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ADDIS ABABA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

COLLEGE OF SOCIAL SCIENCES AND HUMANITIES

URBAN INFORMAL SECTOR AS A LIVELIHOOD STRATEGY OF
WOMEN: THE CASE OF 'TELLA' AND 'KATICALA' PRODUCERS AND
SELLERS IN DEJEN TOWN, EAST GOJJAM ZONE, AMHARA REGIONAL
STATE

BY

AMENE AFEWORK

JUNE 2011

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GEOGRAPHY AND ENVIRONMENTAL STUDIES**

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Acronyms and Abbreviations

ACSI = Amhara Credit and Saving Institutions

CITEE = Center for International Trade, Economics and Environment

CSA = Central Statistical Authority

ECA = Economic Commission for Africa

CBOs = Community Based Organizations

GRDI = Gender Related Development Index

KII = Key Informant Interview

KPAS = Katicala Producers and Sellers

SLF = Sustainable Livelihood Framework

LDCs = Less Developed Countries

IFPRI = International Food Policy Research Institute

ILO = International Labour Organization

ICLS = International Conference of Labour Statisticians

ISO = Informal Sector Operator

UNDP = United Nation Development Program

DFID = Department for International Development

JASPA = Job and Skill Program for Africa

MOLSA = Ministry of Labour and Social Affaires

TVET = Technical and Vocational Educational Training

UN = United Nations

UNECA = United Nation Economic Commission for Africa

UNIDO = United Nation Industrial Development Organization

WHO = World Health Organization

SPSS = Statistical Package for Social Science

TPAS = Tella Producers and Sellers

WIEGO = Women in Informal Employment: Globalizing and Organization

Abstract

Urban poverty and unemployment in many urban centers of Ethiopia has been expanding. These pushed many people particularly the urban poor and other impoverished groups of the society to various income-generating activities in the informal sector. Just like other urban centers of the country, the urban poor women in Dejen town are engaged in different informal activities; however, their participation is intense in the processing of 'Tella' and 'Katicala'. These alcoholic drinks were previously prepared for home-based drinks and to colorfully celebrate cultural holidays, but the current economic hardship together with other factors forced women to use it as a commercial item. The purpose of this study is to assess the livelihood conditions of women in the urban informal sector with particular emphasis on 'Tella' and 'Katicala' producers and sellers in Dejen town. In order to achieve this objective, two types of sampling techniques (purposive and stratified sampling) were used and a sample of 115 women were selected and relevant data were gathered through questionnaire, interviews and observations. The data collected from different sources were analyzed quantitatively (using frequency, percent, mean, median and correlations) and qualitatively.

The finding of the study reveals that most of the operators are in the productive age groups, illiterate, migrants and were house wives. The study also found that the reasons for women participation into informal activities were lack of alternatives for living, divorce, insufficient monthly income, school dropouts, family and/or husband death, and presence of large dependents in the households.

The study indicated that most of the participants have started the business with small capital, on average 177 birr. The finding further reveals low monthly income of participants i.e. 343 birr on average and is influenced by frequency of selling, way of production and seasonality of customers and inputs. The majority of operators were living and working in rented, old and physically deteriorating houses and these houses lacked basic services and amenities. It was also found that food insecurity is a common shock being faced these women; to tackle the problem women made various adjustments like change in consumption pattern, borrowing items from friends/relatives, diversifying income sources and selling households assets/property. The problem of housing, shortage of working capital, strong competition, lack of institutional and government support, fluctuation in demand and cost of inputs and health problems were reported as major working constraints for these women.

Chapter One

1. Introduction

1.1 Background of the Study

The world population is rapidly becoming urbanized, and urban centers are in a state of expansion. Although the level of urbanization is still low in some developed regions and in many developing countries, particularly Africa and Asia are characterized by rapid rate of urbanization. As far as urban structure is concerned, the urban population in developing countries appears to be becoming concentrated in cities and towns and this trend is projected to continue through 2025 (ILO, 1987). Ethiopia is currently characterized by rapid rate of urbanization with 4.7% per annum (CSA, 2006). The increasing population in the urban centers of developing nation puts a tremendous pressure on the physical, social, economic environment of towns as well as on the infrastructural service of urban centers. This increasing population in urban areas is mainly associated with high rate of population growth and increasing rural- urban migration (Oberai, 1993). The accelerated growth of cities and towns has strained the capacity of the modern sector to absorb new workers and increased the number of urban poor. These contributing to the slums and urban squalor that are among the most visible problems associated with urban poverty (ILO, 1987).

The economy of developing countries is agrarian in nature, however, the stagnant agricultural development and deteriorating life in rural area forced people to migrate to the near by urban centers in search of job, and women accounts a huge proportion of this figure (de Hauna, 2000). The rapid population growth together with increasing rural-urban migration in developing countries has aggravated the problem of urban unemployment. The inability of the formal sector to provide job for the growing labour force have resulted in the rise and expansion of unemployed people, who are forced to look for employment opportunities outside the formal (modern) sector. The poor especially women are engaged in the so called informal sector, to sustain the life of their families and themselves (Chen, 2004). The reason they are called as informal among the others include legality (no registration, no official tax pay etc), standard of products, and places of undertaking (can be at home, along street, at the sites of religious institutions etc) (Ralf and Farhad, 1993).

People particularly the poor are increasingly involved in the informal sector to make living. Since the informal sector consisting of very small scale economic activities accounts for a substantial and increasing share of urban employment in most developing countries (Marthan, 2001). Evidences showed that in many developing regions a considerable proportion of town and city dwellers live on informal sector. For instance, informal sectors make 75% of jobs in South Asia, 85% of new jobs in cities of Latin America, 60% of urban labour force in Africa and 90% of all new jobs in Ethiopia (Tipple, 2005; Degefa, 2008).

Recent views in the informal sector sees it as a sector where workers are self selected voluntarily because of the various benefits and advantages that it can offer, or because of comparative advantage they may have in informal employment. Accordingly, workers weigh the costs and benefits from working informally versus working in the formal sector and choose that based on their characteristics and preferences. Here, we should be clear about the idea that informal sector are not only occupied by poor, besides rich people and people in intermediate income engaged in the sector to maximize their earnings (Maloney, 1999).

As any other developing countries of the world and being one of the least developed countries, one of the serious concerns of all urban centers in Ethiopia is the extent of urban poverty and unemployment experience. In order to cope with the problem, the poor involve in prostitution, begging, borrowing, migration, and change in consumption pattern. The poor also engage in the urban informal sector to make their living as any other developing countries of the world (Tegegne, 2000).

Informal sector in Ethiopia are emerged as a lasting solution for working women in urban centers due to lack of education and skills and gender based division of roles (CSA, 1997). The involvement of women in informal sector has its own opportunities and challenges to the women. Thus, the study emphasizes on assessing living conditions and livelihood challenges of women who produce and sell *Tella* and *Katicala* Dejen town.

1.2 Statement of the Problem

Livelihood in African cities have no longer revolve primarily on around wage earning jobs in the formal sector rather increasingly people earn their livelihood from informal wage labour or self employment (ILO, 1990). In Ethiopia, the informal sector absorbs the majority of the urban unemployed growing labor force. It creates a wide employment opportunity for the marginalized groups especially women who are excluded from the formal sector due to little access and control over resources, lack of education, the presence of discriminatory laws, custom, and religious practices that has been exercised in the past and continues to the present (UNECA,1996; Darare, 2007).

Ethiopia is a country of cultural, ethnic, religious and linguistic diversity with many traditional cultures which differs from region to region. In this diverse society, women form an integral part of the population, constituting more than half of the total population, and they significantly contribute to the country's economy, mainly in the agriculture and informal sector. Despite their contribution to the economy and social development equally as their male counterparts, women do not have equal access to health, education, and other productive resources, and they are not adequately represented in leadership and decision making position at all level (Haregwoin & Emebet, 2002).

Ethiopian women are engaged into informal sector activities that are neither capital intensive nor requiring skills acquired through school. These are petty trading, food and drink related staffs, collecting and bartering of second hand items, vending, craft of various types etc (Selamawit, 1994).

Among the various informal sector activities that women dominate in the country, preparation and selling of *Tella* and *Katicala* are prominent and common in different corners of the country. *Tella* and *Katicala* have had along history in the culture and tradition of Ethiopian society. In the past, these traditional alcoholic drinks were brewed and distilled as home-based drinks and to colorfully celebrate cultural holidays. However, the increasing challenge to make living in urban areas forced women to use *Tella* and *Katicala* as a commercial item. *Tella* and *Katicala* selling in Dejen town support the livelihood of many people especially female-headed households. The locational advantage of inputs to brew *Tella* and/or to distill *Katicala* in the in the study area together with easy entry, low capital and skill requirements attracted poor women to engage into

such informal business.

Many researches were conducted on the participation of women in the urban informal sector of Ethiopia in general and the income generating role of traditional alcoholic drinks like *Katicala* in particular. For instance, Selamawit (2008) conducted a study on the participation of women in the urban informal sector with particular focus on petty traders in Sebeta town basically to know the factors that pushed/attracted women to informality, to see the contribution of earnings to the family, and to examine the nature of the business and its major determinant. She found out that lack of job opportunities, heavy family responsibility and the need for additional income were the factors behind women participation into petty trade. Her finding further revealed that the monthly income of most petty traders was low (close to half of women obtained ≤ 150 birr monthly); and their business did not show growth and were influenced by working place problems, lack of credit facility, lack of training, and inadequate market.

Tesfaye (1999) has also conducted a research to assess employment and income generation capacity of *Katicala* in Asella town. He found that *Katicala* production and distribution generates an average monthly income of 102.9 birr for producers and 260 birr for distributors. Furthermore, Tesfaye noted that problem of housing, infrastructure and rudimentary equipments used in the activity and backward techniques of production were the constraints for producers where as absence of predetermined location for sale and improper transaction were found to be constraints for distributors. Finally, he concluded that *Katicala* production and distribution played a vital role in creating employment opportunities and generating income in Asella town.

As stated above different studies were carried out on women in the different informal activities. However, most of these studies were prioritized on the factors that led women to informality, their financial capital and determinant factors. As a result, this study aimed to fill the research gaps by showing the livelihood assets of women local drink house owners with respect to human capital, social capital, financial capital, physical capital and natural capital. Moreover, there has been no previously done research on the raised issue in the study area and it is believed that the results of various related studies in different areas could not assure women *Tella* and *Katicala* sellers in Dejen town. Therefore, being different from the aforementioned studies, the current study is focused on assessing the livelihood condition of women in the urban informal sector with particular emphasis on *Tella* and *Katicala* sellers in Dejen town.

1.3 Objective of the Study

1.3.1 General objective

The main objective of the study is to assess the livelihood conditions of women in the urban informal sector with particular emphasis on *Tella* and *Katicala* producers and sellers in Dejen town.

1.3.2 Specific Objectives

- i. To identify the push factors for women to involve in the urban informal sector especially in the preparation and selling of *Tella* and *Katicala*;
- ii. To examine the livelihood condition of women who are engaged in *Tella* and *Katicala* selling;
- iii. To examine the socio-economic status of *Tella* and *Katicala* producers and sellers women in the study area; and
- iv. To explore the challenges of women who are engaged in the preparation and selling of *Tella* and *Katicala* in Dejen town.

1.4 Research Questions

- ✓ What are the push factors for women to involve in the urban informal sector particularly in the production and selling *Tella* and *Katicala*?
- ✓ What is the livelihood condition of women engaged in *Tella* and *Katicala* selling?
- ✓ What is the socio-economic status of women who are participating in the preparation and selling of *Tella* and *Katicala*?
- ✓ What are the main challenges of women who produce and sell *Tella* and *Katicala*?

1.5 Research Methodology

1.5.1 Sampling Techniques and Sample Size

Two type of sampling methods used in this study. These are purposive sampling and stratified sampling. The first one was used to determine the study site and subjects of the study while the second was to select the required sample population.

