



**Addis Ababa University College of Business and Economics School  
of Graduate Studies**

**Challenges and Opportunities of Street Vending in Addis Ababa  
City: the Case of Yeka Sub-City**

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## **Declaration statement**

I, the undersigned, declare that this Thesis is my original work and that all source of materials used for the study has been dully acknowledged.

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## **Abstract**

*The main objective of this study was to assess the opportunities and challenges of street vending in Yeka sub city of Addis Ababa City Administration. Data were collected from randomly selected samples of 330 street vendors and 14 code enforcers by questionnaires and from 9 government officials by interview and the remaining one was collected by observation. The study employs a disruptive research design and uses both quantitative and qualitative research approach. The result of the study shows that challenges of street vending to be bankruptcy, car accident, traffic jam, health problem, , pollute the environment, Due to they didn't pay government tax; it affects country economic development and finally affects social security. The finding shows the following major opportunities: livelihood to their family and themselves protects youth from addiction, dependency and migration. The other opportunities identified were the street vendors creating job opportunity by themselves; they have supported the total micro economy of the country and many poor people survive themselves by consuming street vendors' goods. This study recommended that government and policy makers should give priority to support street vendors by mental revolution how to operate their business without damaging economic, social, environmental, and political aspects of the country.*

**Key words:** *Street vendors, challenges, opportunities, government officials*

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## **Acronyms**

CBD	Central Business District
CSA	Central Statistical Agency
GDP	Growth Domestic Product
ILO	International Labor Organization
MFI	Micro Finance Institutions
RWA	Residents Welfare Association
UN	United Nation
US	United State

# CHAPTER ONE

## 1. Introduction

### 1.1 Background of the Study

Street vending is an ancient and important occupation found virtually every country and the major city around the world (Broomley, 2000). Street vendors add vitality to the streetscape and contribute to economic activity and service provision, but many observers also associate them with congestion, health and safety risks, tax evasion and the sale of shoddy merchandise (Bromley, 2000).

Carr and Chen (2002) introduces the impact of the informal economy can be both negative and positive and differs by context, by industry and trade, and by employment status. Some of those who work in the informal economy have been able to find new jobs or new markets for their products while others have lost jobs or markets. Moreover, many workers have seen their wages decline, their working conditions deteriorate, or their workloads increase. Although increasing attention is being given to the impact of globalization and trade liberalization on labor, much of what has been written is as yet quite theoretical, much generalized, or mainly anecdotal. In addition, there is a bias towards looking at the impact of globalization on formal wage work and, to a lesser extent, on informal employment.

Cross (2006) Street trade and service provision in African cities occur in different parts of streets and roads. Most traders locate themselves at strategic points with heavy human traffic, while others walk from one place to the other (Mitullah, 2003).

The street vending business is more accessible than formal sector employment to people with low income poor families. While the informal sector has long been considered a residual sector, it has been, in fact, an important source of employment in urban areas of developing countries. It employs 30% to 70% of the urban work force in Latin America (Maloney, 2004) and account for 33% to 82% of all non-agricultural employment in Sub Saharan Africa (ILO, 2004). On the other hand, informal economic activities often are a challenge to modernist conceptions of the city (Swanson, 2007; Tonnelat, 2007; Valverde, 2011). In nearly all developing countries, the rate of urbanization surpasses the population growth rate of the national average demonstrating that

migration of street vendors from a rural area to urban is a major factor for the process of urbanization (UN-Habitat, 2012).

The sources of Street vending is from lack of formal job opportunity, resource scarcity, lack of education, low productivity in agriculture, high population, high economic competition, is forced many productive peoples of developing countries like migrating from rural area to urban to get employment and participate in illegal business activities (Aryeetey, 2009). Research on rural youth livelihoods shows that the decrease in farmland in the highlands of Ethiopia coupled with lack of non-farm employment opportunities in the rural areas has pushed the youth away from their agricultural livelihoods and rural villages to urban areas (Bezu and Holden, 2014).

Governance was monopolized by local and national politicians at the peril of the citizens. The results seem to portray the image that the vendors have become spectators to activities and institutions they created or live in. The citizens have become external to their community structures (Jonga, 2012).

Challenges of street vendors to be poor social protection and their working conditions on the streets expose them to a variety of safety and health issues. In general, there are more men vendors than women vendors in Ethiopia. Women vendors earn less, on average than men vendors. The lack of toilets has an adverse effect on women's health and many suffer from urinary tract infections and kidney ailments. Mobile women street vendors also face security issues (Bhowmik, 2007).

Vendors are often regarded as a public nuisance. They are accused of depriving pedestrians of their space, causing traffic jams and having links with anti-social activities. The municipal authorities and housing societies, aided by the media, have targeted vendors at frequent intervals. "The lack of recognition of the role of the street vendors culminates in a multitude of problems faced by them: obtaining a license, insecurity of earnings, insecurity of place of hawking, gratifying officers and musclemen, constant eviction threat, fines and harassment by traffic policemen (Kambara, 2015).

The market for street vendors is largely the pedestrians who pass by on their own businesses. In a few cases, especially when street vendors have done business in one spot for a long time, customer relations develop thereby expanding the market beyond the pedestrians. The market

relations are mutual, except in cases where there is intense competition among street vendors. Poor location of the business, low purchasing power among customers and low levels of professionalism due to low technical education among vendors and low access to modern information communication technologies on productivity information hinder their performance in business marketing. Other factors that affect the market include use of abusive language by male customers as reflected in the case of Uganda and the high levels of insecurity as reflected in the Uganda, Ghana and Kenya case studies (Mitullah, 2003).

Employs in informal sectors have unsecured and work with low wage and poor working condition, informal sector exploitation higher than the formal sector that works more than 10hour work per day and one half wage get with same productivity ( Kashyap and Himal Singh,1987). Street vendors are facing a lot of financial and non-financial obstacles and constraints. That suffers a lack of legal protection; endure restricted access to capital and business support. The greatest challenge facing the street and informal traders is with the site of operation and right to trading space, environmental condition, security, transport, municipal services, and finance (Miltullah, 2003).

The daily activities of the people in the street vending business in most urban settlements in developing countries cannot be ignored since they play an important role in the development of the economies of countries. Street vending business has a great significance in generating income for poor people and providing employment opportunity for those who are migrated from poor rural families (Hart, 1973).

In developing countries, Ethiopia included, it is acknowledged that the street vending had opportunities by generating employment and providing income to a significant percentage of people, particularly those with no formally approved skills to obtain formal sector employment. Furthermore, the street vending provides goods and services at affordable prices for the poor strata of urban society. In this regard, street vending provides a viable alternative for subsistence living in urban areas when formal employment is unavailable. It also acts as a barrier to anti-social practices like theft, prostitution, cheating, etc. (Bromley, 1998; Backer, 1994; Darrare, 2007; Jimu, 2005).

Street vending is the critical issue at Yeka sub-city in Addis Ababa. Materials such as mobile cards, bugs, Cosmetics, foods products (Roasted Grain; Peanut, Pizza, Cake, Burger, Soft drinks, Juices, etc ), vegetables and fruits, second hand clothes and shoes, , electrical equipment's, equipment's used for beautification, equipment's used for household purpose, stationary materials, cigarettes, belts, umbrellas, shoe soles, soaps, watches, and so on are sold on the street . The major problem identified was population density in the rural area, unemployment, poverty and an attempt to establish a source of income for purposes of livelihood. However, in my study, I have covered that street vending contributes to economic activity and service provision to low income people and social capital but it is a risk activity because vendors are illegal associate them with congestion, health and safety risks, tax evasion and sometimes the goods are not original.

The study will contribute to policy makers on the issue and to reduce the challenges and to seek opportunities for this business.

