



**CAUSES AND NEGATIVE CONSEQUENCES OF STREET VENDING IN  
ADDIS ABABA, THE CASE OF GULELE SUB-CITY**

**BY**

**WONDU TADESSE ID NO: GSE/0900/12**

A THESIS SUBMITTED TO THE DEPARTMENT OF PUBLIC ADMINISTRATION AND  
DEVELOPMENT MANAGEMENT ADDIS ABABA UNIVERSITY IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE DEGREE OF MASTERS IN DEVELOPMENT MANAGEMENT

**JULY 2021**

**ADDIS ABABA**

**ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND  
ECONOMICS DEPARTMENT OF PUBLIC ADMINISTRATION AND  
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**THESIS ADVISOR: -JEMAL ABAGISSA. (PHD)**

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**APPROVED BY BOARD OF EXAMINERS**

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## **DECLARATION**

I hereby declare that this MSc./MA thesis is my original work and has not been presented for a degree in any other university, and all sources of material used for this thesis proposal have been duly acknowledged.

Student's Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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## Acronym

CSA.....	Central Statistical Authority
CSO.....	Central Statistical Office for Government of Botswana
GDP.....	Gross Domestic Product
IEMS.....	Informal Economy Monitoring Study
ILO.....	International Labor Organization
LDCs.....	Less Developed Countries
MFIs .....	Micro Finance Institutions
MOLSA.....	Minister of labor and social affairs
NASVI.....	National Association of Street Vendors of India
NGO.....	Nongovernmental Organization
OECD.....	Organization for economic co- operation and development
UN.....	United Nation
WB.....	World Bank

## **ABSTRACT**

*The study was aimed at analyzing the causes and consequences of street vending and suggesting mitigating solutions that Addis Ababa Gulele sub-city administrators face in managing street vendors and keeping the sub city in order. However, the street vendors' issues cannot be solved at the sub-city level, even at the city level it cannot be solved, they are national affairs, and so it needs a national response. The study employed both qualitative and quantitative research methods, with data gathered through convenience and purposive sampling from 196 street vendors, 25 code enforcers, 25 street vendor customers, and government officials via questioners and interviews. The sample size of the survey was calculated using a sample size determination formula for an unknown population size. According to this study, the major causes of street vending are incompetence in the formal market, unemployment, government bureaucracy for licensing. The major negative effect of street vendors are creating traffic and sidewalk congestion, tax evasion, environmental pollution, selling poor quality items, and being threats to existing businesses by occupying legal trading areas to attract more customers. The study recommended providing financial credit for street vendors, revising criteria of registration, and licensing street vendors within the aim of fair and equitable access. It is important to work in rural development to prevent rural urban lobar migration. Organizing street vendors' associations and generating awareness helps them understand their rights along with their obligations to work in a self-disciplined manner.*

**Key word:** *Street Vendors, Causes, Consequences, mitigating mechanisms,*

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. BACK GROUND OF THE STUDY

The informal sector or informal economic system is about the activities and incomes that are partially outside government regulation, taxation, and observation. The primary appeal of the undeclared economic system is financial. The activity lets in employers, paid employees, and the self-employed to grow their take-home domestic income or lessens their expenses through escaping taxation and social contributions. It is a means of employment for those who cannot find a job in the formal sector. (World Bank, (2016) Cited in Amsale, Alebachew,(2017). Street vendors are one of essential parts of the urban informal economy in developing countries.

A street vendor is broadly defined as a private who offers goods purchasable to the overall public at large without having a permanent built-up structure from which to sell. Street vendors either could even be stationary, within the sense that they occupy space on the pavements or other public/private spaces, or could even be mobile within the sense that they move from place to place by carrying their merchandise on push carts or in baskets on their heads. Sharit K, Bhowmik (2013).

There is substantial increase in the number of street vendors in the major cities around the world, especially in the developing countries of Africa, Asia and Latin America. There are two main identified generic causes of street vending in many countries including Ethiopia. Firstly, lack of livelihood coupled with poverty in rural areas that pushed people out of their villages in search of a better life in the metropolis. These migrants do not have proficiency or the education to enable them to find better paid, secure employment in the formal sector, and they have to settle for work in the informal sector. Secondly, there are two main identified generic causes of street vending in many countries including Ethiopia. livelihood coupled with poverty in rural areas that pushed people out of their villages in search of a better life in the metropolis and those how lost their job by different reasons and their relatives are forced to look for low paid work in the informal business to survive . Sharit K, Bhowmik (2013).

Street vendors are a large part of the urban informal economy. It's an omnipresent feature of the urban landscape. It takes on the Urbana sidewalks, at squares, at highway intersections, on parking lots, in left over spaces, and round churches. Street vending is a key means of economic survival for urban poor's so, this lead to an increasing in street vending activity in the city. However, they play very important role in the urban economy by providing employment, income and other items to the public. In many countries the urban poor prefer to buy their needs from street vendors because the goods that they sell are usually cheaper and affordable than those found in formal vendors shops (Saha, 2009) Street vendors sell different kinds of goods such as cultural clothes, different kinds of clay pots , second hand clothes, vegetables, fruits, food stuffs, plastic goods, cosmetics, gloves, masks, sanitizer , alcohol, and various household necessities which are manufactured in small scale or home based industries. They also provide crucial needs for consumer demand that the formal sector cannot adequately serve on the right time.

The street vendors are blamed for creating problems in the sidewalks of streets in many of the developing countries. Sharit K. Bhowmik (2005), Timalsina (2007) and insanitary condition of urban spaces, chaos, crime, congestion, and illegal access to urban spaces are some issues they are accused of. Kumar, and Singh (2009), however street vendors do mostly not occupy the spaces completely some parked cars and other materials are cities greatest encroach of public space and blockage to the movement of pedestrians (Jonathan, 2006:4 cited in Tamirat mengistu, (2015 )

Street vendors are viewed as underground activities that challenge the healthy function of the formal economies This perception has resulted in conflicts with urban authorities over licensing, crime (pick pocketing) and stealing formal business operator's customers, Affect free movement of pedestrians, denying the government revenues that can be collect in the form of taxes. The city and the sub city administrators are failed to create fertile ground for vendors. There regulatory practices are characterized mainly by selective enforcement of regulation where as the cause and the consequence of street vending is not remedied rather expanded in volume of street vending and street vending associated problem. Amsale Alebachew (2017)

Associated with fast urbanization and socioeconomic challenges, studies have proposed inclusive street design and management that accommodate sidewalk vendors' efficiently. Kibret Gebremedhin,Hago, (2020). Municipal authorities would issue policies and regulations that govern activities of street vendors. Under such governance system, the authority provides

protection services for street vendors that may include services like licensing and provision of shed for street vendors. Providing licenses to street vendors would enable authorities to regulate the activities of street vendors by setting specific codes of conduct (Koch, 2015; Meneses-Reyes, 2018)

Therefore, this study intends to examine the main driving factors and major negative effects of street vending. It may contribute to policy -makers to understand why street vending is increasing and how challenges faced by street vendors can be used for the formulation of appropriate policy that can reduce the challenges caused by the street vendors.

## **1.2. STATEMENTS OF THE PROBLEM**

The informal sector is expanding and contributing substantially in creating employment, generating income and reducing poverty. In addition, according to Mathur and Bacchetta (2009) ILO research elucidate that the informal sector was not a symptom of underdevelopment. Nevertheless, the informal sector is quantitatively very significant in developing countries. It is not dominated by petty traders and shoeshine boys but rather consisted of diverse activities that have an important socioeconomic role to the countries development. Due to this many governments are adopted policies to enhance the efficiency of programmers for the informal sector. There is now increasing recognition that the economic benefit of the urban informal sector so far be more important than its costs, and this is particularly so given its role in employment creation. For example, recent studies show that the informal sector accounts for more than 60% of the non-agricultural employment in the developing countries in general. The issue is now confronting governments of developing countries. Not whether the informal sector exists, but rather what should be done to make it more productive and, efficient and to integrate it into the formal economic development process. Lautaro Ojeda, Andrea Pino (2019)

As a developing country, Ethiopia's urban economy is largely characterized by the informal sector. According to the Central Statistical Agency of Ethiopia (CSA) Survey Statistics Report, 50.6% of the country's national urban workers are employed in the informal sector (CSA, 1999 cited in Chalachew 2018).

In all the cities covered, street trade is uncontrolled and a source of employment and income for many of urban dwellers and the disadvantages .the streets of Addis Ababa are becoming vibrant and crawling, especially after the work-hours; with street vendors sell different merchandise. As

Tesfaye Getnet indicate on capital news paper in 2019 the exact number of vendors in the city is unknown but 2014 a random study point out there was 87,000 street vendors at that time now, it is estimated there is over 117,000 vendors are working on the street without paying taxes or holding any license.

Street vendors are mostly those who are not successful to get regular jobs. This section of the urban poor tries to solve their problems through own scarce resources. Unlike other sections of the urban population, they do not demand that a government to create jobs for them, or they did not engage in stealing and begging, they are living their life with a dignity and a self-respect.

However, street vendors are concentrating very heavily in a few locations, they are not spread across the city, and they prefer to work in the highest levels of the pedestrian and vehicular area. This contributes to vehicular and pedestrian congestion, increases the levels of vehicle-generated air pollution, and impedes the flow of vehicles. Vendor's crowded sidewalks in the roadway, and pedestrians displaced onto the road may cause traffic accidents. They are unlicensed by the urban government and illegally accessed to urban spaces; a cause of environmental pollution and health risks, this makes their relationship with urban authorities sorrow. (Bhowmik, 2003:2). Street vendors are also accused of failing to pay taxes for the city administration, creating "unfair competition" with off-street competitors because they do not pay tax, house rent and other mescaline expense. They are also blamed for diverting the formal sector customers. In addition, they can leave or relocate their businesses more easily, street vendors have a greater opportunity to swindle their customers and avoid official regulation than vendors in fixed retail establishments. Off-street retailers frequently accuse street vendors of using inaccurate scales to offer short weight, and of not posting prices so that they charge extra once they suspect the purchaser doesn't know how much he or she should be paying.

The informal sector, specifically street vending in Addis Ababa, is a more research-able area. The number of street vendors is growing very rapidly, it requires understanding their role in urban development and to what extent street vending is a source of the problem in the city and to take the necessary administrative decision based on scientific research is essential. A few previous studies were conducted related to this topic: Amsale, Alebachew,( 2017) "Street vending and Local Authorities in Addis Ababa city: Challenges and the way forward". It is about the challenging factors against street vendors in the Addis Ababa city administration. Problems

created by street vendors on vehicle and pedestrians movement, and pollution to the environment of the surrounding, Habte,Bekele, ( 2019) in a title “Challenges, and Opportunities of Street Vending in Addis Ababa City: the Case of Yeka Sub-City” is about identifying the condition and attributes or Challenges, and Opportunities of Street vending. All the studies had a limitation about how to solve problems of street vending. And the current situation of street vending required much more to be examined and understood about the existing enormous increasing number of street vendors and the problems followed with vending activities in the study area. So this study will focus on assessing the major causes and negative consequences of street vending.

Therefore, this study has intended to examine the root causes and major negative effects of street vending and also give due attention to investigate and propose options that solve the street vending management problems in Addis Ababa Gulele sub- city.

### **1.3. OBJECTIVES OF THE STUDY**

The general objective of this study is to assess the root causes, and major negative consequences of the street vending and propose options that may solve a street vending management problem in Gulelesub-city.

#### **1.3.1. SPECIFIC OBJECTIVES**

The study has the following specific objectives:

1. To identify the reason to choose street vending in Addis Ababa, Gulele sub city.
2. To identify negative effects of street vending in Addis Ababa, Gulele sub city
3. To identify the challenges to manage street vending inAddis Ababa, Gulele sub city?

### **1.4. RESEARCH QUESTIONS**

To conduct this study the researcher will use the flowing research questions.

1. What are the reason people to Choice Street vending in Addis Ababa, Gulele, sub city?
2. What are the negative effects of street vending in Addis Ababa, Gulele sub city?
3. What are the challenges to managing street vending in Gulele sub city?

## **1.5. SIGNIFICANCE OF THE STUDY**

This study is useful to the government and street vendors. *It* provides information about the current situation of street vending so that it has contributed to the formulation of effective and efficient policies for the improvement of the livelihood of street vendors and eased the burden of the city administration in controlling them, as well as helping concerned bodies to focus on the root causes of street vending rather than giving attention to the observed problems. In addition to this, the study may facilitate further studies on the street vending problem since there is little relevant and comprehensive data on the problem of street vending.

## **1.6. SCOPE OF THE STUDY**

The scope of the study is restricted to street vendors' current situations in Addis Ababa Gulele sub-city. Moreover, the study is mainly concentrated on the root causes that led to street vending and the negative consequences that resulted from the street vending in the study area, and also to propose possible solutions to the street vending management problems.

## **1.7. LIMITATIONS**

In order to conduct research on the causes and consequences of street vending and to identify possible solutions, there were limitations to the study. The study is restricted only to the Gulele sub-city. It does not represent the whole street vendors' group, and the target group was not registered to determine the appropriate sample size, so the sample of this study may not truly represent: In addition, time and financial constraints are also limitations faced during the study.

## **1.8. OPERATIONAL DEFINITION OF KEY TERMS**

In this study basic concepts are given operational definition working specifically for this study.

Accordingly

**Cause:** is a reason for an action or condition: an agent that brings something about

**Consequences:** is something produced by a cause or necessarily following from a set of conditions

**Street vendors** are those who trade without a permit, trade outside formally designated trading locations, or self-allocation of shelter for trading.

**Informal economy:** All socially desirable economic activities which produce goods and services which are considered in national account calculation but escapes from government observation, regulation and taxation.