Women *Tella* and *Katicala* sellers in Dejen town were purposely selected for this study because of the following reasons:

- like any other urban centers of the country, informality in Dejen is on rise, of these, the participation of women in *Tella* and *Katicala* production and selling have been increasing and such activities are expanding widely as it stems from the researchers experiences in the area.
- there has been no previously done research on the issue under investigation in the study area; and the researcher familiarity and personal enthusiasm.

The initial step to determine sample size is knowing the exact number of subjects of the research, however, there is no statistical data available in the municipal office of Dejen town regarding the number of women who produce and sell *Tella* and *Katicala*. Due to this reason, the researcher has conducted a census to figure out the number of *TPAS* and *KPAS* in the town and to determine the sample size since sample size is determined primary based total population of the study although time, finance etc remains important in the determination. The census for *TPAS* was conducted through counting *chekales*, that local drink house owners used to announce users whether *Tella* available or not; and it was found that 215 women in the town were engaged in the production and selling of *Tella*.

Figure 1.1 A Special Symbol Women Used to Advertise *Tella*



The researcher conducted the census for *Katicala* sellers by rounding to each *Areqe bet*. Since the researcher have been living in the town for a long time, indentifying local bars was not difficult. Besides, small size of the town simplifies the census. And it was found that 113 women were engaged in *Katicala* production and selling in the town. According to the census, there were 328 women who produce and sell *Tella* and *Katicala* in Dejen town. Finally, the subjects of the study were classified into two strata's (*TPAS* and *KPAS*) and a sample of 115 women, 75 from *TPAS* and 40 from *KPAS* were selected using stratified random sampling and proportional sample allocation methods. The researcher believed that the size of the sample is representative as study population is small and homogenous in terms of socio-economic characteristics and the motives to participate in informal business (i.e. to make living).

Proportional sample allocation formula

$nh = (Nh/N) Xn$ where; nh = Sample size of the stratum

Nh = Total population of the stratum

N = Total population (i.e. total HHs)

n = Total sample size

Source: (C.R.Kothari, 2004)

Table 1.1 Sample size Determination

	Total number of households	Sampled households	Percent
Kebele 01			
Tella Producers and sellers	91	$91/328 \times 115 = 32$	27.8
Katicala Sellers	48	$48/328 \times 115 = 17$	14.8
Kebele 02			
Tella Producers and sellers	124	$124/328 \times 115 = 43$	37.4
Katicala Sellers	65	$65/328 \times 115 = 23$	20.0
Total	328	115	100.0

Source: Researcher over Head Count, 2010

1.5.2 Data Sources and Collection Instruments

The data for the study were obtained from both primary and secondary sources. The primary data were gathered from *Tella* and *Katicala* producers and sellers in Dejen town through household survey, key informant interview, and observation.

Household Survey: to generate data from the household both open and close ended questionnaires were prepared and translation into Amharic language (the mother tongue language of respondents) was done. The questions basically have four parts: the first part deals with the general characteristics of the household, the second section considers the factors that led women to the urban informal sector in general and this activity in particular, the third section attempts to assess the livelihood condition and socio-economic status of *Tella* and *Katicala* producers and sellers, and the last one give due emphasis on the start up and operation challenges of traditional alcoholic beverage producers and sellers in Dejen town. Finally, the questionnaires were distributed to the sample households to be filled by them. This was done by the researcher with the help of enumerators. The enumerators were above tenth grade. Training on data gathering techniques and over all ethical acts was given for the enumerators.

Key Informant Interview (KII): to collect more data about the raised issue key informant interviews were conducted with government officials (Head of Municipal office and other concerned bodies), and women themselves. This was targeted on gathering reliable data regarding the living condition of *Tella* and *Katicala* producers and sellers in Dejen town.

Observation; the researcher has observed different local drink houses with the aim of understanding the general living pattern of the operators thereby their working difficulties. Specifically, the housing/dwelling units, working environment, market price of various supplementary inputs and output, social security condition, access to social services and infrastructures etc. were observed.

In addition, cases of five women were investigated with regard to the reasons for their turn to informal business, the trends in living conditions and the factors affecting livelihood security and sustainability. .

Secondary Data Sources: this study has used different secondary data mainly obtained from journals, statistical abstracts, books, internet, etc. Moreover, many unpublished documents that were obtained from different offices of the town were used.

1.5.3 Analysis Techniques

After the completion of the field work, data that were collected using questionnaire were organized, coded, categorized and entry to SPSS was done. Then after the analysis were made through calculating descriptive statistics (frequency, percent, mean and median, cross tabulations) and using simple correlation analysis. Where as the data obtained from *KII* and observation were organized together in meaningful way and analyzed qualitatively. Finally, the findings were systematically organized, summarized and presented in the form of tables, charts etc.

1.6 Significance of the study

Assessing the role of urban informal sector such as *Tella* and *Katicala* selling in sustaining the livelihood of people will have the following importance.

- It will give practical insight on the general living condition of women in the urban informal sector (*Tella* and *Katicala* sellers); there by the challenges they have been facing. Thus, enable the concerned bodies to play their role in enhancing the living condition of operators.
- It is important to fill the knowledge gap existed on the role of *Tella* and *Katicala* selling activities has in generating income and creating employment opportunities
- The findings of the study will create awareness as to what policies and strategies the local government and national government should develop in order to increase the contribution of the sector to the development of the town and the operators themselves.
- Finally, this study will serve as first hand information or a stepping stone for other researchers interested in related topics.

1.7 Scope of the Study

To effectively address the stated objective, the study is confined to conduct in Dejen town, which has two kebeles with in it. Even if different urban informal sectors are present in the town, this study gave primary concern for women who are engaged in the preparation of *Tella* and *Katicala* or locally called *Areqe*.

1.8 Limitations of the study

When the researcher conducted this study, a number of ups and downs or challenges has encountered in the process. One of these problems was absence of written data sources in the town related to the topic under study; the second was hesitation of respondents which means that the participants of the study suspect the researcher as someone who is sent by government to levee tax on their business as they run their business informally without formal registration or license. As a result, the majority of them were not willing to give data especially income related data but latter the researcher told the reality and they became friendly. Besides, some officials in the town were not genuine to give essential materials available at their office.

1.9 Conceptual and Operational Definition of Terms

Chekale: A symbol or sign that Tella sellers used to advertise their output

Coping Strategies: ordinal mechanisms people pursue to mobilize resources in order to tackle difficult situations.

Crowding: the number of household members living per room

Edir: a traditional societal based association designed to help members at the time of death and emergency.

Equib: a traditional association which rotates funds among members either weekly or monthly based on members agreement.

Household: implies a group of person living in the same housing unit and have common arrangements of work, food preparation and eating. A household can be single person, but in most cases it includes husband, wife, children, relatives in some instances etc.

Informal Sector: in the context of this study refers to a home based small business owned by women and mainly run by family labour. It is carried out at home or commonly called ‘Tella bet’ and/or ‘Areqe bet’.

Katicala/Areqe: is a distilled beverage made from *Gesho* and other various crops. Its production process include, firstly, ground *Gesho* leaves and water are kept for 3- 4 days and after that ‘kita’ made from cereals and germinated wheat are added. The mixture is allowed to ferment 5 – 6 days and then distilled.

Kebele: a smaller administrative unit in a town.

Livelihood: assemble of activities that household or individuals regularly perform in order to sustain their life.

Livelihood Strategies: a set of activities and choices that people undertake in order to achieve livelihood objectives.

Mahber: a religious based association in which members meet together every month in a fixed day and they think about their creator God. It is common in orthodox Christian followers.

Tella: is a home brewed traditional alcoholic beverage; prepared from various grains (typically maize, millet, sorghum, barely, wheat) and *Gesho*, a local plant used.

1.10 Organization of the Study

This thesis paper is organized into six chapters. The first chapter contains the introductory section of the research and it comprises background of the study, statement of the problem, objective of the study, research questions, methodology, scope of the study, significance of the study, limitation of the study and definition of terms. The second chapter mainly deals with review of related literatures to the raised issue. The third chapter emphasize on description of the study area with regard to its historical background, location, climate, various socio-economic characteristics, and trade and tourism. The fourth chapter presents the main findings of the study including general characteristics of respondents, women's reason to participate in the urban informal sector, the livelihood condition and socio-economic status of the participant women. The fifth chapter, gives due emphasis on the challenges of *Tella* and *Katicala* producers and sellers. Finally, the last chapter gives conclusion and plausible recommendation based on the findings of the study.

Chapter Two

2. Review of Related Literatures

2.1 The Concept and Definition of Informal sector

The idea of informal sector has used in the context of society and development starting from the past up to the present and the sector played an important role in supporting livelihoods and contributing to the production and consumption activities in developing countries. However, no standard, internationally agreed definition has been arrived mainly because of its complex and heterogeneous nature, and different socio-economic background of different regions (Nuru, 2009). The idea was first used by Keith Hart, in his pioneering analysis of workers outside the formal labour market and who were predominantly self-employed in Ghana. He observed that “price inflation, inadequate wage and an increasing surplus to the urban labour market have led to a high degree of informality in the income generating activities of the sub-proletariat. Consequently, income and expenditure pattern are more complex than is normally allowed for the economic analysis of countries. Government planning and the effective application of the theory in this sphere have been impeded by the unthinking transfer of western categories to the economic and social transfer of African cities” (ECA, 1993:2).

The informal sector was first appreciated by ILO (1972) as distinct socio economic force. The definition given by ILO is still widely accepted to represent the conceptual basis of informal sector activities and defined it as “... all small-scale activities that are normally semi-organized and unregulated, use simple labour intensive technology ... undertaken by traders, artisans and operators in work site such as open yards, market stalls, undeveloped plots, residential houses, and street pavements... not legally registered and in most cases not have license for carrying out business” (Ferej, 1996: 1).

It was only in 1993 during the fifteenth International Conference of Labour Statisticians (ICLS) that the informal sector acquired a proper definition based on production units, both in conceptual and statistical terms. Accordingly, informal sector is regarded as a group of household enterprises or unincorporated enterprises owned by household that include:

- ❖ Informal own account enterprise, which may employ contributing family workers and employees on occasional basis,
- ❖ Enterprise of informal employers which employ one or more employees in a continuous basis, and
- ❖ Size of a unit below a specified level of employment and non registration of the enterprise or its employees.

In Ethiopia, the Central Statistical Authority and the Ministry of Labour and Social Affairs (MoLSA) defined urban informal sector as “home based or individual establishment activity operated by the owners with no or few employees....., these establishments or activities include those engaged in market production which are not registered as companies or cooperatives which have no written book accounts and license, and have less than ten persons engaged in the activity” (CSA, 2003:1).

The researcher has used the definition forwarded by CSA to differentiate informal activities from the formal one. Therefore, home based income generating activities like *Tella* and *Katicala* preparation and selling is part of the informal sector hence it lies under the above criteria.

Generally, the idea of informal sector covers a wide range of activities that combine two groups of different nature. Firstly, the informal sector is formed by the coping behavior of individuals or family in economic environment where earning opportunities are low. Secondly, the informal sector is a product of rational behavior of entrepreneurs that desire to escape state regulation.

2.2 The Role of Informal Sectors in Developing countries

Informal sector plays a multi-dimensional role in the economy of developing countries and it serves as an important breeding ground for entrepreneurs with opportunities for self employment. As a flexible and decentralized model of economic organization, the sector can create network of economic activities through sub-contracting, facilitating linkage between different socio-economic processes. The sector is widely regarded as a foundation for economic growth of developing countries (Gibbon, 1995).

The informal sector plays a supplementary and subordinate role to activities of the formal sector and helps to realize the creative potential of economically active population (Portes et al., 1989). Thus, the informal sector makes invaluable contribution to economic and social life through provision of employment, generation of income, development of skills and other social services to those neglected and marginalized groups (Yitbarek, 2001).

As indicated above, one of the significant contributions of the informal sector in the development process has been employment creation. The rural to urban migration, combined with relatively freezing wage employment opportunities in the formal sector, has raised the importance of informal business occupations. For instance, according to CSA (2003) out of the total urban population of Ethiopia 80.15% were informal sector operators which consisted of females (59.99%) and males (20.16%).