## **1.2 Statement of the Problem**

My office is near to Megenagna area, for this reason, I have seen many street venders operating their business on the street. However, their number is increasing from time to time and producing unprecedented challenges on the socio-economic, public health, traffic accident of the city. Scientific studies on the opportunities and challenges of street vending in alleviating poverty and their coping measures are still in short supply in Yeka sub-city. Some related researches were conducted in other sub-cities but their scope was limited to a specific operator group on the specific issue of the street vending. Some of the previous findings government losing millions of Birr because street venders didn't pay tax, this business affects formal sectors (Belay, 2014; Bromley, 2000). The major problems identified were population density in the rural area, unemployment, poverty and an attempt to establish a source of income for purposes of livelihood. However, in my study, I have covered that street vending contributes to economic activity and service provision to low income people and social capital. Therefore, this study would fill the gap of information by studying the status and attributes of street vending, the opportunities, the various problems faced by street vending and identifying how the Sub-City Administration deals with street vending.

## **1.3 Objectives of the Study**

### **1.3.1 General Objective**

The main objective of the study is to assess the opportunities and challenges of street vending in Yeka sub-city in Addis Ababa.

### **1.3.2 Specific Objectives**

The study has the following specific objectives:

- To identify the status and attributes of street vending in Yeka sub- City
- To identify the challenges faced by street vending in Yeka Sub-City
- To identify the opportunities of street vending in Yeka Sub-City
- To identify how the sub-city administration deals with street vendors.

## **1.4 Research Questions**

The key questions to be addressed in this study are:

- What are the status and attributes of street vending at Yeka sub- City?
- What are the challenges faced by street vending in Yeka Sub-City
- What are opportunities of street vending in Yeka Sub-City
- How does the Yeka sub-city administration deals with street vendors?

## **1.5 Significance of the Study**

The study is attempted to the opportunities and challenges of street vending in Yekasub-city of Addis Ababa. The result of the study provide a better understanding and awareness to policy makers, to design an effective and efficient strategy for the improvement of the livelihood of the street vendors and ease the burden of the city administration to control the street vendors as well as to keep the city in order. The polices will help the concerned bodies to focus on the root causes of street vending rather than giving attention to the observed problems. In addition to this, the policies will facilitate to have further studies on the problem since there is little relevant and comprehensive data on the problem of street vending.

## **1.6 Scope of the Study**

The research questions were time consuming to answer because the traders are scattered as well as taking to the interviewer and other related factors, it is difficult to study the overall vending area of Addis Ababa City Administration. This study focuses opportunities and challenges of street vending on consumers, street vendors and the sub city only.

## **1.7 Limitation of the study**

The area these research covers were limited to Megenagna and Ayat Square of Yeka sub-city. More population of Addis Ababa City Administration street vendors was working in these areas. In addition, given the limited time that was available to do the field work, it was necessary to focus on selected sites.

## **1.8 Organization of the study**

Chapter one begins with research back ground and discusses the statement of problem, objectives, basic research questions, the significance of the study, the scope of the study, and organization of the study. The second chapter deals with the theoretical frame work about a street vending business based on previous literature review.

Chapter three is dedicated to the methodological part. It describes the study area, the sampling design and techniques applied, the source of data collection, the fourth chapter deals with the analysis part of the study, major findings and discussion,

Finally, the fifth chapter summarizes the whole journey by concluding and recommending and giving some direction for future research.

# CHAPTER TWO

## 2. LITERATURE REVIEW

This section reviews the literature written by different authors and researches conducted by different scholars in relation to opportunities and Challenges of street vending business; definitions, characteristics and Causes.

### 2.1 Definitions

Many scholars have different definitions to identify street vending business; Street based self-employment: A poverty trap or a stepping stone for migrant youth in Africa (Bezu& Holden, 2015). Street vendors could be stationary and occupy space on the pavements or other public areas, or could be mobile, and move from one area to another carrying their wares in baskets on their heads, or could sell their wares in moving buses. The term “street vendor” in English is typically used interchangeably with “street trader,” “hawker,” and “peddler” (Moser, 1978).

Street vendors refer to persons who sell goods in public space as well as those who provide services in public spaces, such as hairdressers/barbers; shoe shiners and shoe repairers; and mechanics (ILO, 2013). A street vendor is a person who offers goods or services for sale to the public without having a permanently built structure but with a temporary static structure or mobile stall (Chakraborty and Koley, 2018).

Street vendors are the largest sub-group of the informal workforce after home based workers. Together these groups represent 10-35% of the non-agricultural workforce in developing countries, in comparison with 5% of the total workforce in developed countries. Except in societies that restrict their mobility, women comprise 30-90% of street vendors in developing countries (ILO, 2002).

Street vendors frequently face eviction, arbitrary confiscations of merchandise, demands for bribes, harassment and physical abuse in their work place, including from code enforcers, police and other state actors. State sanctioned evictions that target street vendors are not infrequent and have been justified by city clean up for modernization; pressure from formal businesses who are worried from ‘unfair’ competition; and preparation for specific public events such as visits of

dignitaries, hosting of international sport competitions and other tourist events (Skinner, 2008, Bromley, 2000, Potts, 2007, Hansen, 2004).

Finally Street vending as an informal type of business, which offers goods for sale to the public, without having a permanent built up structure (Bhowmik, 2005). Other scholars define street vending as all non-criminal commercial activity dependent on access to public space, including trade from unlimited locations and mobile vending (Lyons and Msoka, 2010).

## **2.2 Theories of Street Vending Business**

### **2.2.1 Modernization perspective:**

Cross & Morales (2007) introduces that the street vending business was either seen as a residue from a pre-modern era that is gradually disappearing and it is as a part of the pre-modern economic order surviving only on the fringes of modern society. How could something think of as pre-modern be associated with, even revived by, modernity and completely at home with post modernity? the reasons for presenting with this conundrum was rooted in research on street vending in various countries – research initially rooted in the assumption that street vending should, by all logical criteria, eventually disappear. What we found, however, is that street vending, despite some problems and frequent attacks, is a thriving and growing phenomenon ironically driven, we believe, by government policy, and rooted to modernity's economic successes and subsequent inequalities, and most fully appreciated in terms of contemporary global economic changes authors associate with post modernity.

Street vendors in this view are depicted as a residual labor category which as summarizes, is from this perspective viewed as unimportant and destined to disappear (Bromley, 2000). Traditional informal entrepreneurs (e.g. as part of entrepreneurial communities, carrying forward family line of work) where likely to be found: - Established markets - Established informal hawking zones (Williams & Gurtoo, 2012).

### **2.2.2 Structuralism perspective: a necessity-driven activity:**

The street vending business is an endeavor into which marginalized populations are driven out of necessity in the absence of alternative ways of securing a livelihood, such entrepreneurship is a direct by-product of the advent of a de-regulated open world economy (Castells and Portes, 1989).

Involuntary informal entrepreneurs (e.g., migrants, mobile vendors) where likely to be found: - Lower-income areas (Williams and Gurtoo, 2012).

### **2.2.3 Neo-liberal perspective: a rational economic choice**

In recent years, however, participation in street entrepreneurship has been re-read either as a rational economic choice. For these neo-liberals, such entrepreneurs are heroes throwing off the shackles of a burdensome state and making a rational economic decision to enter street vending so as to escape over-regulation in the formal realm (Small Business Council, 2004). Voluntary informal entrepreneurs (e.g., selling unusual, nonperishable goods). Where likely to be found: Higher- and lower-income districts (Williams and Gurtoo, 2012).

### **2.2.4 Post-modern perspective: entrepreneurs as cultural/social actors:**

Final perspective again depicts such entrepreneurship as voluntarily chosen but rather than view it as a rational economic decision, it is seen more as a cultural endeavor. This is inspired by a small tributary of critical, post-colonial, post-structuralist, post-development and post-capitalist thought that moves beyond the conventional thin portrayal of economic endeavor as always purely market-like and profit-motivated and instead adopts thicker portrayals of the participation in economic endeavor which recognize the complex mix of logics, including social, community and cultural logics, often involved (Bourdieu, 2001)

Street vending has been practiced in many different ways. Most vendors sell goods, but some sell services, and some sell a mixture of the two. Some vendors are fixed in one location, using a kiosk or a heavy stall which remains in the same location for months or even years and is locked up and left under the supervision of a watchman when not in use. Others use heavy mobile stalls which are pushed from a storehouse into the sales position at the beginning of the working day and pushed back at the end. Still, others are fixed in location, but simply lay their merchandise out on the ground or on a sheet of cloth or plastic. Truly mobile vendors may push stalls on

wheels, carry their merchandise on their persons, or operate a stall off a cart, a tricycle, or a motor vehicle. Some mobile vendors sell to passers-by, some do door-to-door delivery, and still, others hawk from building to building (Bromley, 2000).