**Code enforcers:** are government officials who prevent and control illegal construction and illegal street trade.

## **1.9. ORGANIZATION OF THE STUDY**

The study is organized in five chapters. The first chapter deals with the introduction part which includes the back ground of the study, a statement of the problem, Objectives of the Study research questions, the significance of the study and scope of the study. The second chapter is about literature review. The third chapter deals with the research method of the study. Whereas chapter four deals with the data analysis and discussions, and the fifth chapter is about the conclusion and recommendation.

## **CHAPTER TWO**

### **2. A REVIEW OF RELATED LITERATURE**

These literature reviews of the study argue about theories, characteristics of the informal sector, definitions, causes, consequences of street vending business and solutions to street vending management problem that are written by different authors and researches conducted by different scholars. These theories and empirical findings are important to conceptualize the study and used as supportive ideas in line with the discussion of the findings in this study.

#### **2.1. INTRODUCTION**

Almost all cities in the world are increasingly offering their residents better opportunities for employment and income. As an outcome, we have observed a long-term trend of migration and urban centers. Because of this, the majority of people live in cities for the first time in human history (UN-Habitat, 2010). This spatial demographic shift means that the number of people and the varieties of uses that compete for urban spaces have multiplied; competition for urban space is more intense than ever before. The enlargement in size and complexity of urban areas has led to increased attention to the institutions, laws, and norms that govern the city. Scholars and others have long observed that many of the recent human settlements and economic activities are urbanizing areas fall outside the prevailing formal economic and social arrangements. The questions of the viability, importance, and legitimacy of current informal social and economic arrangements have drawn the attention of many academics by including pedestrian and customer safety. Vending, however, can contribute to civic vitality, economic development, employment, and services and merchandise provision. To realize these benefits, some involve new models of public space that accommodate commercial activities like vending into city plans. These types of competing narratives have made street vendors the focus of intense scrutiny, with governments and even administrations within the same government reaching different conclusions on their legitimacy and the proper level and manner of regulatory oversight. Raphael W. Bostic (2016)

## **2.2. CHARACTERISTICS OF INFORMAL SECTOR**

In the urban center the majority of the jobs are informal. It is characterized by a numerous of small-scale production and service activities that are individually or family-owned, which use labor-intensive and easy skills. Todaro and Stephen,( 2003). It is also easy to enter, reliance on indigenous resources, and family ownership of enterprises or activity operated by the owner with few or no employees. In addition, it is small scale of operation, labor incentive and adaptive technology, the skills it acquired is outside the formal school system, they have little or no access to organized markets, absence to credit institutions support; unregulated and competitive markets unprotected by labor regulations and without social security are also Characteristics of the informal sector. Etsubdink, (2014).

We can categorize characteristics of informal sector based on employment that the people engaged in the informal sector and the enterprise activities in the informal sector.

Characteristics of the people engaged in the informal sector are absence of official protection and recognition , Non coverage by minimum wage legislation and social security system , Prevalence of own-record and independent work , Absence of worker's guild association , Low pay and wages , Little professional stability and No incidental advantages from institutional sources

Characteristics of informal sector by activities are Unregulated and competitive markets, Small scale operation with individual or family ownership, Ease of entry , Family ownership of enterprises, Reliance on locally accessible assets, Labor intensive and adjusted innovation and Absence of admittance to institutional credit or different backings and assurances. Etsubdink, (2014)

Characteristics Street vending varies in term of scale; timing, location, remuneration; workforce and types of goods sold and services provided, It can be a part-time occupation, a full-time occupation or seasonal occasional. It can be carried out by one person or more than that but can also be a franchise of a larger street business. It can be a means of livelihood strategy or part of a big business. The earnings of road sellers thusly differ generally.. At the same time, street vendors mostly sell home-based products and agricultural products that would otherwise be difficult to market and are as such an essential to the economy. Moreover, street vendors mostly

provide their service for the urban poor because they sell cheaper products. There are no work guidelines at the worldwide level dealing directly with street vendors. The way wherein street vending is drawn nearer at the homegrown level changes definitely starting with one country then onto the next.. Numerous countries regulate this activity by providing a clear legal framework and jurisdictional mandates, while others have overlapping jurisdictional mandates, which create confusion and conflict, and others still, street vending is simply considered as illegal. Etsubdink, (2014)

### **2.3. DEFINITION OF STREET VENDORS**

The definition of the informal sector is a central question within the study of the informal sector itself and difficult to say: what's informal and what's not? The majorities of the responses within the literature are working definitions and ask a spectrum of firm characteristics defining different degrees of informality. One issue facing researchers is that for several variables of interest, the informal sector's weight within the economy, its role in economic process and productivity, the effect of the investment climate, the estimation attain from one study to another can vary greatly depending on the definition used (Mbaye and Benjamin, 2014). A second issue concerns the plan to define criteria that are relevant to the realities of both developed and developing countries, which even have strong differences. However, street vendors are identified as self-employed workers in the informal sector who offer goods and services on the street without having any permanent structure as distributors of affordable goods. Street vendors give customers advantageous and available retail alternatives and structure an essential piece of the social and monetary existence of a city. The road distributing as an occupation has existed for a long time, and is considered a foundation of numerous urban areas (Mohan K. Doibale, 2019). Street Vendors are those who have no fixed job in the formal sector because of low level of education and skill. Therefore, they run this business as their main livelihood due to their inadequate resources, but this business activity does not meet their need (Bhavan, 2009). Timalina (2007) stated that a street vendor may be an immobile or mobile who occupies public or private spaces through carrying their materials on push charts or in cycle or by baskets on their heads, or may sell by moving. Broadly defined, street vendors include all those selling goods or services in public spaces with impermanent built-up structure (Indira, 2014).

Street vending is one among the foremost visible activities within the informal economy, and it's found everywhere in the world, both in developed and developing countries, it's been defined in many various ways by various authors. However, a standard theme among definitions is the location of trade. It may include trading without a permit, trading outside formally designated trading locations and non-payment of municipal/national taxes or self-allocation of shelter for trading (Lyons and Snoxell, cited in Amsalu, Alebachew (2017)). Marketing strategy of the informal sector is diverse such as change in stock quality, quantity and variety of goods to be merchandized. The popular strategy among street vendors is reduction of stock. They were worried about the decrease in the quality of product that might have fewer repeat customers. And they use another strategy like changing work schedules and changing the work location (SERGIO, 1999)

### **2.3.1. THEORIES OF INFORMAL SECTOR**

Informal sector has three schools of thought such as romantic, Parasite, and dual. The romantic view (DeSato, 1989) holds that most of the informal undertakings are not quite different from the formal one; the difference is that they were born in an informal environment. If they intervene by the government interns of policies, regulations, skills and capital, they could perform in the same way as the formal sector (Granström, 2009). Based on this view, the informal sector is an engine of growth just waiting to be released by giving informal firms their property rights (Porta& Shleifer, 2008). By this view, informal firms are potentially productive but held back by government policies, regulations, and limited access to finance. Subsequently, if such hindrances were dispensed, informal businesses would register and take advantage and benefits from their formal status. Generally, this view believes that informal undertakings are basically almost like official ones.

The Parasite perspective on informal firm's undertakings sees it from the viewpoint of lawlessness and presents them as a way to acquire an unjust advantage in their opposition with the conventional area (Porta and Shleifer, (2008). It sees informal sectors as getting by to the detriment of the proper area. The Parasite view holds that informal firms need to remain little to dodge location.

The choice to stay in the informal economy is a normal one on the grounds that the expense benefit of getting away from duties and guidelines permits informal firms to undermine official

firms in costs. Informal firms are subsequently harming development in light of the fact that their limited scale makes them inefficient and in light of the fact that they remove a piece of the overall industry from more profitable, formal contenders. Government strategy should intend to annihilate informal firms by decreasing tax avoidance and expanding unofficial law authorization.

According to the dual view as advocated by Harris and Todaro (1970), informal firms are highly incompetent, do not pose much threat to the formal firms, but also do not add to economic growth, which is driven by the resourceful formal firms (Porta&Shleifer, 2008). The dualists argue that the informal firms and their operations have few connections to the formal economy, but, rather, operate as a separate sector of the economy (Chen, 2007). Given the diversity of the informal economy, there is some truth to each of these perspectives.

The romantic view of informality states that if the street vendors will be empowered in terms of business permits in policy, license, appropriate business skills, regulation of special vending zones, vending association, and business security, they would provide enormous income growth and general business development that in turn could reduce poverty. Nancy Benjamin, et.al. (2014)

Each school of thought subscribes to a different causal theory of what gives rise to the informal economy and suggests their own possible solution based on their ideological attitude towards the informal sector, so it is a task of policy makers to formulate an appropriate policy that can either suppress or promote this sector. Toleration, prohibition, or permission because it depends on the government's political ideology to decide which measure is best to manage the informal sector.

## **2.4. CAUSES OF STREET VENDING**

Peoples are involved in street vending due to many factors the following are among them

### **2.4.1. MIGRATION FROM RURAL AREAS TO THE URBAN CENTERS**

Economic hardships experienced by many young people in urban area have resulted in the creation of several approaches in search of better livelihoods. Impact of an expanding population growth in the time of globalization is compounded by a rapidly accelerating migration from rural areas to the metropolitan communities. This rapidly increased of urbanization and led to employment problems. Urban labor force expands faster than the employment generated in the

urban sector of formal economy. So urban centres are not able to make available employment to all job seekers in formal jobs, looking forward for opportunities for earning their livelihood, therefore, they are forced to find other chance in informal sector of urban settlement. (Mohan K. Doibale, 2019) Todaro (1981) argues many factors are for rural to urban mass movement in developing countries such as social factor, physical factors including demographic, climate factors including rural population growth, communication factors and cultural factors like improved transportation, transformation to modernization impact: Television, Radio, and the Cinema also creation of one job in the formal sector is attracts more than one migrant. Due to push and pull factor of migration the rate of migration from the rural to the urban area will greater that of the number of jobs generated by the formal sector. Todaro and Michael (1981)

#### **2.4.2. UNEMPLOYMENT**

The low educational level of the street vendors is the reason for low-skills, and this leads to inability to seek out a formal job with better payment. Thus, low level of education and lack of skills to be used within the formal sectors is among the main causes for engaging in street vending activity. The absence of opportunity of formal jobs because of illiteracy and lack of skills are the major cases to their engagement in the informal sector (Girma, 2009).

#### **2.4.3. UNABLE TO FULFILL FORMAL ECONOMIC CRITERIA**

Different investigations have affirmed that street vendors are among the most marginalized sections of the urban poor. As reiterated earlier, they provide all sections of the urban population with daily household supplies at reasonable prices. This makes street vendors a vital part of the urban economy. They are self-employed workers who exist regardless of highly hostile circumstances owing to their entrepreneurial abilities. Low-cost credit for better investment and advanced income is required. Social needs such as wedding, educational expense of children and medical expense of a close relative force them to borrow money even for non-income-generating reasons mostly at very high rates of interest. It hinders their economic well-being and impacts their entrepreneurship development and income. Guaranteeing them low-cost credit will not only benefit them, it will also help many other small-scale industries and their employees who thrive on them. Sharit K. Bhowmik and Debdulal Saha (2013)

#### **2.4.4. TO AVOID TAX**

Peoples choose street vending due to income earned is without paying tax for government, independence, entrepreneurial spirit, how to construct occupational skill and solution to employment (Kingslow et.al. 2003). Informal economy is caused by increase of tax and social security burdens. Because the over tax system encouraged people to stick untaxed economic sector (Report, 2000)

#### **2.4.5. POVERTY**

The existences of poor people in most urban corners as well as rural villages of developing countries also justify the existence of the sector. Because the informal sector is a sector of “the poor, by the poor, for the poor” selling survival goods to provide the needs of poor population. Most of this people spend their income on food items 70 to 80 % with an increase in urban poverty and demand for survival goods, the informal sector continues to expand. Hayat Abdulahi, (2000).

#### **2.4.6. EASIER TO ENTRY**

Why people motivate to participate in to informal sector is easier opportunity-and/or necessity-driven as dualistic point of viewed it can considers necessity strategy but also prefer to participate within the informal economy because they need freedom of operating their own business; they have flexibility in determining hours or days of operation; they will use and Develop their creativity (Williams, 2009). In addition the are free from other factors Compared to other low-wage urban jobs like daily laborer, housemaid, etc. most choose it part to its freedom from extra burden from their employer, to its simple operation and irregular and flexible working hour so as to fulfill social obligations and home works, etc. (Webster &Fidler, 1996).

### **2.5. NEGATIVE CONSEQUENCES OF STREET VENDING**

Road sellers are not uniformly spread across the city. They pack intensely in a couple of areas, and those areas are regularly the focuses with the most elevated levels of passerby and vehicular blockage. Walkers going through road markets and individuals sitting in fixed or sluggish vehicles are continually presented to seeing labor and products at a bargain in the city, and they will frequently make motivation buys. Extra road sellers float towards the clog, since that is the place where accessible interest is concentrated. Subsequently, through a course of round and aggregate causation, both road deals and levels of blockage are additionally expanded are

additionally Street vendors of food and drink present significant health problems issues on the grounds that their product might be more presented to the sun, to air contamination, and to defilement by passers-by, in light of the fact that couple of have power and modern cooking and refrigeration gear, and on the grounds that they can leave or move all the more effectively if an episode of food contamination starts. Some street vendors are also accused of selling contraband, fake or contaminated goods, and disappear or just change the location before they will be located by angry clients or the police. They are not skilled professionals and responsible like formal vendors, they refuse to give guarantees for repair services or to exchange defective goods. Ray Bromley. (2000) formal business owners and customer of street vendors frequently accuse street vendors of using inaccurate scales to offer short weight, and not posting prices so that they charge extra once they suspect the purchaser doesn't know how much he or she should be paying Bromley. Ray. (2000)

Street vendors fail to give receipts and keep accounts, to pay charges on their income, and to charge deals or add duties to their clients. They are continually blamed for presenting "unfair competition" "to burden paying off-road businesses, undercutting their off-road rivals since they pay fewer overheads and no charges. Ray Bromley (2000)

The street vending is embedding extra middlemen into marketing chains, advancing unnecessary utilization and supporting a petty capitalist, competitive ethic. The proliferation of street vendors is considered dysfunctional to the economy as a whole, pulling labor away from places and economic activities which need to grow and devote it to fundamentally useless activities. Manpower planning and training should redirect street vendors to jobs in such fields as construction, manufacturing, agriculture, schooling and medical services. Bromley Ray (2000)

Overall negative Consequences of street vending identified by Scholars are congestion and obstruction by vehicular and pedestrian flows, tax evasion, symptomatic of backwardness; being threats to existing businesses that occupy legal trading areas to attract more customers,. Disruption of the environment vending of shoddy and poor quality items due to poor handling and absent or shortage of storage health and safety risks; poor quality and sanitation practices, and lack of appropriate business permits.