Informal sector activities play significant role in poverty alleviation efforts by providing the required means of survival for impoverished households and disadvantaged groups during periods of economic recession, drought and famine which are characterized by declining household incomes and growing under-employment. Thus, another important contribution of the sector is income generation for the underprivileged. ILO (1993) estimates of the average contribution of the informal sector to the total Gross Domestic Product (GDP), the share is found to be about 20%. This is an indication of the sector's role in meeting the basic needs of the poverty-ridden population of Africa in general and Ethiopia in particular.

The informal sector is universally viewed as providing the following benefits for developing countries (ILO, 1993):

- Serve as the spring-board for development by providing refuge for self-employed, talented and growth oriented entrepreneurs.
- Mobilize and utilize local development resources which otherwise could be wasted.
- Decentralize business activities and provide linkage between rural and urban communities and various branches of socio-economic establishments to meet people's needs at grassroots level.
- Contribute to equitable distribution and utilization of national resources.
- Stimulate entrepreneurial spirit to build on the innovative and creative potential of opportunity-driven citizens to serve as vehicles for development.

2.3 Women in the Urban Informal Sector in Developing Countries

Gender has been an issue of serious attention in the past and continued to be the major issue in the developing world where social, economic, and political factors aggravate the existing gender imbalance. Women constitute more than half of the world's population and are expected to share and control the wealth of the world equally, however, studies pointed out that, women perform two-third of working hours and receives one tenth of the world income and own less than one hundred of the world property (Tassew, 2001). World Development Report 1990 put the situation "...the available figure on health, nutrition, education, and labourforce participation show that women are often severely disadvantaged. Women face all manners of cultural, social, legal, and economic obstacles than men. Women typically work in longer hours and when they are paid at all, for lower wages" (Tassew, 2001: 62). The majority of people in developing countries are in a problem of chronic poverty and this is not gender neutral. Women are more prone to poverty caused by cultural, social, and religious constraints that devalued their position in the society, and hence affects their wellbeing (While and Kellick, 2001). Ethiopia being one of the poorest countries in the world the situation is not different.

A comprehensive survey data of developing countries undertaken by IFPRI found that, in many developing countries, relatively there were more women than men in poor households and that, female-headed households were poorer than men-headed households (UN, 1995). This condition is also true in Ethiopia, and the figurative representation of poor women in urban areas increases from time to time. As a result, most of urban poor women in the country are engaged in informal sector of the economy in order to sustain their life. Despite the effort made by the government, NGOs, and other development actors to reduce poverty in Ethiopia, women's remain the poorest of poor. Among developing countries, Ethiopia is the least in gender related development index (GRDI) and women in the country are poorly represented in education, economic activities and political participations (Zelalem, 2000). Moreover, Ethiopian poor women are prime victims of poverty due to little access to productive resources, labour market, education etc (Zelalem, 2000).

There are two dominant theoretical approaches, regarding the spatial relationship between women and development: women in development and global feminism. The first approach advocates for women work and their role in economic development (Tinker, 1991). The approach rests on liberal economic theories of dualism and the political science concepts of modernization, which posits a modern, industrial developed economic sector that men dominate and a traditional, stagnant, undeveloped sector in which women participate. The goal is to bring women in the waged labour market, in other word to modernize them. The second approach, global feminism, is based on the intersection of gender, race, and class; it considers social as well as economic and political dimension of development and values the paid and unpaid work that women dominated.

In most developing countries like Ethiopia women are the marginalized section of the society and they are grappled with simultaneous task of managing child care, domestic work, community activity and their income generating activities. The difficulty of this endeavor accounts for the prevalence of part time work, out work and types of self employment based in home and in public spaces such as open market to which small children can be brought (Holcomb and Turshen, 1991). To a greater extent women involvement in the sector is to ensure survival, such survival strategies are usually dominated by the poor.

For women, a major impetus toward informal labour is their need to perform reproductive tasks. Informal work has no time card, and, as such, allows more time or more flexible time for women to take charge of their reproductive work. Adgala and Bifani (1985) pointed out that informal sector offers greater flexibility in terms of time management and it enables female to harmonize household chores and child chore without work. Moreover, divorce and separation are on the increase resulting in single female family heads that have a responsibility of look after the families by joining the informal sector.

Women typically have higher relative participation rates in the informal sector than formal sector may be partially attributable to cultural influences concerning appropriate roles and work (Hill, 1983). Domestic out work-subcontracting parts of the production process to home based workers- can be accompanied between women needed to earn income and the ideology that says the women do housework while men earn the family income. Since it is invisible work and

provides smaller income than the more formalized job that men are likely to have (Hill, 1983). Generally, the socio-economic problems women face is two-fold. On one hand, they are denied of access to resources and to their basic human rights as a result of the highly entrenched societal beliefs and cultural practices. On the other hand, they have the burden of having the responsibility to look after the family which gives them less time to take care of their own needs and interests. Evidences showed that, time and energy constraints are particularly binding for poorer women because of the conflicting demands of making a living and caring for family (Kabeer, 1996).

Internal migration from rural to urban areas is a common phenomenon in developing countries. In Ethiopia, women account a huge proportion of internal migrants due to the cultural values, norms and social expectations in rural areas of the country. These societal rules and norms include forced or arranged marriage, lack of access to education, lack of access to health service, denial of their rights to property ownership, highly unbalanced responsibility to look after the family etc (Lall et al, 2006). The presence of these factors highly aggravated rural-urban migration in the country. Internal migration can exert a lot of pressure on urban centers which may not have the capacity to absorb large population flows and to provide migrants with an adequate level of public goods (Lall et al, 2006). Due to the rapid rate of urbanization and increase urban in poverty in Ethiopia, there is lack of well paid jobs especially to migrants who have not achieved any educational performance or with some kind of skills and are thus less competitive in the job market.

2.4 Urban Informal sector in Ethiopia and Challenges to Women in the Sector

Like any other developing countries, the majority of Ethiopian's population (60%) lives in a state of absolute poverty; and country is characterized by low level of economic growth, rapid population expansion, drought, and famine etc, which has been experienced in the last couple of decades (Hayat, 1997). Besides, rural to urban migrants are increasing alarmingly. The diminishing of rural lands and population explosion and resource scarcity, could not enable rural people to sustain life in their localities. This widening gap between the resource loaded urban centers and the poverty ridden rural areas facilitated migration as an option for survival. The Growth of population and labour force due to rural-urban migration has inflated the urban work

force. The formal sector of the country did not have capacity to absorb the ever increasing urban labour force. This forced the unemployed people to refuge in the informal sector in order to create own employment (Hayat, 1997).

The current free market economy system of the country might have also an impact on the magnitude and distribution of the informal sector. Therefore, in today's context of economic situation /as related to privatization and liberalization/ formal employment has declined and the informal sector has taken on a new rate of employment generation and crucial sources of alternative income for many households. In addition, informal sector is also seen as a breeding ground for entrepreneurs, which could flourish if only it were not encountered with a host of problems and uncertainties (Yasin, n.d.).

Despite the invaluable role of the informal sector in generating income and creating employment opportunities, participants in the sector have faced various challenges. ILO (2002) conclude that the majority of informal entrepreneur in Mongolia constrained by lack of financial capital. Further, ILO noted that more than 80 % of the operators relied on their own or family saving, 11 % borrow from individuals, and very few used bank loans. Similarly, Fowler (1981) in his study of informal sector in Freetown (Serralion) found that two-third of entrepreneurs faced problems in raising initial capital. Likewise, informal sector operators in Ethiopia have faced several challenges. For instance, CSA (2003) identified the major starting and operational difficulties of women informal sector operators as lack of sufficient capital, inadequate skill, lack of premises, and government regulation. In addition, Asfaw (2008) found the major operational challenges of women informal sector operators as lack of convenient working place, shortage of working capital and competitions.

2.5 Theories and Debates on the Informal Sector

Although the concept of informal sector has debated since its “inception” in Africa it has continued to be used by many policy makers, labour advocates, and researchers because the reality it seeks to capture-the large share of the global work force that remains outside the world of full time, stable, and protected jobs-continues to be important and has likely been increasing over time. At present, there is renewed interest in informal work arrangements or informal labour markets. This current interest stems from the fact that informal work arrangements have not only persisted and expanded but have also emerged in new guises and unexpected places (WIEGO, 2002). There are different views and arguments concerning the expansion of the informal sector and its contribution to economic development. Early debates regarding the causes, characteristics and contribution of the informal sector crystallized into four dominant schools of thought, as follows:

The *dualist school*, popularized by the ILO in the 1970s, subscribes to the notion that the informal sector is comprised of marginal activities – distinct from and not related to the formal sector – that provide income for the poor and a safety net in times of crisis (ILO, 1972; Sethuraman, 1976; Tokman, 1978). According to this school, the persistence of informal activities is due largely to the fact that not enough modern job opportunities have been created to absorb surplus labour, due to a slow rate of economic growth and/or a faster rate of population growth.

The *structuralist school*, popularized by Caroline Moser and Alexandro Portes (among others) in the late 1970s and 1980s, subscribes to the notion that the informal sector should be seen as subordinated economic units (micro-firms) and workers that serve to reduce input and labour costs and, thereby, increase the competitiveness of large capitalist firms. In the structuralist model, in marked contrast to the dualist model, different modes and forms of production are seen not only to co-exist but also to be inextricably connected and interdependent (Moser, 1978; Castells and Portes, 1989).

According to this school, the nature of capitalist development (rather than a lack of growth) accounts for the persistence and growth of informal production relationships.

The *legalist school*, popularized by Hernando de Soto in the 1980s and 1990s, subscribes to the notion that the informal sector is comprised of ‘plucky’ micro-entrepreneurs who choose to operate informally in order to avoid the costs, time and effort of formal registration (de Soto, 1989). According to de Soto et al, micro-entrepreneurs will continue to produce informally so long as government procedures are cumbersome and costly. In this view, unreasonable government rules and regulations are stifling private enterprise. More recently, de Soto has championed property rights as a means of converting the informally-held property of informal entrepreneurs into real capital (de Soto 2000).

The *il-legalist school*, popularized by neo-classical and neo-liberal economists across the decades, subscribes to the notion that informal entrepreneurs deliberately seek to avoid regulations and taxation and, in some cases, to deal in illegal goods and services. This perspective is associated with the notion that the informal economy is an underground or black economy. According to this school of thought, informal entrepreneurs choose to operate illegally – or even criminally - in order to avoiding taxation, commercial regulations, electricity and rental fees, and other costs of operating formally (Maloney 2004).

Current re-thinking of the informal economy/sector suggests the need of an integrated approach that looks at which elements of dualist, structuralist, legalist, and il-legalist theories are most appropriate to which segments of informal employment in which contexts. Clearly, some poor households and individuals engage in survival activities than have-or seem to have-very few links to the formal economy/sector and the formal regulatory environment (dualist school): some micro entrepreneurs choose to avoid taxes (il-legalist school) and regulations (legalist school): while other informal units and workers are subordinate to large formal firms (structuralist school) (WIEGO, 2002).

Although the different theories stated above, raised different points in relation to the expansion and contribution of informal activities to the economy; among these theories, the dualistic school of thought fit with the issue under study. It is clear that the activities of women who produce and sell *Tella* and *Katicala* are marginal in character. Besides, the majority of them are the urban poor which have low education and did not able to find job in the formal sector. These forced them to engage into informal activities primarily to make living.

2.6 Theoretical Framework of the Study

Although there are many approaches that relate to the raised issue, but the most common and widely used approach is the Sustainable Livelihood Framework. SLF was developed to understand and analyze the livelihoods of the poor and to improve the effectiveness of livelihoods-related development assistance. The reason why the researcher used this approach is to understand the livelihood condition and livelihood challenges of *Tella* and *Katicala* producers and sellers in Dejen town with regard to the factors that affect the livelihoods security of these people and to recommend effective intervention measures pertinent to the problems.