Williams and Gurtoo (2012) also review Street entrepreneurs being viewed more as social actors; Firstly, attention has been drawn to not only how the social relations between street entrepreneurs differ to normal market relations in that business and friendship relations blur and there are greater community solidarity and reciprocity, but also how to exchange relations between street entrepreneurs and their customers differ to mainstream market relations in that without recourse to a legal contract, interpersonal relations and trust become more important. Secondly, there has been a focus on how such entrepreneurship is pursued as a choice because of the greater personal freedom and flexibility it affords and allows them to gain control over their lives and third and finally, how this endeavor is often in the eyes of participants an expression of community support which allows customers to source goods they otherwise could not afford. Voluntary entrepreneurs (e.g., only working in mornings or evenings, selling unusual or nonperishable goods) Where likely to be found: - Higher-income districts.

### **2.3 Debates of Street Vending Business**

Chen, (2012) review conditions of work and the level of earnings differ markedly among those who scavenge on the streets for rags and paper, those who produce garments on a subcontract from their homes, those who sell goods on the streets, and those who work as temporary data processors. Even within countries, the informal economy is highly segmented by sector of the economy, place of work, and status of employment and, within these segments, by social group and gender. But those who work informally have one thing in common: they lack legal and social protection. Over the years, the debate on the large and heterogeneous informal economy has crystallized into four dominant schools of thought regarding its nature and composition, as follows:

### **2.3.1 The Dualist school**

This school thinks the informal business of the economy as comprising marginal activities different from and not the same formal business that provides income for the poor and a safety net in times of risk (Hart, 1973; ILO, 1972; Sethuraman, 1976; Tokman, 1978). This school argues that street vendors are out of modern economic opportunities due to the absence of balance between the growth rates of the population and of modern industrial employment, and a mismatch between people's skills and the structure of modern economic opportunities.

The Dualists accept to the notion that street vending business has small linkages to the formal business but, rather, operate as a distinct separate sector of the economy and that the street vendors assumed to be largely self-employed comprise the less advantaged sector of a dualistic or lined labor market. They give relatively little attention to the links between street vending and government regulations. But they recommend that governments should create more jobs and provide credit and business development services to street vending business operators, as well as basic infrastructure and social services to their families.

### **2.3.2 The Structuralism School**

This school sees the street vending business as subordinated economic units (micro-enterprises) and workers that serve to reduce input and labor costs and, thereby, increase the competitiveness of large capitalist firms. The informal and formal business as intrinsically linked. They see both informal enterprises and informal wage workers as subordinated to the interests of capitalist development, providing cheap goods and services. They argue that governments should address the unequal relationship between "big business" and subordinated producers and workers by regulating both commercial and employment relationships (Moser, 1978; Castells and Portes, 1989).

### **2.3.3 The Legalist School**

The Legalist school sees the street vending business as comprised of “plucky” micro entrepreneurs who choose to operate informally in order to avoid the costs, time and effort of formal registration and who need property rights to convert their assets into legally recognized assets (Holden & Rajapatirana, 1995).

The Legalists argue that a hostile legal system leads the self-employed to operate informally with their own informal extra-legal norms. This school focuses on informal enterprises and the formal regulatory environment to the relative neglect of informal wage workers and the formal economy per se. But they acknowledge that formal firms what De Soto calls “mercantilist” interests collude with government to set the bureaucratic rules of the game. They argue that governments should introduce simplified bureaucratic procedures to encourage informal enterprises to register and extend legal property rights for the assets WIEGO Working Paper held by informal operators in order to unleash their productive potential and convert their assets into real capital (Chen, 2005).

### **2.3.4 The voluntarist School**

The Voluntarist school also focuses on informal entrepreneurs who deliberately seek to avoid regulations and taxation but, unlike the legalist school, does not blame the cumbersome registration procedures. The Voluntarists argue that street vendors choose to operate informally after weighing the cost benefits of informality relative to formality. The Voluntarists pay relatively little attention to the economic linkages between street vending business and formal business but subscribe to the notion that street vending business creates unfair competition for formal business because they avoid formal regulations, taxes, and other costs of production. They argue that street vending business should be brought under the formal regulatory environment in order to increase the tax base and reduce the unfair competition to formal businesses (Chen, 2012).

## **2.4 Characteristics of Street vending Business**

The characteristics of Street vending based on employment that the people engaged in the informal business and enterprise that the activities in the informal market (CSA, 2004).

Firstly, workers have lower levels of education and rates of literacy compared with the formal sector, reflecting that poor human capital increases the probability of participation in the informal sector.

Verick, (2006) characterized the difference in the education levels of workers in the South African informal and formal sectors 37 percent of workers in the informal economy in South Africa have not completed primary school education compared to only 16 percent for the formal business. Many African countries where school leavers seek a job in the public sector, but as consequence of, there are few opportunities. At the same time, these youths do not have appropriate skills for other forms of formal sector employment in industry or service activities. These youths, therefore, end up unemployed or working in the informal sector, with many of them still queuing go waiting for a job in the public sector.

Secondly, given that wages are usually much lower in the street vending business; rates of poverty are subsequently higher amongst workers and families who rely on informal employment. According to the ILO, wages are on average 44 percent lower in the informal sector (ILO, 2002).

El Mahdi and Amer, (2005) Egypt earns approximately 84 percent on average of what workers receive in the street vending business. However, such estimates do not control for occupation, which has been found in the gender wage gap literature to have a large impact on the disparity between female and male wages.

Thirdly, street vendors typically work longer hours in the week; results for Egypt suggest that the average number of hours worked in the informal economy was 51.6 in 1998, while it was only 44.6 in the formal segment of the economy (El Mahdi and Amer, 2005).

Other decent work deficits that are more prominent in the informal economy vis-à-vis the formal sector include poor health and safety, high job insecurity, no worker representation and few opportunities for skill enhancement (ILO, 2002).

World Bank characterize "Informal Sector in Transition Economies" Informal sector activities can be described as follows: Coping strategies (survival activities): casual jobs, temporary jobs, unpaid jobs, subsistence agriculture, multiple job holding, Unofficial earning strategies (illegality in business), Unofficial business activities: tax evasion, avoidance of labor regulation and other government or institutional regulations, no registration of the company; and underground activities: crime, corruption - activities not registered by statistical offices.

## **2.5 Empirical Literature**

Four theories of street vendors such as Modern perspective, structuralism perspective, Neo-Liberal perspective and Post Modern perspective, from all the four theories, some practice were seen in my study area, such as: some shoe vendors like Post- Modern perspective only working second hand shoes in the evening time, and also like Neo- Liberal perspective their goods were unusual, non- perishable goods. Like structuralism perspective most vendors in Addis Ababa were migrants and mobile vendors.

The previous findings show Poverty reduction is one of millennium goal of Ethiopia, there are many strategies designed by the government of Ethiopia to eradicate poverty. One of the strategies is decreasing unemployment; only formal sectors were not enough to implement this strategy. Adenuts (2009) argues that Street Vending Business is the catalyst for economic growth and development through job creation, income, empowerment and poverty reduction in an economy.

In urban approach there are several reasons to success street vendors such as; consultation between vendors and officials, area-based management that provided a forum for street vendors and city officials to work together, collective action among street vendors, political momentum where the African National Congress came to power and the need to improve the lives of the poor came into focus; and the resources of the local authority the city had assets of 3.5 billion as well as land and its staff were well-trained and reasonably remunerate (Skinner,2008) .

### **2.5.1 Challenges of Street vending**

Street vendors are facing a lot of financial and non-financial obstacles and constraints. The greatest challenge facing street vendors is with the site of operation and right to trading space, environmental condition, security, transport, municipal services, affect local government, and finance (Sibhat, 2014). Beyond economic capability, street vendors are entrenched in a web of complex livelihood challenges, which go beyond self-empowerment (Joseph, 2011). Street vending is perceived as a major crisis and an eye-sore in the urban authorities and criticized for causing or contributing to a number of social ills that negatively affect cities (Palmer, 2007).

