

ADDIS ABABA UNIVERSITY
SCHOOL OF GADUATE STUDIES

INSTITUTE OF POPULATION STUDIES
COLLEGE OF DEVELOPMENT STUDIES

DETERMINANTS OF WOMEN'S PARTICIPATION IN
TRADING ACTIVITIES: THE CASE OF '*SARIS GEBEYA*'
WOMEN TADERS

BY

LUBABA ALEMU

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WOMEN TRADERS**

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University
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Population Studies

By

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Activities: The Case of 'Saris Gebeya' Women Traders***

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LIST OF ABBREVIATIONS

AE	Adult Equivalence
ALMS	Addis Labour Market Survey
BOLSA	Bureau of Labour and Social Affairs
CSA	Central Statistics Authority
DSTS	Distributive and Service Trade Survey
GNP	Gross National Product
HH	Household
ILO	International Labour Organization
INSTRAW	International Research and Training Institute for the Advancement of Women
ISS	Informal Sector Survey
NGOs	Non-Governmental Organizations
SPSS	Statistical Package for Social Science
TLF	Total Labour Force
UN	United Nations
UNDP	United Nation Development Program
UNICEF	United Nations Children Fund
VIF	Variance Inflation Factor

LIST OF LOCAL WORDS

<i>Areqe, Tella, Qorefe</i>	Local beverage
<i>Birr</i>	Ethiopian currency
<i>Eqube</i>	Is a traditional financial arrangement which operates as a revolving fund
<i>Gebeya</i>	Market
<i>Gulit</i>	One type of petty trade activity, which operates in the open air market with or without sheds
<i>Ingera, Ambasha, Qolo, Difodabo</i>	Food items
<i>Kebele</i>	Lowest administrative unit
<i>Shiro, Berbere</i>	Species

ABSTRACT

The informal sector provides more than half of the employment in urban Ethiopia and plays an important role to absorb surplus labour and income generation in developing countries. In the informal sector establishment of informal trade sector ranks second in terms of number of informal sector establishment in Ethiopia. Women are disproportionately located in the informal sector.

A survey was conducted in March 2009 in Addis Ababa, 'Saris Gebeya' to assess the main reasons underlying women's trading activities in the informal sector, to investigate the demographic and socio-economic situation of women traders, to analyze the factors which affect performance of the informal traders and to suggest policy measures that improves women's role (participation) in informal trade in the study area. Enumerators administered structured questionnaire was used for data collection. Data were collected from "Saris Gebeya" and a total of 422 study subjects were included in the study, the data were cleaned, edited and entered in to a computer and analyzed using descriptive, bivariate, linear regression and multivariate statistical techniques. Statistical tests were done at a level of significance of $p < 0.05$.

The study revealed that about 74% of sampled women traders are informal traders. There was a significant association ($p < 0.05$) between trade participation (informal and formal) and socio-economic and demographic variables such as schooling, age, access to credit, access to market, birth place, household income, initial capital, and accesses to training. Age of the respondents, respondents who have workers with them, record keeping about their business and husband attitude (supportive) are the most important factors which determine the performance of women informal traders positively.

Most of women informal traders need to be organized under cooperatives, to facilitate the availability of work places, to facilitate market and to get credit. The study revealed major problems that faced women informal traders in their business operation were lack of working place (convenient), shortage of working capital, lack of credit facility, and lack of training.

Based on the above findings, improving vocational education, training, access to credit, access to working place, access to market and supporting women to be organized under cooperatives are recommended to solve the problem faced by the study community.

CHAPTER ONE: INTRODUCTION

1.1. Background

From observation, because of its labour intensive nature and low level of capital requirement, informal sector is absorbing the majority of the urban unemployed. In Ethiopia, women account for about 60% of informal sector, and face significant challenges, as their human and financial capital tend to be lower than that of men (World Bank, 2007).

According to the survey result of CSA (2003), the total estimated number of informal sector establishments/activities for all urban centers in Ethiopia was about 799,352. For all major industrial groups combined, trade/hotel ranks second in terms of number of informal sector establishment/activities. In the study that was conducted in 2002 survey, the distribution of informal sector establishments/activities in Addis Ababa was 108,244, from these total trade and hotel accounts 47,893 establishments that is 44.25%.

The informal sector is a source of supply of goods and services to the population, and a source of labour and other inputs to formal sector enterprises, and represents approximately 40% of Ethiopia's GNP (World Bank, 2007).

As a concept, the informal sector refers to home based or individual establishment/activity operated by the owner with few or no employees. They are, for the most part, unregistered and operating on a very small-scale and with a low level of organization. Most of them have low level of productivity and income. They tend to have little or no access to organized market, to credit institutions, to modern technology, to formal training and to many public services and amenities. A large number of them are carried out without fixed location or in places such as small shops, outlets or home based activities. They are not recognized, supported or regulated by the government (CSA, 2003).

1.2. Statements of the Problems

According to the Human Development Report (2005), Ethiopia is ranking 170 of 177 countries in the world. This low ranking reflects the poverty and the poor living conditions of the majority of the people. It reflects, among other things, the low life expectancy at birth (47.6 years), the extremely low access to adequate sanitation (6 per cent of the population) and the very low access to clean water (22 per cent of the population).

Poverty, food insecurity, and malnutrition tend to be viewed as rural problems, with relatively little attention paid to these problems in cities. But rapid urban growth and an increase in urban poverty have forced policymakers, program planners, and development practitioners to take another look at these problems in urban areas. Because of rural/urban differences, lessons learned in rural areas may not be applicable to policy in cities. Urban life affects all the major determinants of food security. Urban livelihoods are characterized by a dependence on cash incomes, often earned in the informal sector. A high proportion of women are in the informal workforce, balancing their roles as homemakers, mothers, and income earners (Levin et al; 1999).

According to World Bank (2007), the informal sector provides more than half the employment in urban Ethiopia. It is the home of many of the working poor, who cannot afford to be openly unemployed yet earn too little to lift themselves out of poverty. As such understanding the characteristics of workers and firms in the informal sector is essential to understanding the labour market as the whole, and to designing policies that foster growth and poverty reduction.

Urban Informal Sector plays an important role to absorb surplus labour and income generation in developing countries (Sargana, 1998). Richardson (1984), as cited by Burki and Abbas (1991) stated that the informal sector is frequently attacked on the grounds that it offers very low earnings in very unfavourable and exploitative working conditions with no prospects for improving the livelihoods of its participants. Since entry in this sector is not restricted, therefore, it is argued that a mushroom growth of labour supply takes place particularly at times when growth in the formal sector slows down.

Ethiopian, according to ILO (1986), accelerating growth of urban population due to migration places severe pressure on urban employment and other socio-economic resources. These problems led to accelerating the rate of increase in the size of the economically and socially marginal segments of the population, which in turn continue to provide conditions for accelerated rate of social deviance.

Several factors have hindered the growth of the Ethiopian economy for decades as a result of which it has not been strong enough to absorb the fast-growing labour force. Unemployment and under employment have become the fate of the majority, but particularly women. Data obtained from the Bureau of labour and social Affairs (BOLSA, 1991) indicates that 41.4% of males and 58.6% of females living in Addis Ababa were unemployed at that time.

Women's economic participation cannot be discussed in isolation but must be placed within a specific socio-economic formation and understood in relation to male productive labour and wider economy, both national and international (Bardouille, 1981).

There are several problems encountered by micro enterprise operators, particularly women. The very term informal sector denotes that it is unstructured. There are no sufficient policies to regulate and support the sector, lack of institutional credit, lack of land and appropriate working premises, shortage of raw materials, limited managerial and technical competence, lack of social protection, and markets are the major constraints experienced in the sector. (Alemnesh, 2001).

According to World Bank (2007), lack of demand for goods and services, workers skills and assets, access to the market place, the investment climate and health and family related problems are the main problems of the informal sector in Addis Ababa. Some of informal trade activities are: sale of food items, such as *injera*, *anbasha*, *qolo and difo dabo*; dried food, such as *shiro*, *berbere*, other powder form of spices and pulses; vegetables, etc., local beverages, such as *areqe*, *tella*, *borde and qorefe*; handicrafts, such as pottery, weaving, used clothes, shoes and other goods affordable by marginalized social groups.

In light of these problems there is therefore; essential to examine factors that led women into the informal trading and factors that affect the performance of women traders based on primary data collected from the study area.



1.3. Research Questions

- i. What are the main socio-economic and demographic characteristics of women traders in the study area?
- ii. What are the main reasons that led women to choose informal trading activities?
- iii. What are the factors which affect performance of the informal trade sector in the study area?
- iv. What measures have to be taken by the concerning bodies to enhance active participation of women traders in the informal sectors?

1.4. Objectives

General objective of the study is to understand the demographic and socio-economic situation of women trader in Saris Gebeya.

Specific objectives of the study are

- To investigate the demographic and socio-economic situation of women in the study area;
- To assess the main reasons underlying women's trading activities in the informal sector;
- To analyze the factors which affect performance of the informal trade in the study area;
- To suggest policy measures that improves women's role (participation) in informal trade.

1.5. Significance of the Study

The study assessed and examined factor affecting the performance of informal traders and factors that led women to choose informal trading activities. This study will help as the base - line study for further investigation on matters related to informal trading in Addis Ababa and also helps in guiding interventions that can reduce major problems of women's informal traders. Besides, it will be hoped that the findings of this study will give opportunities for policy makers, planners and implementers to take measures on major factors that led women to choose informal trading and also main factor affecting the performance of women informal traders.

1.6. Limitations of the Study

When the traders were not willing to disclose their income, this particular difficulty was anticipated and thus, steps were taken to use the methods of cross questioning to the right information which consumed more time with the respondents. Most of them were probably evading taxation. Hence, the income data reported in the study has to be seen in light of this. Most of the offices have poorly organized documentary sources.

1.7. Organization of the Thesis

The thesis is classified into five chapters. The first chapter is an introduction part which incorporates background of the study, statements of the problem, research questions, objectives, significance and limitation of the study. The second chapter presents review of related literature and conceptual framework of the study. Description of the study area and the research methodology are explained under the third chapter and also sample size determination, sampling procedure, data collection method and method of data analysis are presented. In the fourth chapter result of the study and discussions are discussed. In the final chapter the summary, conclusions and recommendations are presented.



CHAPTER TWO: LITERATURE REVIEW

The issue of poverty alleviation has become a forefront agenda of governments, UN agencies, financial institutions and others committed to the empowerment of the disadvantaged groups, especially women. However, all the decades of rhetoric have not done much in changing the lives of the poor. On the contrary, poverty has become an increasing trend (Zewde et al., 2002).

A number of recent studies have shown the importance of women's employment for household welfare, but most of these studies are focused on rural areas. Much of the evidences show that women who control their own or their household's income and resources can affect positive outcomes for household food security and child nutrition (Levin et al., 1999).

2.1. Concept and Definition

According to Sargana (1998), the concept of the informal sector has gained popularity since the well-known study by International Labour Organisation (ILO) 1972 in Kenya. Since then it has become a centre stage in policy discussion regarding unemployment and poverty alleviation. Though economists are still not able to give an authentic and unanimous definition of the informal sector, it is commonly known as the non-regulated sector of the economy.

Having located the informal sector within a more comprehensive conceptual context, the task of identifying a suitable definition of the sector is considerably simplified. Under the influence of the dual sector model, the tendency was to lump together in the informal sector everything that did not fall into the formal sector, to point that an American social scientist complained that the informal sector has become a "conceptual tutti-frutti" (Meager and Yunusa, 1991).

According to them, definitions have tended to focus on descriptive characteristics of informal enterprises, such as their low levels of capital and technology, use of family labour, reliance on indigenous resources and small size. The characteristics, however, fail to identify any essential features of informality, and could just as easily be applied to small, family-owned formal sector enterprises. The result has been a proliferation of largely descriptive and intuitive definitions,

which tend to complicate the gathering and reliability of informal sector statistics, as working definitions change and only imperfectly target the sector itself.

The informal sector defines simple description because of its extreme heterogeneity. The sector comprises the self-employed, employees of informal firms, “home-workers” (home-based industrial outworkers), and workers at formal firms without legal protections or permanent contracts. While there have been several competing schools of thought on the appropriate characterization of the informal economy, all apply to some degree, depending on the segment being considered (World Bank, 2007).

Thus the definitions should be considered complementary rather than mutually exclusive: the *dualist* school argues that the informal sector is “comprised of marginal activities” unrelated to the rest of the economy, which does describe some of the survival-oriented work; the *structuralist* school, characterized by the belief that firms in the informal sector are “subordinated economic units” that are “inextricably connected” with formal firms, accurately describes part of the picture (e.g., outworkers); and finally, the *legalist* school contends that firms choose the informal sector to avoid onerous licensing requirements and regulations, which probably describes some of the more entrepreneurial operators.

According to this study conducted by World Bank (2007), the Government defines informal employment at the firm level-i.e. anyone working for an informal enterprise is considered to be in the informal sector, and anyone working for a formal enterprise is considered formal. Burki and Abbas (1991) also described that earnings in this sector do not reflect variations in personal capabilities on account of human capital endowments. As a result, it is opined that workers in this sector face a flat age-earnings or experience-earnings profile because they are not rewarded for their schooling and accumulated experience with age. The official Ethiopian definition of informality encompasses that meet all of the following three criteria: no book of accounts; no license; and fewer than 10 employees (World Bank, 2007).