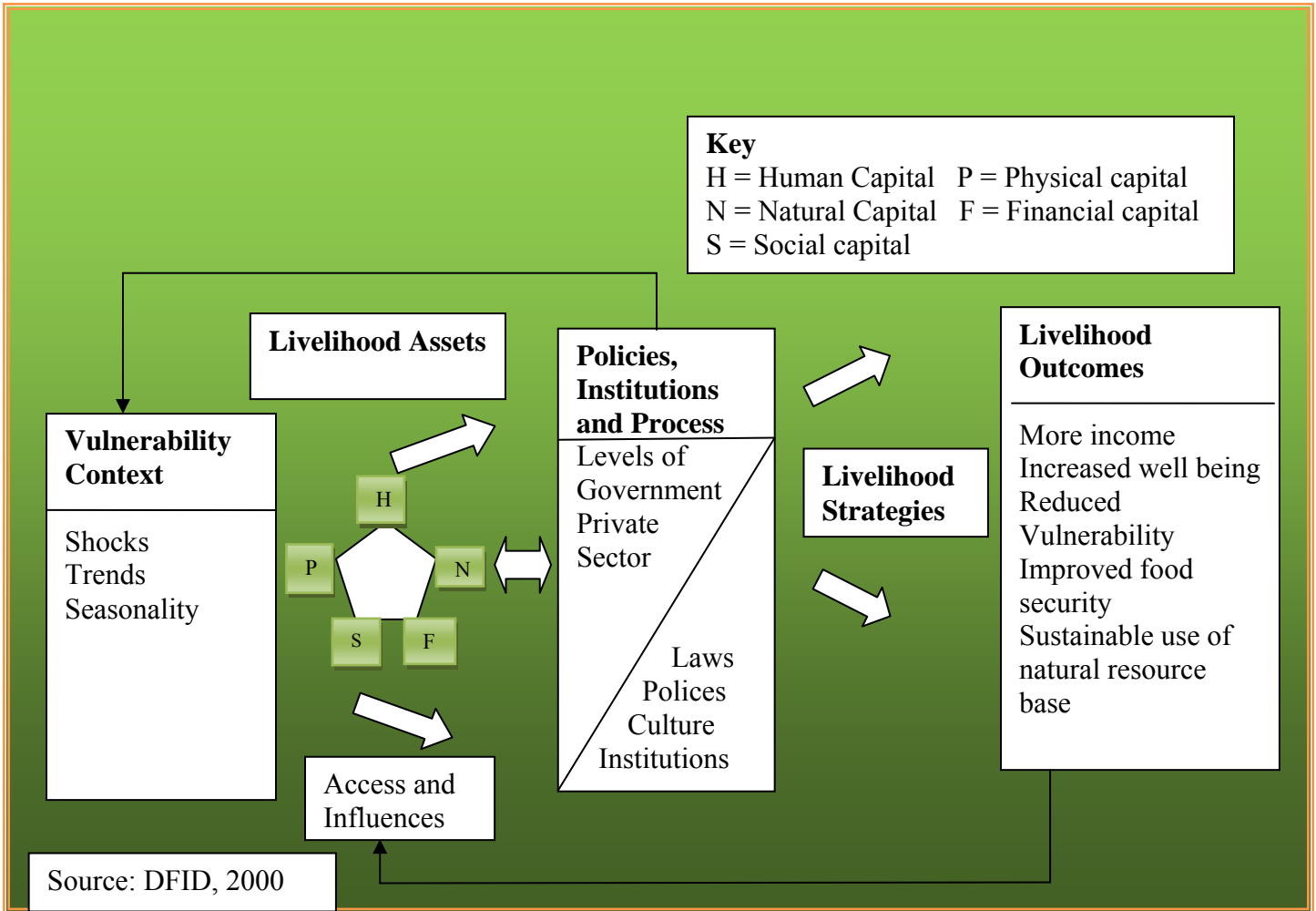
2.6.1 Sustainable Livelihood Framework (SLF)

According to Chambers and Conway (1992: 7) “a livelihood comprises the capabilities, assets and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities, assets and activities both now and in the future, while not undermining the natural resource base.”

Sustainable Livelihood Approach is one of a number of conceptual frameworks which take an asset/vulnerability approach to analysis of the livelihood of poor people. It emphasizes understanding the vulnerability context and the organizational and institutional environment within which poor people draw upon assets of different types in order to implement a livelihood strategy (Norton and Foster, 2001).

SLF has six core principles, namely *people centered*- focus on perspectives, priorities and strengths of people - especially poor and vulnerable groups: *holistic*- recognize that different factors and processes influence the livelihood opportunities and choices of people, and that people have multiple livelihood strategies in pursuit of multiple livelihood outcomes: *dynamic*- recognize that poor people’s livelihood strategies can change rapidly: *building strength*- Start with an analysis of strengths rather than needs: *micro-macro linkage*- Consider the linkages between the two levels to inform more supportive policies and institutions: *Sustainability*- include analysis of environmental, social, economic and institutional sustainability (Sneddon,2000).The framework comprises of different elements including Vulnerability context, livelihood assets, structures and process, livelihood strategies and livelihood outcomes. Detail explanation about these components is given following the diagram.

Figure 2.1 Sustainable Livelihood Framework



2.6.1.1 Vulnerability Context

The vulnerability context forms the external environment in which people exist and gain importance through direct impacts upon people’s asset status (Devereux, 2001). It comprises *trends* (demographic trends; resource trends; trends in governance), *shocks* (human, livestock or crop, health shocks; natural hazards, like floods or earthquakes; economic shocks; conflicts in form of national or international wars) and *seasonality* (seasonality of prices, products or employment opportunities) and represents the part of the framework that lies furthest outside stakeholder’s control. The production and selling of traditional alcoholic beverages are directly or indirectly affected by many natural and human related factors. Not all trends and seasonality

must be considered as negative; they can move in favorable direction, too. Trends in technology and seasonality of prices could be used as opportunities to secure livelihood.

2.6.1.2 Livelihood Assets

The livelihoods approach is concerned first and foremost with people. So an accurate and realistic understanding of people's strengths (here called "assets" or "capital") is crucial to analyze how they endeavor to convert their assets into positive livelihood outcomes (Bebbington, 1999). People require a range of assets to achieve their self-defined goals, where as no single capital endowment is sufficient to yield the desired outcomes on its own. There are five core types of assets; namely natural, physical, human, financial and social capitals.

Different components of livelihood assets may directly or indirectly link to the production and sale of alcohol in general and traditional alcoholic beverages (*Tella* and *Katicala*) in particular.

i). Human Capital

Human capital represents the skills, knowledge, ability to labour and good health that together enable people to pursue different livelihood strategies and achieve their livelihood objectives (DFID, 2000). In most cases the urban informal sector operators have had a rural background and most of them have no education and skills. Therefore, skills and knowledge status influences the livelihood strategies people used.

There are two opposing views regarding the relationship between production and use of alcohol and human health. The first argument is about the positive relationship between the two variables. The argument further illustrated that the use of alcohol can offer protection against chronic diseases like diabetes and cholelithiasis. Evidences indicated that moderate use of alcohol may decrease the risk of diabetes and gallstones, perhaps through the effect of alcohol insulin sensitivity (Leizman, 1998).

The second argument stated that the use of alcohol is associated to many harmful health consequences. These include cancer, liver cirrhosis, as well as some diseases affecting the nerves (alcoholic polyneuropathy), the heart (alcoholic cardiomyopathy) and the stomach (alcoholic gastritis), however, the severity of the disease are closely associated with average volume of consumption and pattern of drinking (WHO, 2004). Moreover, alcohol use has been associated with increased risk of injury in a wide variety of settings including road traffic accident (in towns

and cities), falls, injuries resulting from interpersonal violence etc (US Department of Health and Human Service, 2000).

ii). Social Capital

There is much debate about what exactly is meant by the term “social capital” and the aspects it comprises. In the context of the SLF it is taken to mean the social resources upon which people draw in seeking for their livelihood outcomes, such as networks and connectedness that increase people's trust and ability to cooperate (DFID, 2000). Social capital in Ethiopia is a big asset for the poor and they benefit more from this asset and it is possible to say that social capital is the basic life insurance for the poor.

iii). Natural Capital

Natural capital is the term used for the natural resource stocks from which resource flows and services (such as land, water, forests, air quality, erosion protection, biodiversity degree and rate of change, etc.) useful for livelihoods are derived. It is of special importance for those who derive all or part of their livelihoods from natural resource-based activities, as it is often the case for the poor stakeholders, but also in more general terms, since a good air and water quality represents a basis for good health and other aspects of a livelihood (DFID, 2002). Although most of traditional alcohol producers and sellers have little access to natural capital their activity directly or indirectly affects this capital. It is obvious that activities like *Tella* and *Katicala* production require a great deal of fuel wood, which causes environmental problems. According to the World Bank Report (1992) in poor countries indoor air pollution from burning wood, charcoal, and dung endangers the health of millions of people. Consequently, the increasing demand for fuel wood aggravates deforestation rate and contributes to the rise of green house gases.

iv). Physical Capital

Physical capital comprises the basic infrastructure and producer goods needed to support livelihoods, such as affordable transport, secure shelter and buildings, adequate water supply and sanitation, affordable energy and access to information. Its influence on the sustainability of a livelihood system is best fit for representation through the notion of opportunity costs or 'trade-offs', as a poor infrastructure can preclude education, access to health services and income

generation. The availability and access to transport, housing, social services etc have a significant role for the success of households who are relied on the production and selling of *Tella* and *Katicala*.

v). Financial Capital

”Financial capital” denotes the financial resources that people use to achieve their livelihood objectives and it comprises the important availability of cash or equivalent, that enables people to adopt different livelihood strategies (DFID, 2000). It is the one which is available for the poor. Alcohol production and trade have played invaluable role to the national economies, although the benefits vary from region to region and across countries based on the prevalent mode of organization of alcohol production. Accordingly, beverage industries accounts for 2% of total manufacturing value added in industrialized countries and 4% in developing countries (UNIDO, 1998). In addition, in countries like Soviet Union alcohol is important source of government revenue amounting for 12-14% of the state revenue (WHO, 2004).

In Ethiopia, studies indicated that the production and sale of traditional alcoholic beverages like *Katicala* has now become important in many urban centers of the country hence it provides livelihood for the poor (Tesfaye, 1999). According to Endale (2008) the production of *Katicala* has provided a substantial income and absorbed a huge number of active labour forces in Arsi-Negele woreda; he further stated that the local government generates tax revenue from the production and sale.

2.6.1.3 Transforming Structures and Processes

Transforming Structures and Processes represent the institutions, organizations, policies and legislation that shape livelihoods. They are of central importance as they operate at all levels and effectively determine access, terms of exchange between different types of capital, and returns to any given livelihood strategy (Shankland, 2000; Keeley, 2001).

Structures can be described as the hardware (private and public organizations) that set and implement policy and legislation, deliver services, purchase, trade and perform all manner of other functions that affect livelihoods (DFID, 2000). An absence of well working structures often constitutes an obstacle to sustainable development and makes simple asset creation difficult in case of adverse structures impeding access to apply a certain livelihood strategy (Sen, 1981).

Complementary to structures, processes constitute the “software” determining the way in which structures and individuals operate and interact. There are many types of overlapping and conflicting processes operating at a variety of levels – and like software, they are crucial and complex. Important processes for livelihoods are for instance policies, legislation and institutions, but also culture and power relations. They may serve as incentives for people to make choices, they may be responsible for access to assets or they may enable stakeholders to transform and substitute one type of asset through another (Shankland, 2000).

Transforming structures and processes occupy a central position in the framework and directly feedback to the vulnerability context, while influencing and determining ecological or economical trends through political structures, while mitigating or enforcing effects of shocks or keeping seasonality under control through working market structures; or they can restrict people's choice of livelihood strategies and may thus be a direct impact on livelihood outcomes (Kollmair and Gamper, 2002). Structures like market, policies and institutions have a profound impact on the activities of *Tella* and *Katicala* sellers and their effectiveness as well.