## **2.6. REMEDIES FOR THE NEGATIVE IMPACT OF STREET VENDING ACTIVITIES**

### **2.6.1. DEVELOP A NATIONAL STREET VENDOR'S POLICY AND LICENSING**

Develop a National law or policy that gives street vendors legal status and formulate formal relationships between the municipal authorities and street vendors. Higher municipal authorities would issue policies and regulations that govern activities of street vendors under such governance system the authority provides protection services for street vendors. (Sisy,Dirbe2021)

Providing licenses to Street vendors would enable authorities to regulate the activities of Street Vendors by setting specific codes of conduct Licensing system is also essential for guaranteeing as a working place for the urban poor. It helps for differentiating Street Vendors into two social groups authorized and unauthorized - On the other hand, licensing ensures Street Vendors the right to demand infrastructure from the municipality. In addition, licensing protects the vendors against illegal acts from anybody. Licensing also helps them to create more sustainable markets for their products as customers usually develop confidence when buying from licensed vendors.(Sisy Dirbe 2021)

### **2.6.2. SETTING TIME AND SPACE**

Setting hours of for street vending in which the most potential customers will see booth. A study of area foot traffic during different time frames will identify the best hours of operation for the vendor's. And to pedestrian reduced congestion .The alternative way to manage cities environment is the responsibilities of individual who live in the cities. One of the possible alternatives to manage cities environmental problems are giving affordable space for street vendor to carry out their businesses. (Ofori 2007) Street management is a way to accommodate the social and economic needs of the community and at the same time ensure efficient use of public space, sustainable development and safety of road users Hence accommodating street vendors on the road infrastructure itself through street management is also considered by authorities as a further alternative solution ( Kibret Gebremedhin Hagosa 2020)

### **2.6.3. DEMARCATING PEDESTRIAN MOVEMENT**

With regard to traffic congestion and accident necessary width of road has to be reserved for pedestrian movement and vending activity has to be permitted within demarcated width of walk away with suitable space allocation. Vending activity should be done away from vehicle movement and preparing ample parking area for safety of vendors, customers as well as for drivers Addisu Hailu. (2017)

### **2.6.4. REDUCING RURAL-URBAN MIGRATION**

The alternative to reduce rural-urban migration setting integrated rural development policy, to rise agricultural production, increasing rural labor productivity, increasing farm inputs like fertilizers, selective seeds, pesticides, price motivations and increase access to credit and better health facilities, education, clean water, electricity, market center, relocation on voluntarily from extremely degraded zones to where there potentially productive irrigable plots may reduce the movement of people to urban center(Asmame, 2011).cited in Addisu Hailu .(2017).

### **2.6.5. RELOCATION, CONFISCATION AND EVICTIONS**

These types of regulation mechanisms are Common governance practices it is a “selective logic of regulation” that generates uneven rules and uneven levels of control across s urban spaces (Xue and Huang, (2015).

In India Authorities come to the conclusion in the case obstruction of a street; when side walk is being affected by street vending. Relocation of street vendors to designated market places is used as a possible alternative to this situation (Mitullah, 2003). However, vendors may oppose the relocation plan considering the benefit and social network at their current location Boonjubun, (2017);Onodugo et al., (2016.)To implement relocation the vendors should be noticed as the initial step before starting to the relocation process. In case of relocation, compensation in allotment of new vending site should be provided for the registered vendors. With regard to confiscation of goods street vendors will be allowed to get their goods back within permitted time on payment of agreed fee, determined by local authority Evictions A third mechanism through which state actors exert unequal power is arbitrary evictions, often linked to electoral cycles or mega-events (Bhavan, 2009).cited in Addisu Hailu .(2017).

## **2.7. EMPIRICAL REVIEW**

### **ILLEGALITY**

Majority of street vendors around the world, undertake business with fear of eviction, jailed, harassed, and fined because the laws do not recognize their operations. In many cases they pay a part of their daily sales as a bribe in order to continue do business (Bhowmik, 2005). Almost in all countries in Asia and Africa with exception of part of India Street vending is illegal and sometimes they are treated as criminals. Urban authorities in Sub-Saharan Africa except South Africa, operate with out-dated restrictive policies and regulations that lay emphasis on the illegality of street trade. Beside this, many vendors are not aware of these policies and regulations. On March 2014, the President of India approved a law passed by both houses of Parliament, titled Street Vendors (Protection of Livelihood and Regulation of Street Vending) Act, 2014. According to the law, every street vendor in India shall have a right to carry on the business of street vending activities in the vending zones allotted to him in accordance with the terms and conditions mentioned in the certificate of vending (Gupta, 2014). India is the only country that has provided legal protection to street vendors for conducting their business. For the betterment of the street vending business to work for poverty reduction, there is a need for the African governments to address supportive policies, regulations and organization of street vending, that will take into account the current problems facing street vendors. NasibuRajabuMramba(2015

In China, street vending does not mean being in a state of illegality. Rather, it should be understood as being in an unstable situation in which it is illegal by law but selectively tolerated, suppressed and authorized by the state in practice. XueDeshengHuangGengzhi (2015 )

#### **2.7.1. BUSINESS LOCATION**

Tanzania and Zambia has taken some initiatives to assist street vendors in terms of business locations. Tanzania built 7-storey building by the government to accommodate 10,000 street vendors in the Dares Salaam city. Unfortunate vendors refuse to use the building for the reason that the location of the building is not accessible to customers, rent is high, and avoidance of paying tax. Instead, they prefer the open-air roadside the same thing is also happened in happened in Lusaka Zambia, where in 2009 the government built Soweto Market and allotted the vendors with stores. However the allotted vendors did not occupy instead they continue vending

on the street. The reason for rejection was high rent rates (Ndhlovu, 2010). The fact is that, street vendor's can't operate where there are no customers, therefore the Tanzania government stop spend billions to build the particular infrastructure, instead assign specific roads, streets for street vending business only. The lesson is; the local government authorities should include the street vending aspect in the urban planning policies. NasibuRajabuMramba(2015)

### **2.7.2. BUSINESS LICENSE**

The Tanzanian Licensing Act (1972) requires every person doing business in Tanzania to own the business license. Trade licenses is a requirements the government that permit individuals or companies to conduct business within the government's geographical jurisdiction. In Tanzania, street vendor was served by License since 1980s. its purpose was to provide a limited legal status for microenterprises which were really too small to envisage what is often called the „big“ license (Nelson & De Bruijn, 2005). Unluckily the Business Licensing Act, 2003, bring to an end the hawking license, hence making the Street vendors business being illegal (Lyons &Msoka, 2010). Furthermore the Tanzania Business Registration Act 2007, aimed at simplifying doing business, in Tanzania Street vendors do not have a business license, hence operate informally/illegally. NasibuRajabuMramba(2015)

In developed countries like the United Kingdom and United States, food vendors have identity cards and vending permits and they pay a specific amount of money as a fee. Licensing is used as a tool for collecting tax and levies from the formal business by the local authorities. In Cambodia street vendors pay different taxes and costs e.g. Rent for space, rent for umbrella, tax, hygiene fees, security fees, and other fees (Kusakabe, 2006). Cited in NasibuRajabu Mramba(2015).

### **2.7.3. STREET VENDORS ASSOCIATIONS**

National Association of Street Vendors of India (NASVI) is One of the best street vending associations in the world .it has more than 540 member organizations, involving over 350,000 individuals (Ray, 2014). It is a coalition of trade unions, community based organizations (CBOs), non-government organizations (NGOs) and professionals. It is responsible for ensuring livelihood and social security of street vendors through policy interventions and changes in

political, legal environment, building capacity of street vendor organizations, evidence gathering and dissemination of evidences and issues concerning street vendors and undertaking schemes , And programs enabling street vendors to get access to financial services. Such as Credit Cooperatives, Self Help Groups, formal banking institutions and insurance companies (Nasvi, 2014). NasibuRajabuMramba(2015)

#### **2.7.4. STREET VENDING POLICY**

Street vending policy is a tool for setting standards in the provision of public goods and services. Policies protect consumers, investors and the general public, while by-laws set controls that ensure that urban areas are safe and clean (Mittulah, 2003). In most of the African cities there is no specific policy for street vending business, they are governed by either trade policy or small and medium enterprise policy, while their business environments are quite different. Among other issues a street vending policy should address the main challenges of street vending business e.g. business location, license, taxation, skills development, inclusion of street vending business in urban planning, and harassment from the local government authorities, public and formal business owners NasibuRajabuMramba (2015)

In the Chinese context, however, this exclusion has recently intensified social contradictions and challenged the harmonious discourse. With provisions of supportive spaces, a geographically ambivalent approach is adopted to alleviate the tension of the exclusionary framework and promote social harmony.

Nevertheless, the Harmonious Society project might not promise a fully inclusive city for street vendors because it serves as an ideological device to maintain social stability for the sake of further capital accumulation. The real intention of the local government is to control street vending in ways that attain the dominant goal of protecting the city's image while alleviating social contradictions. Absolute negation is inappropriate in the discourse of Harmonious Society, but a fully inclusionary approach would also be harmful to urban development because it might lead to an inflow of migrants into the city to engage in street vending. So, the combination of permission and prohibition seems to be a rational governance strategy; it provides the government with a flexible space in the control of street vending, and enables it to balance competing policy goals. This structure further suggests that the future configuration of degrees of the exclusion and inclusion of street vending is largely subject to the needs of the city authorities

to secure a good image and urban order and to address problems of people's livelihoods and social stability required by the harmonious Society project.

#### **2.7.5. STREET VENDING IN ADDIS ABABA**

Of the informal activity, street vending comprises a widespread economic activity in Addis Ababa. The urban poor are typical involved in this activity. Street vending in the city significantly contributes to the city employment. An integral part of the urban economy, they provide a wide variety of good at bargain prices. One finds street vendors and their markets in almost all the district of the city selling goods and service without obtaining a permit, giving receipts or paying taxes. Some of the vendors operate on busy roadways and intersections where a large crowd gathers in a large number of people or at a bus stop, especially at the first and last stop. Other walks around the city selling goods or services without a permanent place to operate Girma, (2009).

According to (Melekot 2006), it has become evident that rapid growth of Addis Ababa is providing both opportunities and risks. One particular aspect emerging as a downside of the growing urbanization process is the increase of informal trade, most notably; street vending has been expanding unabated for the past two decades despite many attempts made by the city government to address the problem. Efforts made so far address street vending by way of providing small vending shops and allowing Sunday Street markets had little to contribute to abating the problem. But, street vending has rather expanded in volume and continued as a nuisance for the city residents and a threat to legal traders. In a general context, street vending is widely understood as an inevitable phenomenon tied to urban growth. In the context of Addis, it has proliferated as a way of life and a coping mechanism adopted by those economically under privileged segments of the society. It is also considered as the chief source of self-employment for the unskilled labor force that has been increasing with each passing day as a result of increased rural-urban migration. Policy makers, town planners, law enforcement bodies and other stakeholders have to think and find ways of addressing street vending socio-economic problem. It is an irrefutable fact that street vendors often take illegal and risky ways to avoid accountability. Each day they have to carry heavy loads of goods and play the hide and seek game to avoid the risk of being confiscated by law-enforcement bodies. The physical environments in which they work always create chaotic scenes which are a real nuisance for

drivers and pedestrians. Street vending not only creates chaotic scenes but also causes traffic accidents and obstructs side-walks. Obviously, street vending hurts legal trade and hurts economics by denying the government revenues that it would have collected in the form of taxes; thus, the growing problem is not unseen by the city administration (Melekot, 2004).

Street vending also poses a health threat as many are engaged in vending food items on the streets. Since street foods are produced by those with limited knowledge about food safety with little care. In that regard, most users have a good chance to be a victim of health risks.

Micro and Small Enterprise Development Program has been given due consideration by the public authority since 2004/2005. The program has been largely successful. However, when it comes to street vendors there has been little done to organize them in micro and small scale enterprises. Besides rural urban migration exacerbated the street vending problem Street vending is all about trading without paying tax and the nuisance it creates on the streets has its own negative impacts. To help those who want to assist their family from street vending, the Addis Ababa Trade and Industry creates open spaces market which are far from traffic congestion and Sunday Market areas to accommodate street vendors and those residents who depend on these markets.