2.2. Characteristics of Informal Sectors

According to Sethuraman (1997), the sector is heterogeneous in terms of actors, activities and scale. Actors in this sector include those who are own account workers operating own business with or without family workers, employers in small businesses with "few" hired workers, wage workers and apprentices. Activities in this sector range from shoe shine service and petty trading, which contribute very little to output, to those involving substantial investment in skills and capital such as manufacturing, construction and transport. Agriculture provides little employment in the urban context owing to land scarcity; but in certain cities it can play an important role as for instance in the production of vegetables on small farms in the periphery of the city. Some doubt exists as to the inclusion of self-employed service workers like domestic servants and itinerant casual labour. Though they are all small in scale measured in terms of capital used and persons employed many are indeed very small having insignificant amount of capital and operated by a single person (viz., the own account workers). The essential character of these units is that they produce and distribute goods and services for sale in the market.

In Malaysia, according to Ludher (2009), as in most countries, there is no official definition for the 'informal sector'. However, for research purposes the International Research and Training Institute for the Advancement of Women (INSTRAW) has developed a list of identifying characteristics:

- Simple technology;
- Very little capital;
- No fixed place of business;
- Quasi-legality or lack of registration; and
- Little record keeping.

The informal sector is highly heterogeneous, encompassing production units of different features and in a wide range of economic activities, as well as people (i.e. workers, producers, employers) working or producing under many different types of employment relations and production arrangements (World Labour Report, 1999).

This study also found many other variations in the informal sector. For example, own-account workers differ from each other with respect to their relations with the market and with the means of production: independent small shop owners and market stall operators compared to street hawkers; tricycle and pedicab drivers who own their vehicle compared to others who lease their vehicle daily. Greater part of production units in the informal sector consists of subsistence-level activities, motivated by the need for survival and characterized by low levels of income, productivity, skills, technology and capital, and weak linkages with the rest of the economy. However, there are also modern and dynamic segments which are capable of generating growth and jobs, or which are linked to organized and emerging markets in the country or abroad.

2.3. Causes of Informal Sectors

The specificity of low income, low productive economic activities of women cannot be fully understood without taking into account the two sets of relations (Bardouille, 1981): 1) those deriving from relations of production and 2) those from relations of gender. In peripheral economies of the third world, labour demand is affected by the destruction and re-structuring of branches of production through the intervention of international capital. In developing countries where the growth of stable wage employment is insufficient to absorb the growing labour force, certain groups (particularly women) are incorporated at the margin of the urban economies. These margins are petty marketing, trading and host of other trivial activities that the most marginal group in the urban economy groups in the urban economy can be differentiated by gender.

The unrestricted entry of labour may be the case in some sub-sectors of the informal sector where no specific skills are required. However, it cannot be generalized because there are many activities which require from their workers to have learned some sort of skills, thus creating barriers to entry (Burki and Abbas, 1991).

Several factors may have contributed to the predominant involvement of women in the informal sector. Africa is characterized by rapid population growth and urbanization. Immigrants coming to cities were faced with unemployment as there were too few jobs in the formal sector to absorb

them. As argued by the study of the ILO/UNDP mission of 1972, the informal sector was found as a way out of the unemployment crisis.

Inadequate understanding of this has often been a major source of confusion, and has led to contradicting policy prescriptions. It was initially believed that most of those in this sector are there by default i.e., in the absence of jobs in the public and modern private sectors they had nowhere else to go but to set up their own small business to earn their livelihood as a survival strategy. It was therefore argued that the focus of policy interventions should be to assist those in the sector to help themselves i.e., enable them to maximize their incomes. But further studies have shown that this is not entirely true (Sethuraman, 1997). Motives for participation in this sector vary:

- Labour market flexibility. *Many, particularly women, prefer this sector because it offers flexibility in participation e.g., combine household responsibilities with income earning opportunities by choosing their own hours and place of work as well as the activities.*
- Existence of profitable opportunities. *Some enter this sector voluntarily because there are profitable opportunities being small these units are in an advantageous position to exploit the market niches waiting to be exploited by offering tailored services (which large enterprises may not find it attractive or capable) and thus enjoy natural protection (e.g., many wage workers leave formal sector to establish own enterprises in the informal).*
- Non-compliance with regulations. *Many units often choose to be small and remain unregistered or unlicensed or invisible and thus get mislabeled into the informal sector so that they can avoid compliance with some or all regulations, since compliance with them generally adds to cost burden. One should however make a distinction between those who can afford to comply with regulations (i.e., their business revenue is high enough to bear the cost of regulations) from those who cannot because their incomes are too low. In other words many non-poor may also form part of the informal sector.*

He also mentioned that the urban informal sector is not one homogeneous category; there are different kinds of activities, different sizes of business, with different motives for participation. It

is also evident that both poor and non-poor participate in the informal sector. Any strategy to raise incomes of workers in this sector should recognize these differences.

And also, it should perhaps be stated explicitly that the scope of the informal sector covers only the *gainful economic activities that are considered socially desirable*, and it thus excludes activities such as criminal, begging, prostitution and drug trafficking which most societies consider as anti-social.

2.4. Informal Sectors in Developing Countries

The informal sectors become the “survival sector” in urban Africa, the employer of the last resort. It currently employs an estimated 61 per cent of the urban labour force. And it will be required to take up even more-generating some 93 per cent of all additional jobs in urban Africa in the 1990s. However, most informal sector enterprises are trade-related. A 1988/89 survey in Dakar, for example, showed that 72 per cent of enterprises were in commerce – with the rest in production, building trades, transport and services (ILO, 1992).

As cited by World Bank (2007), Tripp (2001) mentioned that in Africa in general, despite rising awareness of the key economic role played by the informal sector, governments still tends to treat it “as separate from other sectors of the economy with little recognition of the complementarities and interconnectedness of the informal and formal sectors”.

The informal economy is an important source of employment and income for women in Africa and elsewhere. In sub-Saharan Africa 84 percent of women are informally employed, as compared to 63 percent of men. In fact, sub-Saharan Africa has the highest share of women employed informally, compared to the rest of the developing countries and North Africa, each having 60 and 43 percent respectively. Working informally provides women and their families the much needed income to stay on the verge of poverty. In Ghana, for example three-fourth of the households depends on women’s small and micro income generating activities for their survival for more than half of the time. Similarly, many households, in particular poor households depend on women’s informal livelihoods for much of their income (Yeshiareg, 2009).

As in other developing countries, the informal sector plays a central role in Ethiopia's labour market, accounting for an estimated 71 percent of urban employment. It therefore serves as a vital source of income – and a safety net – for the poor, who comprise somewhere in the range of 46 to 70 percent of the urban population. It is particularly important for women, who represent half of the informal sector (relative to only 35 percent of the formal sector), with many engaged in productive activities closely inter-wined with their domestic responsibilities (World Bank, 2007).

2.5. Urban Informal Sectors

According to World Labour Report (1999), in Latin America, the urban informal sector was the primary job generator in the 1990s. Averages of 6 out of every 10 new jobs were created by micro-enterprises, own-account workers and domestic services. Informal sector employment grew by 3.9 per cent per annum while formal sector employment grew by only 2.1 per cent in that region. In Africa, urban informal employment is estimated to absorb 61 per cent of the urban labour force. This sector was expected to generate more than 93 percent of all additional jobs in the region in the 1990s. In Asia, before the 1997 financial crisis, it was estimated that the informal sector typically absorbed between 40 and 50 per cent of the urban labour force, with differences between the newly industrializing countries (with less than 10 per cent) and countries such as Bangladesh (with estimated 65 percent of employment in the informal sector).

2.6. Women and Informal Sectors

According to World Bank Report (2007), women are disproportionately located in the informal sector, female-operated enterprises are frequently home-based, and concentrated in low productivity sectors. Household and child care responsibilities may restrict their ability to reach customers and to build human capital, while societal norms about appropriate activities for women can limit their entrepreneurial potential. Women tend to enter into business with a lower level of education and less start-up capital than their male counterparts, and they earn less over time.

In developing countries women make up a smaller proportion of the official labour force (31 per cent) than they do in the industrial countries (40 per cent). But many women actually work in the

informal sector unseen by many collectors of statistics. Indeed, during periods of recession and structural adjustment their numbers are believed to have gone up. As men have lost their jobs in the formal sector, women have been to seek informal sector employment to maintain the family's living standards – what UNICEF has called “invisible adjustment”. Some of the highest women's participation rates are in Africa – 8 per cent in Malawi, for example, and 71 per cent in Zimbabwe – where many women work as farmers. Indeed women make up 80 per cent of the food production in some African countries (ILO, 1992).

According to World Labour Report (1999), Women's share of informal sector employment has remained high, estimated at typically 60 to 80 per cent, although in a few countries men dominate urban informal sector activities. However, women most probably number much more than reflected in available statistics. They comprise most of unpaid family helpers and home-based workers, and thus fall easily through gaps in enumeration. Productive but unpaid work is often confounded with household work. In many cases, women themselves do not view themselves as workers. The widespread strategy of subcontracting production and services to family enterprises and home-based labour has contributed to the further integration of women's home-based labour into the formal production system under informal, flexible employment arrangements.

As in the formal sector, in contrast to their male counterparts, women workers tend to be concentrated in a narrower range of activities or occupations (common stereotyped activities are food processing, garment sewing, domestic services), in tasks that require less or no skills and pay less, and in the lower-end of the markets. Moreover, in addition to constraints faced by workers and producers in the informal sector with regards to assets, markets, services and regulatory frameworks, women face additional gender-specific barriers (e.g. restrictions to entering into contracts, insecure land and property rights, household and childcare responsibilities).

Lack of sufficient education also means that these women do not have accesses to information concerning what facilities and services are at their disposal to enable them get employed the formal sector. As a result of lack of information on this and due to the busy days they are passing outside the home, these women do not take advantage of such existing facilities and services (Selamawit, 1994).

2.7. Policy and Related Issues

The global realization that failure to pay closer attention to the differentiated positions of women and men in society (resource allocation, rights, and opportunities) in formulating policies and designing projects can have adverse impact on development outcomes. Governments in many part of Africa recognize the role micro and small enterprises can play for employment generation and poverty reduction. However, creating a more enabling environment for promoting micro and small businesses and transforming the informal economy into a dynamic economic sector has been a challenge. The absence of statistical data to determine the size characteristics of the informal sector operators and the capacity of the institutions with which they interact limits the ability of governments to make informed policy measures. Operating informally denies these incomes generating activities access to securing markets and other facilities necessary for their business operations (Yeshiareg, 2009).

Much criticism has been voiced in Ethiopia, as in other developing countries, with regard to the types of microenterprises which women are engaged in. The activities of the Ethiopian Government and other agencies in continuing to map out strategies that focus on the use of traditional, domestic skills rather than on the development of new skills for women, have raised a number of serious concerns. It appears however, that developing alternative, appropriate strategies to counter this criticism is a difficult task, mainly because of the diverse socioeconomic roles of women, involving both productive and reproductive work, and partly because of limited resources on the part of the promotional agencies (Zewde et al., 2002).

They also stated that policy-makers in Ethiopia and elsewhere often do not adequately recognize that changes in socio-economic, political and other macro-level enabling environments affect women and men in different ways. There is a tendency to ignore the fact that women and men play different roles, have different needs and face different constraints in responding to economic policy changes and to changes in incentive mechanisms. Such differences arise from the fundamental imbalances and gender-based inequalities in the respective rights and obligations of women and men, and from their having highly differential economic roles, as reflected in their access to, use of and control over economically productive resources. These differences have

implications not only in terms of foregone economic output and income, but also, and much more importantly, for economic equity.

2.8. Conceptual Framework of the Urban Informal Sector

The independent variables are socio-economic factors, demographic factors and political factors; the dependent variables are participating in the urban informal and formal sector (trading). The independent variables such as education, access to training, access to market, access to credit, decision making power, initial capital, household income, policies, government's support, migration, household size, age and marital status have a direct influence on the participation of urban informal trading. These independent variables also have their own influence on the performance of women traders.