2.6.1.4 Livelihood Strategies

Livelihood Strategies comprise the range and combination of activities and choices that people undertake in order to achieve their livelihood goals. They have to be understood as a dynamic process in which people combine activities to meet their various needs at different times and on different geographical or economical levels, whereas they may even differ within a household. Their direct dependence on asset status and transforming structures and processes becomes clear through the position they occupy within the framework. A changing asset status may further or hinder other strategies depending on the policies and institutions at work. When considering livelihood strategies and issues connected to the SLF in general it is important to recognize that people compete (for jobs, markets, natural resources, etc.), which makes it difficult for everyone to achieve simultaneous improvements in their livelihoods (Kollmair and Gamper, 2002). The urban poor devise different flexible livelihood strategies to make a living, of the strategies, production and selling of traditional alcoholic beverages like *Tella* and *Katicala* is common in many urban centers of Ethiopia including Dejen. Moreover, it generates additional income for many households in the study area.

2.6.1.5 Livelihood Outcomes

Livelihood outcomes are the achievements of livelihood strategies, such as more income (e.g. cash), increased well-being (e.g. non material goods, like self-esteem, health status, access to services, sense of inclusion), reduced vulnerability (e.g. better resilience through increase in asset status), improved food security (e.g. increase in financial capital in order to buy food) and a more sustainable use of natural resources (e.g. appropriate property rights) (DFID, 2000). There is close connection between livelihood outcomes and livelihood assets; and the two are linked through livelihood strategies. Livelihood outcomes are not always positive and sometimes negative outcomes may also arise.

Chapter Three

3. Description of the Study Area

This study is conducted in Dejen town, which is a check point for traffic crossing regional boundaries. It is the administrative center of Dejen Woreda and has two urban kebeles and 21 rural kebeles. This chapter emphasizes on the historical background, location, climate, socio-economic characteristics, trade and investment activities, and informality in the town.

3.1 Historical Background

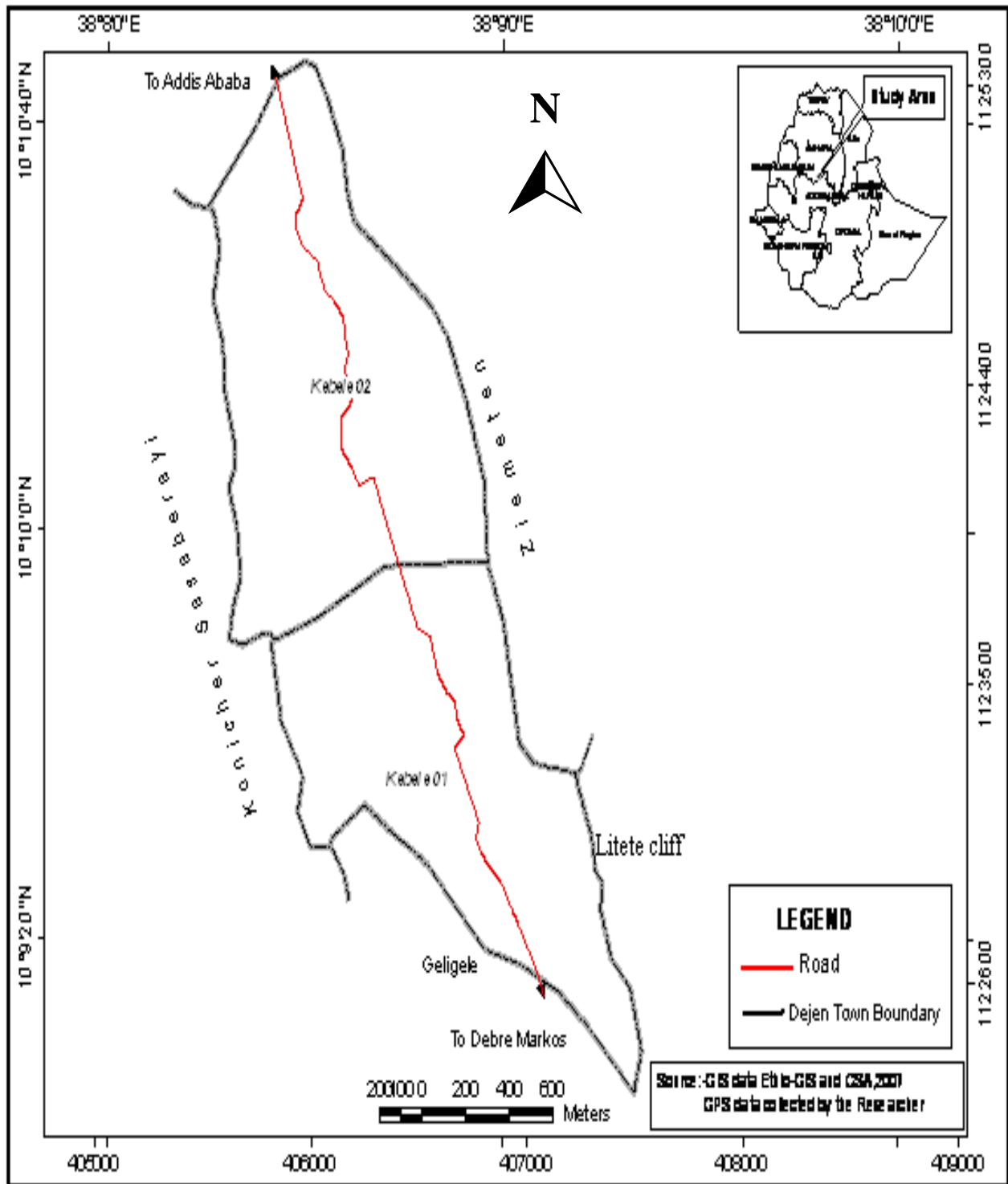
The establishment and naming of Dejen town was directly linked to the second Italian invasion of Ethiopia. It is clear that the Italians were penetrated deep into the different parts of the country and they controlled many areas for some years even if the people did not give up their resistance. Just like other parts of the country, the Italian troops were arrived to Dejen and they had established their camp at a place called *Yewusha Terrise* ('Dog Teeth'). In the mean time the surrounding people were settled together in a place called Dengabo which is found behind 'Dog Teeth' and have relatively lower altitude, through time the people made this place a town. But the Italians were not comfortable with their initial Camp; as a result they were searching a strategic place for campaign and finally the one they had selected was the present day Dejen and it was in 1937. The real foundation and naming of the town begin here. Soon after the evacuation of Italian troops from the area the people who were settled in Dengabo came into the area and started to live there. The houses in the initial establishment of the town were constructed from grass and wood or dominantly hut. Following the evacuation, the area was ruled by local rulers under the imperial regime.

The town had established its own municipality in 1947, after that different services and infrastructures introduced in the town one after the other. Currently the town is aged to 73 years, however, when we see the development of the town as compared to its age and available opportunities; it is still in the lowest stage.

3.2 Location and Relief Structure

Dejen is a town in Western-Central Ethiopia and located in the East Gojjam Zone of the Amhara region on the edge of the canyon of the Abay. As indicated in figure 3.1, the town has a latitude and longitude of 10°10'N 38°8'E; and an elevation between 2421 and 2490 meters above sea level. It is found at a road distance of 335 km south of the regional capital Bahir Dar, 70 km south of the zonal capital Debre Markose and 229 km from Addis Ababa along the high way of Addis Ababa-Bahir Dar. The relief structure of the town is more of plateau surrounded by cliffs and hills particularly to the south-east edge of the town. Dejen is bordered by rural kebeles (peasant associations) in all direction, namely Zemeten in the North, Gelgele in the South, Qonechere in the West, Sasaberay in the South-West and Litete cliff in the East

Figure 3.1 Map of the Study Area



3.3 Climate

The town has experienced an average daily temperature of twenty three degree centigrade and the average yearly rain fall ranges from 800-1200mm and the rainfall pattern is bi-modal which is March to May (*Belge*) and summer or high rainy season from June to September. June, July and August are the principal rainy month of the town. According to the information obtained from the Woreda agricultural office, the Woreda generally has three types of agro-ecological zones; *Dega*, *Woyinadega* and *Kolla*. However, the town has a *Woyinadega* climate.

3.4 Socio-Economic Characteristics

3.4.1 Population

Table 3.1 Population of Dejen town by Sex and Age Groups

Age Groups	Sex				Total	%
	Male	%	Female	%		
≤ 14	3180	41.8	3374	36.9	6554	39.2
15 - 24	1768	23.3	2156	23.6	3924	23.4
25 – 34	1005	13.2	1392	15.2	2397	14.3
35 - 44	677	8.9	882	9.6	1559	9.3
45 - 54	431	5.7	548	6.0	979	5.8
55 – 64	292	3.8	423	4.6	715	4.3
≥ 65	247	3.3	379	4.1	626	3.7
Total	7600	100.0	9154	100.0	16754	100.0

Source: Population and Housing Census of Ethiopia, 2007

As indicated in table 3.1, about 39.2% of the town populations were under the age of ≤ 14 years, 3.7% ≥ 65 years, and 57.1% were in the age group between (19 - 65) years. The above result indicated that more than half of the populations of the town were in the productive age groups. The dependency ratio in the year 2007 was 75% which implies that hundred persons in the working age group had to support on average 75% dependent population whose age is between 0-14 and ≥ 65 years. According to the census, the largest ethnic group in Dejen was the Amhara (99.8%).

3.4.2 Infrastructure

It is clear that the growth and development of urban centers is strongly linked to its infrastructure strength. Infrastructure helps to determine the ability to expand trade, cope with population growth, and reduce poverty etc. Good infrastructure raises productivity and lowers production cost, and is fast enough to accommodate growth (World Development Report, 1994). For low-income countries basic infrastructure such as water, irrigation and to a lesser extent transportation are more important, hence it attracts investment.

- ❖ **Roads:** - the Addis Ababa-Bahir Dar highway that divides the town in to two parts is the only asphalted road available in the town. It has many internal gravel roads (all weather). The town is connected to its rural kebeles through dry weather roads and some all weather gravel roads.
- ❖ **Electricity:** - the town has acquired its electric power service in 1980. Currently, it expands its service delivery to many rural kebeles of the woreda.
- ❖ **Telecommunication:** - The town has acquired its telephone service in 1933. The information obtained from the telecommunication office of Dejen district indicated that, a wide and improved telephone service in the town was started since 1944. Currently, there are about 667 residential lines, 99 governmental organization telephone lines and 31 private organization telephone lines in the town.
- ❖ **Water Supply:-**the town became the beneficiary of potable water in 1960 and this was through utilizing spring water found a few distance away from the town through using generator power. Now the town gets its water source from deep water hole found 12.5 km far away from the town. Although the town had water shortage problem in the past, this problem is now minimized.

3.4.3 Education and Health

Education is one of the fundamental factors of development. No country can achieve sustainable economic development without substantial investment in human capital. Education enriches people's understanding of themselves and world. It improves the quality of their lives and leads to broad social benefits to individuals and society. In addition it plays a very crucial role in securing economic and social progress. By taking these merits of education into account, the educational policy of Ethiopia gives due emphasize to ensure the equal distribution of quality education to all people. As far as education is concerned, there are about four kinder gardens,

three primary schools, one secondary (9-10 grades) and preparatory school, and one technical and vocational educational training center in the town. Even if the school enrolment ratio is high (73.3%) in the year 2010 but student-class and student-teacher ratio is still unsatisfactory in the town due to the material and financial constraints as explained by the Woreda education bureau officer. As far as health institutions are concerned, the town has one governmental health center and four nongovernmental clinics. Besides, rural drug vendors are also available in the town.

3.4.4 Housing Condition

House is one of the basic necessities of human survival. It provides opportunities for personal and spiritual growth in a safe and supportive community. According to the data obtained from the municipal office of Dejen town, there are 2805 private owned and 355 government owned houses in the town and most of these houses in the town do not have kitchen and toilet facilities. Moreover, many governments owned or kebele houses are elongated, old and have low quality and now these houses are physically deteriorating.

