominated by walking, bicycling and a few taxi- caps. The motorcycle growth in Nairobi has indeed enhanced and improved the mobility needs and social relations or networking of people in many and varying ways. Qualitative analysis of data from the field survey indicate that the growth of motorcycles in Nairobi City has affected the livelihoods of the populace in many respects firstly, family heads especially the men use motorcycles to transport their wives and children to the market place and school respectively; secondly both men and women particularly the young ones use motorcycles to visit friends, entertainment centers like nightclubs and the sport stadium as well as wedding ceremonies.

Thirdly motor cycles are also used by respondents to attend social gatherings like funerals, children's birth ceremonies, churches and mosques; fourthly motorcycles provide the fastest and most flexible mode of transport to respondents and finally Motorcycles also add to the social standing (status) of respondents as motorcycles operations are seen as symbols of economic success and honor by some people; again motorcycles operations offer easy opportunities to respondents to visit friends or relatives in sick bed either at hometowns or at the hospital.

Flexibility of Use: Considering the nature of roads especially those that extend into peri-urban areas and their bad state makes transportation by other modes of transport like cars or the minibuses (matatus) quite uneasy. Motorcycles are therefore, the most patronized vehicular means of transport in the peri-urban areas. Also, the highly inaccessible areas within the settlements of Nairobi city give motorcycle growth more prosperity since they (motorcycles) can easily maneuver their way in and out of these areas.

Accidents: The growth of motorcycles operations has undoubtedly cost many families a great deal through motorcycle accidents (ROK 2014). Some of these accidents have claimed lives of dear ones like family members, relatives among others hence losing mentors, role models, household heads, wives, husbands and even children. Child delinquency, social vices like prostitution, armed robbery, madness and hopelessness among others become the price

individuals and society has to pay through fatalities and very serious injuries obtained from motorcycle accidents.

Statement of the problem

In developing countries, motorcycles are the most essential and effective means of transport in daily life and overall livelihood (World Bank, 2013). The region is characterized by underdeveloped and synchronous infrastructure, the largest population and high concentration of low income groups. The motorcycle consumption each year in this market accounts for 90% of the world motorcycle consumption (Nguyen, 2007).

According to the International Labour Organization (ILO, 2013), the informal sector represents 72 percent of jobs in Sub Saharan Africa (SSA), due to the inabilities of states to create formal jobs or enhance existing enterprises. This sector is characterized by self-employment, either with or without hired workers with their primary objective geared towards profitability (Banmi, 2010). They have local technological and organizational skills, are industrious and clever but with no written rules and regulations nor any kind of standardized accountability. They depend largely on verbal understanding and mutual trust. They pay less interest to social protection schemes risk assessments due to low awareness and in most cases; the working environments and conditions are very risky (ROK, 2014).

Taxis and matatus has become exposed to competition from Motor cycle transport in Nairobi and those who cannot stand the test of the times are pushed out of business leading to large scale unemployment and lost incomes (Muller, 2010). Unemployment and tax evasion in the informal sector are negative indicators to growth. Motor cycle industry players have no access to funds from commercial banks due to strict conditions. This has made the businesses hard to start hence increased unemployment which translates to low economic growth and sustainable development.

To the best of the researcher's knowledge, no study has been done on the influence of duty free motorcycles operations in the informal sector in enhancing socio-economic empowerment in Kenya. This study therefore seek to fill the knowledge gap by investigating the influence of duty free motor cycles operations in the informal sector in enhancing socio-economic empowerment in Kenya. The researcher would like to get insight of what has been the influence of the duty free motorcycles operations in socio-economic empowerment.

LITERATURE REVIEW

Conceptualization

The motorcycle and Income Generation

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2011). The increasing growth in the number of motorcycles operations has come to solve the mobility needs of many urban residents in the light of poor and inadequate public transport system, poor road conditions particularly those leading into the slum-urban areas where many people in Nairobi reside as a result of urban sprawl. It also comes along with a host of opportunities including employment to motorcycle mechanics and motorcycle spare parts dealers, local revenue generating sources through taxes/levies on motorcycle owners/riders as well as motorcycle registration and licensing. As a medium between this two structures duty free motor cycles while not without its limitations, has potentially emerged as a tool for enhancing socio-economic empowerment in Kenya particularly in the urban areas (World Bank., 2002).

The motorcycle and Standard of living

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The motorcycle and Service Delivery

The resort to motorcycles as an alternative mode of transport in savaging urban mobility problems of towns in Nairobi County has introduced varying dimensions of issues including traffic accidents and safety on the roads, registration issues and the repair and maintenance activities around these motorcycles operations (Charles, 2011). The lifestyles of the people of Nairobi have greatly changed with modification in the means of transport within and around the city with respect to movement (World Bank, 2011). Before the coming of motorcycles movement, the city was basically dominated by walking, bicycling and a few taxi- caps.