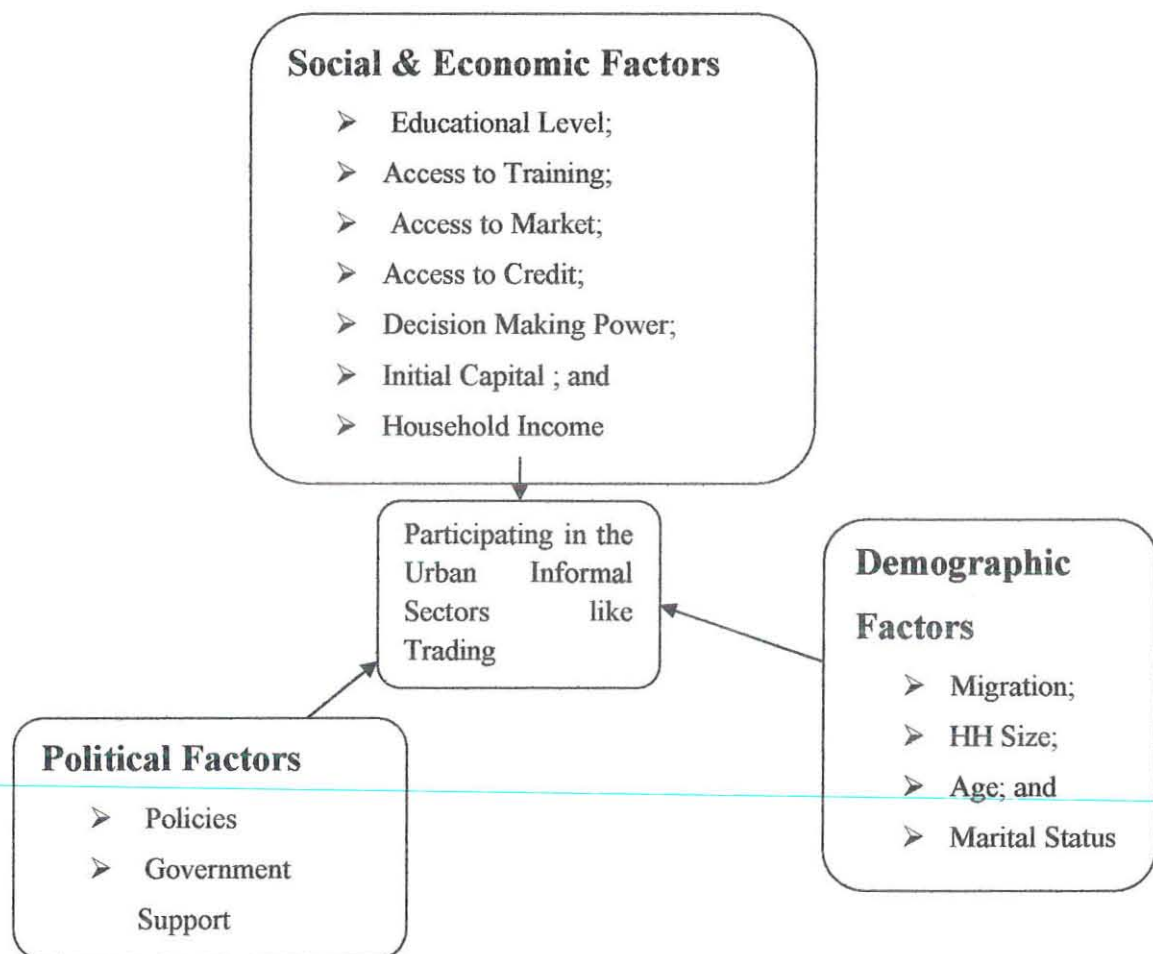


Figure 2-1. Conceptual Framework

Adopted from Assfaw G/Egziabher (2008) with major modification



CHAPTER THREE: MATERIALS AND METHODS

The information discussed in this session includes the features of the area where the research was conducted and the methodologies adopted in the sampling and data analysis. The information collected includes primary data from sampled women traders and secondary CSA and other line governmental and non-governmental organizations.

3.1. Description of the Study Area

Addis Ababa is the capital city of Ethiopia, a country that is situated in the horn of Africa. It is a chartered city that is exercising decision and execution responsibilities separately. The council that is accountable to the federal government and the residents of the city is the highest administrative body led by the mayor. It has also a city manager who is responsible for municipal activities.

The structural form of the city is organized into 10 sub-cities which are composed of 100 Kebeles that are the lowest administrative units. According to the 2007 population census, the current total population of Addis Ababa, as shown in Table 3-1, is estimated to be 2,738,248 of which the number of female has greater proportion (52%). About 76% of the total population is above 15 years of age (CSA, 2008).

Table 3-1. Addis Ababa Sub-cities Population by Sex (2007)

SUB CITY	Male	Female	Total
AKAKI KALITY	88,676	92,526	181,202
NEFAS SILK-LAFTO	148,892	167,216	316,108
ADDIS ABABA	1,304,518	1,433,730	2,738,248

Source: CSA 2008

Population of the two sub-cities, where the study was conducted, is about 18.2% of the total population of Addis Ababa. Female living in the sub-cities (Nefas silk-Lafto and Akaki-Kaliti) is about 18.1% when compared to the total female population living in Addis Ababa. Ratio of female that are living in the two sub-cities as compared to the male, is about 0.52.

The study was conducted in Saris Gebeya, located between Nefas Silk-Lafto and Akaki-Kaliti sub-cities southern part of Addis Ababa. The market is found in 2 Kebeles, namely 12/13 for both Sub Cities.

3.2. Selection of the Study Area

Saris Gebeya was purposively selected for the study because of the fact that it encompasses quite a wide variety of informal sector activities. The Saris Gebeya operates during all the days of the week and throughout the year making it possible to have continuous coverage and yield better statistical data for the study.

The informal sector comprises a whole range of activities including manufacturing, processing (e.g. food, beverage, wear), trading and services. The research examines those trading activities mostly run and owned by women operation in Saris Gebeya.

3.3. Sample Size Determination

Sample size was determined using the formula for single population proportion based on the following assumptions (Julie, 2004).

Assumptions

1. In the absence of the previous data on the population under study, and to obtain the maximum sample size, p is assumed to be = 0.5.
2. Margin of error e = 5% is accepted.
3. A confidence interval of 95% is assumed ($z_{\alpha/2} = 1.96$)

$$n = \frac{p(1-p)(Z_{\alpha/2})^2}{e^2} \quad \text{Equation (1)}$$

Where; n = is the size of the sample;

 Z = is the standard normal value corresponding to the desired level of confidence;

 e = error of precision;

p = is the estimated proportion of women informal traders that is present in the population; and

$1-p$ = proportion of formal traders.

$$n = \frac{0.5(1-0.5)(1.96)^2}{(0.5)^2} = 384 \quad \text{Equation (2)}$$

For non-response errors, 10% of n (384) of contingency (i.e. 38) was added to the sample size making the total sample size = 422.

3.4. Sampling Procedures

Saris Gebeya was purposefully selected to represent Women's trading activity in Nefas Silk-Lafto and Akaki-Kaliti sub cities of Addis Ababa. From the total Kebeles in the two sub cities, Kebeles 12/13 from each sub cities were purposely selected, because Saris Gebeya is located in the two Kebeles of the two sub cities. Then, 422 women traders were sampled from the market based on random sampling technique, without distinguishing the form of trading.

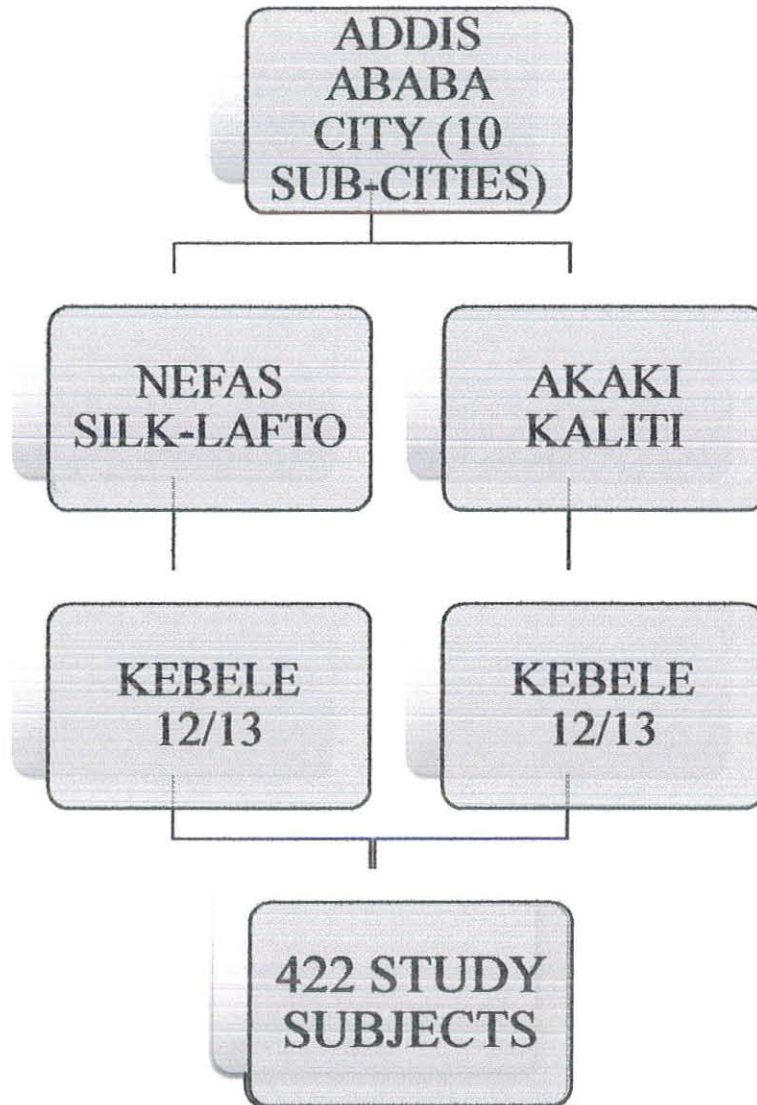


Figure 3-2. Diagrammatic Scheme of Sampling Procedure

3.5. Data Collection

3.5.1. Instrument for Data Collection

The main instrument for collecting data was the questionnaire. The questions were carefully structured and based on pertinent aspects of the objective of the study regarding trading. The main questions that included in the questionnaire were the characteristics of women traders,



working conditions, financial (economic) status, socio-demographic conditions, and problems related to trading and type of assistances that the traders need. The questionnaire was prepared in English and translated in to Amharic, then, the face to face interviewing was conducted in Amharic.

3.5.2. Data Sources

The study is based on primary data obtained mainly from women trader that operate the business in the study area. Secondary data were obtained from various sources such as reports of Office of Trade and Industries at different levels, CSA, previous research findings, Internets and other published and unpublished materials, which were found to be relevant for the study.

3.5.3. Measuring Instruments

The instrument employed for data collections is structured questionnaire. A face to face interview was conducted by using structured questionnaire especially developed for this purpose having the information on socio-economic and demographic characteristics direct interviewing the respondents in the Saris Gebeya.

3.5.4. Training of Interviewers and Supervisor

Prior to the actual field work, three data collectors and one supervisor were recruited on the bases of their educational background and experience in data collection process. The training for enumerators was particularly focused on clarifying the content of each question, how to approach and take to the respondents and on how to fill each entry in the questionnaire. The training for supervisor was particularly on how to supervise the enumerators and also on how to check and edit the filled questionnaire so that errors would be corrected.

3.5.5. Monitoring of Data Collection

A pilot survey on 20 women operators had been conducted before the actual data collection started. This has been done with the objective of finding out the strengths and weaknesses of the questionnaire and it helped to make adjustments before the actual study began. The survey was conducted in March 2009. In order to maximum availability of respondents at work place,

supervisors and interviewers worked all days of week except Saturday and Sundays. At Saturday, the respondents may not have time to talk with the interviewers because it is relatively a good business day, while at Sunday most of the respondents may not available in the market.

3.5.6. Ethical Consideration

Participants involved in sample survey study were fully informed verbally about the research objectives and confidentiality of the data. The questionnaire did not carry name of the interviewees. They were rather given secret codes in order to reduce the fear on the part of the respondents for any future implications.

3.5.7. Data Entry

All the data obtained from the survey questionnaires passes through the necessary coding, data validity checking, and data cleaning before analysis.

3.5.8. Variable Specification

Dependent variable

- Women's participating in the informal or formal trading

Independent variables

- Social and economic factors (educational level, initial capital, sources of initial capital, access to credit, access to market, access to training, association);
- Demographic factors (age, migration, marital status, household size); and
- Political factors (Government and NGOs support)

CHAPTER FOUR: RESULTS AND DISCUSSIONS

About 1,621 women formal traders were registered in Nefas Silk-Lafto and Akaki-Kaliti sub-city Office of Trade and Industry in the two Kebeles. However, no statistical data are available on the exact number of informal traders in the Saris Gebeya in general and women operator in particular, since all informal traders are not registered in the Kebeles. However, from observation one may presume that more than half of women traders are informal traders in the study area.

4.1. Socio- Demographic Characteristics of Women Traders in the Study Area

4.1.1. Age of Respondents

Concerning the age of the respondents, 94% of the traders were in the age group of 15 - 45. This proves that trading is an important economic activity that creates employment for the urban community's productive age group. Of this, informal and formal traders constitute 77% and 23%, respectively. While the mean age of the respondent interviewed was 32, the minimum age being 19 and the maximum 55 years old (Table 4-1).

Table 4-1. Distribution of Respondents by Age

Age category	Informal Traders (n = 313)		Formal Traders (n=109)		Total sample (n = 422)	
	N	%	N	%	N	%
15 – 30	161	51	46	42	207	49
31 – 45	138	44	51	47	189	45
46 and+	14	4	12	11	26	6
Mean age (Year)	31		34		32	

Source: Survey Data 2009

4.1.2. Marital Status

Of the total studied, 60 % of the respondents were married while 23 % and 18 % are single and others (widowed or divorced), respectively. Out of informal traders 179 (57%) and formal traders

74 (68%) were married (Table 4-2). This data showed that most of the respondents were married and had responsibility to their families.

Table 4-2. Marital Status of the Respondents

Marital Status	Informal Traders		Formal Traders		Total	
	N	Per cent	N	Per cent	N	Per cent
Married	179	57	74	68	253	60
Never Married	74	24	21	19	95	23
Others (Widowed, Divorced)	60	19	14	13	74	18
Total	313	100	109	100	422	100

Source: Survey Data 2009

4.1.3. Educational Status of Respondents

Among the total respondents 40% were illiterate (no formal schooling), while 36% had educational level of primary education and the remaining 24% were secondary and above. However when we see the educational level of the respondents with their trade pattern about 50% of informal traders was illiterate and 66% of formal traders had educational level of secondary and above (Table 4-3).

Table 4-3. Educational Status of the Respondents

Education Level	Informal Traders		Formal Traders		Total	
	N	Per cent	N	Per cent	N	Per cent
No Formal Schooling	158	50	10	9	168	40
Primary Education	127	41	27	25	154	36
Secondary and above	28	9	72	66	100	24
Total	313	100	109	100	422	100

Source: Survey Data 2009

4.1.4. Respondents Family Size and Labour Forces in the Households

The average family size of the respondents in the study period was 4.02 persons, with minimum and maximum family size of 1 and 7 persons, respectively. This variable can indicate the food needs and competition for resources available. The mean family size was 3.99 and 4.11 persons for informal and formal traders, respectively (Table 4-4).