3.4.5 Finance and Financial Institutions

The presence of financial institutions like banks, credit and saving associations etc play a significant role in the growth and expansion of the economy of town. The town has one governmental financial institution (Bank) that is the Commercial Bank of Ethiopia. The well known credit associations that provide service in the town is Amhara Credit and Saving Institution (ACSI).

3.5 Trade and Investment Activities

Dejen town and its surrounding kebeles produce different tradable items; among these items, the area dominantly produces *teff*. The local traders buy *teff* from producers and distribute to different parts of the country. In relation to trade, there are many trading activities undertaking in the town. These include hotels and restaurants (accounts the highest due to high bus stop), *butics*, trade of various commodities like crops, etc.

Dejen is rich in mineral resources like *jeso*, *ceramics soil*, *nora*, charcoal, and other rock minerals, biogas etc and most the rock minerals are found along the Abay Gorge. Besides the resource endowment, Dejen has a suitable climate condition. As a result of the above fact, many investors are coming and requested to have an investment land and some of them have begun work. For instance, Dashen Midroic Cement factory which is established in the outskirts of the town has started production before 3 years. The *jeso* factory is now on the way to complete the building process, although it does not start operation. The establishment of the above factories contributes a lot for the reduction of unemployment and growth of the town.

3.6 Informality and Informal Sector Activities in Dejen town

There is no statistical data available in the town in relation to the figurative representation of informal sector operators, their living patterns and other aspects etc. Although this is the case, people are significantly engage in various self created jobs in the town and women are over represented in such informal business.

Different informal activities are existed in Dejen town. These include processing of food and drink related staffs, vending, *Kolo* selling, Prostitution, petty trading etc. However, the processing of traditional alcoholic drinks like *Tella* and *Katicala* has been expanding than other informal activities. Dejen woreda has three agro-climatic zones, the *Dega* and *Woyinadega* parts of the area produce crops like barely, wheat, teff, etc while the *Kola* parts produce maize, sorghum, millet etc. Therefore, the availability of supplementary inputs in and around the town pulls many rural migrants and urban poor women in the town to engage in the preparation and selling of *Tella* and *Katicala/Areqe*. The presence of this reality causes increase in the number of new entrants to this specific activity and thus, creates strong competitions and market saturation.

Chapter Four

4. Analysis and Interpretations of Data

This section presents the main findings of the study that are directly generated from primary data sources by using household survey, interviews and field observation. It includes general characteristics of respondents, women's reasons for participating in the urban informal sector, the livelihood condition and their socio-economic status of operators.

4.1 General Characteristics of Respondents

The main demographic and socio-economic variables raised in this section include age, marital status, educational level, family size, place of birth, previous occupation and number of years in the business.

4.1.1 Age Structure of Sample Respondents

Age is an important demographic variable that hinders the physical and mental abilities of individuals at work. The results of the study revealed that the age of sample respondents ranges from 17 – 62 years with the mean age of 39.23 and median age of 37. As can be seen from table 4.1, huge proportion (73.8%) of women local drink house owners' fall within the age ranges from 25 – 45 years (productive age groups). From this, it can be understood that the majority of women are in child bearing ages and they might have dual responsibilities of performing productive and reproductive tasks in the household.

Table 4.1 Age Structure of Sample Respondents

Age Groups	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
≤25	12	16.0	11	27.5	23	20.0
26 - 35	15	20.0	13	32.5	28	23.4
36 - 45	25	33.3	10	25.0	35	30.4
46 - 55	13	17.3	6	15.0	19	16.5
56 - 65	10	13.3	-	-	10	8.7
Total	75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

4.1.2 Marital Status of Sample Respondents

Marital status influences the labour participations of women. It is clear that married, divorced and widowed women have no equal participations in the labour market. Relatively, married women have less responsibility and work burden than divorced and widowed women as their husband shares the household responsibility either through generating income or any other thing else. The study found that the largest proportion of *Tella* and *Katicala* sellers in the study area were divorced women followed widowed which accounts 50.4% and 18.2% respectively.

Table 4.2 Marital Status of Respondents

Marital Status	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Divorced	32	42.7	26	65	58	50.4
Widowed	14	18.7	7	17.5	21	18.3
Married	16	21.3	3	7.5	19	16.5
Single	13	17.3	4	10.0	17	14.8
Total	75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

From the above result, it can be concluded that women household heads are more participated into income generating activities than the non-head women.

4.1.3 Educational Level of Sample Respondents

Human capital plays a significant role in the development process of a country. Education is one components of human capital which have a direct impact on the employment conditions of people. As shown in 4.3, close to half percent of the women have no schooling, the second largest group able to read and write while the remaining have attend primary education (1-8 grades) and secondary education (9-12 grades) and insignificant proportion of participants have education beyond high school (12⁺).

Table 4.3 Educational Level of Sample Respondents

Educational level	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
No schooling	36	48	20	50	56	48.7
Read and write	13	17	6	15	19	16.5
Grade 1-8	15	20	10	25	25	21.7
Grade 9-12	8	11	4	10	12	10.4
Grade 12 ⁺	3	4	-	-	3	2.6
Total	75	100	40	100	115	100.0

Source: Field Survey, 2010

Generally, the above result indicated that the majority of respondents were illiterate. Thus, their being illiterate limits their competitiveness in the formal sector of the economy and that is why they joined to the informal sector of the economy which is open for everyone.

4.1.4 Family Size of Sample Respondents

Family size is also an important variable to assess the labour availability and consumption pattern in households. According to the survey result the family size of sampled households ranges from 1 – 8 and the average family size was 3.42. More specifically, the findings of this study revealed that the majority of the respondents (61.7%) have family sizes between 2 - 4.

Table 4.4 Family Size of Sample Respondents

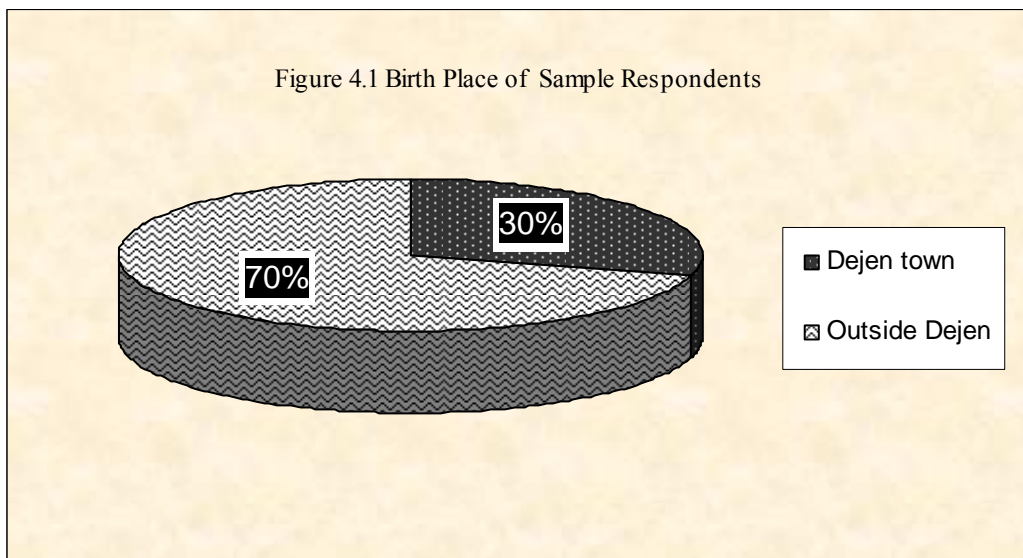
Family Size	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
1	16	21.3	3	7.5	19	16.5
2-4	37	49.3	34	85	71	61.7
5-7	20	26.7	3	7.5	23	20.0
≥8	2	2.7	-	-	2	1.7
Total	75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

From the above table, it can be understood that the majority of participants (83.5 %) have a responsibility to secure the needs and wants of their family members.

4.1.5 Birth Place of Respondents

Currently in Ethiopia, there is high influx of people from rural areas to the urban centers. Dejen is one of the newly growing towns in western-central parts of the country. The population of the town showed a significant increment from time to time caused by high population growth and rapid rural-urban migration. As depicted in 4.1, the majority (70%) of traditional alcoholic producers and sellers in the town were born outside Dejen town and only a small proportion (30%) of them were born in Dejen town.

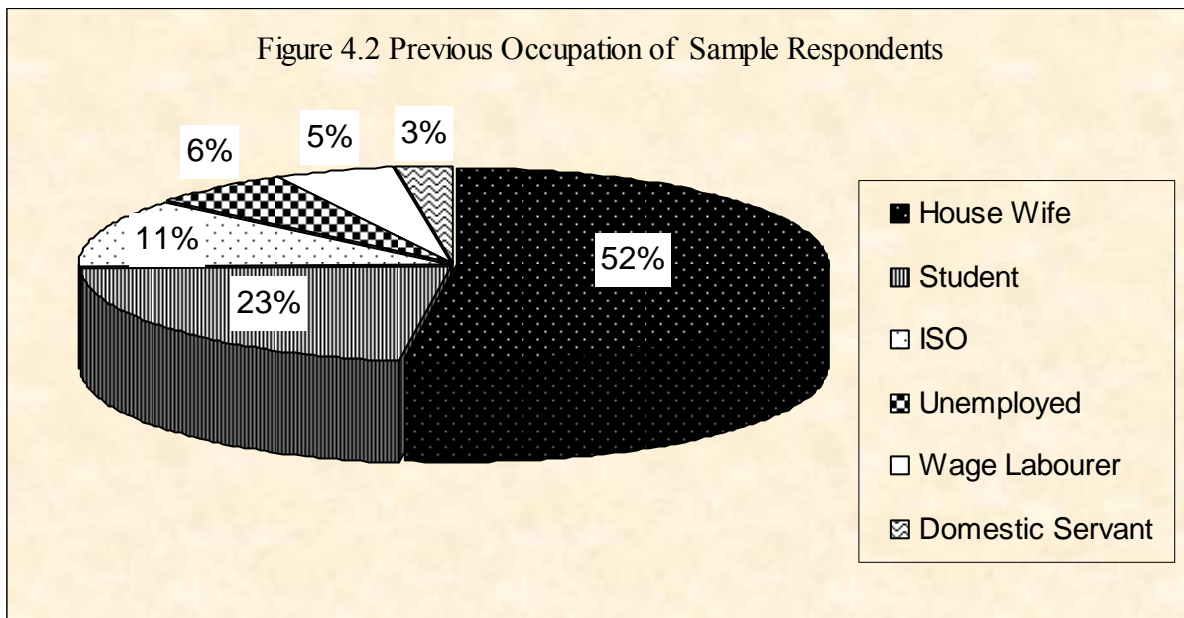


Source: Field Survey, 2010

Women in rural areas have been facing different problems due to various cultural, social and economic factors. As a result of such pressures, they were preferred to leave their local areas with the aim improving wellbeing. However, in most cases they did not get things as they were expecting and life became worse than before. These conditions forced them to engage into the urban informal sector. In this regard, sample respondents were asked about the reasons for their migration. Accordingly, there were various reasons behind their arrival to Dejen town. From the total migrants, 34.9 % came to Dejen due to denial of access to productive resources and ownership of assets in rural areas, 25.3% were to get job opportunities, 22.9 % were through marriage, 7.2 % were to lead secure life, and the rest 6 % and 3.6 % were by family disorganization and following relatives/friends respectively.

4.1.6 Previous Occupation of Respondents

The current price inflation and rise in cost of living hit the majority of Ethiopian population, and the problem is severe for the poor and it greatly questioned their existence. To cope with these challenges, the poor in Ethiopia are engaged in various self-created jobs, of these, the one which is common in many urban centers of Ethiopia including Dejen is the processing and selling of traditional alcoholic beverages like *Tella* and *Katicala*. The participants and/or operators of such business had different employment background. As shown in figure 4.2, about 52 % of the respondents were housewives which reflect the dual role of women in generating household income and performing domestic activities of the households together with their reproductive tasks. The second largest groups (23%) were students which further illustrates the presence of high school dropouts in the study area due to various constraints and the absence of job opportunities in the formal sector particularly for those who completed high school. The remaining were informal sector operators, unemployed, wage labourer and domestic servants in order respectively.