The motorcycle growth in Nairobi has indeed enhanced and improved the mobility needs and social relations or networking of people in many and varying ways. Considering the nature of roads especially those that extend into peri-urban areas and their bad state makes transportation by other modes of transport like cars or the minibuses (matatus) quite uneasy. Motorcycles are therefore, the most patronized vehicular means of transport in the peri-urban areas. Also, the highly inaccessible areas within the settlements of Nairobi city give motorcycle growth more prosperity since they (motorcycles) can easily maneuver their way in and out of these areas.

The Motorcycle Industry Measures/policies

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The motorcycle and Socio-Economic Empowerment

The motorcycle transport system has suffered a dip with increasing urbanization, and this presents a clear challenge to the city authorities. This includes congested central areas, poor level of service from public operators and high exposure to road accidents (Kwakye and Fouracre, 2008). Reasons for this development are varied but not limited to the concentric and centripetal form and structure of Ghanaian cities which has led to the concentration of high density activities at the hub and the limited amount of road space. Additionally, large proportion of personal means of transport, the simultaneous use of carriage ways by vehicles and pedestrians, the limited number of high capacity buses for mass movement as well as inefficient management and policing of traffic have further worsened the situation (Tamakloe, 2003; Addo, 2005; Agyemang, 2009).

Congestion has thus become a major problem on arterial routes with 70 percent of major roads operating at an unacceptable level of service of less than 20 km per hour (Armah et al., 2010). The deficiencies in the current system and their attendant frustrations in the face of growing

urban youth unemployment (Grant and Otieno 2011) have given birth to the use of motorcycles for commercial services, a practice popularly referred to as “bodaboda”. This practice is in contravention of the existing transport legal regime and a section of the population also sees the operators as “rude and indisciplined”.

Empirical Review

In developing countries, motorcycles operations are the most essential and effective means of transport in daily life and overall livelihood. The region is characterized by underdeveloped and synchronous infrastructure, the largest population and high concentration of low income groups. The motorcycle consumption each year in this market accounts for 90% of the world motorcycle consumption. The consumption trends in the market are various. However, due to the underdeveloped infrastructure, the volume of consumption of high capacity motorcycles is small, and motorcycle there are mainly small sizes with low capacity (50 - 150 cc) at prices ranging from several hundred to several thousand USD (Nguyen, 2007).

In 2009, the Regional office of the Driver and Vehicle Licensing Authority (DVLA) in collaboration with the Upper West Regional Coordinating Council (RCC) of Ghana embarked on an outreach programme to register motor vehicles and educate motor vehicle owners on the dangers of using motor vehicles without valid documentation. This came as a result of two important issues; low motor vehicle registration of which motorcycles were the worst offenders and the Authority’s responsibility of generating revenue (GNA, 2009). The Upper West Regional Licensing Officer who disclosed this in an interview with the Ghana News Agency (GNA) at Wa indicated that the move was to encourage more people to register their vehicles in the region and to generate more revenue for the Authority. He said the Authority had, from January to June this 2009 registered about 2,500 motorcycles and hoped to register more than 3000 motorcycles by the end of the year 2009. The officer noted that while owners of four wheel vehicles were more compliant, most owners of motorbikes were not ready to either renew their registration or register them at the first instance because of lack of clear regulations on their operations.

The growth of motorcycles operations has ripple or spillover effects with regards employment Hung, (2006). They range from motorcycle mechanics (popularly known as motor fitters), spare parts dealers, increase in number of fuel filling stations as a result of continuous increase in demand for fuel (UN, 2008). As many as eighty-six (86) motor fitters, over thirty (30) spare parts shops and about ten-to-fifteen fuel (10-15) filling stations were counted during head count of the above mentioned employment centres. It must also be added that on average motorcycle repair shops employ on average three (3) persons, motorcycle spare parts shop two (2) persons and the fuel filling stations four (4) persons, thereby increasing the ratio employment to unemployment among the youth. It must, however, be noted here that this paper did not wholly attribute the apparent existence of fuel filling stations to motorcycle growth. However, the share of motorcycle population which constitute over a third of all vehicular population as compared to that of cars and other motorized-vehicle population is what has been taken into consideration.

RESEARCH METHODOLOGY

A descriptive research design was used in this study. Orodho& Kombo, (2002) argues that this choice of this design was appropriate for this study since it utilizes a questionnaire as a tool of data collection and helps to establish the variables under study. This is supported by (Gall et al2003) who assert that this type of design enables one to obtain information with sufficient precision so that research questions can be tested properly. It is also a framework that guides the collection and analysis of data. Creswell (2003) observes that a descriptive research design is used when data is collected to describe persons, organizational settings or phenomenon. The target population of this study comprised of the approximately 1500 operators of the commercial motorcycles operations in Nairobi County and in particular Eastlands.