In Africa, Local Authorities were major challenges to the development of street vending activities. Most of them use restrictive policies, by-laws and regulations originally intended to control and regulate the growth of indigenous enterprises. The restrictions make vending principally illegal, and view vendors as responsible making cities dirty, obstructing traffic and therefore a public nuisance. The policies did not provide for any trade within the Central Business District (CBD), and most street trading activities that take place within the CBD had no legal provisions. The policies did not appreciate the role of street vending in an urban economy. For example in Uganda, the Local Government Act of 1997 does not engender review by-laws. The Act simply gives powers to Local Authorities to enforce laws and by-laws consistent with the National framework. This implies that the Local Authorities have to review their by-laws to be line with the 1997 Local Government Act (Rajabu, 2015).

The challenge of the New Urban Agenda is to position quality employment alongside quality habitat as pillars on which sustainable urbanization may take place. This challenge is significant when, in most regions of the global South, street vending accounts for more than half of total employment, and when self-employment outweighs wage employment. Within self-employment, street vending business is one of the most visible occupations, yet few cities successfully balance the need to support livelihoods with the need to manage public space is seen as a means of urban air pollution and then a case of sick on neighborhoods. And also the cause of increase the formal sector payment for pollution imitation tax cause they create pollution higher than formal sector due to nature of activity on the other hand none taxed at all (Allen, 1999 and Sarbajit, 2006).

**Like Miltullah (2003) seven challenges of street vending activities practically identified in Yeka sub-city of Addis Ababa are:**

- 1) The areas vendors operating their activities are considered illegal since the areas have not been set aside for trade. In cases where they are allowed to operate, the areas are considered temporary and eviction occurs at the will of urban authorities. There are various conflicts relating to their sites of operation. A major conflict often arises when the vendors are required to move in order to give way for planned development. This brings them into direct confrontation with urban authorities and land developers. Most of the spaces the traders occupy have no tenure, and are not allocated and sanctioned by urban authorities.

Most of the policies and regulations being enforced on street and market traders owe their origin to colonial policies, which were retrogressive with regards to small scale local enterprises. Street and informal traders require laws that recognize their economic activities as an important component of the urban economy, and ensure their right to trading space.

- 2) The areas occupied by vendors are open and expose traders to harsh environmental conditions. Most commodities of trade such as fruits, vegetables and clothes are affected by the rain and sun struck.
- 3) Municipal authorities have been the major source of insecurity for these traders. The authorities harass, beat and confiscate goods of street vendors without any warning. This does not only threaten the security of vendors but also their customers. A study of cities in South Africa has noted that an insecure environment results in loss of customers, frightens tourists, cripples business, reduces incomes, and generally interferes with trading. During harassments traders lose their commodities with some closing their businesses after losing their capital goods.
- 4) Street vendors have difficult to transport their commodities from their homes and markets to their trading sites. This is because most transport systems do not service the areas where vendors live, and in cases where they do, the vendors can hardly afford the service. And they forced to carry their goods on their backs or to hire handcarts or human carriers

to transport their goods. This is complicated further by lack of storage facilities, which makes the traders, carry back to their homes unsold commodities.

- 5) Sanitation is also not available to vendors and consumers. They operate without access to water and sanitation. The majority of vendors rely on unsafe water sources, unsanitary methods of refuse disposal and use of open spaces as sanitary facilities. Others obtain services from their homes or nearby residential areas. Even cleansing services provided by urban authorities are inadequate and do not cover trading areas of street vendors.
- 6) Financial constraint is the most problem of the informal sector, both insufficient capital and no source of credit.
- 7) Lack of technology, the required human and financial capacity informal sector lack information but information is necessary for capital building, product improvement and managing the marketing strategies.

Street vending had challenges such as; congestion, cleanliness and hygiene which have led urban services to be stretched beyond their limits resulting in inadequate supplies of potable water and sewage disposal (Njaya, 2014).

Bromley (2000) introduces the following challenges which are the same practice in my study area; the first one is through vendors in the roadway and the lively activity of street sales, crowded sidewalks, and pedestrians displaced onto the roadway may block motorist's sight lines at intersections and may distract motorists from their driving. And then street vendors may cause traffic accidents, increase the levels of vehicle-generated air pollution, and delay the flow of police, fire, ambulance and other emergency vehicles.

The next argument was like Megenagna, street vendors activity where entrance and outdoor from crowded buildings like theaters, stadiums and department stores, may block actions increasing the scale of the misfortune in the event of a major fire, explosion, or other hazardous circumstances. The other argument was Street vendors may attracting potential purchasers as they walk into a concentration of off street business customers and activity by catching them attention. Furthermore, some pedestrians and many motorists prefer to change direction from locations of street vending to walk or drive due to disturbed, irritated and worried by street vendor's solicitations.

Major problem rapid increase in number attribute to such causes; may not benefit from the dynamism of the formal economy, economic crises, excessive migration from rural areas, Street vendors may cause of decline tourist attraction that city cleanliness, beauty and silence, on the The street may generate a lot of noise with their announcements, and they and their customers often leave garbage on the streets.

### **2.5.2 Opportunities of the street vending**

Street vending plays an important role in employment creation, income generation and poverty reduction in many countries, especially developing like Ethiopia and transition countries. Statistics on the street vending activities are needed as an evidence-based tool for research and policy-making. They enhance the visibility of the many workers in the street vending business and of their economic contribution (Hussmanns, 2004).

Street vending business, in urban plans is essential for good economic governance and urban management (Skinner, 2008; Chen, 2004). Street vending business is Tool for Poverty reduction, analyses that the importance, definition and the problems of the informal sector (Wilson, Velis& Cheese man, 2006). In a developing country like Ethiopia, where the pressure of urban population is overall on the increase, the development of street vending business in employment generation and consequent eradication of poverty.

Street vending is an important source of income for much poorer segment of the society in the urban area. However, the operators are considered as unlawful entities and are subjected to continued harassment by Code enforcers and Community police. In Addis Ababa city people join street vending to be self-reliant, to support their family and due to absences of opportunities to engaged in the formal sector. Providing free-space, regulating the street vendors by issuing a license, providing training and credit, developing small-scale agro-industries in rural areas, including permanent markets and working places in the master plan of a city is important for improving the livelihood of the vendors (Yared, 2016).

Research shows that even in developed economies, street vendors continue to play a big role in the informal economy (Davis, 2012). In the US, for example, vendors fill voids that organized businesses cannot enter, such as providing food in low-income neighbor hoods of color (Benson, 2006). Vending also provides entrepreneurial opportunities to migrants who would otherwise

seek state support (Street Vendor Project, 2011). In some areas, street vendors also keep the neighborhood clean and ensure that the streets are safe (Benson, 2006). In some cases, street vending has actually lifted the profile of the place and organized retail businesses have profited from this (Benson, 2006).

Market forces such as price, quality and demand will determine the number of vendors that can be sustained. Such a demand cannot be unlimited. To make street vendors a special component of the urban development/ zoning plans by treating them as an integral and legitimate part of the urban distribution system. Promote self-compliance amongst street vendors and organizations of street vendors e.g. unions/ co-operatives/ associations and other forms of organization to facilitate their empowerment. To set up participatory mechanisms with representation by urban vendors' organizations, (unions/ co-operatives/ associations), Voluntary organizations, local authorities, the police, Residents Welfare Association (RWA) and others for the orderly conduct of urban vending activities. The policy is important to support child vendors by making appropriate interventions for their rehabilitation and schooling. The policy will be facilitating social security and access to credit for Street vendors through the promotion of co-operatives or federations micro-finance institutions (MFIs) (Sundaram, 2008).

## CHAPTER THREE

### 3. Methodology

#### 3.1 Description of the Study Area

The study was carried out in Meganagna area of Yeka sub-city. The area was selected because it is characterized by a substantial number of populations of pedestrians and high volume of street vending business activities, investment and has relatively better infrastructure such as the center of four major roads which connect it with different parts of Addis Ababa city.