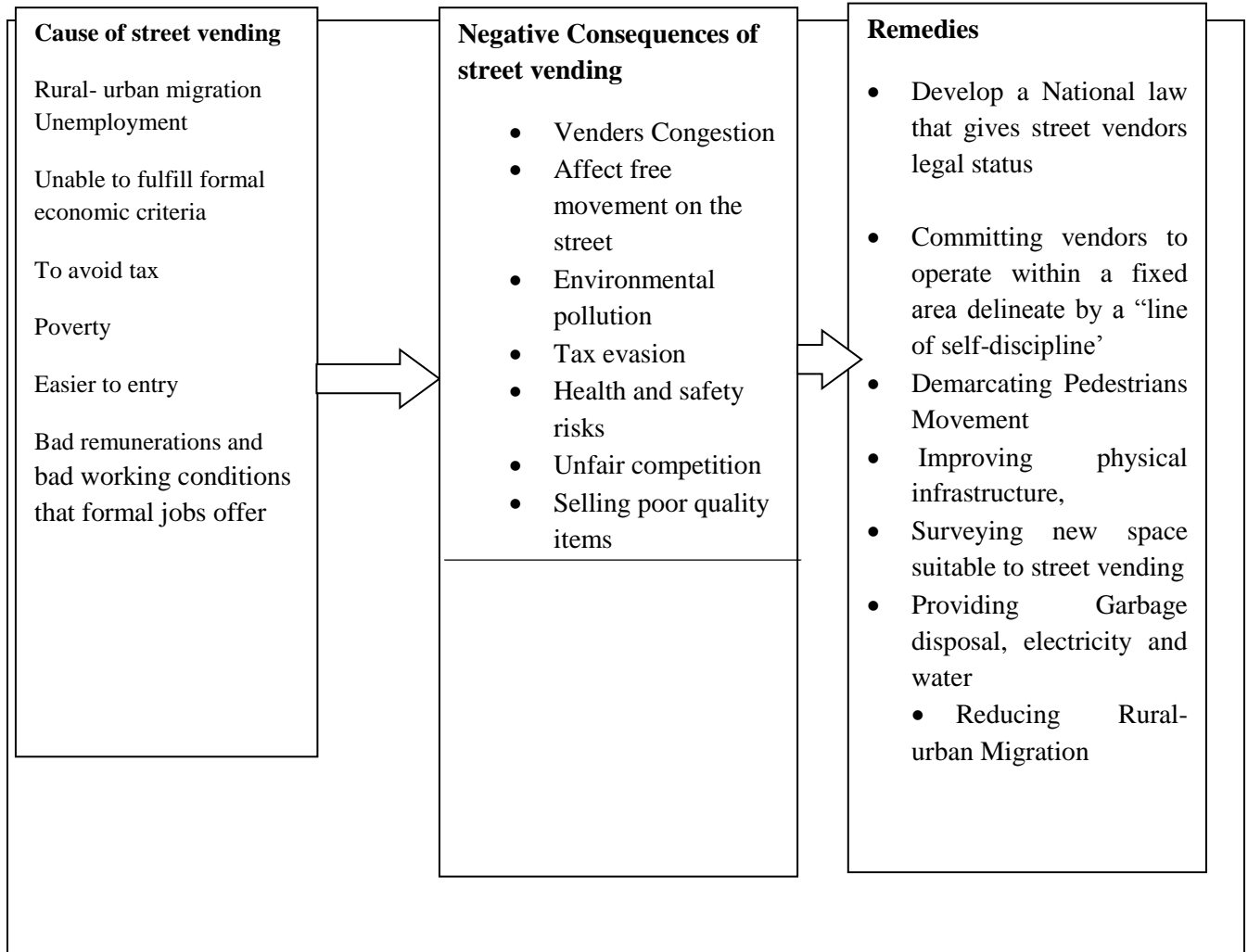
Street vending is the biggest suppliers of consumable goods to many residents of Addis Ababa particularly when it comes to goods produced by the urban agriculture sector. Some segments of the street vendors get their commodities from those engaged in urban agriculture and supply them to low income consumers. Amsalu, Alebachew (2017).

## **2.8. CONCEPTUAL FRAMEWORK OF THE STUDY**

From the literature review it is inferred that rural-urban migration, unemployment, unable to fulfill formal economic criteria, to avoid tax, poverty, easier to entry, bad remunerations and bad working conditions that formal jobs offer are driving factors for informal economics prevalence. And this leads to the negative effect of street vending, so the solution to this mentioned effect is cited side by side. As the motive of the study is to assess the negative effect of street vending, its positive effect is not encompassed in the conceptual framework. Thus, based on the reviewed

literature, the researcher developed a conceptual framework to assess street vendors in the diagram below.

### CONCEPTUAL FRAMEWORK



Source: - Self Constructed

## **CHAPTER THREE**

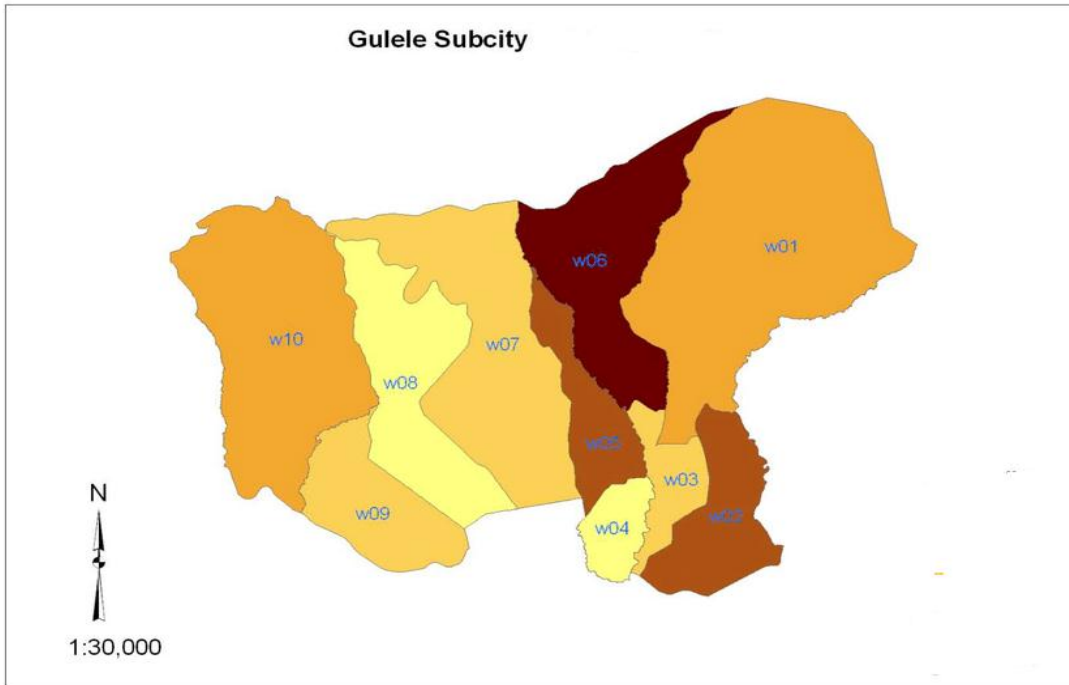
### **3. METHODOLOGY**

This chapter discusses about the method of research. The Chapter starts with research area description, research design and focus on study population, sampling, and sources of data collection and data analysis, which are significant to achieve the research objectives.

#### **3.1. DESCRIPTION OF THE STUDY AREA**

Gulele sub-city is located in the northern suburb of the city (Addis Ababa), near the Mount Entoto and Entoto Natural Park. It located at a geographical coordinate of 9 3,46.8••N and 38 44•36.96•E. Gulele sub-city has a population of 346.026 with the household size4.2 .the sub city has a total area of 3224.85 hectares (CSA, 2007) Gulele sub city is one of the eleven newly organized sub cities in Addis Ababa. The sub city is bordered with kolfekeranio sub city in the West, yeka in the East and Addis ketema and Arad sub -cities in the south and Oromia regional state in the North (Addis Ababa, 2009:130) The reason to choose Gulele sub city to conduct the study is the researcher was familiar with the area and knew some of the situations of the street vendors in the area referred, and the research site is easily accessible than other sub cities of Addis Ababa

**Fig 1. Map of the study area**



Source: Addis Ababa city administration integrated land information center(june2013)

### **3.2. RESEARCH DESIGNS**

Research design is the framework of research methods and techniques chosen by a researcher. Schindler (2003) argues that research design is a blueprint and arrangement of investigation so conceived as to find and collect answers to research questions. In order to assess the causes and consequences of street vendors and to find a solution to the street vending problem in Addis Ababa gulele sub-city, the researchers used an Explanatory Research Design to conduct the study. Because, explanatory research design is useful for conducting research, identifying the extent and nature of the cause-and-effect relationship. With regards to the research method, this study was academic research and it applied a cross-sectional study; the study of a particular phenomenon (or phenomena) at a particular time.

### **3.3. POPULATION**

The research population is a sum of individuals or objects with some related character is known as the universe (Hayes, 2011) while the target population encompasses all sets of units by which the researcher generalize his findings (Puhan, 2013).however identifying the target and appropriate population is a very difficult task in doing a research if inappropriate target group is being studied the finding obtained from the study would be useless so The sample to be drawn from the population must be representative in a sense that it must be capable of drawing the conclusion that can be valid for the population.

. The population of the study was all street vendors who operate their business in Addis Ababa gulele sub-city, However, the target population of the study was all street vendors who operate their business in five selected high street trade area They are Sidist kiloo, Sheromeda, Addisu Gebeya, Medehanialem church and kchene. In addition, all concerned government officials, Code enforcers of the sub city and customers of street vendors ware parts of a target group of the study.

### **3.4. SAMPLE SIZE DETERMINATION**

It tends to be a general rule out quantitative research that the larger the sample the more accurate your results. However, the researcher got to remember that he/ she could also be restricted by time and money in order that he/she must be confirm that he/she can construct a sample which will be manageable.

Sampling enables the researcher to study a relatively small number of units in place of the target population, and to obtain data that are representative of the whole target population. In most cases, however, researchers opt for an incomplete coverage and study only a small proportion of the population, a sample. Sampling is, thus, the process of choosing the units of the target population which are to be included in the study.

There are different strategies or approaches of determining the appropriate sample size. The most widely used approaches are; one, taking a census for small population, second, using a sample size of a similar study, it is an approach to use the same sample size as those of studies similar to the one you plan, A tired one is to rely on published tables which provide the sample size for a

given set of criteria and The fourth approaches is using application of one of several formulas to determining sample size

From the above approaches to determining the appropriate sample size, the researcher used the second approach with convenience sampling techniques to take samples of 196. The sample size was determined with unknown sample size determination formulas. (Sarantakos, 1998: 159)

$$\text{Sample size} = \frac{pqz^2}{E^2}$$

P: population estimate (15%)

q: refers to the value derived by subtracting P from 100; (85%)

Z: refers to the level of confidence (1.96 preferred level of confidence by the researcher)

E: refers to the maximum deviation tolerated from the proportions (a deviation from the population percentage, 5%)

$$= 15 \times 85 = 1.96^2 / 25$$

$$= 1275 \times 3.8416 / 25$$

$$= 4898 / 25 = 196. \text{ Adopted from (Sebsib 2015:87)}$$

In this study, 5 key informants were included purposively from Gulele Sub-city trade and industry officials. In order to encompass all code enforcement officials in the study is difficult because their number is enormous, so 25 code enforcers and 25 street vendors' customers participated in the study. 5. Code enforcement and five customers were randomly selected from each district where high street trade is conducted. The vending districts are "Sidist kiloo, Sheromeda, Addisu Gebeya, Medehanialem church and kchene. 251 respondents were investigated. The summary of sample size is indicated in the table below.

**Table 3.1. Sample size of the survey**

	Respondents	Study area	Sample size of
1	Street vendors	Street vendors in the study area	196
2	code enforcement	Gulele sub-city code enforcement officers	25
3	authorized official	Gulele sub-city Trade and Industry officials	5
4	Street vending customers	Gulele sub city street vendors customers	25
	Total population		251

Source: Own data 2011/3.5. DATA COLLECTION TECHNIQUE

In this research both primary and secondary data sources were used for the success of the study. And three types of data gathering tools were used for the purpose of primary data collection; those were questionnaire, interview and personal observation methods. The questionnaire and interview were prepared in English and then translated to Amharic because respondents are Amharic speakers. Personal observation was also conducted. It allowed gathering information through direct observation that respondents might not respond to the questioner. In addition, this technique supports and strengthens the collected data through questionnaire and interview.

The secondary data are collected from documents, journals, articles and other research available on the internet that related to street vending and were useful for the research and were part of secondary data sources and support as evidence for the findings of this study.

### **3.6. Method of Data Analysis**

After the data has been collected, it should be edited and well coded, and be presented in a way which is convenient for understanding and making analysis. The analysis made using descriptive statistics tools such as tables and simple percentages. Kothari (2004) States that descriptive statistics is used to organize summarize and present data and translate data into information. Percentage and frequency used as data summarization and analysis technique. The analyzed data presented with the help of data presentation instrument such as table. The collected data was

analyzed using the computer software known as statistical package for social science (SPSS) Version 20

### 3.7. Measurement of Variables

To measure street vending cause, and negative effect of street vending the researcher identified and use 7 key indicators which are measured by 5-point Likert scale that indicates 5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, and 1 = Strongly Disagree

### 3.8. Validity and Reliability

The reliability test was conducted using Cronbach's Alpha it is important to measure the internal consistency of questionnaires by establishing certain item within a scale measures the researcher take 7 Cause to start street bending and 7 negative effects of street vending and find the result in the table 3:2 below.

**Table 3.2 Reliability result**

Construct	Number of Causes and negative impact	Crombach's alpha
Cause of street bending	7	.748
Consequences of street bending	7	.862
Entire scale	14	.892

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
incompetence in the formal market	39.09	110.869	.438	.259	.890
Unemployment	39.19	109.508	.503	.339	.887
government bureaucracy for licensing	39.76	106.450	.514	.311	.887
low salary payment of governmental organization	39.83	105.877	.502	.276	.888
To support family	39.79	105.664	.535	.342	.886
Profitability of sector	39.92	103.901	.576	.442	.885
To avoid high government tax burden	40.07	105.164	.522	.356	.887
Cause to Traffic congestion	39.90	104.359	.674	.499	.880
Block/narrowing of pedestrian path	39.80	105.453	.526	.342	.887
Cause to environmental pollution	39.65	106.423	.636	.480	.882
Reduce the revenue of municipality	40.02	104.948	.678	.501	.880
affect urban beauty	39.87	106.379	.643	.496	.882
Increase crime	40.16	105.365	.694	.558	.880
Unfair computation with formal business	39.84	107.030	.712	.553	.880

**Source: Own survey, 2021: SPSS output**

As it is indicated on the above table Cronbach's coefficient alpha was calculated for each field of the questionnaire and the entire questionnaire. The values of Cronbach's Alpha showed that all of the results are more than acceptable, which fall in the range between 0.7 and 0.99. The resulting range is considered high as the result ensures the reliability of each field of the questionnaire. More over Cronbach's Alpha for the entire questionnaire shows the value of .892 which falls in an excellent range and it indicates reliability of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and acceptable.