The samples size of this study was 10 % of the total population, according to Were, (2013) a 10% sample size is sufficient if the population in greater than 1000 units. Since the population is highly homogeneous, a random sampling technique was used to select the 150 respondents from the 1500 owners/operators. The researcher collected primary data using a questionnaire. The data collected was edited for accuracy, consistency and completeness. The data was then coded and cross – tabulated to enable the responses to be statistically analyzed. Results of this study were analyzed by determining the correlation between the independent factors (Income generation, improved living standards, service delivery and measures/policies) and the dependent factor (socio-economic empowerment). Statistical Package for Social Sciences Computer Software (SPSS, Version 20) was used to analyze the study variables.

RESEARCH FINDINGS

Socio Economic Empowerment

Majority of the respondents agreed to a large extent that; motorcycle industry create employment. Motorcycle industry has led to improved standard of living. Motorcycle industry improves the respondent's income the findings further show that motorcycle industry ensures efficient and faster means of transport. Finally the respondents agreed that motorcycle industry reduce crime rate.

Income Generation

The respondents disagreed that there is no sufficient income to cater for their obligations in the motor cycle industry and income generated is taxed. The respondents were neutral that income generation exceeds expectations and that income generation is fixed monthly. The study further showed that the respondents agreed that income generated is sufficient to cater for my obligations.

Standard of Living

The respondents agreed that standard of living has improved with the importation of duty free motor cycles in the informal sector a minority were for the contrary opinion. Since motor cycle

transport earns income for both the operators and owners it implies that their living standards will improve in the sense that they will have better diet, enroll their children in school, reduce crime cases and also some can save some of their income. The motorcycle growth in Nairobi has indeed enhanced and improved the mobility needs and social relations or networking of people in many and varying ways. Qualitative analysis of data from the field survey indicates that the growth of motorcycles operations growth in Nairobi City has affected the livelihoods of the population.

Service Delivery

The study findings showed that, majority of the respondents agreed to a large extent that motor cycle transport is a faster and convenient means of transport. Motor cycle transport is a secure means of transport and motor cycle transport is available in every part of the city. They also agreed that motor cycle transport is cheap.

Correlation Analysis

A correlation analysis was conducted to find out how income generation, standards of living, service delivery and regulatory measures/policies are correlated with socio-economic empowerment.

The table below shows positive Pearson correlation coefficients from all the four factors discussed. income generation has a positive correlation at 0.963 and a $p=0.007 < 0.05$ with socio-economic empowerment, standards of living has a positive correlation at 0.742 and $p=0.009 < 0.05$ with the socio-economic empowerment, service delivery has a positive correlation at 0.283 and a $p= 0.11 < 0.05$ with the socio-economic empowerment while regulatory measures/policies has a positive correlation at 0.142 and a $p= 0.017 < 0.05$ with socio-economic empowerment. These findings indicate that there was a positive linear relationship between income generation, standards of living, service delivery and regulatory measures/policies and socio-economic empowerment.

Table : Correlations Analysis

		Socio-economic empowerment	Income Generation	Standards of Living	Service Delivery	Measures/policies
Socio-economic empowerment	Pearson Correlation Sig. (2-tailed)	1	.963 .007	.742 .009	.293 .011	.142 .017
Income Generation	Pearson Correlation Sig. (2-tailed)	.963 .007	1	.208* .010	.248* .013	.281** .005
Standards of Living	Pearson Correlation Sig. (2-tailed)	.742 .009	.208* .010	1	.330** .001	.290** .004
Service Delivery	Pearson Correlation	.293	.248*	.330**	1	.329**

Regulatory measures/policies	Sig. (2-tailed)	.011	.013	.001	.001	.001
	Pearson Correlation	.142	.281**	.290**	.329**	1
	Sig. (2-tailed)	.017	.005	.004	.001	

Regression Analysis

Table 4. 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.893 ^a	.797	.793	.11598

Adjusted R² which is termed as the coefficient of determination tells us how socio-economic empowerment varied with income generation, improved living standards, service delivery and regulatory measures/policies. According to the findings in the table above, the value of adjusted R² is 0.7418.

This implied that there was a variation of 74.18% of socio-economic empowerment with income generation, improved living standards, service delivery and regulatory measures/policies at a confidence level of 95%. R is the correlation coefficient which showed that there was a strong correlation between the study variable as shown by the correlation coefficient of 0.8627.