Conversion factor used to calculate Adult Equivalence (AE) (Appendix Table 1). The Average total labour forces in the households were found 2.45 persons per equivalence with minimum and maximum of 0.8 and 6.1 persons per equivalence respectively (Table 4-4). Considering each traders, maximum total labour forces were 6.1 and 5.2 persons per equivalence accounts for informal and formal traders respectively.

Table 4-4. Family Size and Total Labour Forces in the Households

Household Size (person)	Informal (n = 313)		Formal (n = 109)		Total (n = 422)	
	N	Per cent	N	Per cent	N	Per cent
Up to 2	38	12	9	8	47	11
3 – 4	170	54	62	57	232	55
5 and +	105	34	38	35	143	34
Mean HH Size	3.99		4.11		4.02	
Total Labour Forces						
Up to 2	64	20	10	9	74	18
2.1 – 4	142	45	50	46	192	45
4.1 – 6	86	27	33	30	119	28
6.1 and +	21	7	16	15	37	9
Mean TLF	2.38		2.66		2.45	

Source: Survey Data 2009

4.1.5. Ethnic Groups and Religion of the Respondents

The major ethnic groups among all (informal and formal traders) respondents were Gurage (44%) and Tigre and others accounts 6% each (Table 4-5). Ethnic composition of informal traders in the study area showed that 53% account for Gurage. Among all informal traders 82% of them were originated from outside Addis Ababa, consequently, 90% were from rural area (Table 4-6). This may be due to the location of Gurage area; close to Addis Ababa (Wolkite 150 km, Gurage Zone capital) information access to the respondents would be high because of the vicinity. These Gurage people in the country are engaged in trading and send remittance to their family at home. This also encourages respondents to migrate to Addis Ababa and other cities.

Table 4-5. Respondents Ethnic Group and Religion

Ethnic Groups	Informal Traders		Formal Traders		Total	
	N	Per cent	N	Per cent	N	Per cent
Amhara	43	14	25	23	68	16
Oromo	59	19	28	26	87	21
Tigre	6	2	18	17	24	6
Gurage	167	53	20	18	187	44
Siltie	18	6	13	12	31	7
Other	20	6	5	5	25	6
Total	313	100	109	100	422	100
Religions						
Orthodox	182	58	51	47	233	55
Muslim	116	37	43	39	159	38
Protestant	12	4	13	12	25	6
Catholic	3	1	2	2	5	1
Total	313	100	109	100	422	100

Source: Survey Data 2009

In urban areas migrants, according to World Bank (2007), who are mostly unskilled daily labourers, often are specialized by ethnic group. In line with international evidence, specialization

along ethnic lines is found. While some jobs such as weaving or craft-work require skills which might be part of some ethnic group traditional activities. Concerning the religion of the respondents 55%, 38% and 6% of the respondents were Orthodox, Muslim and Protestant respectively (Table 4-5).

4.1.6. Migration Status of the Respondents

Out of the total respondents 285 (68%) had the birth place out of Addis Ababa. Among those coming from out of Addis Ababa, 88% came from rural area, whereas 12% of the traders came from urban area (Table 4-6). Job seeking, marriage, following parents/relative/friends was identified by the respondents as major reasons for coming to Addis Ababa, as stated by 38%, 23% and 21% of the respondents respectively. It was also found that 82% of the respondents who migrated to Addis Ababa knew someone in Addis Ababa before their migration.

Most of migrants (95 per cent) were old migrants, i.e., they stayed in Addis Ababa more than 5 years (Table 4-6). Majority of migrants know somebody in Addis Ababa prior to arrival. This showed that information played a major role for migration and migrants did not move to urban destination without knowing somebody else.

Table 4-6. Respondents Migration Status

	Informal Traders		Formal Traders		Total	
	N	Per cent	N	Per cent	N	Per cent
Birth Places						
Out of Addis Ababa	258	82	27	25	285	68
Addis Ababa	55	18	82	75	137	32
Total	313	100	109	100	422	100
Resident before Migration						
Rural	235	91	17	63	252	88
Urban	23	9	10	37	33	12
Total	258	100	27	100	285	100
Migrants know Somebody in Addis Prior to their Arrival						
No	42	16	8	30	50	18
Yes	216	84	19	70	235	82
Total	258	100	27	100	285	100
Major Reason for Migration						
To find job	101	39	8	30	109	38
To get education	21	8	5	19	26	9
Due to marriage	58	23	8	30	66	23
Due to divorce	7	3	0	0	7	2
Followed parents/relatives/friends	54	21	6	22	60	21
To open up /extend business	14	5	0	0	14	5
Others	3	1	0	0	3	1
Total	258	100	27	100	285	100
Duration of Stay in Addis (Year)						
< 5	13	5	2	7	15	5
5– 9	44	17	9	33	53	19
10 and +	201	78	16	59	217	76
Total	258	100	27	100	285	100

Source: Survey Data 2009

4.1.7. Respondents Job before Trading

Women traders were asked to state the occupation they engaged in prior to joining the current trading. The result showed that about 32 % of the respondents were house wives, 26 % were students and 19 % were unemployed. The distribution was almost similar for both formal and informal traders with the total traders.

4.2. Proportion of Women Informal Traders in the Study Area

Out of the total women traders (422) included in the study, 313(74%) had an informal traders, while 109 (26%) had formal traders (Figure 4-1).

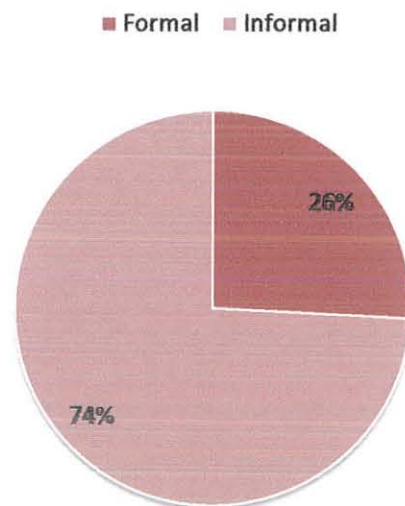


Figure 4-1. Proportion of women traders in the study area

4.2.1. The Respondents Reason for Joining to Trading

Among the informal traders 50% of the respondents' reasons for joining the trading sector were its use as means of livelihood or subsistence, whereas lack of employment opportunity was 28%. The major reason starting up of trading by 38% of the formal traders was to augment the current family income. Lack of employment opportunities was a major reason for 34% of the respondents while 17% of the respondents considered trading as business that provides good income (Figure 4-2). This shows that there is a big difference between formal and informal

traders in terms of reason for joining to trading. This result also supported by Selamawit (1994) findings that showed 61% of women informal traders in Merkato area joined to informal trading primarily to earn a living (subsistence).

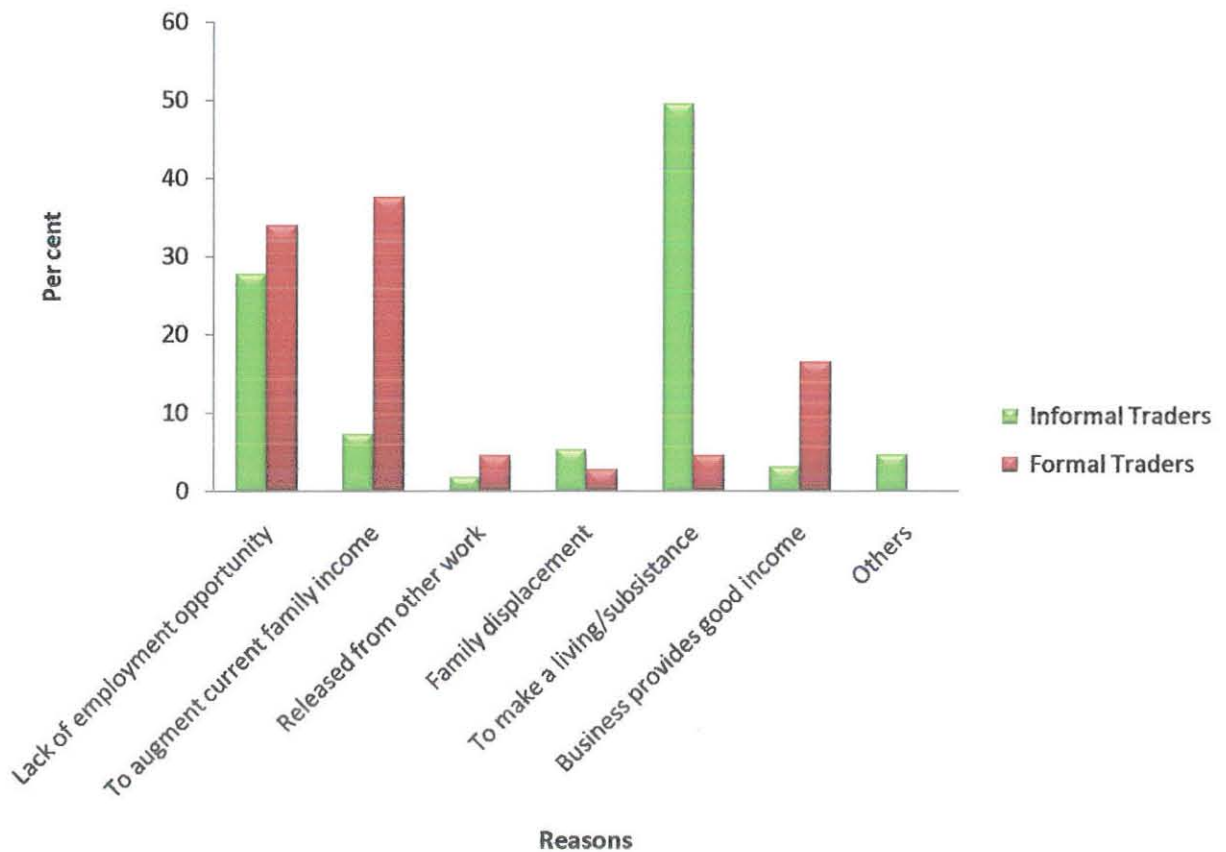


Figure 4-2. Reason for Joining the Trading

4.3. Working Condition

During the time of the survey, there were different types of trading activities carried out by women in the study area. For the purpose of this study all trading activities which were carried out by women are categorized in to ten types of trading activities such as, second hand clothes/shoes, vegetable and fruit, household goods, charcoal and fuel wood, food items/wheat, teff etc/, other food items/berbere, spices etc/, industrial goods, new clothes ,pottery and other. Out of the

total of 422 respondents, 17% of the respondent's trade vegetable and fruits while, trading of second hand clothes, household goods and industrial goods were practiced 15%, 13% and 11% of the respondents, respectively (Appendix Table 2).

Women traders were asked to explain their business management skills. The result of this study shows that the majority of the respondents (73%), out of the total, did not keep records about their business operation. However, majority of formal traders (61%) used to keep records. Indifferently, among informal traders about 85% did not keep records (Appendix Table 3).

The reasons for not keeping records by the informal traders were relatively small-scale trade and due to lack of education and business skill. Among the respondents that keep records, the main reasons were to evaluate the business and to know their debt and credit to the clients.

Respondents were asked whether they had fixed location or mobile location to run their business. About 66% of the total 422 women traders had fixed location and 34% had mobile location (Appendix Table 4). However, the locations of all formal traders were at one place (fixed) and those informal traders did not have fixed place accounts 46%. Concerning ownership of the location of work, among the formal traders 90% were rented whereas from the total of informal traders 80% the location had provided free.

It was also assessed whether respondents had any kind of facilities on their work place. About 73% of informal traders responded that there is no facility at all. However, at least one facility was found for all formal traders (Appendix Table 6).

Out of the total formal traders 37% of the respondents hired at least one worker with them to run their business. However, only 8% of informal traders had workers that facilitate business activities/operation (Appendix Table 7).

Considering respondents acquiring skills in the study area, the majority of the respondents (about 65%) had no training but learnt by themselves (self taught). And also 23% of the respondents had received knowledge and skill through apprenticeship (on job training) with family (Appendix Table 8).

4.4. Choosing the Trade Location

About 50% of informal traders have chosen their location because the market is near to the customer. Although 25% of informal traders have chosen their location because traders live near to home to look after children and the like (Figure 4-3). And also 18% of the respondents have chosen their location based on the supply of goods (near the vicinity of good supply). When we see the formal traders about 39% of formal traders have chosen their location because the market is near to customer. 28% and 20% of formal traders have chosen the location because traders live near to home to look after children and the location near to supply respectively.