Source: Field Survey, 2010

4.1.7 Work Experiences of Sample Respondents

The number of years spent in similar activities is expected to create difference in living standard among participants because the more people stay in a similar business, they may have better work experience and many customers. Further, this variable helps to show the trends (expansion and/or contraction) of such business generating activities across different time periods. As indicated in table 4.5, the number of women who are joining to this specific activity has been increasing and huge proportion (60%) of the participants have passed 10 years and less in similar business. The presence of high new entrants to this specific activity makes the competition strong and creates market saturation.

Table 4.5 Respondents by the Number of Years in the current Business

Number of Years	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
≤5 years	19	25.3	12	30.0	31	27.0
6 -10 years	23	30.7	15	37.5	38	33.0
11-15 years	20	26.7	9	22.5	29	25.2
16 - 20 years	7	9.3	4	10.0	11	9.6
20 ⁺ years	6	8.0	-	-	6	5.2
Total	75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

4.2 Reasons for Women to Participate in the Urban Informal sector

This section gives due emphasis on the factors that led women to the urban informal sector in general and the production and selling of *Tella* and *Katicala* in particular. An attempt is made to explore the major push and pull factors that forced and attracted women to engage in such activities. Besides, cases of few women in relation to employment history and the ways that they joined into informal activities are presented in this section.

According to Degefa (2008), the selection of different forms of employment and the choices among different income generating activities and/or livelihood strategies is determined by the characteristics of the labour market and the economy. However, individual characteristics (related to education and skills) and preference determine the choices of job and their livelihood

strategies. As to this end, sample respondents were asked questions like “do you join the urban informal sector by your interest?” About 92.4% of the sampled respondents were joined the sector unwillingly pushed by social and economic factors while insignificant proportion (7.6%) of sample respondents were joined the urban informal sector willingly.

Selamawit (1994) found that women’s participation to the informal sector is to ensure their survival. To examine the factors that led women to the informal sector, respondents were asked about the reasons behind their turn to the urban informal sector and the study found out that the main driving force for 47.8% of women to the informal sector in the study area is the absence of alternatives for living. It was found that the majority of respondents were rural migrants (see figure 4.1). These women were coming to the town with the aim of improving well-being and to led settled life in urban areas but they did not get things as expected and were forced to engage in the informal sector. This confirmed the idea stated by Todaro (1994) i.e. workers in the urban informal sector are recent rural migrants who could not find employment in the formal sector. Therefore, the prime factor that leads women to the urban informal sector is lack of alternatives for living. In other words, it is to mean that the absence of job opportunities in the formal sector of the economy obligated women to involve themselves in other informal self-created activities. The second factor that pushed women to the informal sector is divorce which accounts 24.5% of the total sample respondents. Studies in Ethiopia indicated that divorce is now increasing and it causes the growing of FHHs. This study found that more than half of the respondents were divorced women (see table 4.2). This condition imposed heavy responsibilities on women and forced them to involve in income generating activities. Divorce resulted in a drop in level of living and pushed people into poverty and had forced them to involve in activities that let them shoulder heavy workload and deal with an obstinate way of living (Daniel, 1994).

Case 1: A 36 years old woman produce and sell *Tella* in a rented house. She told the reason behind her participation and the current living conditions and existing realities as follows:

“I was divorced from my husband before seven years and we have five children. At the time of divorce, I did not get any of my property rather he totally controlled all of our property. Of our children three of them are with me. It was during this time that I migrated to Dejen town in search of job opportunities. Initially I was worked as daily labourer but after a year I have begun my own business through preparing and selling ‘Tella’ on the house that I rented. The business was initially profitable and the net income that I earned was enough to cover family expenses. But the profitability of the business deteriorated from time to time and now reaches to its climax, this creates complexity to our living and I do not know what happen in the future”

The third factor that pushed women to the urban informal sector is insufficient monthly income of the household which is incapable to cover monthly expenses and to meet family needs in the current market structures. This condition forced women to search for supplementary source of income and the one which is easily available and do not require any professional knowledge and skill is the urban informal sector. Therefore, about 14.5% of sample respondents were engaged to the urban informal sector to augment the low family income.

Case 2: A 41 years old woman is the owner of local drink houses in the Town. She told the reasons for her participation to this informal activity as follows:

“I was a house wife and I did not have any source of income other than my husband’s salary. Previously, the monthly salary of my husband was enough to fulfill family needs, however, now the ever increasing cost of food crops and other goods and services together with increase in family size created problem on our existence. These conditions forced me to look for other income sources and the one which was easy to join and start is informal sector activities.”

According to the findings of this study, the fourth factor that is responsible for women engagement into the informal sector is school dropouts. Females in Ethiopia are under-represented in the formal school system; consequently, they account a huge proportion of school leavers (dropouts) in the country in general and in the study area in particular due to various social and economic constraints. The data obtained from education bureau of Dejen Woreda indicated that proportion of school dropouts in the Woreda is about 8.7% and female accounts more than half (4.9%). So, the study identified school dropouts as a factor behind women participation to the informal sector.

Case 3: A 23 years young girl is the owner of local drink house in the town and she told her story and reasons to her participation to the urban informal sector as follows:

“I was a primary school student when my father was died. After a year I have also lost my mother. Being the eldest child of the family, I was forced to carry the responsibility of my father and mother in supporting my four younger brothers and sisters. These sudden accidents forced me to leave out

The study found out that death of husbands is another factor that forced women to take part in the urban informal sector. As indicated in the literature review, in many developing countries including Ethiopia, men are the sole income generators in many households while women mainly perform domestic activities and child chore. This was true in some informal sector operators in Dejen town. In such circumstances the family may be in risk when they suddenly loss husbands (family heads). In this case wives obliged to carry multiple responsibilities in the household as income generator and mother. The presence of this endeavour forced women to involve in income generating activities in the informal sector.

Case 4: A 42 years old woman runs a small business through preparing *Tella* in the town and she told the reasons as to why she preferred to work informally, and the trends in the living patterns of the family as follows:

“Previously I did not have any job/income sources, and my family was entirely depending on my husband’s monthly income. We have five children. Life became complex when I lost my husband by death. During that time I had no alternative than joining the so called urban informal sector through producing and selling ‘Tella’ in local bar (‘Tella Bet’). By doing such activity I was able to generate income for subsistence, however, the current inflation of inputs and strong competition created dilemma on our existence and consistency in similar activity.”

In addition, about 4.2% of the sample respondents mentioned that the presence of large dependents in the household forced them to take part in the urban informal sector.

Table 4.6 Respondents Reasons for joining Urban Informal Sector

Reasons	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Lack of alternatives for living	60	44.8	28	34.1	88	40.7
Divorce	34	25.4	22	26.8	56	25.9
Insufficient monthly income	17	12.7	14	17.0	31	14.5
School dropouts	10	7.5	7	8.5	17	7.9
Death of husbands	6	4.5	9	10.9	15	6.9
Others	7	5.2	2	2.4	9	4.2
Total	134	100.0	82	100.0	216	100.0

Source: Field Survey, 2010 Note: the item raised in table 4.6 has multiple responses

The reasons behind sample respondents' choice of processing and selling of *Tella* and *Katicala* were attributed to different factors. As indicated in table 4.7 below, the highest proportion which accounts 35.5% of the sample respondents were preferred *Tella* and *Katicala* selling because it runs at home and flexible in character. This implies that such business is suitable for women to perform their productive works and domestic roles side by side. Unlike to formal sector jobs and some informal activities, producing and selling of traditional alcoholic drinks like *Tella* and *Katicala* has provided flexible time for participants that would enable them to discharge their multiple responsibilities in the house and the society by far. The second largest group (32.8%) preferred the current business because of their previous experience of brewing and/or distillation. As stated in the background part, the majority of sample respondents were housewives, hence this is the case, these women have had the experience of preparing *Tella* and *Katicala* in different occasions (holidays, Mahber, and other cultural festivals) and this responsible for their specific choice. The third group which constitutes 25.8% replied that they choose the current activity because it provides better income than other informal activities. The availability of inputs at the market together with the presence of large customers make such activities most preferable. Besides, some sample respondents specified that the relative low skills and knowledge requirements attracted them to start their current activity.

Table 4.7 Sample Respondents Reasons for Choosing the Current Activity

Reasons for specific choice	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Its flexibility and the place runs	40	36.4	25	34.2	65	35.5
Experience of brewing and distillation	36	32.7	24	32.9	60	32.8
Provides better profit than others	27	24.5	20	27.4	47	25.8
Others	7	6.4	4	5.5	11	6
Total	110	100.0	73	100.0	183	100.0

Source: Field Survey, 2010 Note: the item raised in table 4.7 has multiple responses

4.3 Livelihood Condition and Socio-economic Status of *Tella* and *Katicala*

Producers and Sellers

This section emphasized on the livelihood condition and socio-economic status of participants. It comprises size of initial capital and its sources, income and saving patterns, monthly expenditure, food security status, housing condition, access to services and facilities and participation into formal and informal associations etc.

4.3.1 The Amount and Source of Initial Capital for Sample Respondents

According to ILO (1972) one of the characteristics of informal sector activities is its small initial capital base, and in fact, this can be taken as a pull factor for the poor ones to join such activities. Selamawit (2008) confirmed the idea of ILO and her findings showed that most petty traders in Sebeta town have started their business with small initial capital. The result of this study is consistent with the idea of ILO and the findings of Selamawit. As indicated in table 4.8, about 30.4% of the sample respondents were begun the current business with the initial capital ranged from 151 – 250 birr, 27.8% have started the activity with the startup capital of 51- 150 birr, 20.9% have begun work with the initial capital of ≤ 50 birr while a small proportion (5.2%) have started their current business with a startup capital of ≥ 451 birr. Generally, the initial capital of women who are currently engaged in the production and selling of *Tella* and *Katicala* was relatively small on average 177 birr. The major sources of initial capital for 46% of the participants was borrowing from relatives and/or friends followed by own saving which accounts 30.4% of the total sample respondents and the rest 15.7% and 7.8% have obtained their initial capital from parents, and credit and saving institutions respectively. From this, it can be concluded that social capital plays a valuable role in the rise of social and economic welfare of the poor and in making them self-sufficient; paradoxically contributions of formal financial institutions in assisting the poor is negligible

Table 4.8 Amount and Sources of Initial Capital for Sample Respondents

		<i>TPAS</i>		<i>KPAS</i>		Total	
		Freq.	%	Freq.	%	Freq.	%
Initial Capital	≤ 50	17	22.7	7	17.5	24	20.9
	51 - 150 birr	19	25.3	13	32.5	32	27.8
	151 - 250 birr	25	33.3	10	25.0	35	30.4
	251 - 350 birr	4	5.3	5	12.5	9	7.8
	351 - 450 birr	4	5.3	5	12.5	9	7.8
	≥451	6	8.0	-	-	6	5.2
Total		75	100.0	40	100.0	115	100.0
Sources of Initial capital	Borrowing from friends/relatives	32	42.7	21	52.5	53	46.0
	Own saving	23	30.7	12	30.0	35	30.4
	Parents/Relatives	13	17.3	5	12.5	18	15.7
	Saving and Credit Institutions	7	9.3	2	5.0	9	7.8
Total		75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

4.3.2 Monthly Income of Sample Respondents

Income plays a significant role in the economic and social well beings of people and the income earning potential of a person is highly influenced by the knowledge and skills available. According to Asfaw (2008), the monthly income of informal sector operators in Gondar town was low, of which most of the operators gained between 101-300 birr. The survey result revealed that the monthly income of local drink house owners ranged from 60 – 815 birr while the average monthly earning is 343 birr. When we see it in detail, of the total sample households, the largest proportion (27%) of respondents earn a monthly net profit between 251 – 400 birr, the

second largest group of respondents (22.6%) have obtained a monthly income ranged from 401-550 birr, the third largest group of respondents 20.9% have acquired a monthly net profit between 101 – 250 birr while the rest 14.8%, 9.6% and 5.2% of the respondents earned a monthly profit of ≤ 100 birr, 550 – 700 birr and ≥ 701 birr respectively. Generally, a significant proportion (62.7%) of the respondents earned a monthly income ≤ 400 Birr.