**Table 3.4. Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.892	.897	14

**Source: Own survey, 2021: SPSS output**

### **3.9. Ethical Consideration**

Mugenda (2008), emphasize that participation in research should be in voluntary bases and the respondent is always has a freedom to withdraw from the study without any obligation from the researcher. Therefore, the researchers assured respondent of the study to understand the objective of the study. No one of the respondent was forced to take part in the study, thus the principle of voluntarism practiced in all data collection process of the study. In addition the introduction part of the questionnaire clearly describes the objective of the study the researcher informed respondents on the privacy of their responses and that the information would be used only for academic purpose.

## CHAPTER FOUR

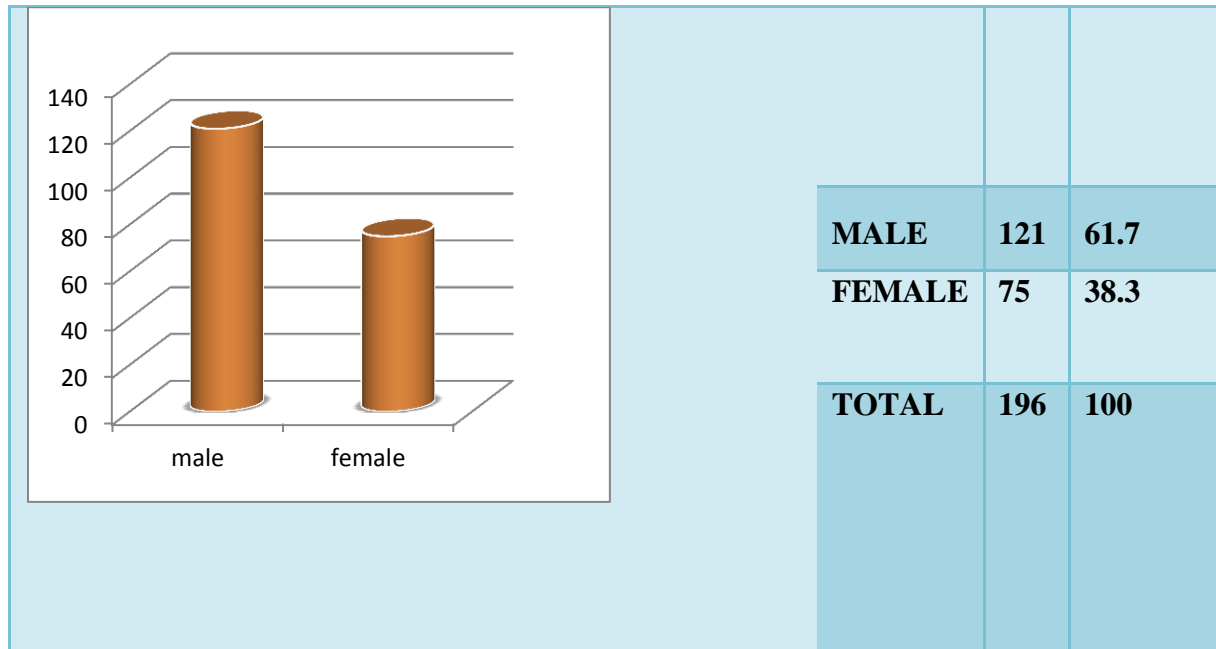
### 4. DATA PRESENTATION, ANALYSIS AND DISCUSSIONS

#### 4.1. INTRODUCTION

This chapter presents the data analysis and discussion of the research findings. The data collected from different sources are also presented, analyzed and interpreted by using frequency and percentage finally the finding tested through software called Statistical Package for Social Science (SPSS) version 20. The researcher also interpreted the presented and analyzed data.

#### 4.2. SEX OF THE RESPONDENTS

**Chart 1 sex of Respondents in the Study Area**



**Source: Own survey, 2021:**

As observed in the chart 4.2. The majority of vendors 121 (61.7%) were males. And the Remaining 75 (38.3%) were females. Based on this survey analysis male were largely involved in street vending activities than females. In similarly study conducted in yeka sub city by Habte Bekeler reported that more males in number than females were involving in street vending activity. This may be the challenging activity of street vending that holds bad working condition and harassment.

#### 4.3. AGES OF RESPONDENTS

**Table 4:1 summary of ages of respondent**

	Frequency	Percent	Valid Percent	Cumulative Percent
<13	2	1.0	1.0	1.0
14-17	30	15.3	15.3	16.3
18-29	105	53.6	53.6	69.9
Valid 30-45	40	20.4	20.4	90.3
>45	19	9.7	9.7	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021: SPSS output**

As can be seen in Table 4.1.that the age of the participants from 196 respondents 2(1.%) were below 13 years this respondents are engaged in this hard and illegal activity within their early educational age. age between 14-17 accounts 29(14.8%) whereas the majority 104 (53.9%) were between 18-29 years old, this are in active age group to operate this business and to overcome hardship. 42(21.5%) were adults whose age ranges between (30-45 year) and the rest 19(9.7%) were above 45 years old.

#### 4.4. MARITAL STATUS OF THE RESPONDENTS

**Table4: 2 summary Marital Status of the respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
single	150	76.5	76.5	76.5
Valid married	41	20.9	20.9	97.4
Divorced	5	2.6	2.6	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021SPSS output**

As far as concerning marital status, as observed from table4:2 above, 150 (76.5%) were single, 41 (20.9%) were married and 5 (2.6) were divorced. This indicates that young people are more involved in street vending than married and older people. Perhaps they are at a young age to marry. This shows that marital status is not a major factor in deciding to engage in street vending.

#### 4.5. EDUCATIONAL BACKGROUNDS OF THE RESPONDENTS

**Table4: 3 summary educational back grounds of the respondents**

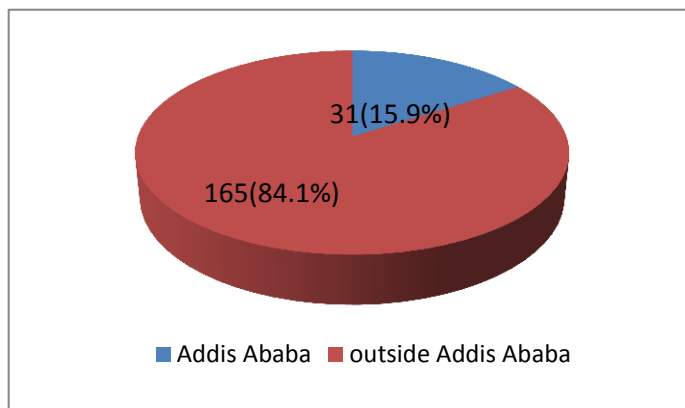
	Frequency	Percent	Valid Percent	Cumulative Percent
Illiterate	23	11.7	11.7	11.7
1-6 primary school	41	20.9	20.9	32.7
7-8 junior secondary school	96	49.0	49.0	81.6
9-12 secondary school	32	16.3	16.3	98.0
Certificate	4	2.0	2.0	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021SPSS output**

The educational back ground of the respondents reveal that 23(11.7) were illiterate, 43(22) were primary school, 96(49%) were semi secondary school,32(16. 3) were secondary school and 2(1%) were certified college certificate. this conform the literature by Bhavan, 2009. As we observe from the serve the number of respondent are decreasing when the level of education is increased, those how educated have the opportunity to switch their profession and business status.

#### 4.6. RESPONDENTS PLACE OF BIRTH

**Chart 2 Respondent birth places**



**Source: Own survey, 2021**

This section present the birth place of street vendors the majority of the respondents, 165(84.1%), are come from outside Addis Ababa or from rural region of the country whereas,

Only 31(15.9%) were born in Addis Ababa City. The major reason of venders to come to Addis Ababa from their residential area is for searching of better life, unemployment, loss of family, looking for formal education, and flowing husband. We can say that the main reason is poverty because most of them are not well educated and capable to search for formal job and some of them are under age.

#### 4.7. FAMILY SIZE OF THE RESPONDENTS

**Table 4:4summary of family size of the respondents**

Description	Frequency	Percent	Valid Percent	Cumulative Percent
1	41	20.9	20.9	20.9
2	110	56.1	56.1	77.0
Valid 3	20	10.2	10.2	87.2
>4	25	12.8	12.8	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021: SPSS output**

With regarding to family size of respondents, 41(21.9%) were have no dependent, the majority 110 (56.1%) were have one dependent, 20(10.2) were have two dependent and 25(12.8) were have three and above dependent This shows that increment of family size has less impact on vending activity.

#### 4.8. EXPERIENCE IN STREET VENDING BY RESPONDENTS

**Table 4:5 summary of years engaged in street vending by the respondents**

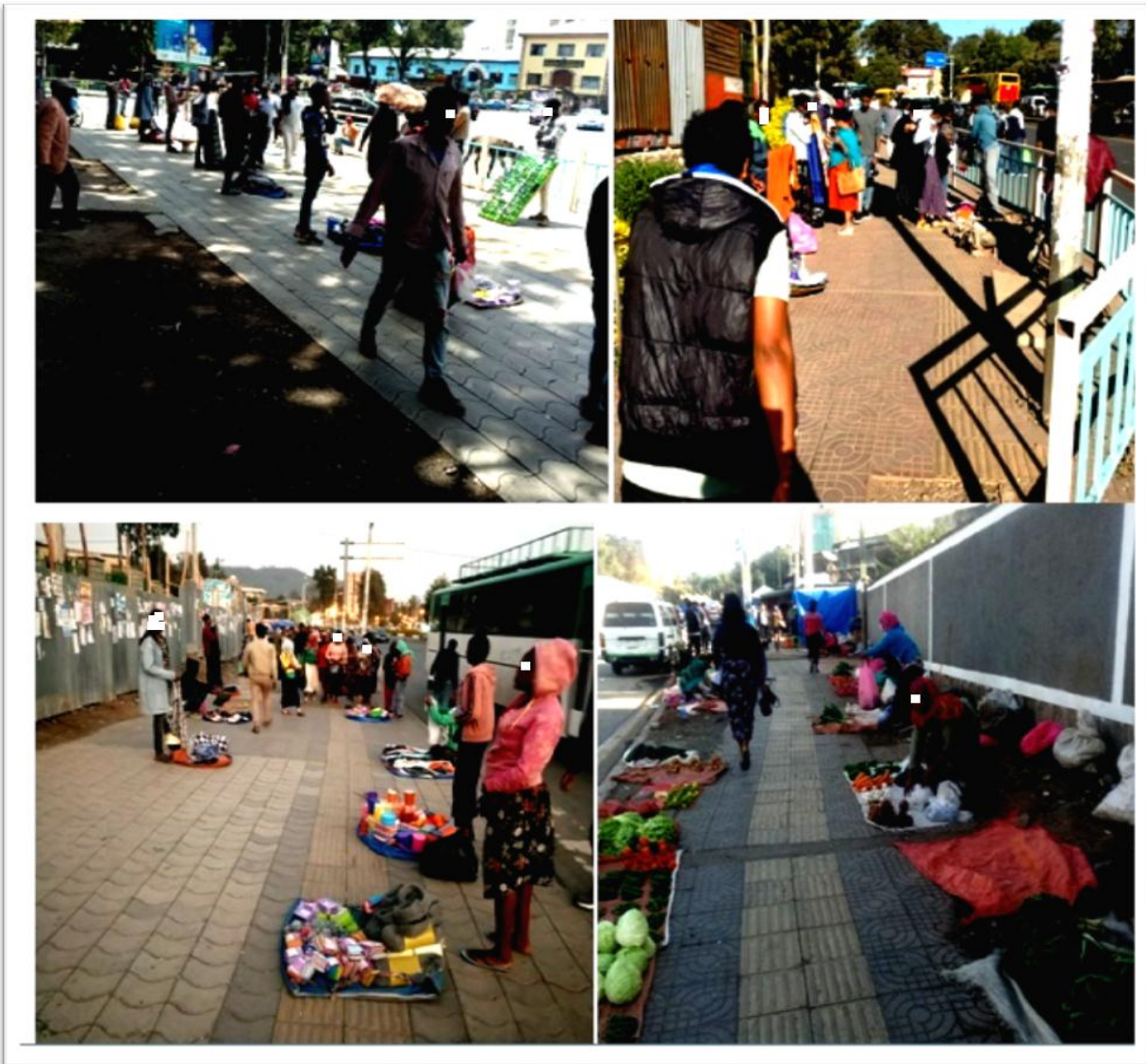
	Frequency	Percent	Valid Percent	Cumulative Percent
<1 year	22	11.2	11.2	11.2
1 year	31	15.8	15.8	27.0
2 Years	20	10.2	10.2	37.2
3 Years	46	23.5	23.5	60.7
>3 Years	77	39.3	39.3	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021: SPSS output**

The study investigates length of stay in vending profession in the study area. Accordingly 22(11.2%) of vendors were stay in business blow one year, 31(15.8%) were stay for one year, 20(10.2%) were stay for two years, 46(23.5%) were stay for three years and the majority of vendors has been a street vendors for some four years and above.

Most of the respondents are stay longer time and are not wont to shift in to formal business or not able to shift their status. It can be absence of interest or in ability of the sub city trade and industry office.