Table 4. 2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	0.744	4	0.467	7.578	.039 ^b
Residual	23.091	109	0.259		
Total	23.835	113			

From the ANOVA statistics below the processed data which is the population parameters, had a significance level of 3.9% which showed that the data was ideal for making conclusions on the population's parameter as the value of significance (p-value) was less than 5%. The calculated F was greater than the F critical value (7.578 > 2.4472) an indication that income generation, improved living standards, service delivery and regulatory measures/policies significantly influence socio-economic empowerment. The significance value was less than 0.05 is an indication that the model was significant.

Table 4. 3: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.211	.192		1.847	.039
	Income generation	.322	.034	.232	2.739	.007
	Standards of living	.203	.016	.196	2.835	.009
	Service delivery	.152	.025	.176	1.806	.011
	Measures/policies	.112	.076	.133	1.583	.017

The regression model above has established that taking all factors into account (income generation, improved living standards, service delivery and regulatory measures/policies) constant at zero, socio-economic empowerment is 0.211. Table 4.14 shows that taking all other independent variables at zero, a unit increase in income generation will lead to a 0.322 increase in socio-economic empowerment; a unit increase in standards of living will lead to a 0.203 increase in socio-economic empowerment; a unit increase in service delivery will lead to a 0.152 increase in socio-economic empowerment and a unit increase in regulatory measures /policies will lead to a 0.112 increase in socio-economic empowerment. Therefore the generated model is given by $Y = 0.211 + 0.322X_1 + 0.203X_2 + 0.152X_3 + 0.112X_4 + \epsilon$. This infers that income generation influence socio-economic empowerment most.

At 5% level of significance and 95% level of confidence; income generation showed a 0.007 level of significant; standards of living showed a 0.009 level of significant; service delivery showed a 0.011 level of significant, regulatory measures/policies showed a 0.017 level of significant. The P value show the level of significance of each variable, from the p-value of all variable were less than 0.05 this is an indication that they were statistically significant. The study further revealed that there was positive relationship between income generation, improved living standards, service delivery and measures/policies and socio-economic empowerment. This implies that income generation, improved living standards, service delivery and measures/policies were the order of importance in as far as influence of duty free motor cycles operations in the informal sector in enhancing socio-economic empowerment in Kenya.

Conclusion

The study concludes that Motor cycle industry provides a range of opportunities including employment to motorcycle mechanics and motorcycle spare parts dealers, local revenue generating sources through taxes/levies on motorcycle owners/riders as well as motorcycle registration and licensing. As a medium between this two structures duty free motor cycles, has potentially emerged as a tool for enhancing socio-economic empowerment in Kenya particularly in the urban areas. Motorcycles operations offer quick, affordable and flexible transport for many people around the globe. On the other hand, the less sophisticated engine technology of

motorcycles operations and the lack of strict emission regulations have resulted in high emissions of pollutants.

The study further concludes that Harmonizing the economic gains from the revolution in line with the enforcing of traffic rules is vital .There is need to relook the training curriculum of the riders in order to make them more conscious of the risks that they face and they cause on other road users .The economic gains of following traffic rules to themselves and the country at large would be great ,thus making the revolution a sustainable form of urban transport and economic liberation .There is need to sensitize the traffic police on the economic potential to households that the motorcycle taxi business holds .This should be hinged to the dangers on the health and safety of road users when traffic rules are not enforced by the traffic officers .A consortium of the motorcyclists ,traffic police and municipal councils should come together to ensure that there is mutual agreement and ownership of the traffic rules as a component of economic development.

Recommendation

The motorcycle transport system has suffered from congestion in the central areas, poor level of service from public operators and high exposure to road accidents. The study recommend for the provision of designated lanes which will in return cab the issue of accidents. The study further recommended reduction of the number of personal means of transport, increased use of carriage ways by vehicles, increase the number of high capacity buses for mass movement as well as improve the management efficiency and policing of traffic.

The study recommends for government regulatory policies to enable motor cycle operators and owners obtain low interest loans from commercial banks. For this to happen, the study recommended that commercial banks should not have strict rules and regulations to qualify for a loan. The study showed that access to credit facilities will enable the operators and motor cycle owners to improve their business and finally the study recommended the availability of working sheds which will help the operators and owners to have a conducive working environment.

The study further recommends that a best practice award should be introduced for the counties with a high number of motorcycle businesses. This should then be replicated at a national level. This would ensure that there are effective and efficient management structures within the motorcycle SACCOS and the day to day transport practices .In every urban area there should be a stipulated number of motorcycle SACCOS that the traders must belong to .This would aid in regulating the riding habits, character and saving schemes.

Finally the study recommends that the ministry of industrialization needs to rethink the importation of motor cycles and the accessories .This calls for public private partnership that should start assembling the motorcycles and manufacturing tires, helmets among other components .This would offer employment opportunities .It would also serve as a nerve centre for the region and tilt the balance of trade in favor of Kenya .It would also strengthen the shilling

from a decrease in sum total of expenditure on imports .The consequent economic gains are immense.

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