Figure 1. Yeka Sub-City administration building

#### 3.2 Research Designs

This study was conducted in selected Sub-city of Addis Ababa City Administration (Yeka sub-city). The researcher was used both qualitative and quantitative research approach. Choosing an appropriate design to gather adequate and relevant information for the study is very important. Hence, with a consideration to make the research as efficient as possible to yield maximum information and to collect relevant evidence with minimal expenditure of effort, time and money, the researcher was employed a descriptive type of research..

### **3.3 Sources of data**

The study was employed both primary and secondary data.

#### **3.3.1 Primary Sources**

##### **Questionnaire**

Both quantitative and qualitative data collected from street vendors and code-enforcers by structured questionnaire. The questions were closed and open ended.

##### **Interview**

Semi-structured approach was used to seek results of data that are unexpected. The data was collected from government officials. The interview method of data collection is preferred due to its high response rate. Through interviews, clarification of issues is easily achievable leading to the accuracy of data from the respondents.

##### **Personal Observation**

Based on literature review the researcher to gather information through direct observation some situations which the respondents might not respond on questionnaire data collection time.

#### **3.3.2 Secondary Sources**

Secondary data was collected from variety of books, published and/or unpublished government documents and websites were reviewed to make the study fruitful.

### **3.4 Population**

A research population is a sum of individuals or objects with some related character known as the universe (Hayes, 2011) while the target population encompasses all set of units by which the researcher generalize his findings (Puhan, 2013). Therefore, the researcher was conducted the research on target population which includes Street vendors, Code enforcers and government officials.

**Table 16.Targeted Population of Yeka Sub-city Street vending**

S. no	Respondents	Study area	Target Population
1	Street vendors	Megenagna	1923
2	Code enforcers	Yeka sub-city code enforcement office	15
3	Government officials	Yeka sub-city Trade and Industry Office Street vendors Monitoring, support and transition Case team	9
<b>Total</b>			1947

*Source: Yeka sub-city administration Street vendors monitoring and administration team.*

### 3.4 Sample Size and Sampling Procedure

The basis for determining the sample size in each option is the level of precision or sampling error, the confidence level and the degree of variability in the attributes being measured. The sample size of the study was determined by using a simplified formula provided with a consideration of the 95% confidence level and 0.05 of the margin of error.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

N = Population Size

n = Sample Size

e = Precision (Sampling Error).

$$\text{Street vendors} \quad n = \frac{1933}{1 + 1933(0.05)^2} = \frac{1933}{5.8325} = \underline{331}$$

$$\text{Government officers} \quad n = \frac{9}{1 + 9(0.05)^2} = \frac{9}{1.0225} = \underline{9}$$

$$\text{Code enforcement} \quad n = \frac{15}{1 + 15(0.05)^2} = \frac{15}{1.0375} = \underline{14}$$

Accordingly, 331 respondents were selected from the total of 1923 street vendors, 9 respondents were selected from a total of 9 government officials and 14 respondents from a total population of 15 Code enforcers.

**Table 17. Targeted Population sample of Yeka Sub-city Street vending business**

S. no	Target Population(Responsible body)	Study area	Target Population	Sample Size	Error
1	Street vendors	Megenagna	1923	331	1
2	Code enforcers	Yeka sub-city Code enforcement office	15	14	-
3	Government officials	Yeka sub-city Trade and Industry Office Street vendors Monitoring, support and transition Case team office	9	9	-
<b>Total</b>			1947	354	1

Source: Own data (2019)

### 3.5 Method of Data Analysis

In order to analyze the data, descriptive statistics technique was used. Tabulation, percentages and frequencies using graphs and tables were used to describe. Hence, these data were analyzed by applying SPSS.

## CHAPTER FOUR

### 4. Data Analysis and Presentation

This chapter presents the analysis back ground of street vendors, the status and attributes of street vending, the challenges faced by street vending, the opportunities of the street vending and suggest possible solutions to sub city deals with street vending.

#### 4.1 Street Vendors Background

Addis Ababa, as a capital city of the country, is home for over many people and most of the people are migrants from different parts of the country. This big number of population is overcrowding the city and the chances of job opportunities are almost getting tough for most of the residents. The overflow of population forced most of the residents to participate in the informal working activities. And one of the informal activities is Street Vending. Street Vending in Addis Ababa is almost everywhere and it increased in recent times.



Figure 2. Photo of street vendors by the researcher at Megenagna ( 2019)

### 4.1.1 Place of Birth

The study shows political instability, population density, unemployment, low productivity in agriculture, and the need to migrate to the urban to search for employment has forced 90% of regional state young people to Addis Ababa. The only 10% of street vendors were Addis Ababa citizens during my study. Most of them want to be legal in researchers' informal interview. There are a lot of ways that government or any other institution can do to make them legal. One of those ways is to make them organize groups and arrange those loans as a starting capital. They also requested working land as they cannot afford to rent and work on any land in Addis Ababa. They would be very happy, as they said, to work in small and micro enterprises if the government or any other concerned body arranged things for them. Most of them do not work in these kind of illegal business as it lead them suffer a lot and brings pressure on them form the code enforcement bodies and even the legal entities are not happy with them and try to force them not work this business any more.

As table 3 show from 330 respondents, 297(90%) of them immigrate from outside Addis Ababa City administration. Only 33(10%) were born in Addis Ababa City.

**Table 18.Place of Birth of Respondents**

S. No	Place of Birth of Respondents	Frequency	Percent
1	Addis Ababa	33	10.0
2	Regional Cities and Rural area	297	90.0
	Total	330	100.0

**Source: Own survey (2019)**

### 4.1.2 Ages of Respondents

The following table 4 shows the age of street vendors. To gain accurate information I had used in Ethiopian age category which starting from youngish, youth, Adult and old age. The study shows from 330 respondents 16(4.8%) youngish (12-17 years old), 290(87.9%) youth (18-29 years old), 20(6.1%) adult (30-40 years old) and finally 4(1.2%) 41and above age categories.

**Table 19.Ages categories of Respondents**

S. no	Age categories of respondents	Frequency	Percent
1	12-17	16	4.8
2	18-29	290	87.9
3	30-40	20	6.1
4	41 and above	4	1.2
	Total	330	100.0

*Source: Researchers survey findings (May, 2019)*

The data shows most of the respondents are active age category. If government or Non Governmental Organizations invest on human power required investment, then befitted more and more.

### 4.1.3 Sex of Street vendors

The result shows that one third of respondents (33.3 %) were females, the large portion (66.7%) were males. The result shows the street vending is call attention of both sexes.

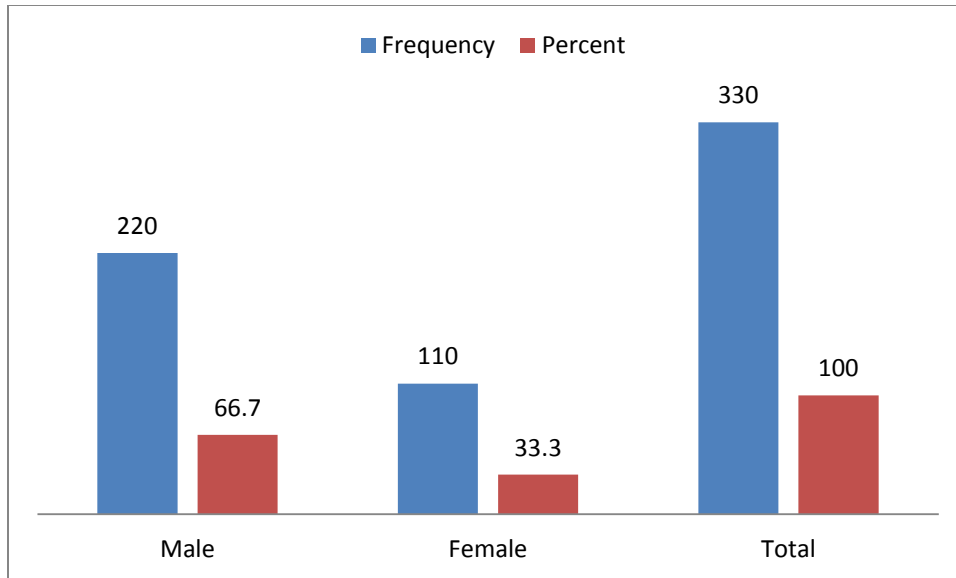


Figure 3. Sex of street vendors

#### 4.1.4 Marital status of Respondents

As shown the Table.5 below from 330 respondents 127(38.5%) were single, 198(60%) were married, 4(1.2%) were divorced and the only husband died (0.3). The study shows 60% of street vendors were married, but only 100(30.3%) have children, the remaining 230(69.7%), because they haven't enough income to born and grow children.