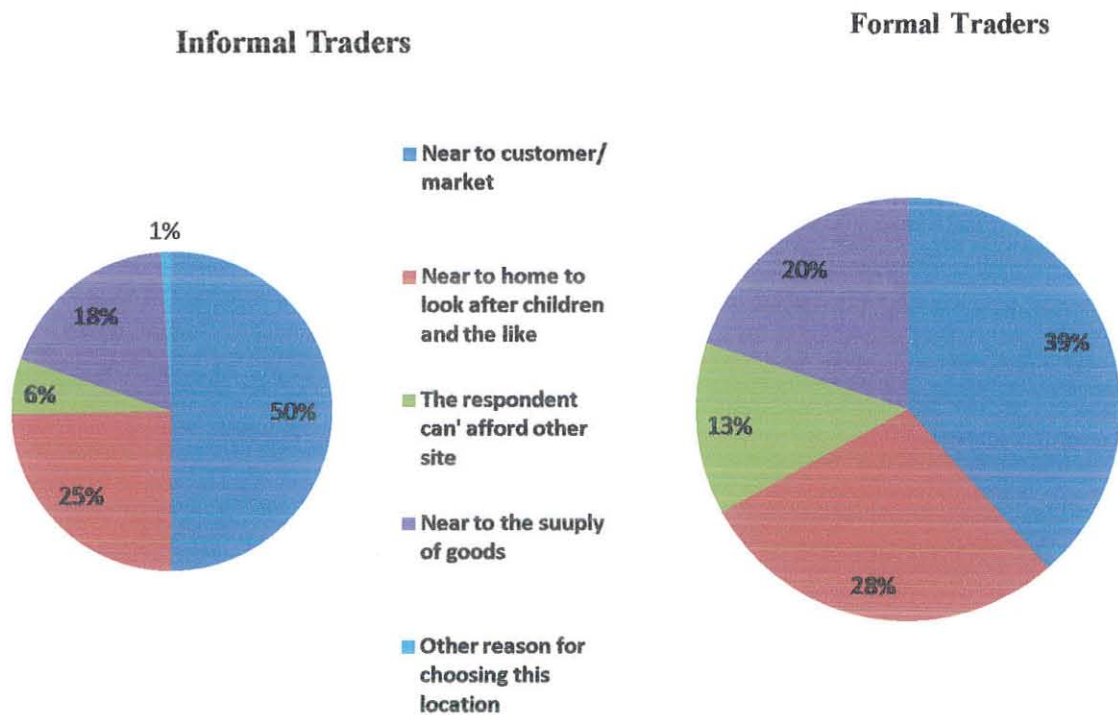


Figure 4-3. Reason for Choosing the Location

All formal traders operate their business throughout the year. However 18% of the informal traders had not run the activities all years around. The main reasons for not working the business throughout the year were due to seasonality of the work (activity) which is the case for (65%) and shortage of commodity (16%) of the case.

4.5. Economic Status of the Respondents

4.5.1. Source of Initial Capital

The initial capital for starting up the business was acquired from different sources. About 20% of the total respondents acquired the initial capital from saving from previous work, 22% raised the initial capital from loan received from friends and relatives, while 34% of the respondents depended on family gift, and 11% started with advance from “*equb*” (Figure 4-4). As far as credit/loan from financial institutions (Governmental and Non Governmental Institutes) are concerned, only 2% of informal traders received initial capital from these institutions. However, 28% of formal traders’ sources of initial capital were from those financial institutions.

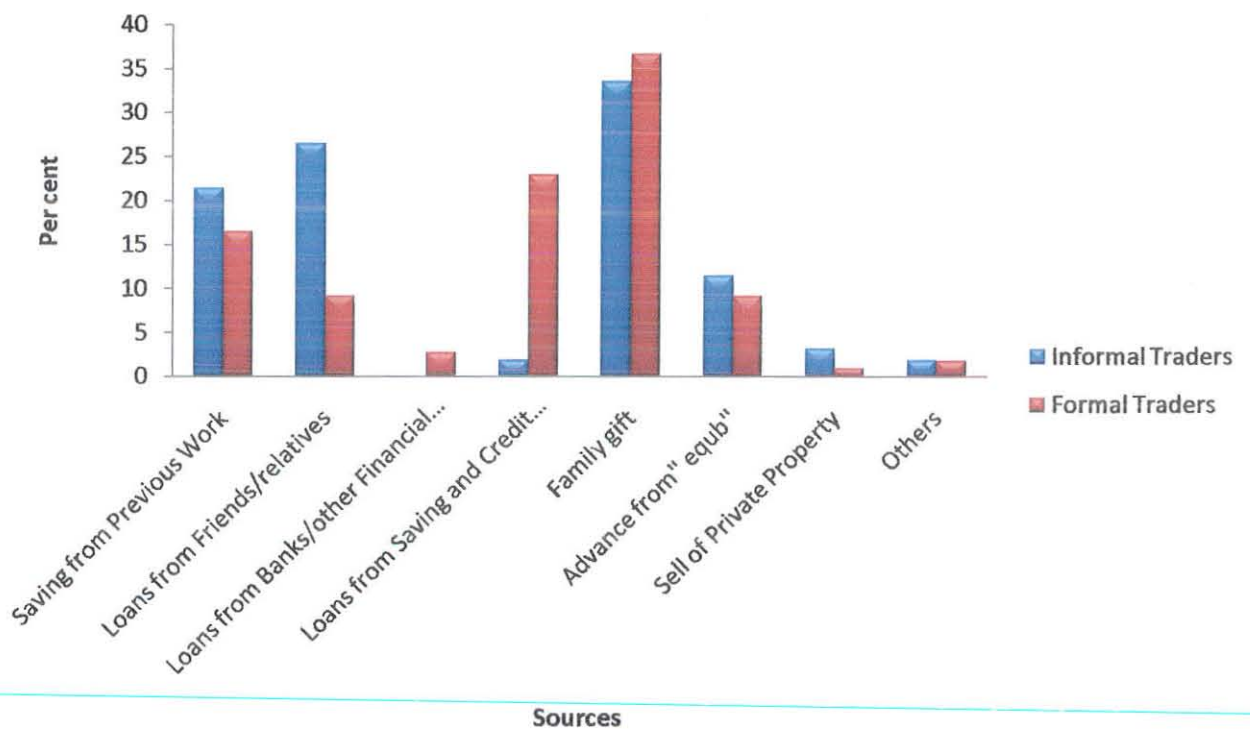


Figure 4-4. Sources of Initial Capital

Sources of initial capital of informal traders in the study area showed that 34% accounts for family gift, 27% accounts for loans from friends/relatives/ and 21% accounts for saving from previous work. Accordingly, World Bank (2007) revealed that most informal firms are dependent

on their own saving and/or gifts/loans from relatives and friends to meet working capital needs. As shown in the findings, only a very small percentage of firms acquire capital via formal lenders; in contrast, monetary help from relatives that does not have to be paid is a significant source of initial capital (22%).

National bank of Ethiopia estimates that less than 10% of demand for microfinance service is satisfied (World Bank 2007). Selamawit (1994) stated that access to credit, among other, emphasized is the most essential to the development of the sector (informal trading).

4.5.2. Initial and Current Capital

As shown in the Figure 4-5, 90% of informal traders started their operation with a total initial capital of up to Birr 500, while only 5% started with Birr 5,000 and above. However, about 80% of formal traders started their operation with the initial capital of greater than Birr 5,000.

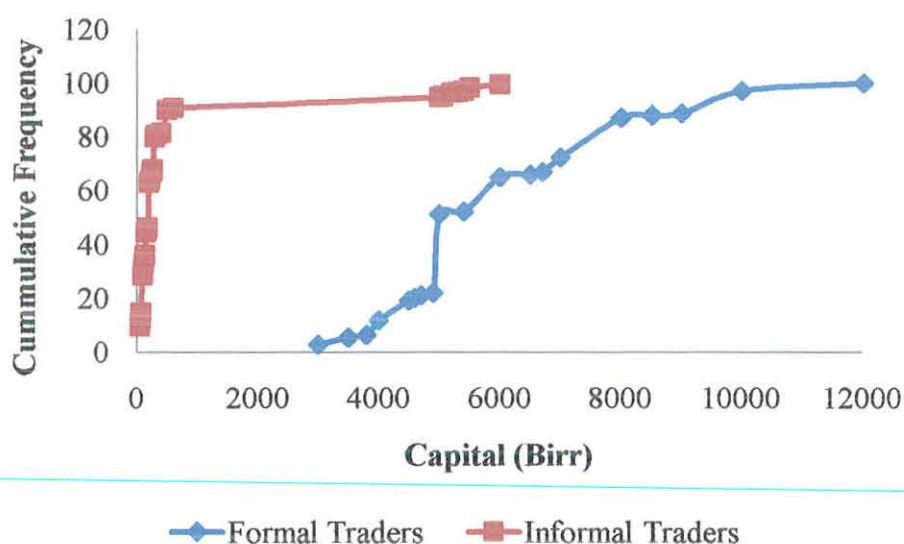


Figure 4-5. Initial Capital of Women Traders

The average initial capitals of informal traders were found Birr 673 with minimum and maximum of Birr 50 and Birr 6,600 respectively, while the average startup capital of formal traders was Birr 6,180 with minimum Birr 3,000 and maximum Birr 12,000.

Among the formal traders, 73% have current capital of Birr10,000 and above. However in the case of informal traders, the maximum amount of current capital is Birr 8,000. About 42% of informal traders have current capital was less than Birr 1,000 (Figure 4-6).

The average (mean) current capital of informal traders was Birr 2,142 with minimum and maximum of Birr 100 and Birr 8,500 respectively. On the other hand mean current capital of formal traders was Birr 13,337 with minimum of Birr 3,000 and maximum of Birr 100,000 (Figure 4-6). This shows that there is extreme difference between formal and informal traders in terms of initial capital and current capital.

The finding revealed that 70% of informal traders started their operation with a total capital of less than Birr 260. This finding was close to that of the average national urban across all urban sectors of Ethiopia in year 2002. That is 74% of informal traders started their business with a total capital of up to Birr 250 (CSA, 2003). Similarly, according to World Bank (2007) study, women tend to enter into business with a lower level of education and less start-up capital than their male counterparts. As mentioned earlier in the paper, most of migrants in the study area were informal traders. Based on World Bank (2007), migrants are 5% more likely than non migrants faced working capital problem.

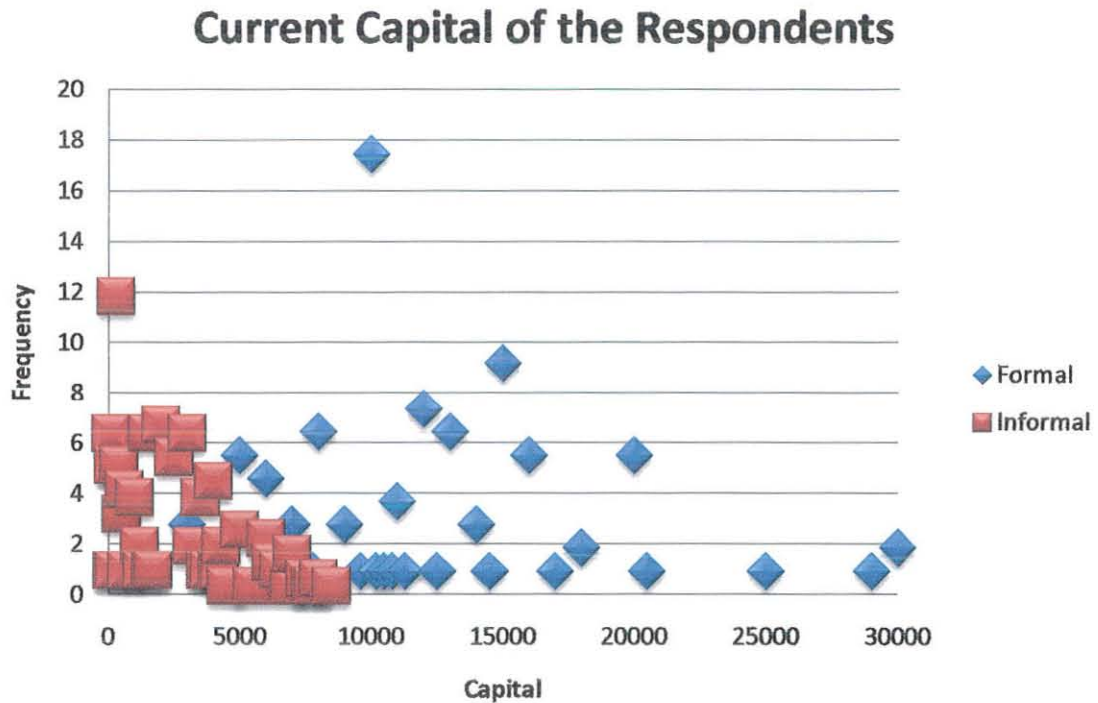


Figure 4-6. Current Capital of the Respondents

4.5.3. Net Monthly Income

Mean net monthly income of women traders in the study area was Birr 1,175, with a minimum and maximum income of Birr 54 and Birr 10,620 respectively. Analysis of mean monthly income of formal (Birr 3,691) and informal (Birr 300) traders shows that there is a huge difference as comparing incomes of the two groups. Minimum income of formal traders was Birr 800 whereas maximum monthly income of informal traders was Birr 1,200 (Table 4-7).

Data was collected using questionnaire (Appendix I) to get net monthly income of women traders found in the study area. Months of the year was categorized into three groups, namely month of good business, average and poor business. Cost of goods purchased and sold was calculated each for average, maximum and minimum cost for each working day. Then net income was computed using the following method:

Examples, Net income for months of good business = $\{(Max\ sold\ per\ day(Birr) - Max\ purchased\ per\ day(Birr)) \times No.\ of\ working\ days\ per\ month \times months\ of\ good\ business\}$. Likewise monthly incomes for average and poor business months were calculated.

From the annual net income (summation of all net income), net monthly income was computed using dividing the total net income by 12 months.

Table 4-7. Net Monthly Income of Women Traders in Birr

Monthly Income	Informal Traders	Formal Traders
Min.	54	800
Max.	1,200	10,620
Mean	300	3,691
Std. Deviation	186	1,824

Source: Survey Data 2009

Respondents were asked about whether their household income is enough to cover their needs or not. About 77% of the informal traders had low household income in which, that could not cover their monthly expenditure (Appendix Table 9). This might force respondents to take some strategies to cope up the shortage. Measures that had been taken by the respondents as coping mechanism were skipping meal (38% of case), reducing meal size (34% of cases) and seeking assistance from relatives and/or friends (13% of the respondents) (Appendix Table 10).