**Fig. 2.**Photos of street vendors in different parts of gulele sub city



**Source:** Captured by researcher during survey.

The above picture shows The Pedestrian Path blocked by vendors. As we observed from the pictures, no space is left, or much of the side walk is occupied by street vendors. It makes pedestrian movement difficult. It forced a walker to step onto the road side; consequently, this exposed them to traffic accident. One of the Solutions suggested for solving this problem is demarcating the road for pedestrian path only. this Supports the literature NIDA (2 010) recommended that the solution for problems related to congestion and traffic accident is demarcating the road for pedestrian path is useful to reduced congestion therefore it is necessary

to restrict vendors from invading pedestrian Path in order to keep safe pedestrian movement from traffic accident and to minimize traffic congestion for free flow of cars.

The researcher looks at the major commodities sold by the street vendors in the study area. They hold small amount goods it can be by financial constrained afraid of confiscation by the low enforcers. However, they have a good marketing knowledge that develops through practice with little or without formal education. They know what type of goods are demanded for whom and where.

The researcher observed the absence of waste bins and disposable plastics in the roadside. But it is cleaned every day before its effect is recognized by people. However, it increases the municipality expenditure for cleaning the street daily’, researcher also observed a conflict between formal business owners and street vendors for the use of the shops front sidewalks and blocking customers from getting in.

#### **4.9. FREQUENCY OF RUNNING STREET VENDING BUSINESS**

As shown in table 4:6 below most of the sample respondent is Running their business in daily base 165(84.2%) were working their business daily, 27 (13.8%) were weekly and the remaining 4 (2%) running their business during holiday period. This shows that street vending business is a means of survival and has to work more to get more, and most of the vendors and many of the urban poor depend on the business on all days

**Table 4:6 summary respondent frequency of running business**

	Frequency	Percent	Valid Percent	Cumulative Percent
Daily	165	84.2	84.2	84.2
Weekly	27	13.8	13.8	98.0
other	4	2.0	2.0	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021: SPSS output**

#### 4.10. DAILY INCOME OF RESPONDENTS

It is obvious that when people are asked to tell their income, there is a tendency to understate their income, some are suspicious to reveal their income and also have a problem calculating it because they consumed it without recognizing it. For the reliability of information they give, examining their commodity and stock has used crosschecking.

As indicted in the table4:8 blow 9(4.6%) of the respondent daily profit is 50 and below 50birr, the majority 86(43.9%) of the respondent are earn between 51-150 birr daily profit, where as 41(20.9%) are earn between 151-250 daily, the remaining 60(30.6%) daily profit is above 250 most of them are fruit and vegetable venders the smallest amount earner are mask and sanitizer retelling street vendors. One can observe that the majority of the street venders' profit ranges between 150 to250, which is an improvement in their livelihood when comparing with their previous status as unemployed and daily Laborers even if they say it is not enough to full fill their basic need.

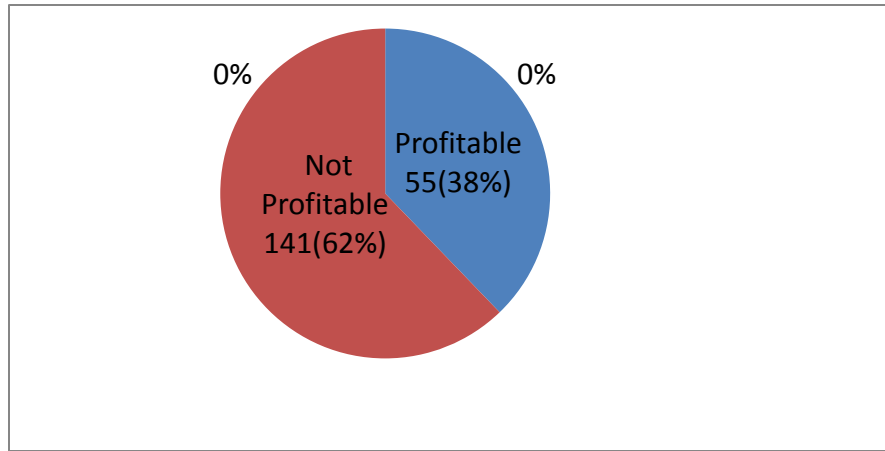
**Table 4:7 Summary of Average daily income of respondents**

	Frequency	Percent	Valid Percent	Cumulative Percent
<50	9	4.6	4.6	4.6
51-150	86	43.9	43.9	48.5
Valid 151-250	41	20.9	20.9	69.4
>250	60	30.6	30.6	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021: SPSS output**

#### 4.11. BUSINESS PROFITABILITY OF RESPONDENTS

**Chart: 3.summary of Business profitability of respondents**

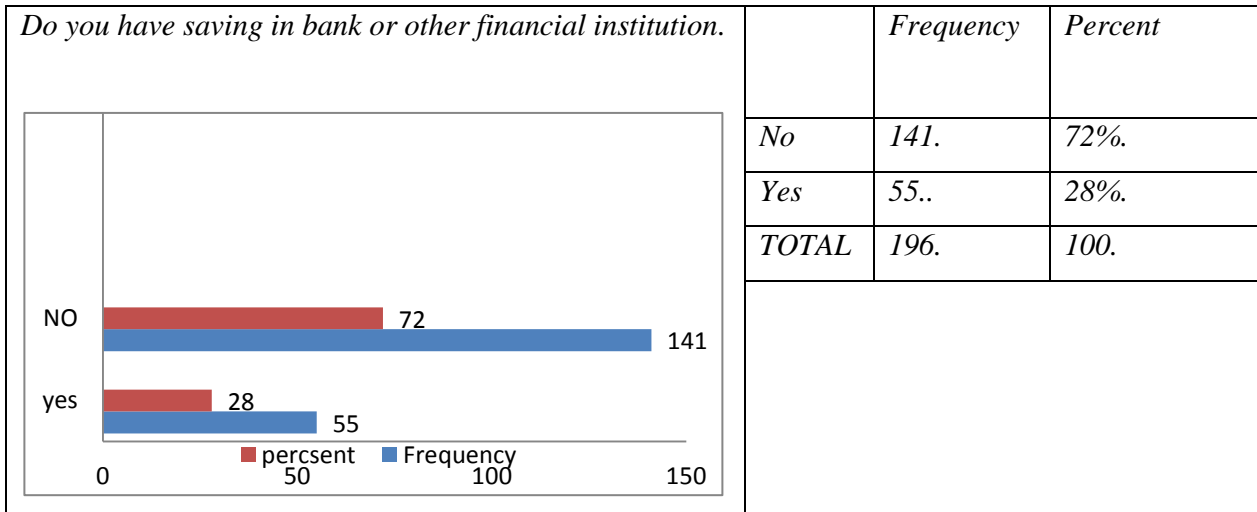


**Source: Own survey, 2021 SPSS output**

Among the respondent 121.(62 %) were side that their business is not profitable the rest 74.(38 % )were side their business is profitable, even if most of the respondent said that they are not profitable we can understand that they are profitable by observing their daily in come from the above table 101(51.5%) of them were earn more than 150 birr daily, The researcher ask the venders why do they engaged in this business if it is not profitable and almost all of the respondents are side it is because of no choice to run other business and they used as a means of survival and transition to other business.

## 4.12. SAVING CONDITION OF RESPONDENTS

**Chart: 4: summary of saving condition**



*Source: Researchers survey findings (May, 2001)*

According to the findings of this study, a significant proportion of respondents did not have saving accounts they account 141 (72) and 55 (28%) of the sample respondents save their income. This implies that most of the street vendors of the surveyed areas are not saving what they would get. These show that the income they obtained is not left for saving.

## 4.13. LIVING CONDITION OF THE RESPONDENTS AFTER BEING STREET VENDOR

As show in table 4.8: below respondent's life 32(16.3 %) were respond their life is improved with the help of their business, the majority 141(71.9%) were medium, and 23(11.7%) were low living standard, we can understand that living medium standard life by itself is good when we match up to their previous status unemployed and daily laborers, majority of street vendors and there dependent get economic improvement by informal trade in the study area.

**Table 4:8 summary of respondent living condition**

	Frequency	Percent	Valid Percent	Cumulative Percent
Improving	32	16.3	16.3	16.3
Valid medium	141	71.9	71.9	88.3
Decreasing	23	11.7	11.7	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021 SPSS output**

#### **4.14. CAUSES TO START STREET VENDING**

Table 4.9: below indicate that respondents answer on Likert scale question on cause to engaged on street vending they asked whether they are strongly agree, agree, neutral agree, disagree and strongly disagree. Accordingly, for the question as incompetence in the formal market of total respondents 9 (6%) were replied strongly disagree, 26. (13.3%) Agree, 16(8.2) were neutral the majority 99(50.5%) showed their agreement. And the remaining 46(23.5%) replied strongly agree, this implies that incompetence in the formal market is one of the major driving cause of street vending Concerning the question of Unemployment 31 (15.8%) were strongly disagree, 31(15.8%) were disagree, 16 (8.2%) were moderately agree 104(36%) were agree and 36 (18.4%) were strongly agree this showed that unemployment is also major driving factor to engaged in street vending.

Government bureaucracy for licensing is another resonance reason to engage in street vending, 29(14.8%) were strongly disagree 51 (26. %) were disagree 17 (8.7%) were moderately agree 74 (37.8%) were agree 25(12.8%) were strongly agree It revealed that Government bureaucracy is one of the major causes to be street vendors

The study also viewed the opinion of the respondent about the low salary payment of governmental organization 41(29.9%) were replied strongly disagree, 39(19.9%) were disagree, 19(9.7%) were moderately agreed 71(36.2%) showed their agreement and 26(13.3%) replied strongly agree

To support family is among the major cause to be street vendor; this is due to the low income of parent's, and inability to full fill the demand of their family. In this regard children have come out of their home and try to help family by engaging in street market. From the total respondent

30 (15.3%) were replied strongly disagree, 54(27.6%) (15.3%) were replied disagree, 16(8.2%) were neutral. 69. (35.2%) were agree 27 (13.8%) were strongly agree

Another motive reason to be street vendors is Profitability of sector However the majority of the respondent lays on disagree 46(23.5%) 41.(20.9%) were showed strongly disagree ,26 (13.3%),were neutral 29 (14.8%) were replied strongly agree, and the rest54(27.68%) were replied agree, we can say that Profitability of sector is not that much a motive factor to engaged in street vending.

Last motivational factor investigated by the study is to avoid high government tax burden and 45(23%) of respondent were replied strongly disagree, 59(30.1%) were replied disagree, 16(8.2%) were neutral and the majority 49(25%) were replied agree the rest27 (13.8%) were strongly agree. This show avoiding tax is not motivational cause to engage in street market.

Standing from our finding we can say that incompetence in the formal market, Unemployment government bureaucracy for licensing is the major causes to being street vendors, considering this to remedy street vending concern problems is vital.

**Table 4:9. Summary of respondents result on Causes to start street vending**

<b>The reason why people enforced to be street vender</b>	<b>Measurement</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Moderately Agree</b>	<b>agree</b>	<b>Strongly agree</b>	<b>TOTAL</b>
<b>Incompetence in the formal market</b>	Frequency	9	26	16	99	46	<b>196</b>
	Present	4.6	13.3	8.2	50.5	23.5	<b>100</b>
<b>Unemployment</b>	Frequency	9	31	16	104	36	<b>196</b>
	Present	4.6	15.8	8.2	53.1	18.4	<b>100</b>
<b>Government bureaucracy for licensing</b>	Frequency	29	51	17	74	25	<b>196</b>
	Present	14.8	26	8.7	37.8	12.8	<b>100</b>
<b>Low salary payment of governmental organization</b>	Frequency	41	39	19	71	26	<b>196</b>
	Present	20.9	19.9	9.7	36.2	13.3	<b>100</b>
<b>To support family</b>	Frequency	30	45	16	69	27	<b>196</b>
	Present	15.3	27.6	8.2	35.2	13.8	<b>100</b>
<b>Profitability of sector</b>	Frequency	41	46	26	54	29	<b>196</b>
	Present	20.9	23.5	13.3	27.6	14.8	<b>100</b>
<b>To avoid high government tax burden</b>	Frequency	45	59	16	49	27	<b>196</b>
	Present	23	30.1	8,2	25	13.8	<b>100</b>

Source: Own survey, 2021: SPSS output

#### **4.15. THE NEGATIVE EFFECTS OF STREET VENDING**

As indicated in the table 4.10: below respondents are asked to answer questions in Likert scale about the negative effects of street vending, based on that for the question Cause Traffic congestion 10 (5.1%) were showed strongly disagree, 84(42.9%) were showed disagree, 41(20.9%) were Moderately Agree 30 (15.3%) were showed agree and the remaining 31 (15.8%) were showed strongly agree. This show that most of street vendors are not believed their business is a cause to Traffic congestion.

When we come to the question blocking or narrowing of pedestrian path 38 (19.4%) were replied strongly Disagree, 38 (19.4. %) were replied disagree, 28(14.3%) were neutral 63 (32.1%) were replied agree and 29 (14.8%) were replied strongly agree this shows a greater number of street vendors believed their business is a cause to blocking or narrowing of pedestrian path when we compare to the other negative impact of street vending.

For the question Cause to environmental pollution 14(7.1%) were replied strongly disagree 88 (44.9%) were replied disagree 34(16.3%) Moderately Agree, 43(21.9%) were replied agree, the rest 19(9.7%) were replied strongly agree this show that most of street vendors are not believed that their business is a cause to environmental pollution.

The study also viewed the answer of respondent about the question reduce the revenue of municipality, of total 14(7.1%) were answered strongly disagree, the majority 88 (44.9%) were answered Disagree, 32(16.3%) were neutral, 43(21.9%) were answered disagree and the remaining 19(9.7%) were answered strongly agree. This reveled that most of them are denying that not paying of tax do not reduce the revenue of municipality.

Respondent also answer about the question that there job affects urban beauty, 27(13.8%) of the total were replied strongly disagree, 28(14.3%) were disagree, the majority 79(40.3%) were neutral, 49. (25%) agree, and the rest 13(6.6%) strongly agree, we can side that most of them are perplexed to come to a decision.