**Table 20. Marital Status**

<b>1. Marital status</b>	<b>Frequency</b>	<b>Percent</b>
Single	127	38.5
Married	198	60.0
Divorced	4	1.2
Died	1	.3
Total	330	100.0
<b>2. Do you have children?</b>	<b>Frequency</b>	<b>Percent</b>
Yes	100	30.3
No	230	69.7
Total	330	100.0
<b>3. Children size</b>	<b>Frequency</b>	<b>Percent</b>
One	42	12.7
Two	27	8.2
Three	20	6.1
Four	4	1.2
No	237	71.8
Total	330	100.0

Source: Own survey (2019)

#### **4.1.5 Previous Occupation of Respondents**

As shown in the table 6 below from 330 respondents; 23(7.0%) previous work status was formal business operators, 258 (78.2%) were student, 3(0.9%) farmers and 46(13.9%) daily labor. More of respondents' previous occupation lies on the student.

**Table 21. Previous Occupations**

S. no	Variables	Frequency	Percent
1	<b>Previous occupation</b>		
1.1	Formal business	23	7.0
1.2	Student	258	78.2
1.3	Farmer	3	.9
1.4	Daily labor	46	13.9
1.5	Total	330	100.0

Source: Own survey (2019)

#### **4.1.6 Educational Level of Street vendors**

Educational level of Illiteracy only 14(4.2%), but 160(48.5%) primary school students or they had cut their education below grade 8(eight), due to lack of supporter or neighborhood uneducated community safety, 147(44.5) certified secondary school, but they have no chance to join preparatory school, college and University and finally 9(2.7%) of them graduated from colleges and universities but they have no job opportunity.

**Table 22. Education level**

S. no	Education level	Frequency	Percent
1	Illiteracy	14	4.2
2	Primary	160	48.5
3	Secondary	147	44.5
4	College Diploma and above	9	2.7
Total		330	100.0

Source: Own survey (2019)

#### 4.1.7 Parents Occupation of Respondents

As shown in the table 8 below from 330 respondents; 66(20%) Parents' occupation is merchants, 12 (3.6%) government employees, 242(73.3%) were farmers, 10(3%) Self-employee, more respondents parents work occupation was farmers. This shows the main cause of increment of street vendors is low productivity in agriculture.

**Table 23. Parents' occupation of street vendors**

Street vendors parents' occupation	Frequency	Percent
Merchants	66	20.0
Government employee	12	3.6
Farmer	242	73.3
Self-employee	10	3.0
Total	330	100.0

Source: Own survey (2019)

#### 4.2 Challenges of street vending

Megenagna area was occupied by vendors are open and expose traders to harsh environmental conditions. Most commodities of trade such as fruits, vegetables and clothes are affected by the rain and sun struck. The Sub-City authority has been the major source of insecurity for these traders. The authority harasses, beat and confiscate goods of street vendors without any warning. This does not only threaten the security of vendors but also their customers. A study has noted that an insecure environment results in loss of customers, frightens tourists, cripples business, reduces incomes, and generally interferes with trading. During harassments traders lose their commodities with some closing their businesses after losing their capital goods.

Sanitation is also not available to vendors. They operate without access to water and sanitation. The majority of vendors rely on unsafe water sources, unsanitary methods of refuse disposal and use of open spaces as sanitary facilities. Others obtain services from their homes or nearby residential areas. Even cleansing services provided by urban authorities are inadequate and do not cover trading areas of street vendors.

Challenges of street vending in Yeka sub-city of Addis Ababa City administration to be bankruptcy, car accident and traffic jam, As they close the road, they expose the pedestrians to the thief, pollution, health problem on customers, City beauty is affected, It affects formal business owners, it encourage illegality, it exposes the sellers to rain, sunlight and disease and their goods are confiscated.

#### **4.2.1 Challenges faced by street vending with government officials opinion**

Unemployment had been a serious problem of country economic development. The interview result of government officials of Yeka sub-City trade office shows, push factors peoples to illegal trading such as: lack of formal job opportunities in government & nongovernmental organizations, shortage of land in rural area, poverty, drought, famine, political instability, formal business owners, which to maximize their profit by using street vendors, living costs, fear of tax and this business is easy to vend goods in a short time due to the place is more customers available.

#### **Environmental problems**

Government officials opinion to street vendors challenges while operating their business; such as: lack of favorable working place, pollution, affects the freedom of passengers, due to lack of shade the vendors exposed to Sun and rain fall, disturb the environment,

#### **Social problems**

The conflict between code enforcement body and street vendors and, not only but also themselves, leads to social security problem. They are considered as law and regulations abusing community. Due to street vendors close the passengers' way, the passengers exposed to car accident and thief. The low standard of street vendor's goods leads customers to unexpected argumentations.

#### **Economic problems**

Many times their properties taken by police and other security officials, it resulted in economic cries of themselves. Due to they didn't pay government tax, it affects country economic development and formal business owners' trade by decreasing competition with others.

Sometimes street vendors work with contraband operators, it decreases tax revenue of the government.

## Political Problems

Due to harassment of code enforcers, the street vendors don't choose the political leaders. They said due to the absence of democracy, it is difficult to work and live my home land freely and they had identified the gap of government in law implementation. Due to the inadequate vending site, they had politicized the system. Unless supporting these communities it is difficult to the government would face security and good governance in the sub city.

## Other problems

Each informal trader needs income to survive themselves and their families. Trying to stop their business without any other job opportunity, they face some day problem; such as: the street vendors conduct problem and administrative problems. Their number is increasing day to day, because they had seen the government start giving temporary vending site to street vendors. The work load concentrated on Code enforcers due to the mismatch between the number of street vendors and code enforcers..

### 4.2.2 Challenges faced by street vending opinion of street vendors themselves

#### i. Push and pull factors to street vending

The main challenges that forced people to be street vending business to be the increasing number of street vendors are: regional state youth immigration to Addis Ababa city due to population density, neighborhood safety, low productivity in agriculture, to support family, due to lack of supporter, inadequate previous employment condition, no opportunity for formal job.

**Table 24.Push factors**

s. no	Variables	Frequency	Percent
1	to support family	73	22.1
2	due to lack of supporter	164	49.7
3	inadequate previous employment condition	8	2.4
4	no opportunity for formal job	85	25.8
	Total	330	100.0

Source: Own survey (2019)

Table 9 describes the majority of vendors main cause is due to the lack of supporter, which is from 330 respondents 164(49.7). 85(25.8%) are operating their business lack of opportunity for a formal job. 73(22.1%) of them to support their family and finally only 8(2.4%) due to inadequate previous employment condition.

**ii. The obstacles that prevented street vendors from becoming formal Trade**

As shown in the table 10 below the main obstacles that prevented street vendors becoming formal trading is Lack of startup capital and market place which accounts 50% and 46.1% respectively. The reaming, 3.9% is because of inadequate skill.

**Table 25. Obstacles vendors do not transfer from illegal business to legal**

S. no	Variables	Frequency	Percent
1	Lack of startup capital	165	50
2	Lack of market place	152	46
3	Inadequate skill	13	4
	Total	330	100.0

*Source: Owen survey (2019)*

**iii. Challenges to street vendors on becoming informal Trade**

This data shows the majority of street vendors seek to operate a legal business. But they have different types of obstacles to become legal. As shown in the table below, 23.6% due to lack of Addis Ababa Identity Card, 35.8% of them registered to the temporary vending site, but they haven't got it. 11.2% of respondent said a temporary vending site which is given to registered street vendors was not adequate to trade, because the site is not suitable to trade. The remaining 21.8 and 7.6% Lack of chance given to them and startup capital respectively.