4.6. Factors Affecting the Performance of Women Traders

In order to identify the factors that affects the performances of women traders in the study area, net monthly income was cross tabulated with, husbands attitude, record keeping, number of employees of the respondents, ownership of the business location, household size, age, initial capital, nature of competition, birth place and educational status separately for formal and informal traders, because net monthly income of the respondents show a great variation between formal and informal trades. Chi-square (test the association of two variables) result showed that the net monthly income of informal traders is significantly associated with ownership of the

location, age, birth place, husbands' attitude, and workers with the respondents, record keeping, household size and initial capital ($p < 0.05$) (Appendix Table 13). Based on the bivariate result, those variables had significantly associated with informal trader's monthly net income; the above variables were entered in to the model.

Analysis of the factors that affect the monthly net income of women informal traders has been performed by using linear regressions. The regression analysis was carried out using the Ordinary Least Square (OLS) method. A number of regressions were performed using different combination of independent variables before the most significant ones were selected. The assessments of multi-collinearity between the independent variables were done by using correlation matrix, collinearity statistics and diagnostics. The variable inflation factor (VIF) in the model was less than 2 for all the variables (Appendix Table 14).

Table 4-8 shows the results of the linear regression analysis on the factors that affect the monthly net income of women informal traders. Variables that are significant at $p \leq 0.001$ include age, informal women traders who have employed workers and who keep records about their business. The variable supportive husband's attitude is significant at $p < 0.05$. These variables are the major determinants of the net monthly income of women informal traders in the study area.

As indicated in Table 4-8, the sign of the coefficient for age of the respondents is negative indicating that as age of the respondents increases the net monthly income decreases. The value of the coefficient for age of the respondents is -7.465, implying that a one unit increase in the age of the respondents results in a 7.465 birr decrease in the net monthly income. As it is obvious from the nature of the work, it required active labours. The result of the present study is found to be similar to previous studies. As mentioned by Assfaw (2008), monthly income of women traders are inversely proportional to their age.

The coefficient for the dummy of women informal traders who have employed workers get the net monthly income Birr 195.21 more than that of who have no employed workers. Similarly, The coefficient for dummy variable of women informal traders who keep records about their business get the net monthly income Birr 164.78 more than that of who have no records.

Table 4-8. Linear Regression Result of Factors that Affect the Net Monthly Income

	B	Beta	Sig.
(Constant)	488.746		0.000
Age of the respondents	-7.465	-0.271	0.000
Households Size	-9.014	-0.055	0.493
Initial Capital	0.004	0.032	0.640
Birth Place Addis Ababa	-11.203	-0.022	0.758
Respondents who have workers	195.207	0.302	0.000
Respondents who keep records	164.776	0.303	0.000
Rented	10.403	0.018	0.805
Fully owned	55.206	0.059	0.417
Supportive Husbands' attitude	58.193	0.131	0.049

Dependent variable: *Net Monthly Income*

B=Coefficients

Sig. = Significance

VIF = Variance Inflation Factors

Source: Field survey, 2009

Husbands' attitude was significantly associated with monthly income of the respondents. The coefficient for dummy variable of supportive husbands' attitude of informal women traders indicates that on average those whose husbands' are supportive on their business earn about Birr 58.2 higher than that of those traders whose husbands' attitude is indifferent. The result pertaining to husband's attitude of the respondents confirms the general truth that husband's attitude that is supportive, earn more compared to whose husbands who are indifferent.

4.7. Factors Associated with Trading Pattern of Women Traders in the *Saris Gebeya*

Traders participation (pattern of trade) was cross tabulated with birth place, age, the respondents' who get advice/ support from Gov't and /or NGOs, house hold income enough to cover their need, power of the respondents to use their income, the respondents who need to be organized under cooperatives, the respondents who get training, education status and initial capital. Chi-square statistics showed that trade participation is significantly associated with these variables ($p < 0.05$) (Appendix Table 12). However, this simple cross tabulated chi-square result may not show the independent variables exact influence on the dependent variable, because the influences of other variables were not controlled.

Thus, binary logistic regression analyses were applied to those variables that had significant association in the bivariate analysis. As it has been mentioned earlier, the binary logistic regression model is appropriate to use when the response to a set of explanatory variables is in a binary form, i.e. informal traders and formal traders. It is coded as a dummy variable (1= informal traders and 0 = formal trader).

Logistic regression calculates changes in the log odds of the dependent (not changes in the dependent itself). For the dichotomies case, if the logit for a given independent variable is β , then a unit increase in the independent variable is associated with a β change in the log odds of the dependent variable.

A relative risk $\text{Exp}(\beta)$, estimates greater than one signifies an increase in the likelihood of the given out come. While a value less than one shows a decrease in likelihood for the given out come. In addition, the sign of β (logistic coefficient) indicates the direction of the change.

Based on the bivariate result, those variables had significantly associated with informal trade participation, above and some variables that are supported by literatures, in terms of trade participation, the following variables were entered in to the model.

Variables entered into the model include, birth place, age, household income enough to cover their need, marital status, power of the respondents to use their income, lack of market, lack of

credit, access to credit loan, the respondents who get advice/support from government and NGOs, respondents who need organized under cooperatives, access to training, household size, education status and initial capital.

Among the variables included in the binary logistic model, as shown in Table 4-9, birth place, age, household's income enough to cover their need, lack of market, lack of credit, access to trainings, education level and initial capital had significant effect on informal trade participation in the study area.

Multi-collinearity test had been taken to check before interpreting the result. Multi-collinearity refers to excessive correlation of the predictor variables, as a common rule when tolerance is less than 0.2 the problem with multi-collinearity is indicated, whereas; when VIF (Variance Inflation Factor) is greater than 4 indicate that there is a multi-collinearity problem (David, 2009). As indicated in Appendix Table 11, the VIF and the tolerance of all above variables are less than 4 and greater than 0.2 respectively. This showed that there is no multi-collinearity problem and we can proceed to interpret the result.

The multivariate analysis result revealed that respondents whose birth place is outside Addis Ababa were around 10 times more likely to participate in the informal trade as compared with those whose birth place are Addis Ababa. In common with other studies, Todaro (1994) indicated that most workers entering the informal sectors are recent migrants from rural areas who could not find employment in the formal sectors. Accordingly, Selamawit (1994) presented that 64% of women informal trades in "Merkato Gebeya" came from rural area. Assfaw (2008) also mentioned that 70% of women petty traders in "Kidame Gebeya" in Gondar town were migrants.

Initial capital of the respondents also had influence on pattern of trading. As the respondent's initial capital increases, the likelihood to participate in the informal trading reduces. As shown in the Table 4-9 those respondents whose initial capital is less than Birr 4,999 were 11 times more likely to participate in the informal trading as compared with those whose initial capital was greater than Birr 5,000. During the study period it has been observed that Office of Trade and Industry set a requirement to traders, working capital should be at least Birr 5,000, to get license.

As initial capital of the respondents increased, the likelihood of informal traders was reduced. Survey data conducted by CSA in Addis Ababa in 2002 showed that 97% of informal traders had initial capital of less than Birr 5000.

Education level had significantly associated with women's participation in the informal trading. As respondent's education level low, the likelihood of participating in the informal trading increases. According to Table 4-9, respondents who had no formal schooling were 11 times more likely to participate in the informal trading as compared with those respondents whose levels of education were secondary and above. Several studies have also reported this fact, World Bank (2007), Assfaw (2008), Tebarek (1997) and Selamawit (1994). Educated women traders may have an access to information about credit institutions and association. It may be help to reduce the working capital problem.

Considering the household income of the respondents, the results of multivariate analysis showed that the likelihood of participating in informal trading increases, as the household income falls short of covering their basic needs. The result in Table 4-10 shows that respondents whose household income did not cover their needs were 27 times more likely to participate in the informal trading as compared with those whose household income is enough to cover their need. Ethiopia's urban informal sector is fairly homogenous with respect to key observable characteristics, and is survival oriented (World Bank, 2007). Since traders operating the activities for subsistence they would have no extra money to save (for saving). This also keeps traders to remain as informal traders rather than formal traders.

Table 4-9. Multivariate analysis results of respondents in Trading activities, Saris Gebeya

Variables	B	S.E.	Sig.	Exp(β)
Birth Place				
Out of Addis Ababa	2.280	0.523	0.000***	9.779
Addis Ababa ^(RC)				
AGE	-0.069	0.030	0.023**	0.933
Household Income Enough to Cover Their Need				
No	3.290	0.588	0.000***	26.843
Yes ^(RC)				
Marital Status				
Married	-0.487	0.730	0.505	0.615
Never Married	0.587	0.894	0.512	1.798
Others (Divorced and Widowed) ^(RC)				
Power of the Respondents' to Use Their Income				
No	-1.330	1.351	0.325	0.264
Yes ^(RC)				
Access to Market				
Yes	-1.010	0.514	0.05**	0.364
No ^(RC)				
Access to Credit				
Yes	-3.691	1.623	0.023**	0.025
No ^(RC)				
The Respondents' getting Loan				
No	-0.455	0.638	0.475	0.634
Yes ^(RC)				
The Respondents' who get Advice/Support from Gov't and/or NGOs				
No	1.146	0.841	0.173	3.146
Yes ^(RC)				
Respondents who need to be Organized under Cooperatives				
No	-0.843	0.505	0.095	0.430
Yes ^(RC)				
The Respondents who get Trainings				
No	2.098	0.935	0.025**	8.147
Yes ^(RC)				
Household Size	0.147	0.208	0.479	1.159
Educational Status				
No Formal Education	2.416	0.619	0.000***	11.200
Primary Education	0.701	0.578	0.226	2.015
Secondary and Above ^(RC)				
Initial Capital (Birr)				
< 4999	2.422	0.516	0.000***	11.272
> 5000 ^(RC)				

-2LL = 136.197

HLT = 0.796

N = 422

*** Significance @ 1%

** Significance @ 5%

-2LL = -2 LogLikelihood

HLT = Hosmer and Lemesho Test

S.E = Standard Error

β = Beta Coefficients

EXP (β) = Odds Ratio

Sig. = Significance Value

RC = Reference Category

Source: Survey Data 2009

Respondents who did not get training concerning the activity were 8 times more likely to participate in the informal trading than those who got training concerning their activity.

Age, access to market, access to credit had also an association with participating in the informal trading. As the respondent's age increased, the likelihood of participating in informal trading increased. According to Table 4-9 respondents whose age is relatively young were 6.7% less likely to participate in the informal trade, as compared with those whose age is relatively old. This is, may be, due to their education level. About 91% of informal respondents were under primary education level. The other possible reason could be at this time the government gives priority for education sector. That may help young respondents to have more access to education.

Regarding respondents' problem, access to market and access to credit, the respondents have an access to market and credit were 63.6% and 97.5% less likely to participate in informal trade as compared with the respondents have no access to market and credit respectively. Correspondingly, the regression results showed that the respondents who have no an access to credit were more likely to be participating in the informal trade as compared with those who had an access to credit. Assfaw (2008) and Tebarek (1997) certified that lack of credit was one of the major problems in their studies.

4.8. Major Problems

The major difficulties were lack working place (25% of respondents), shortage of working capital (20%) and lack of market (16% of the total respondents). Among the informal traders, 26%, 23%, 16%, and 7% of them identified lack of working place, lack of working capital, lack of market and shortage of supply as major constraints (Figure 4-7).

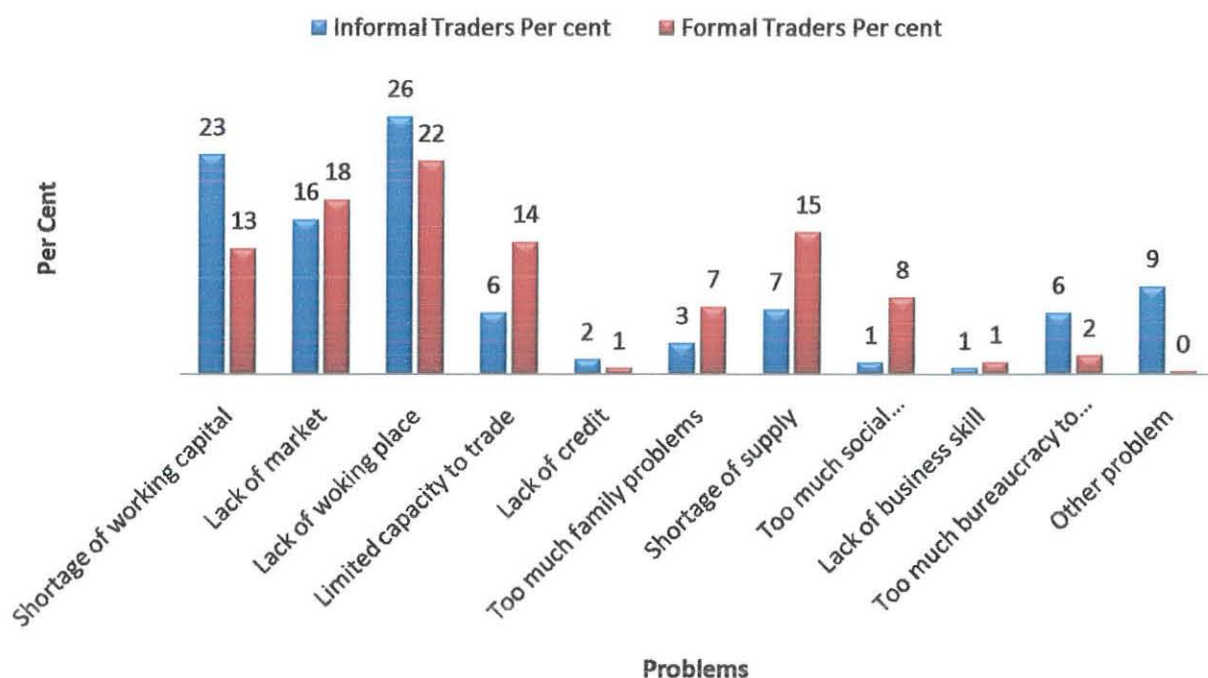


Figure 4-7. Major Problems

While among the formal traders 22%, 18%, 15% and 13% of them identified lack of working place, lack market, shortage of supply, limited capacity to trade, and shortage of working capital as major problems respectively. This finding in line with the main problems cited by respondents to ISS (Informal Sector Survey) and DSTS (Distributive and service Trade Survey) demonstrate remarkable consistency. Chief among them are lack of demand and lack of working capital. Problems with capacity to provide goods and services are important (perhaps an encouraging sign, since it suggests the presence of demand), as well as difficulty in accessing a work places (World Bank, 2007).