For the question cause to Increase crime 6 (3.1%) were replied strongly disagree 124(633.%) were disagree 10(5.1%) were neutral 39(19.9%) were replied agree. 17(8.7) were replied strongly agree this shows a significant number of street vendors do not except that there business is a cause to Increase crime

The last question about negative effects of street vending business is unfair computation with formal business, of the total 5 (2.6%) were replied strongly disagree 64 (32.7%) were disagree 65. (33.2%) were neutral, 50 (25.5%) were showing agreement and the remaining 12. (6.1%) were replied strongly agreeing. Large numbers of respondents are perplexed to come to a decision.

We can say that most street vendors are denying or not recognize that there job has a negative impact, they except only blocking or narrowing of pedestrian path because significant number of street vendors are perplexed to come to a decision so the city administration and concerned civic and nongovernmental organization should create awareness on impacts of street vending on economical, environmental, social as well as, health impacts in order to overcome the negative impact of street vending.

**Table 4:10. Summary negative effects of street vending**

Negative effects	Measurement	Strongly disagree	disagree	Moderately Agree	agree	Strongly agree	TOTAL
Cause Traffic congestion	Frequency	10	84	41	30	31	196
	Present	5.1	42.9	20.9	15.3	15.8	100
Block/narrowing of pedestrian path	Frequency	38	38	28	63	29	196
	Present	19.4	19.4	14.3	32.1	14.8	100
Cause to environmental pollution	Frequency	20	21	82	49	24	196
	Present	10.2	10.7	41.8	25	12.2	100
Reduce the revenue of municipality	Frequency	14	88	32	43	19	196
	Present	10.2	41.9	16.3	21.9	9.7	100
Affect urban beauty	Frequency	27	28	79	49	13	196
	Present	13.8	14.3	40.3	25	6.6	100
Increase crime	Frequency	6	124	10	39	17	196
	Present	3.1	63.3	5.1	19.9	8.7	99.9
Unfair competition with formal business	Frequency	5	64	65	50	12	196
	Present	2.6	32.7	33.2	25.5	6.1	100

**Source: Own survey, 2021 SPSS output**

#### 4.16. VIEW OF GOVERNMENT BY THE RESPONDENT TOWARDS THEIR BUSINESS

As table 4.11 revealed below 6(3%) were side the government opinion towards their business is sportive, the majority156 (79.6%) were side government opinion as far as concerning their business is discouraging and 34(17.4%) were side government opinion is neutral. this tales as that government has been given less attention to street vendors.

**Table 4:11. Summary of respondent opinion on government view towards their business**

.	Frequency	Percent	Valid Percent	Cumulative Percent
Supportive	6	3.1	3.1	3.1
Discouraging	156	79.6	79.6	82.7
neutral	34	17.3	17.3	100.0
Total	196	100.0	100.0	

**Source: Own survey, 2021: SPSS output**

Street vendors tale the researcher how the government is discouraging about their businesses they side law enforcers and police do not allowed to do our business they confiscate our goods, we are Harassed by law enforcers and police day to day, even if we are registered we can't get working please, the government office is not allowed to register as to get vending please without Addis Ababa city resident Identity Card because of this we are not able to use financial institution to get credit or saving service and some side the vending zone given to us is not suitable to our business are among the reason that show the government has no interest to help us and resolve our problem .this support the literature that tales the necessity of street vending policy that should address the main challenges of street vending business e.g. business location, license, taxation, skills development, inclusion of street vending business in urban planning, and harassment from the local government authorities, public and formal business owners NasibuRajabuMramba (2015)

#### 4.17. SECTION II: CHALLENGES OF STREET VENDING TO PUBLIC CUSTOMER

This study also conducted a questioner survey of street vendors from customers they are about 25, the following table discussed the background of customers.

**Table 4: 12.summary of Respondents Education Level and monthly income**

	Education Level	Frequency	Per cent	Monthly income	Frequency	Per cent
	1-8	2	8	Below 1000	0	0
	9- 12	7	28	1001-2000	3	12
	Certificate	8	32	2001-3500.	7	28
	Diploma	3	12	3501-5000	7	28
	Above diploma	5	20	5001	8	32
	Total	25	100%		25	100

**Source: Own survey, 2021**

As table 4:12; indicted above, street vendors are serving educated and uneducated, lower and middle-income people of the society to meet their needs in addition to its huge contributions as a source of livelihood for the large segment of the urban unemployment and people living at the grassroots level Therefore, if the laws and measures to be taken to control the street traders are to be effective, it is necessary to take into account their importance to the community.

The survey respondent's residence is within the study area. Only one respondent is from Kolfe kraneyo, the sub- city. He was buying fruit on his way to hospital to ask a patient. Most of the respondents were buying vegetables, fruits, clothes and socks, shoes, electrical equipment. Even if Street vendors are essential part of the urban economy by offering easy access and wide range of goods to the public however they have also negatives effect

Some negative opinions of customers about a street vending are blocking the pedestrian path, causes a congestion of the road and a compliant accident, vendors provide no guarantee to buyers for damaged, sale fake and expired goods, street vending decreases municipal revenue because they do not pay tax for their profit, and they are also hurt formal business operators. In addition, they use inaccurate scales to offer short weight.

As a solution, ideas concerning the challenge of street vending forwarded by customers are: vending providing legitimate business locations, registering, and licensing them, and, when it is necessary, taking appropriate legal actions in case of obstruction are among the mitigation measures to reduce the problem related to street vendors.

#### **4.18. SECTION I III: CHALLENGES AND ACTION TAKEN TO CONTROL STREET VENDING BY GOVERNMENT OFFICIALS**

The Code Enforcement Bureau is organized under the Gulele Sub-City Peace and Security Bureau and in all sub-city woredas and its main function is to control illegal construction and illegal street trade. Therefore, it is included in the study. Twenty-five, code enforcement officers were included in the five major street trading woredas in the sub-city and Gulele sub-city Trade and Informal Business Ordering Bureau is directly related to the street vending business. it is also included in the study.

**Table 4:13. Code enforcer’s opinion on the reason for the increase in street vending are**

Causes to increase vending activity	Percent	Frequency
Unemployment	12	48
Migration from rural area	7	28
Not having willingness to pay tax	2	8
The easiness’ of punishment	2	8
Having no awareness about the negative effect of illegal street vending.	2	8
	25	100

**Source: Own survey, 2021**

As illustrated in the above table 4:13 the cause for increase vending activity based on the code enforcers opinion 12 (48%) of them were replied Unemployment, 7 (28%) were side the cause is Migration from rural area, 2 (8%) were side not having willingness to pay tax, 2 (8%) were replied easiness’ of punishment and the rest 2 (8%) were side no awareness about the negative effect of illegal street vending Is the cause to the proliferation street vending.

**Table 4: 14. The opinion of code enforcers on their work effectiveness and related issues**

Is your work effective to control street vending		Frequency	Per cent
Is your work effective to control street vending	Yes	15	60
	No	10	40
	Total	25	100
Importance of street vending	Yes	23	92
	No	2	8
	Total	25	100
Where do street vendors get their goods	Formal sectors	15	60
	Producers	5	20
	Contraband	2	8
	From government Takeaway and Re-sale to the street vendors'	1	4
	From all mention above	2	8
Total		25	100
Do you think the numbers of regulators are enough to control street vending business?	Yes	16	64
	No	9	36
	Total	25	100

**Source: Own survey, 2021**

As table 4: 14:shows that a summary of Code enforcer's opinion about effectiveness of their job, the majority 15 (60%) of them were replied that there job is effective, and 10 (40%) were side not effective as far as concerning importance of street vending, 23 (92%) were side street vending are important and the rest 2 (8%) were replied not important, when the respondents are asked about the source of street vender's commodity 15 (60 %) were replied the source of commodity of street vendors is from formal sectors,5 (20%) were replied the source of commodity of street vendors is from Producers 2 (8%) were side it is smuggled,1 (4%) were from government takeaway and re-sale to the street vendors,2 (8%) were replied the source of goods of street vendors are from all sources mention above. This shows that the source of the

street vendors is diverse that requisition different mechanisms to control street vendors from the source of the goods.

**Table 4:15. Summary of Code enforcer’s opinion on challenges in managing street vending business**

	<b>Challenges in managing street vending</b>	<b>Frequency</b>	<b>Per cent</b>
	They insult and attack us because the street traders' awareness of the work is low	12	64
	Low awareness of the community and their support to street vendors	4	16
	The sale of confiscated properties to street traders and the return to street trade	1	4
	Not working in coordination with neighboring districts and suburbs	3	12
	The problem of taking the confiscated property to the office	1	4
	When the security guards leave their normal working hours, street vendors go out on the street and start trading.	2	8
	In the evenings where law enforcement does not live, legitimate traders also take to the streets	2	8
		25	100

**Source: Own survey, 2021**

As illustrated in the above table 4:15 the majority of respondent 12 (48%) were respond that they are insulted and attack by street traders' it is because there awareness about the work is low, 4 (16%) were replied Community awareness is also low they help street vendors, 3 (12%) were side not working in coordination with neighboring districts and suburbs, this were the major cases mentioned by respondent as challenges in managing street vending business 2 (8%) were replied When the security guards leave their normal working hours, street vendors go out on the street and start trading,2 (8%) were side In the evenings where law enforcement does not live,

legitimate traders also take to the streets 1 (4%) was side resealing the confiscated properties to street vendors and the remaining 1(4%) was side problem of taking the confiscated property to the office. From this we can understand that there are different challenges in managing street vending business so different solutions are needed in accordance with them.

**Table 4.16. Summary of mechanisms that can mitigate the challenges of Street vending**

	<b>Mitigating mechanisms</b>	<b>Frequency</b>	<b>Per cent</b>
	Controlling migration by creating jobs rural areas	9	36
	Awareness creation	7	28
	Create a job opportunity for them	4	16
	Strict enforcement of laws	3	12
	Integrated work with all stock holders	2	8
		25	100

**Source: Own survey, 2021**

As shown in the above Table 4:16 from 25 respondents .9 (36%) replied Controlling migration by creating jobs in rural areas, 7 (28%) respond awareness creation can be a solution to control street vending business, 4 (16%) said Create a job opportunity for Unemployed can reduced the growth of street vendors,3 (12%) were replied Strict enforcement of laws is necessary mechanism to control the illegal street vendors2 (8%) side that Integrated work with all stock holders is the key to remedy street vending concern problems. All the above responses of code enforcers are a helpful idea to control the street vending activities in the Gulele sub-city of Addis Ababa.

When most respondents are asked if the source is illegal, most the respondents are side that if the source is illegal, the item will be confiscated or sold to the public after the damage has been investigated, however, confiscation is not sufficient to control illegal street vendors; in addition to confiscation, it requires penalties.

#### 4.19. GOVERNMENT OFFICIALS

In the study, Gulele Sub-City Informal Trade System Regulatory and Ordering Bureau Officials are interviewed. The following is a summary of the responses to the challenges of controlling street vending and the solutions that need to be taken in general.

When asked about the general street vending situation in the Gulele sub-city, the officials replied that in our sub-city we select five major street vending Wordas as a pilot district for implementing legalization of street vendors. The sub city converts 1587 street vendors into legitimate traders by giving a sealing place and a business license. We believe it can reduce the growing number of illegal street vending; they are being made to serve only by the place and time given to them. Street vending is not important because the products they sell are exposed to the sun, rain and other airborne pathogen bacteria because they do not work in a convenient place. It can be a cause for health damage and financial loss to the users or customers. It also narrows the sidewalk, which can be the potential cause for traffic jams and accidents. Replied when asked about the importance of street vending

He also replied about the increase in the number of streets vending business in the sub-city that the increase of street vending in the sub-city is due to increased unemployment and migration to the city is the main reason, and *it is difficult to know the exact number of street vendors in the sub city. Street vendors are active, and they have no fixed workplace in the sub-city. The problems that are being faced to manage street vendors are the increasing numbers of street businesses in the sub-city, which disrupts traffic flow and puts pedestrians and themselves at risk. The source of the goods is not known and unsafe.*

*The number of job seekers entering the city from all parts of the country is increasing from time to time, and at the same time the number of street vendors is also increasing, so giving vending places to all of them is not possible. For street vendors who want to switch to regular business, registration will take place when they come with Addis Ababa resident ID and unemployment card. No one can be unable to enter formal business without Addis Ababa resident ID. The guideline will block it. However, due to the limited capacity of the sub city and the city administration, it was not possible to give vending zones to all of them and switch into regular businesses.*

*There is a policy guide for the management of street vending. It has been in place since 2009 and has been effective since 2010. However, the policy guideline is not a problem solver, the policy has a limitation—it allows only five types of work, it is limited, better to include some more street vending business. About the code enforcers we do not think that all code enforcement officers do their job responsibly. When they do their job, they do not protect the propriety and morals of the vendors. They dumped street vendor's product and beat them. The officials also replied when he was asking about the code enforcers.*

*He also replied about the complaints of formal vendors about the problems they faced by street vendors. Complaints “They take our customers before they reach us, we can't run our businesses properly. The government should have to control this illegal street vendor's activity.”*

*The sub-city administration is working with other stakeholders to alleviate this and other traffic congestion, pedestrian road closures and environmental pollution problems by organizing the street vendors in SMEs (small and micro enterprise) providing credit service, giving working place, Facilitate business linkages; and for those who want to stay in the street vending business. Registration and licensing services, providing marketplace are being made on the basis of the capacity of the sub-city and also deployment of code enforcement officers to control the problems and keep the main roads clean are some of the solutions being taken.*

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5. INTRODUCTION**

This chapter deals with the summary, conclusions and recommendations based on the findings of the study. Accordingly, this chapter is organized into three sub-sections. Section 5.1 presents the summary; Section 5.2 presents conclusions and section 5.3 presents the recommendations.