**Table 26. Views and comments on to be legal**

<b>S. no</b>	<b>Variables</b>	<b>Frequency</b>	<b>Percent</b>
1	Due to lack of Addis Ababa Identity Card	78	23.6
2	I have registered, but steal now the government didn't give me a vending place	118	35.8
3	The temporary vending site which is given to registered street vendors was not adequate to trade	37	11.2
4	Nobody gave me this chance	72	21.8
5	Lack of startup capital	25	7.6
	Total	330	100.0

Source: Own survey (2019)

- ☛ The above analysis shows that most of street vendors were happy to become legal, but they didn't fulfill the criteria of informal business.

#### **iv. The Living Condition of Street Vendors**

As shown in the Table.12 below 2.4% of them live with their parents, 16.7% live with their friends, 5 children or 1.5% lives in the street. 79.4% of street vendors were live in a rented house. Payment amount one person per month to rent house; 27% less than 500.00 birrs, from 501 -1500.00 berr (63.9%) and finally 4.2% paid 1501 and above per month.

**Table 27. The Living Conditions of Street vendors**

<b>1. Where do you live?</b>		Frequency	Percent
1.1	With my parents	8	2.4
1.2	With my friends	55	16.7
1.3	In a rented house	262	79.4
1.4	in street	5	1.5
	Total	330	100.0
<b>2. How much do you pay per month to rent a house?</b>		Frequency	Percent
2.1	Less than or equal to 500	89	27.0
2.2	501 to 1500 birr	211	63.9
2.3	1501 and above	14	4.2
2.4	0	16	4.8
	Total	330	100.0

Source: Own survey (2019)

### **4.2.3 Code enforcers opinions on Street vending Challenges**

As shown in the table 13 below; 7.1% of respondents said, the known challenges of street vending business is some of the registered street vendors also seen on the street, because the vending site is no appropriate to their business. 7.1% response they didn't fulfill the criteria of legal business, 14.3% said, it is illegal business, 14.3% answered this question, it affects formal operators, 7.1% supposed, it consequent economic crises of the country. 29% agreed they exposed to car accident and thief.

**Table 28. Code enforcers' opinions on Street vending Challenges**

S. No	Code enforcers' opinions on Street vending Challenges	Frequency	Percent
1	The given place is not adequate to their business	1	7
2	They didn't fulfill the criteria of legal business	1	7
3	It is illegal business	2	14
4	It affects formal operators	3	22
5	Economic crises of the country	1	7
6	They exposed to car accident and thief	4	29
	Total	14	100

Source: Own survey (2019)

#### **4.2.4 Challenges of street vending on Consumers**

One of the challenges of street vending on consumes is, Street vendors have no shelter to protect their goods from rain and sunlight. It affects the quality and durability of street vendors' goods. The other challenge is no guaranty after bought the goods from vendors' hand, because they are move one place to another. Finally the goods have no standard, most of electronics are forged, some goods are expired, forged or low quality standard goods affect formal sectors, etc.

#### **4.3 Opportunities of street vending**

Depending on literature review of Hussmannus (2004) Street vending plays an important role in employment creation, income generation and poverty reduction in many countries, especially developing like Ethiopia and transition countries. Statistics on the street vending activities are needed as an evidence-based tool for research and policy-making. They enhance the visibility of the many workers in the street vending business and of their economic contribution.

Street vending is the main livelihood of low income community, because it is cheaper than shop goods. Not only but also medium and high income community also have used street vending goods because of they didn't pay tax they had sold goods with discount price such as; fresh vegetables, fruits, roasted Grain and Peanut, clothes and socks, electrical equipment's, bugs,

Cosmetics, perfume, lotion and face-Cream, equipment's used for household purpose, cigarettes, wallet chewing gum, Candy, mobile cards and tissues, belts, umbrellas, Soap, watches, bandeau, barrette, hair grip, comb and brush, toy, books, etc.

Other opportunities to themselves is to give them experience for formal business, it is important to support their poor family, it protect them from addiction, dependency and migration. They have supply, second hand goods which pollute the environment were used by poor people. Due to street vendors came from different region, they share different behaviors, cultures and language each other. Due to making/ creating job opportunity by themselves, they have supporting the total micro economy of the country.

#### **4.2.5 The opportunities of street vending, in preventing youth idleness code enforcers opinion**

The following figure clearly put the code enforcers' opinion on the importance of street vending business to young people from addiction. 71 of them agreed this business is important to the preventing youth idleness. Only 29% not agreed this idea.



Figure 4. Contribution status of street vending in preventing youth idleness

#### **4.2.6 Positive impacts of street vending on formal business**

The goods which are not sold in formal sectors, sometimes street vendors save formal traders from crises by bought it with discount rate and simply sell it with the advertisement. Majority of street vendors goods were supplied by formal business owners. These contribute to increasing the market of them (formal trade owners).

#### **4.2.7 Opportunities that street vending contribution to the economy**

Street vendors making/ creating job opportunity by themselves are supporting the total micro economy of the country.

Opportunities of street vending to operators: they support their poor family, If they save their money, then they will pass to formal trade. To others: decrease inflation rate and living cost.

### **4.3 Government body deal with street vending to minimize challenges and to seek opportunities**

#### **4.3.1 Code enforcers responsibilities to deal with street vending**

Code enforcers are the main government body which controls and manage the street vending activities. The main duties and responsibilities of this government body are awareness creation to street vendors, for the rules and regulations of formal trade, confiscates goods from street vendors and they have deposited the confiscated goods to the government store and change it to money with following financial rules and regulations.

Figure 5. Observation data of code enforcers in Megenagna



### Controlling method to minimize challenges

As shown in Table 16 from 14 respondents 2(14.3%) punishment is the first solution to control street vending business, 2(14.3%) said awareness creation is mandated, 2(14.3%) said controlling root cause which is immigration from regional state to Addis Ababa. 1 respondent (7.1%) of respondents said, the solution to control street vendors is confiscated the street vendors goods. 2 (14.3%) Responsible body work Integrated with stack holders, 2(14.3%) Improving structural set up of Code enforcement office, 2(14.3%) create job opportunity, 1(7.1%) should be building their capacity to transfer them to legal business. All the above listed responses of code enforcers are constructive idea to control the street vending activities in Yeka sub-city of Addis Ababa City administration.

**Table 29. Controlling system of Street vending by code enforcers opinion**

s. no	Variables	Frequency	Percent
1	Punishment	2	14.3
2	By awareness creation	3	21.3
3	Controlling regional State immigration	2	14.3
4	Confiscate	1	7.1
5	Responsible body work integrated with stack holders	2	14.3
6	Improving structural set up of Code enforcement office	2	14.3
7	Create a job opportunity for them	2	14.3
8	Building their capacity to transfer them to legal business	1	7.1
	Total	14	100.0

Source: Own survey (2019)

## Managing system to deal with street vending

As shown the table below the opinion of 21.4% respondents is, the government should organize street vendors in one vending site. 21.3% advise and confiscate their vending equipment. 42.9% awareness creation to rule of law, otherwise taking legal action. 14.3% controlling the expansion of street vending business from the source.

**Table 30.Code enforcers' suggestion to deal with street vending**

S. no	Variables	Frequency	Percent
1	Organization of all street vendors at woreda level	3	21.3
2	Advise and confiscate their vending equipment	3	21.3
4	Awareness creation to rule of law, otherwise taking legal action.	6	42.9
5	Controlling the expansion of street vending business at source	2	14.3
	Total	14	100.0

Source: Own survey (2019)

### 4.3.2 Analysis result of the sub-City administration deals with Street vending

In Yeka Sub-city there is new permanent informal trade monitoring and supporting team was established by regulation code number 88/2009 and directive number 5/2010, in Sub-city trade office. This team was organized with a minimum of two employees in each woreda.

Yeka Sub- City administration government officials respond some important ideas to deal with street vendors to be Create job opportunity, prepare permanent vending site, organize in micro enterprise, train them for legal business and giving opportunity them to become legal, provide a place for illegal trade, Continuous control of code enforcers, increase the number of Sunday Market.

The government should work on them to legalize their business and allowing them to get in taxation and provide a place to shop on the street, administering them with formal trade rules and

regulations. Assigning quality control government body and establish its own sector should need to be monitored and support.