Among all the above stated problems shortage of working capital, lack of working place limited capacity to trade, too much family problems shortage of supply, too much social obligation and too much bureaucracy obtain license were significantly associated with trade participation at ($P < 0.05$)

About 60% of self-employed respondents to the ALMS (Addis Labour Market Survey) said that they had not noticed an important in access to working premises or to credit in the previous 3 years, despite the government's effort in those areas. Unlicensed firms were less likely to have noticed improvements, suggesting that the benefits of reform may be reaching more formal than informal firms (World Bank, 2007).

4.8.1. Training and Assistance the Respondents need

The type of training the respondents need in the study area showed that 63% required basic business skill, 35% vocational training and 41% of the respondents needed customer management training. When we go through each trader separately, 18% of informal traders needed basic skill of reading and writing. However, 7% of formal traders wanted to take basic skill of reading and writing. About 60% of informal traders need to have vocational training than to have customer management in which 51% of the formal traders required (Table 4-10).

Table 4-10. Types of Training the Respondents need (Based on Multiple Responses)

Type of Training	Informal Traders		Formal Traders		Total	
	Frequency N=307	Per cent	Frequency N=109	Per cent	Frequency N=416	Per cent
Basic skill of reading and writing	54	18	8	7	62	15
Basic business skill	188	61	73	67	261	63
Product handling	38	12	31	28	69	17
Customer management	113	37	56	51	169	41
Storage and packing	29	9	13	12	42	10
Record keeping	43	14	32	29	75	18
Vocational training	185	60	44	40	229	55
Trade training	87	28	59	54	146	35
Other training	6	2	1	1	7	2
Total	743	242	317	209	1060	255

Source: Survey Data 2009

Out of the total respondents, about 78% need better credit services and 94% required to have better working place. Considering the type of assistance that informal traders need 85%, 96% and

51% were accounts for better credit services, better working places and loosen government regulation respectively (Table 4-11).

Table 4-11. Type of Assistance the Respondents Need (Based on Multiple Responses)

Type of Assistance	Informal Traders		Formal Traders		Total	
	Frequency N=304	Per cent	Frequency N=109	Per cent	Frequency N= 413	Per cent
Better credit service	259	85	62	57	321	78
Better working place	291	96	96	88	387	94
Loosen government regulation/police harassment	154	51	34	31	188	46
Trade training	87	29	59	54	146	35
Work security	112	37	68	62	180	44
Other	0	0	0	0	0	0
Total	903	297	319	293	1222	295

Source: Survey Data 2009

4.8.2. Respondents Future Plan

All formal trade respondents need to keep their work in the future. The respondents reason to keep on trading were that the business was profitable (51%), that the respondents have no option rather than to keep this activities (29%) and 19% of the respondents want to keep the work for some times (until they got other better opportunities).

Majority of informal traders need to keep their work in the future (92%). The respondents reasons to keep on trading that the business was profitable (30%) that the respondents have no option rather than keep this activities (35%) and (33%) of the respondents want to keep the work for some time.

Among all traders (formal and informal) 285(68%) need to be organized under cooperatives. Out of formal traders 43% did not like to be organized. However, 223 (71%) of informal traders respond they would like to be organized under cooperatives. Half of the total respondents, the reason to be organized under cooperative were to facilitate the availability of work place and about 64% and 37% were to facilitate market and to get credit respectively (Table 4-12).

Table 4-12. Reasons of the Respondents to be Organized under Cooperatives (Based on Multiple Responses)

Reasons	Informal Traders		Formal Traders		Total	
	Frequency N=220	Per cent	Frequency N=55	Per cent	Frequency N=275	Per cent
To facilitate marketing	133	61	43	78	176	64
To facilitate or obtain training	16	7	7	13	23	8
To get credit facility	88	40	13	24	101	37
To facilitate availability of work place	102	46	15	27	117	43
Others	3	1	1	2	4	2
Total	342	156	79	144	421	153

Source: Survey Data 2009

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary

This study tried to assess the main reasons that led women to choose informal trading activities and the factors which affect performance of women informal traders in the study area. In this study, informal traders account for 74% of the all women traders in study area.

About 95% of traders were in the age group of 15 - 45. The mean age of the respondents in the study area was 32 years with the minimum and maximum age 19 years and 55 years respectively. Most of women traders were married (60%). About 66% of formal traders had educational level of secondary and above whereas; only 6% of informal traders had educational level of secondary and above. Consequently 50% of informal traders had no formal schooling.

There was no much difference between formal and informal traders in their family size. The average family size of traders was 3.99 persons with minimum and maximum of 1 and 7 persons respectively. Major ethnic of traders were Gurage (44%). About 55% of the respondents were Orthodox, Muslims accounts 38% and Protestant accounts 6%.

Out of the total respondents 68% were migrants. Among informal traders 82% were migrants; however, about 75% of formal traders were non migrants. Most of migrants came from rural areas and about 82% of them know someone in Addis Ababa prior to their arrival. Only 5% of the respondents were recent migrants that are they stayed in Addis Ababa less than 5 years. The reasons for migration were to find job, due to marriage and followed parents/relatives/friends accounts 38%, 23% and 21% respectively.

The respondents' occupations prior to the current activity revealed that about 32% of them were house wife, 26% were students and 19% were unemployed. Half of informal traders join the business as means of livelihood or subsistence. On the other hand, reasons for formal traders joining the business was to augment the current family income, lack of employment opportunities accounts 38% and 34% respectively.

Considering the type of goods the respondents sold, about 17% of the respondents sold vegetable and fruits while trading of second hand clothes, household goods and industrial goods were 15%, 13% and 11% respectively. As far as working condition of women informal traders concerned, most of them had no facility at all, majorities did not keep records about their activities (business), had no workers that facilitate the business operation, and operate their activities in area which is provided free. Most of the respondents (65%) had no training but learn by their own (self taught). The main reason for choosing the trade location were the market is near to customer (42%) and the traders live near to home to look after children (27%).

Sources of initial capital of informal traders in the study area showed that 34% accounts for family gift, 27% accounts for loans from friends/relatives/ and 21% accounts for saving from previous work. Only 2% account for loans from saving and credit associations. The finding revealed that 70% of informal traders started their operation with a total capital of less than Birr 260. The mean initial capitals of informal traders were found Birr 673 with minimum and maximum of Birr 50 and Birr 6,600 respectively, while the mean startup capital of formal traders was Birr 6,180 with minimum Birr 3,000 and maximum Birr 12,000. Among the formal traders, 73% have current capital of Birr 10,000 and above. However, maximum amount of informal traders current capital were Birr 8,000 and about 42% of informal traders have current capital less than Birr 1,000.

Birth place, age, household's income enough to cover their need, lack of market, lack of credit, access to trainings, education level and initial capital had significant effect on informal trade participation in the study area.

Age, respondents who have workers with them, record keeping and husband's attitude are the most important factors which determine the performance of women informal traders.

The finding revealed that the major problems that are faced women informal traders were lack of working place, lack of working capital and lack of market.

The type of training the respondents need in the study area was basic business skill (63%), vocational training (55%) and customer managements (41%). The two major assistances the respondents need were access to credit and access to work place. Most of the women informal

traders need to organize under cooperatives to facilitate the availability of work place, to facilitate market and to get credit.

5.2. Conclusions

The study result revealed that participating women in the informal trade was highest for those women whose birth places are outside Addis Ababa, whose household's monthly income did not cover their basic needs, whose initial capital was less than Birr 5,000, have problems in terms of credit and market, whose age were relatively old, did not get training and have no formal schooling.

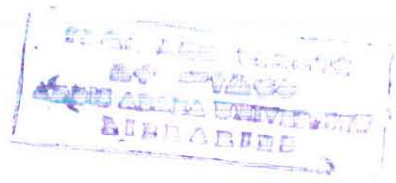
The positive performance that women informal traders have in the trading activities is reflected in their net monthly income. Age, respondents who have workers with them, record keeping and husband's attitude are the most important factors which determine the performance of women informal traders.

As far as working condition of women informal traders is concerned, the majority had no facility at all, did not keep records about their activities (business), had no workers that facilitate the business operation, and operate their activities in area which is provided free.

This study also identified major problems that are faced by women informal traders in their business operation such as, lack of working place (convenient), shortage of working capital, lack of access to credit facility, and lack of training.

Most of the women informal traders need to be organized under cooperatives, mainly to facilitate the availability of work place, to facilitate market and to get credit.

Despite these problems, most of informal traders wish to keep in business due to lack of opportunities or until getting alternative jobs.



5.3. Recommendations

Based on the findings of the study the following points are considered as an essential areas of intervention that needs due consideration:

- i. Strategies should be designed to support women informal traders so that they can get access to credit and improved working places to enable them improve their business operation;
- ii. Improving vocational and technical education and training is an effective way of generating dynamic traders;
- iii. Ensuring access to micro-credits and training to women alone is not a solution to women's business growth. Projects that support women's informal traders need to take into account the various challenges as summarized above, including family related problem, social obligation or responsibilities, low technology, and limited access to markets and resources, Efforts should be made to empower women through various programs that build women's ability to progress in the businesses;
- iv. To solve problems related to migrants entering into Addis Ababa, government should set strategies for the long run at the birth place and destination of migrants. Effort to develop alternative job opportunities at the birth place reduce migration while facilitation of alternative income generation activities at destination reduce the suffering of migrants;
- v. Those organizations, governmental and non-governmental, which are working in the field of trade, should plan to support women informal traders designing with gender dimensions in mind; and influencing through direct assistance programmes aimed at strengthening their productive capacity as well as by changing the business environment in which they operate;
- vi. Supporting women informal traders to organize under cooperative and strengthen the existing associations can help enhancing their capacity to express their common interests and advocate for improved policy environment and increased investment in the various subsectors in which they operate;
- vii. Lack of statistical database at sub-cities and Kebeles on the informal economy is a major problem for policy formulation and program development. Gender statistics on the

characteristics of women and men entrepreneurs and their business practices, as well as their institutions are necessary for informed decision making. It is recommended that attention be paid to collect sufficient and detailed gender statistics on the informal trade sector.

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APPENDICES

Appendix I. Questionnaire

Questionnaire for the survey on the urban informal sector in Addis Ababa; the case of women traders in “Saris Gebeya”

Instructions for the interviewers

1. Introduce yourself with the selected person
2. Circle the letter for the closed questions
3. Write interview questions clearly
4. Use only pencil

Notice: this questionnaire is used only for the academic purposes. Thank you for your cooperation.

A. General information

1. Identification number _____
2. Group
 1. Informal
 2. Formal
3. Name of the enumerator _____
4. Date _____
5. Signature of the enumerator _____

B. Respondents information

1. Age _____ (years)
2. Marital Status
 1. Married
 2. Single
 3. Divorced
 4. Widowed
3. Educational level
 1. Illiterate
 2. Basic education (Religion based)
 3. Primary education.
 4. Secondary education.

1. Friends
 2. Relatives
 3. Neighbor from rural home
 4. Nobody
 5. Other/specify _____
11. How useful were these contacts in helping you find your first job or business?
1. Very useful
 2. Useful
 3. Somewhat useful
 4. Not useful at all
12. In what ways have your social contacts helped you in developing your present business?
1. Relatives -----
 2. Friends -----
 3. Rural neighbors -----
 4. People from some religious groups-----
 5. Other/specify-----
13. What was /were your major reason(s) for coming to Addis Ababa?
1. To find a job
 2. To get education
 3. Due to marriage
 4. Divorce
 5. Job transfer
 6. Followed parents/relatives/friends
 7. To open up/ extend business
 8. Other/specify-----
14. What was your activity prior to starting your current activity?
1. Agriculture
 2. Government employee
 3. Other private sector employee
 4. Unemployed
 5. Student
 6. Unpaid family worker
 7. House wife
 8. Other/specify-----
15. What was your main reason for joining this activity?
1. Lack of employment opportunity
 2. To augment current family income
 3. Released from other work
 4. Family displacement
 5. To make a living / subsistence

6. Business provides good income
7. Fired from previous work
8. Other/specify-----

16. Why did you prefer informal trading than other? "for informal only"

1. It is profitable and brings income
2. For subsistence purpose
3. It was a family run business
4. Others are highly competitive
5. Other/specify-----

No	Type of good sell*	Supply Sources**	How often do you buy***	To whom you mostly sell your product****
1				
2				
3				
4				
5				
6				
7				
8				

Type of good sell* 1. Second hand clothes/ shoes 2. Vegetable and fruit
 3. Household goods 4. Charcoal and fuel wood 5. Food items/wheat, teff... etc/
 6. Other food 7. Items/berbere, spices... etc/ 7. Industrial goods 8. new clothes 9,
 pottery 10, other

Supply sources** 1. Wholesaler 2. Retailer 3. other privet enterprise 4. other
 state enterprise 5. own products 6. Factory 7. customs office 8.
 Other/specify_____

How often do you buy*** 1. Daily 2. Weekly 3. Monthly 4. no regular buying time
 5. other/specify_____