#### **5.1. SUMMARY OF FINDINGS**

In light of data analysis the following summary result is obtained

- The majority of street vendors in the research area are male.
- The majority of street vendor's age is between 19-29 years old this shows that they are in active age group to operate this business and to overcome hardship. Most of them were single on marital status
- Majority of street vendors educational background were grade 7 or 8, and they live at home with one family member.
- Most of the respondents came from the rural region of the country, and the majority of them were engaged for some four years and above, and they were running their business on a daily basis.
- Most of the respondents were students and had no previous occupational experience
- The majority of the respondents' daily incomes were between 151-250 however; most of them were saying that their business was not profitable. And a significant proportion of respondents did not have saving accounts.
- The analysis shows that respondents get their commodities to resale from formal traders and receive goods in a retail mode. In the study area, street vendors were supplying the society with different kinds of commodities. Most of them were fruits and vegetables, new and second-hand clothes and different household goods.
- The majority of sampled respondents said that their standard of living has improved to a medium standard of life after they started trading in street vending. This shows that they were in the worst conditions of life before they started street vending.
- The analysis shows most respondents are convinced that government opinion about their business is discouraging, and it is fuelled by harassment by law enforcers and police

confiscate of goods, failure to get credit from a financial institute and relocation to an unsuitable vending zone.

- The main driving factors of street vending are incompetence in the formal market, unemployment, government bureaucracy for licensing. these are the major cause for being street vendors
- Regarding the negative effects of street vending, most of the sample respondents were not sure that their business had negative impact significant numbers of them are perplexed to come to a decision. Only 91 (46.9%) of them are strongly agreed or agreed that their business can be a cause for blockage or narrowing of the pedestrian path, the rest was even lower. This shows that it requires the government and NGOs to work closely with street vendors to raise awareness about the negative effect of their business on economical, social and environmental affairs.

## **5.2. CONCLUSIONS**

According to the study, most of the street vendors come from outside Addis Ababa in search of jobs. Street vending increased as a way of existence and a coping mechanism followed by the economically under privileged section of the society. Street vendors are one of essential parts of the urban informal economy in developing countries. It serves as a livelihood for both street vendors and low-income people of the city. It also provides a job for the unemployed. However, at the same time it is a source of traffic congestion, blockage of pedestrian passes, being a cause to increase environmental pollution and loss of municipality revenue.

Regarding the mitigation measures of the above-mentioned negative impacts of street vending, Reducing Rural-Urban Migration, Surveying inclusive street design and management that accommodate sidewalk vendors' efficiently, providing legitimate business locations, registering and licensing, creating awareness about the negative effect of illegal street vending and taking appropriate legal actions in case of obstruction are the mitigation measures to remedy the street vending management problem.

According to street vending consumer, we buy from them because we find them in our way and their price is low. However, there are also fraudulent activities, the customers also complained that the street vendors were blocking and congesting the sidewalks, and that they were at risk of

being involved in a car accident when they were fired by a law enforcement officer. So it is better to give working place and get off them from sidewalks.

This study argues that it is possible to maintain a balance between state authorities and vendor's interest through the development of inclusive urban development policy. The policy should formalize and legalize street vendors based on compliance with laws and regulations, restricting them from working on certain streets and determining working hours. As we observed from the study, joining the sector is easy and elements that brought about street vending have been complex and diverse. Therefore, inclusive policy should be strategic and systematic. Otherwise, it can increase the number of street vendors and encourage rural urban migration

### **5.3. RECOMMENDATIONS**

Based upon the results of this study and conclusions drawn the researcher forward the following recommendations.

- Gulelesub-city administration and the street vending participants should work together on rules, regulations so that the operations of the street vending business can be discussed, agreed upon and a plan of action devised on how to build trust between each other and contribute to the national economy, tackle unemployment and other problems. In addition, the sub city needs to strengthen the relations between the formal and street vending business by making sure that it is mutually inclusive rather than excluding themselves from the formal sector through market linkage and SMEs.
- The government and the city authorities should formulate policies according to practical needs.
- Working in rural development is important to prevent rural urban lobar migration; it is a major cause for increased street vendors in the city.
- Revising criteria of registration to become licensed street vendors within the aim of fair and equitable access is essential because most of the street vendors are migrants from the rural part of the country, they do not have Addis Ababa city resident identification card. Giving the service based on the new national I'd. It is more important than discrimination to elevate the growing population of street vendors.

- Providing financial credit for street vendors can contribute a significant role to change the informal vendors to formal traders one. They were searching for it before they were engaged in the informal sector.
- Studying of the source of the street vending commodities needs further future studies and investigation of the destination of confiscation goods by customs and duty authority may help to reduced the number of street vendors by cutting the supply side.
- Organizing street vendors association is important to control the growing population of street vendors. It is impossible to accommodate all street vendors in natural market areas and controlling the entire roadside by law enforcers is also difficult. So it can be done by them themselves if they are organized by an association. Furthermore, the city administration can benefit from them by tracing the source of the goods.
- . Capacity building should be offered to law enforcers and street vendors so that all parties understand street vendors ‘rights along with their obligations and work in a self-disciplined manner.

#### **5.4. SUGGESTION FOR FUTURE STUDIES**

Research of this type should be conducted every year, integrating other urban locations to obtain valuable feedback for policy formulation. Because deriving variables may be altered by the location and availability of push and pull factors in a particular place, the source of the goods sold by street vendors also needs investigation. It can help to control illegal street vendors. This study has a gap because it was conducted only in Gulele sub-city street vendors.

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## Appendix I

### Questioner for street vendors

Dear respondents the objective of this questionnaire is to assess the cause and consequence of street vending and to recommend possible solutions to mitigate the challenges of Street vending in Gulele sub city. In order to full fill Master of Art degree in developmental management .All information you are going to provide for researcher will be confidentially and Used only for the Academic purpose. Your individual response will not be released for any other purpose.

Thank you so much for your cooperation

Please read each questions and mark√ or encircle on the best answers of your choice or write your answers accordingly in each question

#### I. Personal Information

1. What is your gender? A.MaleB,female
2. What is your age? A. 12-18 B. 19-29  30-45  above 46
3. Marital status: A.SingleB.Married. C DivorcedD,Widow Widower
5. Education level A. IlliterateB. Grade 1-6 CGrade 7-8 D, Grad 9-10 E.Certificate F Diploma  G, Degree and above
6. Where is your Place of birth? A. Addis Ababa B. Out of Addis Ababa
7. If your answer fore question number 6 is out of Addis Ababa why do you come here

## Questions on Business Activity

1. How long have you been involved in this business practice?

A. below 1 year  B. 1 year  C. 2 years  D. 3 years  E. 4 years and above

2. How often do you run this business? A. daily  B. Weekly

C. monthly  D. other

3. What did you do before this? A. Formal business  B. Student

C. Farmer  D. Daily labor  E. other

4. Is your business profitable? A. Yes  B. No

4.1 How much profit do you earn in average?

4.2. if your business is not profitable why do prefer this ?

5. Do you have savings in the bank or other institutions A. Yes  B. No

6. Where do you get the goods? A. from formal sectors  B. Producers  C,

Contraband  D) others specify \_\_\_\_\_

6.1. If you get the goods from formal sectors how do you get them. A. in hole sell

B. in retile C. if you get the goods by other means

7. What kind of items do you sell? A. Fruits and vegetables  B. Second hand

clothes  C. Household goods  D. Prepared food  E. specify if other

-----

8. Where do you live? a) with my parents  b) with my friends  c) in a rented

house  d) in street  e) other -----

9. How much do you pay per month to rent a house? a)  $\leq 400$

401 to 800  birr c) 801 to 1500  D) .A above 1500?

10. What is the view of the government towards your activity?

A. Supportive  C. Indifferent (neutral)

B. Discouraging  D. Other Specify

10.1. If it is "discouraging" how, explain?

11. How is your life after you start this business it is A. Increasing  B. medium

C. Decreasing

12. What factors forced you to choose this business practice?

Please read each questions and mark  $\surd$  on the table of your answer

	Major Cause of street vending	Strongly agree	agree	Moderately Agree	disagree	Strongly disagree
A	Unable to fulfill formal economic criteria					
B	Un employment					
C	Low salary payment from government organization					
D						
E	To support the family					
F	Profitability of the sector					
G	To avoid high government tax burden					
H	specify if you have other reason					

13. What are the most serious effects of street vending?

	the most serious effects of street vending	Strongly agree	agree	Modera tely Agree	disagree	Strongly disagree
A	Cause Traffic congestion					
B	Block/narrowing of pedestrian path					
C	Cause environmental pollution					
D	reduce the revenue of the municipality,					
E	affect urban beauty					
F	Increase crime					
G	Unfair computation with formal business					
H	specify if you have other reason					

14. What mechanisms can mitigate the challenges of Street vending? Participatory marketing system

- A. Legislation and legalization of trade
- B. Creating legitimate business locations and determining sales pitch
- C. The willingness of street vendors to be guided by the law and regulations
- D. Providing of facilities such as garbage disposal service, access to cleaning services and water
- E. please Write if there are other methods

## Appendix II

### Questioner for Code enforcers

Dear respondents the objective of this questionnaire is to assess the cause and consequence of street vending and to recommend possible solutions to mitigate the challenges of Street vending in Gulele sub city. In order to full fill Master of Art degree in developmental management All information you are going to provide for researcher will be confidentially and Used only for the Academic purpose. Your individual response will not be released for any Other purpose. Thank you so much for your cooperation

Please read each questions and mark ✓ or encircle on the best answers of your choice or write your answers accordingly in each question

#### I. Personal Information

1. What is your gender? A.Male  B,female  2. What is your age? A. 18-29  B. 30-45

above 46

3. Education level A. Grade 9-12  B.Certificate  C Diploma  D Degree and above

4Work experience A. blow I year  B.1-2 years  C.blow3-4  D 5 and above

5. Do you think the number of street vending is increasing? A) Yes  b) no

Ayes If your answer is yes, how.? \_\_\_\_\_

6. How do you control street vending activities? -----

7. Do you feel your job is effective? A) Yes  b) no

8. Do you think that street vending is important? If yes How?

9. From where do street vendors get their goods? A, formal sectors  B, Producers  C,

Contraband  D) others specify \_\_\_\_\_

10. What action will you take if the source of the goods is illegal?

11.How effective are the measures you take?

12. What challenges do you face in managing street vending business?

13. Do you think the numbers of regulators are enough to control street vending business?

14. What mechanisms can mitigate the challenges of Street vending?

Thank you

## Appendix III

### Addis Ababa University

#### Interview Questions for Government Officials of gulele sub-city

Dear respondents the objective of this questionnaire is to assess the cause and consequence of street vending and to recommend possible solutions to mitigate the challenges of Street vending in Gulele sub city. in order to full fill Master of Art degree in developmental management All information you are going to provide for researcher will be confidentially and Used only for the Academic purpose. Your individual response will not be released for anyother purpose. Thank you very much for your kind cooperation!

#### Personal Information

Name \_\_\_\_\_ Educational level ----- Date \_\_\_ \_  
Position \_\_\_\_\_ Work Experiences \_\_\_\_\_

#### II Semi-structured interview questions

1. What do you have to say about the situation of street vendors In gulele sub-city
2. Do you think street vending is important? How?
3. What are the major causes do you think about the increasing of street vendors?
4. How many street vendors are there that are known by your office?
- 5 From Where did this street vendors come from ?are they from this city or another please?
- 6 What could be the reason for their arrival and proliferation?
- 7 Do you see any problems because of increasing street vending activities in gulelesub-city?Ifyees, what kind of problems do you face?

- 8 What are the activities that the authorities are doing to control/manage the increasing street vending activities?
- 9 What challenges do you encounter in dealing with the in administration issues of street vendors?
- 10 What the specific policies you are adopting to deal them?
- 11 Do you think the policy is appropriate? How?
- 12 Are there any complaints from legitimate traders about street vending?
- 13 Has the city created a conducive business environment for street vendors who want to switch to regular business?
- 14 What are some of the most common problems faced by the community in connection with street trade?
- 15 Do you have qualified organizers and regulators to control the street trade?
- 16 How do law enforcement officers perform their duties responsibly?
- 17 What are the possible solutions to mitigate the overall challenges of Street vending
- 18 . Do you have anything to add about street vendors in general?

## Appendix IV

Addis Ababa University

Public Administration and Development Management,

School of economics Addis Ababa University,

### Interview Questions for street vending costumer

Dear respondents the objective of this questionnaire is to assess the cause and consequence of street vending and to recommend possible solutions to mitigate the challenges of Street vending in Gulele sub city. in order to full fill Master of Art degree in developmental management All information you are going to provide for researcher will be confidentially and used only for the Academic purpose. Your individual response will not be released for any Other purpose. I kindly request your contribution in filling the questionnaire honestly and responsibly. Thank you so much for your cooperation

#### Personal Information

1. Education Level A 9-12  b. Certificate  C . Diploma  D.More
2. What is your monthly income? A. Below 1000  B. 1001-2000   
C. 2001-3500 .  D3501-5000  E.5001 Above
3. Where is your current address? -----
4. Do you often choose to buy goods from street vendors? If so, why Do you choose to buy from them?
  - 4.1. What kind of goods do you buy on a regular basis?
5. Do you think street vendors are important? If yes how important are they? If not, how?
6. Do you see problems with street vendors? If yes, in what ways do you feel troubled?
7. Do you think the problems mentioned above can be alleviated?
8. Do you think street vendors are a disadvantage for formal trders ? If so, why buy from them?
9. How do you ensure the quality of your purchases or how do you prevent fra
10. What do you think is the most important and beneficial way for low income earners?
11. What do you think the government should do about street trading?
12. Do you have anything more to say about street vending in Gulele sub-city?

### **Observation checklist**

1. The researcher look the major commodities sold by the street venders in the study Area
2. The researcher observed the pedestrian path in relation to walkway blockage and traffic congestion
3. The researcher Observed availability of waste bin.
4. The researcher Observed the relationship between street vendors and law enforcers
5. The researcher also observed a the relationship between street vendorsand formal business owners .