The interview result of this team shows the following points:-

### **Management of street vending**

The main responsibility of government is creating job opportunities for citizens that generate income which is enough to fulfill the need of the livelihood. The other alternative sustainable measures which promote them to legal market are temporary vending site and organizing some of who fill the minimum requirement of microenterprises.

The government was given attention to street vending business by recruiting experts on that field. This government body was working on awareness creation of street vendors to how to operate their business. Training titles such as: the quality of materials, duties and responsibilities of street vendors, trade rules and regulations etc.

### **The structural setup to manage a street vending business in terms of Sufficient and skilled staff**

Informal trade monitoring and evaluation permanent staffs were recruited in each woreda and in Sub-city level. The interview result shows the human power is not enough to implement this bulky work. Code enforcers' comment is also the same to government officials' idea.

Finally the current staff of informal sector monitoring and transition staff structural setup should rearrange with enough human and material resource is mandate in this analysis.

## CHAPTER FIVE

### 5. Conclusion and Recommendation

#### 5.1 Conclusion

Unlimited wants and limited resources always push people to illegal activities. As it was discussed in the introductory part of this paper; many research findings have shown that street vending is an unstoppable activity which is run without license majority of Cities in the world. The government now a days' tries' to stop such kinds of activity even if it is not enough or not go with the increasing activity of street vending, by its nature it requires different policy, rule, regulation and skilled man power and finance to control it and come up with alternative policies.

In this study, questionnaires were distributed to two responsible bodies of street vending such as; street vendors themselves and code enforcers. The other primary data was collected through interview with government official who are directly related to street vending.

Challenges of street vending business such as; bankruptcy, car accident and traffic jam. The other challenge to be the government lost huge tax. As they close the road, they expose the pedestrians to the throats. Pollution of environment, City beauty is lost, economic and social crises, health problem. It affects formal business owners and finally it affects the balance of country export and import.

In order to manage the street vending business, the data analysis shows to be create job opportunity to them otherwise taking legal action. The government should prepare permanent vending site, organize them in micro enterprise, train them for legal business and giving opportunity them to become legal. It is good for a government to provide a place for informal trade for modernizing and legalizing them. Continuous control of code enforcers, increasing the number of Sunday Market, lead them with trade law, forcing taxes and by tax deduction give them opportunity to be legal.

Opportunities of street vending to consumers; it is cheap to tolerate poverty, consumers obtain fresh vegetables and fruits with discount price, reduces unnecessary transportation costs, sometimes opportunity to consumers gain goods not available in formal sectors.

Opportunities of street vending to street vendors; fulfill their basic needs, job opportunity creation, it could give them experience for formal business, it protect youth from addiction, dependency and migration to other countries by illegal transportation.

The analysis result shows the sub city deals with street vending such as: the government should organize street vendors in one vending site, awareness creation to rule of law; otherwise taking legal action and controlling the expansion of street vendors from the source were main solution to decrease the number of illegal trade.

Government officials' interview feedback shows sustainable solutions which should have taken by the government to manage the street vending business; awareness creation and preparing favorite temporary vending site to promote them to legal trade.

## 5.2 Recommendations

- ☛ Government should build satellite city with more infrastructure and investment, to divert capital city population and minimize the number of street vendors.
- ☛ In review of literature researcher has agreed dualists' recommendation that government should create more jobs and provide credit and business development services to them, as well as basic infrastructure and social services to their families in their home region.
- ☛ Addis Ababa City Administration informal sector policy should cover all regional states and Dire Dawa City Administration.
- ☛ Government should provide a place for illegal trade for modernizing and legalizing them.
- ☛ Government should include enough and adequate vending site on new master plan of Addis Ababa City Administration.
- ☛ Organize some of who fill the minimum requirement of microenterprises.
- ☛ Any responsible body should give priority to support these people by mental revolution how to operate their business without damaging; economic, social, environmental, and political aspects of the city.

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## Appendix

This thesis Questionnaires were prepared by Habte Bekele School of Graduate Studies, Addis Ababa University, College of Business and Economics, Department of Public Administration and Development Management.

The objective of these questionnaires is to look at the challenges and opportunities of the street vending business. I here by assuring you that all obtained through this questionnaire shall be used for academic purpose only and will be handled and stored with the highest order of confidentiality.

Your information is absolutely confidential and thanks to you for your cooperation in responding to this questionnaire.

### Part I. Street Vendors

#### Back ground

1. Place of Birth: -----
2. Age -----
3. Sex    A) Male    B) Female
4. Marital Status A) single B) Married C) Divorced
5. Do you have children? A) Yes B) No,
6. If yes how many children do you have? -----
7. Previous Occupation? A) Formal business B) Student    C) Government Employee D) Farmer E) Other ...
8. Education level 1) Illiteracy 2) Primary 3) Secondary 4) College Diploma and above
9. What is your parents' occupation? A) merchants B) Government employee C) Farmer D) self employee E) other -----
10. Vending site a) Megenagna b) Ayat c) I haven't fixed the vending site
11. What are the main reasons that forced as you to be a street vendor?
  - a) to support family b) due to lack of supporter C) inadequate previous employment condition d) no opportunity for a formal job e/ all
12. What were obstacles prevented from becoming formal trading?

- a) Lack of startup capital b) Lack of market place c) Inadequate skill d) Lack of encouraging government policy e) if any other -----
13. Is your business profitable? A) Yes b) no.
14. Describe the advantages and disadvantages you receive from the business you are doing here? -----
15. List the main kinds of goods which are sold by you? -----  
-----
16. What about your relation with code enforcers? -----  
-----
17. Do you have savings in the bank or other institutions excluding working capital? A) Yes  
b) No
18. If yes, could you please specify the monthly saving amount?  
\_\_\_\_\_ Birr.
19. Did you have other source of income? A) Yes B) No
20. If "Yes" what is the source of income? A) Paid government employment b) self employment c) Daily labor d) Assistance from relatives e) Agriculture f) Put any Other income source : \_\_\_\_\_
21. How much is the average monthly sales volume of your goods?  
\_\_\_\_\_ Birr.
22. Where do you get the goods? A)from formal sectors B) Producers C) Contraband D) others specify -----
23. Does the government want to give you a temporary business site why you don't register to become legal? -----
24. Where do you live? a) With my parents b) With my friends c) In a rented house d) in street e) other -----
25. How much do you pay per month to rent a house? a)  $\leq$  500 b) 501 to 1500 birr c) 1501 and above

**Part II. Code enforcers**

1. Do you think their number is increasing? A) yes b) no
2. How do you control them? -----
3. Do you feel your job is effective? A) yes b) no
4. Do you know the source of street vending goods? A) yes b) no
5. If yes from where they brought it? -----
6. Why they didn't agree with the government to be legal? -----  
-----
7. Do you think that this work will help young people from losing their time? -----  
-----
8. What are the challenges of street vending related to your job description? -----  
-----
9. What kinds of measure do you use against the street vendors?
10. Do you confiscate goods?
11. What do you do with the confiscated goods?

**Part III. Interview Guide line to the Government officials**

1. What are the reasons that expand the street vending business? -----  
-----
2. What are the challenges faced that street vendor while operating their business?
  - 2.1 Environmental problems -----  
-----
  - 2.2 Social problems -----  
-----
  - 2.3 Economic problems -----  
-----
  - 2.4 Political Problems -----  
-----
  - 2.5 Other problems -----  
-----
3. What are sustainable mitigation measures taken by the government to manage the street vending business? -----  
-----
4. What are opportunities that street vending contribution to economy -----  
-----
5. What are the negative impacts of street vending on formal business? -----  
-----  
-----
6. What are the positive impacts of street vending on formal business? -----  
-----
7. Are you aware of the benefit of formal (Legal) business to street vendors? A) yes B) no

- 8.** Do you think that there is a relationship between formal business owners and street vendors? ---  
-----
- 9.** What structural setup do you have to manage a street vending business in terms of Sufficient and skilled staff? -----
- 10.** How many street vendors are operating in Yeka sub city? -----
- 11.** How many vending sites are given to street vendors? -----