To whom do you mostly sell your product**** 1. direct to consumers
 2. To retailers 3. to wholesalers 4. to manufactures (state enterprise)
 5. to other private formal sector 6. Other/specify_____

17. How long is it since you started the activity/business?

1. Month(s) -----
2. Year(s) -----

18. How did you acquire the skills you are using in your job?

1. Self taught
2. Family

3. Apprentice/on job training
 4. Formal training
 5. Others/ specify
19. What is the form of ownership of this business?
1. Family ownership
 2. Partnership
 3. Sole ownership
 4. Any other/specify-----
20. If you are the owner of this activity, is there anybody working with you?
1. Yes
 2. No
21. If yes, how many persons -----
22. If yes, what is the relation with you? It is allowed to choose more the one answer
1. Family works (No.-----)
 2. Apprentices(No.-----)
 3. Employee(No.-----)
 4. Other/specify-----
23. Do you keep written records of your business?
1. Yes
 2. No
24. If no, what is your reason? It is allowed to choose more the one answer
1. Records not necessary
 2. Transaction too small to keep a record
 3. I didn't learn record keeping
 4. I can't read and write
 5. Other/specify-----
25. If yes, for what purpose? It is allowed to choose more the one answer
1. To know profit and loss
 2. To evaluate performance of the business
 3. For tax purpose
 4. To keep note of creditors/debtors
 5. Other/specify-----
26. Do you have any other income for the last one year?
1. Yes
 2. No

27. If yes, specify the activity and the income in birr

Source	Yes/no	Income (birr)
Spouse income		
House renting		
Remittance		
Other/specify		

28. Nature of the location of your activity.

1. Fixed location
2. Mobile location
3. Any other/specify-----

29. If in a fixed location, what type of facilities is available? It is allowed to choose more the one answer

1. Shelf
2. Shelter
3. Drainage
4. Refrigerator
5. Safe lock
6. Water and electricity
7. Electricity only
8. Storage facilities
9. Water only
10. No facility at all



30. Ownership of the location?

1. Fully owned by the operator
2. Partially owned
3. Rented
4. Provided free
5. Other/specify-----

31. If it is rented, from whom?

1. Government
2. Individual
3. Other/specify_____

32. Specify the monthly rent in birr-----

33. Why did you choose this location for your business? It is allowed to choose more the one answer

1. Near to customer /market
2. Near to home to look after children and the like
3. Can't afford other site

4. Near to the supply of goods

5. Other/specify-----

34. Does your business operate throughout the year?

1. Yes
2. No

35. If less than 12 months what as the main reason for your business not to operate in other months? It is allowed to choose more the one answer

1. Seasonal activity
2. No customers
3. Family problem
4. Shortage of commodity
5. Wholesaler
6. other/specify-----

Month	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
Month of good business												
Month of average business												
Month of poor business												

36. Working time and income.

No. of working day per week	No. of working hour per day	Cost at which goods are purchased			Cost at which goods are sold			Gross Income per day				
		Max	min	Mode	Max	min	Mode	Max	Min	Mode		

37. What was the amount capital when you started the business? In Birr -----

38. How did you obtain your initial capital to start this business?
1. Saving from previous work
 2. Loans from friends/relatives
 3. Loans from banks/other financial institutions
 4. Loan from saving and credit association
 5. Family gift
 6. Advance from "Equb"
 7. Sell of privet property
 8. other/specify-----
39. What is the mode of payment for your sale to customers?
1. In cash
 2. Credit
 3. Both credit and cash
40. Are there many competent selling similar products like you?
1. Yes
 2. No
41. If yes, what is the nature of competition over clients?
1. High
 2. Medium
 3. low
42. What is the size of your current capital? In Birr-----
43. Is your house hold income enough to cover your family need?
1. Yes
 2. No
44. If no, how do you fill the gap? It is allowed to choose more the one answer
1. Sale of asset
 2. Assistance from relatives and friends
 3. Loans from relatives and friends
 4. Cut meal size
 5. Cut meal frequency
 6. Other /specify-----

45. How much on average is your general family expenditure per month?

Expense item	Amount in Birr
1. Food	-----
2. House rent	-----
3. Electricity	-----
4. Water	-----
5. Energy/wood, charcoal	-----
6. Health /education of children	-----
7. Transport	-----
8. Goods purchased for sale	-----
9. Contribution to idir/ mehaber	-----
10. Saving/ eqube/	-----
11. Other /specify	-----

46. Do you often engage in household activity after your business?

1. Yes
2. No

47. If yes, how many hours per day-----

48. If no, who do the household activities?

1. House maid
2. Children
3. Relatives
4. Other/specify-----

49. Do you have a power to use your money as you decide?

1. Yes
2. No

50. If no, what is the reason behind?

1. My husband opposition
2. The decision made by husband
3. Other/specify-----

51. What are your operational problems? It is allowed to choose more the one answer.

1. Shortage of working capital
2. Lack of market
3. Lack of working place
4. Limited capacity to trade
5. Lack of credit friends/relatives
6. Too much family problem
7. Shortage of supply
8. Too much social obligation/responsibilities
9. Lack of business skill
10. Too much bureaucracy to obtain license

11. Other/specify-----
52. What are the major obstacles that prevents your business from expansion ? It is allowed to choose more the one answer
1. Shortage of working capital
 2. Lack of working place
 3. Lack of demand
 4. Lack of access to credit
 5. Heavy government tax/regulation
 6. Lack of supply of goods
 7. Competition from other similar activity
 8. Other/specify-----
53. Have you ever secured loan?
1. Yes
 2. No
54. Have you secured loan for the last one year?
1. Yes
 2. No
55. If yes, mention
1. Source-----
 2. Amount-----
 3. Interest 1. No 2.yes /specify-----
 4. For how long -----
 5. Are you started paying 1.yes 2.no
56. Is there a problem related to the loan?
1. Yes
 2. No
57. If yes, specify-----
58. If no to Q.55, what are the major reasons that prevent you from having access to credit?
1. Lack of collateral
 2. Ignorance of what and where service is available
 3. Types of business did not warrant loan
 4. Other/specify-----
59. What is the attitude of your husband towards your activity?
1. Supportive
 2. Discouraging
 3. Indifferent
 4. Other/specify-----

60. Have you ever been approached by any governmental or nongovernmental extension workers to discuss activities and problems related to?
1. Yes
 2. No
61. Would you like to be organized under cooperatives or any kind of association? If yes, why?
It is allowed to choose more the one answer
1. To facilitate marketing
 2. To facilitate or obtain training
 3. To get credit facility
 4. To facilitate availability of work place
 5. Other /specify-----
62. If no, why? -----
63. Have you ever received any type of training in the past?
1. Yes
 2. No
64. If yes, who gave you the training?
1. Government
 2. NGO
 3. Other/ specify-----
65. What type of training do you think you need to improve your trading activities? It is allowed to choose more the one answer
1. Basic business skill
 2. Vocational training
 3. Basic skill of reading and writing
 4. Product handling
 5. Customer management
 6. Storage, packing,
 7. record keeping
 8. Other (specify),-----
66. What are the difficulties you faced while conducting your activities? It is allowed to choose more the one answer
1. Lack of working place
 2. Police /regular and private/ harassment
 3. Lack of sufficient capital
 4. Lack of market/customer
 5. Inadequate skill
 6. Other (specify),-----
67. What are the three most important forms of assistance you need from the government or NGOs for your business? It is allowed to choose more the one answer
1. Better access to loan

2. Access to good working place
 3. Easing of government regulation/stop harassment
 4. Training in business methods
 5. Assurance to property and work
 6. Other (specify),-----
68. Do you intended to continue with the present business?
1. Yes
 2. No
69. If no, what is the main reason?
1. Due to lack of finance
 2. Not profitable
 3. Unable to complete with others
 4. Lack of demand for the product
 5. Other (specify)-----
70. If yes, why?
1. The business is profitable
 2. There is option other than this
 3. For some times
 4. Other (specify)-----
71. What are some of things that you wish the government or any other nongovernmental institution do for you to become successful in your business? It is allowed to choose more the one answer
1. Assist in acquiring supplies
 2. Improve access to credit
 3. Assist in training
 4. Assist in forming an association
 5. Access to working place
 6. Other (specify)-----

Appendix II. Tables

Appendix Table 1. Conversion factor used to calculate Adult Equivalence (AE)

Age category (years)	Female	Male
Less than 10 years	0	0
10-13	0.2	0.2
14-16	0.4	0.5
17-50	0.8	1
Greater than 50	0.5	0.7

Source: Storck et al. (1991)

Appendix Table 2. Type of Goods Sell

Goods	Informal		Formal		Total	
	Frequen cy	Per cent	Frequen cy	Per cent	Frequen cy	Per cent
Second hand clothes/ shoes	48	15	16	15	64	15
Vegetable and fruit	56	18	17	16	73	17
Household goods	55	18	1	1	56	13
Charcoal and fuel wood	16	5	4	4	20	5
Food items/wheat,teff...etc	22	7	10	9	32	8
Other food items /Pepper,spice...etc	21	7	18	17	39	9
Industrial goods	32	10	16	15	48	11
New clothes	3	1	12	11	15	4
Pottery	16	5	5	5	21	5
Other	44	14	10	9	54	13
Total	313	100	109	100	422	100

Appendix Table 3. Record Keeping

No	265	85	42	39	307	73
Yes	48	15	67	61	115	27
Total	313	100	109	100	422	100

Appendix Table 4. Nature of the Respondents' Business Location

Mobile	145	46	0	0	145	34
Fixed location	168	54	109	100	277	66
Total	313	100	109	100	422	100

Appendix Table 5. Ownership of the Work Location

Fully Owned by the Operator	12	4	8	7	20	5
Partially Owned	9	3	2	2	11	3
Rented	43	14	98	90	141	33
Provided free	249	80	1	1	250	59
Total	313	100	109	100	422	100

Appendix Table 6. No Facility at all

No	83	27	109	100	192	45
Yes	230	73	0	0	230	55
Total	313	100	109	100	422	100

Appendix Table 7. Workers with the respondent

No	287		69	63	356	84
Yes	26	8	40	37	66	16
Total	313	100	109	100	422	100

Appendix Table 8. The Respondent Acquire Skill

Self taught	214	68	60	55	274	65
Family	68	22	30	28	98	23
Apprentice/on job training	31	10	19	17	50	12
Total	313	100	109	100	422	100

Appendix Table 9. Respondents' Income enough to cover their Expenses

No	241	77	9	8	250	59
Yes	72	23	100	92	172	41
Total	313	100	109	100	422	100

Appendix Table 10. Coping Strategies based on Multiple Responses

Sale of asset	24	5	1	7	25	5
Assistance from relatives and friends	63	13	1	7	64	13
Loans from relatives and friends	34	7	2	14	36	7
Cut meal size	165	34	5	36	170	34
Cut meal frequency	184	38	5	36	189	38
Other coping strategy	14	3	0	0	14	3
Total	484	100	14	100	498	100

Appendix Table 11. Multi-Collinearity Test of Logistic Regression

Independent Variables	Collinearity Statistics	
	Tolerance	VIF
Respondents Income enough to cover their need	.652	1.534
Age	.883	1.133
Marital Status	.918	1.089
Power of the respondent to use their income as they need	.909	1.101
Lack of market	.920	1.087
Lack of credit	.895	1.117
Information about the loan	.923	1.084
The respondents who get advice/support from the Gov't or NGO	.570	1.755
The respondents who need to be organized under cooperatives or any kind of association	.887	1.128
The respondent who get training	.602	1.660
Households Size	.905	1.105
Initial capital	.568	1.760
Education	.668	1.498
Birth place	.668	1.498

Sources: Survey Data 2009

Appendix Table 12. Chi-Squire Test for Women Trade Participation

Variables	Formal traders	Informal traders	p	X²
Birth Place				
Out of Addis Ababa	27	258		
Addis Ababa	82	55	0.000	122.583
Total	109	313		
House Hold Income Enough to Cover their Need				
No	9	241		
Yes	100	72	0.000	158.210
Total	109	313		
Age				
			0.000	66.951
The Respondents' who get Advice/ Support from Gov't and /or NGOs.				
No	77	291		
Yes	32	22	0.000	36.123
Total	109	313		
Power of the Respondents' to use their Income				
No	7	4		
Yes	102	309	0.004	8.427
Total	109	313		
Respondents who need to be Organized under Cooperative				
No	47	90	0.006	7.609
Yes	62	223		
Total	109	313		
The Respondents who get Trainings				
No	83	285		
Yes	26	28	0.000	16.101
Total	109	313		
Education Status				
No formal schooling	10	158		
Primary education	27	127	0.000	151.452
Secondary education	72	28		
Total	109	313		
Initial capital(Birr)				
<4999	24	284		
>5000	85	29	0.000	193.620
Total	109	313		

Sources: Survey Data 2009

Appendix Table 14. Multi-collinearity Test of Linear Regression

	Tolerance	VIF
(Constant)		
Age of the respondents	0.778	1.285
Households Size	0.636	1.573
Initial Capital	0.861	1.162
Birth Place Addis Ababa	0.817	1.224
Respondents who have workers	0.734	1.363
Respondents who keep records	0.786	1.272
Rented	0.735	1.361
Fully owned	0.762	1.312
Supportive Husbands' attitude	0.785	1.274

Source: Survey Data 2009

Declaration

I declare that this thesis is my original work and has not been presented for a degree in any University. All the sources of material used for the thesis are duly acknowledged.

Name: Lubaba Alemu

Signature: 

Date: 09/07/2009

This thesis has been submitted for examination with my approval as a University advisor.

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Signature: 

Date: 09/07/09