Table 4.9 Monthly Income of Sample Respondents

Monthly Profit gain	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
≤ 100	5	6.7	12	30.0	17	14.8
101-250 birr	11	14.7	13	32.5	24	20.9
251-400 birr	24	32	7	17.5	31	27.0
401-550 birr	20	26.7	6	15.0	26	22.6
551-700 birr	9	12.0	2	5.0	11	9.6
≥ 701 birr	6	8.0	-	-	6	5.2
Total	75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

The monthly income of a household is affected by a multitude of factors; one of these factors is the frequencies of *Tella* and *Katicala* selling. As to this end, respondents were asked questions like “how often do you produce and sell *Tella* and/or *Katicala* per week?” The majority (68%) of *TPAS* were producing and selling their out put once a week while the remaining (25.3%) and (6.7%) were selling twice and three times in a week respectively. None of the *TPAS* runs their business throughout the week while all of *KPAS* sell *Katicala* every day of the week. Although this is the case, the income earned by *KPAS* is much lower than *TPAS* hence a huge proportion (92.5%) of these respondents did not undertake the preparation process by their own instead they bought the final product from rural producers.

Table 4.10 Respondents by the Frequency of *Tella* and *Katicala* Selling

Frequency of selling	TPAS		KPAS	
	Freq.	%	Freq.	%
Once	51	68.0	-	-
Twice	19	25.3	-	-
Three times	5	6.7	-	-
Every day	-	-	40	100
Total	75	100.0	40	100

Source: Field Survey, 2010

Another factor influencing the profit earning potential of sampled respondents is the production process or the ways of production. As it concerns, participant of this study were asked the following questions “did you prepare *Tella* and/or *Katicala* by your own?” All *Tella* sellers have carried out the production process by their own and this have a positive outcome on the monthly earnings of participants. On the contrary, only a small proportion (7.5%) of *Katicala* sellers have carried out the preparation process by their own while the huge proportion (92.5%) of them do not prepare *Katicala* rather they bought it from rural producers.

Various authors such as Habtamu (2006) confirmed seasonal variation of income as one of the common features of informal sector operators. To examine whether there is seasonal variation of income or not among local drink house owners in the town,, participants of this study were asked questions like “does your earning show seasonal variations?” All of the participants replied as there is great seasonal variation of income and they further mentioned the maximum profit season as winter (*bega*) and minimum profit season as summer (*kiremet*). Furthermore, participants specified the causes for the seasonal variations of income as the working condition of users and their income sources, fluctuation in the quantity, and price of ingredient materials at market across seasons.

An attempt was also made to see the trends of participants’ income in the past three years. The results of the study revealed that the highest proportion 74.8% of the sample respondents replied as their income ‘decreases’ in the past three years while the rest 17.4% and 7.8% replied ‘similar’ and ‘increase’ respectively. Generally, the study found that the income trends of most

sample respondents were decreased as time passes and it was attributed to the change in market structure and strong competitions.

Table 4.11 Income Trends of Sample Respondents

Trends	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Increase	7	9.3	2	5.0	9	7.8
Decrease	57	76.0	29	72.5	86	74.8
Similar	11	14.7	9	22.5	20	17.4
Total	75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

4.3.3 Monthly Expenditure of Sample Respondents

The average monthly expenditure of sample households is 476.67 birr, with the minimum of 180 birr and the maximum of 850 birr. As shown in the table 4.12, the majority (37.4%) of sample respondents have a monthly expenditure between 401 - 550 birr, the second largest group (22.6%) of respondents have a monthly expenditure between 251 - 400 birr, the third largest group (17.4%) have a monthly expenditure between 551 - 700 birr and the remaining 12.2% and 10.4% expend ≤ 250 birr and above 700 birr respectively. From the above, one can be understood that more than half of the households expends between 251-550 birr monthly. Moreover, the average monthly expenditure of respondents exceeds monthly income (i.e. 476.76 birr and 343 respectively).

Table 4.12 Monthly Expenditures of Sample respondents

Monthly Expenditures	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
≤ 250 birr	11	14.7	3	7.5	14	12.2
251-400 birr	17	22.7	9	22.5	26	22.6
401-550 birr	21	28.0	22	55.0	43	37.4
551-700 birr	15	20.0	5	12.5	20	17.4
700 ⁺ birr	11	14.7	1	2.5	12	10.4
Total	75	100.0	40	100.0	115	100.0

Source: Field Survey, 2010

4.3.4 Saving Condition of Sample Respondents

Saving is a basic tool to assess the economic status of households. It promotes the capital accumulation potential of people that would help them to tackle difficult conditions like food insecurity and other sudden economic crisis. According to the findings of the study more than two-third (78.3%) of the sample respondents did not have saving accounts and only small proportion (21.7%) of the sample respondents have saved portion of their income. Moreover, the survey found that the main factors that influence saving habit of participants are low and ever declining monthly income and parent/relative support.

Table 4.13 Saving Condition of Sample respondents

Do you have Saving account?	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Yes	19	25.3	6	15	25	21.7
No	56	74.7	34	85	90	78.3
Total	75	100	40	100	115	100

Source: Field Survey, 2010

4.3.5 Food Security Status and Coping Strategies of Sample Respondents

Food security status is an important indicator of economic well-being in a society. According to IFPRI (2002) the concentration of poverty and food insecurity is shifting from rural to urban areas. IFPRI further stated that although many rural people move to cities seeking to improve their well-being, they often remained in poverty and squalor. In most cases, the urban population did not grow their food crops unlike to the rural one. And the urban dwellers are relied on market for their food sources. Therefore, access to food in urban area is the function of households' income and market prices, which together determine the purchasing power.

Currently in Ethiopia, the rise in cost of living creates complexity on the life of many people. The urban population particularly those who did not have secure income (urban poor) hit severely by this sudden change. Urban informal sector operators in the different parts of Ethiopia are the first disadvantaged groups of the society by this sudden change hence their monthly income is low on average and not consistent. To examine the food security status of *Tella* and

Katicala producers and sellers in Dejen town, sample respondents were asked questions like “does your current monthly income covers your monthly expenditure?” More than two-third (76.5%) of the respondents replied as there is imbalance between income and expenditures while a small proportion (23.5%) of the participants responded that their income covers their monthly expenditure. The result of the study showed that food insecurity is the common shock being faced by *Tella* and *Katicala* processors in Dejen town. In addition, participants of the *KII* also coined the imbalance between household income and expenditures. The reasons for the insufficiency were rise in cost of living, market competitions and fluctuations in the supply and cost of inputs due to various factors like drought, crop disease etc. In this respect, households have made various adjustment mechanisms to reduce their vulnerability and to secure livelihood. As can be seen from table 4.15, the most familiar coping strategy used by these women is changing consumption pattern associated to consuming cheaper or less preferable crops than usual and skipping lunch or breakfast. The next commonly used strategy is using social network to acquire what they need to survive (borrowing items from relatives or friends either in cash or in kind).

The third coping strategy used by households is diversifying income sources. In this respect, about 49.6% of the respondents have other sources of income where as 50.4% have no any other income sources. As can be seen from table 4.14, the majority (45.6%) of the participants has acquired additional income from other informal sector activities, 21% from cattle rearing, and the rest 14% and 10.5% have obtained additional income from house rent and self owned formal activities respectively. Besides, some women specified their income sources as land rent, support from children and remittance etc.

Table 4.14 Respondents by Additional Sources of Income

Supplementary Income Sources	TPAS		KPAS		Total	
	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>
Other informal activities	14	42.4	12	50.0	26	45.6
Cattle rearing	9	27.3	3	12.5	12	21.0
House rent	5	15.2	3	12.5	8	14.0
Self owned formal activities	2	6.0	4	16.7	6	10.5
Others	3	9.0	2	8.3	5	8.7
Total	33	100.0	24	100.0	57	100.0

Source: Field Survey, 2010

The fourth strategy used by the households is selling physical assets of the households and this was done when the problem was severe. Moreover, some women mentioned other risk adapting mechanisms. These include, stop students from school and engage them into various income generating activities; and taking credit from private lenders at high return rate etc.

Table 4.15 Survival or Coping Strategies of Sample Respondents

Coping Strategies	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Change in consumption pattern than usual	47	43.1	19	35.2	66	40.5
Borrowing items from relatives/friends (in kind/type)	37	33.9	18	33.4	55	33.7
Engage in other income generating activity	16	14.7	13	24.0	29	17.8
Selling physical assets or property of the households	9	8.3	4	7.4	13	8
Total	109	100.0	54	100.0	163	100.0

Source: Field Survey, 2010 Note: the item raised in table 4.15 has multiple responses

4.3.6 Housing Condition of Sample Respondents

Housing is one of the basic necessities of life and is part of household assets. It serves as an indicator of socio-economic status and position in the society. There are different elements of housing that shows socio-economic wellbeing. These include housing tenure, number of people per room, the availabilities of different services and amenities and construction materials of the house etc. Studies have shown that housing characteristics do reflect community difference and reveal factor that contribute most to an urban center perceived quality of life (Heffley and Lopez, 2002). Besides, the presence of house serves as collateral for poor households to access credit and loan.

Home ownership contributes to the wellbeing and happiness of families, and intensifies upward social mobility and wealth accumulation (Megbolugbe and Linneman, 1993). According to Uncief (2009) households with home-ownership was found to be higher in less urbanized (smaller urban centers) of Ethiopia than highly urbanized centers of the country like Addis Ababa. However, for the urban poor, home ownership is a serious problem in both smaller and larger urban centers. The findings of this study revealed that the majority of sampled households (58.3%) were lived in rented houses, 35.7% have their own houses and the rest 6% have experienced other types of housing tenure status. It implies that most of the women who produce

and sell *Tella* and *Katicala* paid additional cost for housing. This has profound adverse impacts on the living condition of households and it further restricts the expansion of the activity. The majority of the houses are poorly built and physically deteriorated and lacks basic services like kitchen, toilet, water etc.

Figure 4 Housing Conditions of Women Local Drink House Owners in Dejen Town



The majority of women who produce and sell *Tella* and *Katicala* in Dejen town are tenants; more than half (52.2%) of the women rented from individual and the rest (47.8%) rented from Kebele. Women who are working and living in rented houses from individuals put limited space and ever increasing house rent as the most hindering factor for expansion and profitability of their business.

Table 4.16 Housing Condition of Respondents

		<i>TPAS</i>		<i>KPAS</i>		Total	
		<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>
Housing Tenure	Owned	30	40.0	11	27.5	41	35.7
	Rented	43	57.3	24	60.0	67	58.3
	Others	2	2.7	5	12.5	7	6.0
	Total	75	100.0	40	100.0	115	100.0
Rented from	Kebele	24	55.8	8	33.3	32	47.8
	Individual	19	44.2	16	66.7	35	52.2
	Other	-	-	-	-	-	-
	Total	43	100.0	24	100.0	67	100.0

Source: Field Survey, 2010

Another indicator of housing is level of crowding at household level. The urban population in most developing countries shows a significant increase from time to time caused by high flocked of people from rural area to urban centers and the prevalent rapid population growth. According to Uncief (2009) level of urbanization in Ethiopia is still low (17%) and crowding is also low. As portrayed below, the majority of the households (38.3%) were living in a house having one room, the second largest groups which constitute 33% were living in a housing having two rooms while the remaining 22.6% and 6.1% of the respondents are living and working in houses which have three and four rooms respectively. According to UN (1967) housing units are classified as under occupied, adequately occupied and overcrowded depending on the number of persons per room. Accordingly,

- ❖ Housing units with one or more rooms occupied on average by one person and less per room is classified as under occupied
- ❖ Housing units with one or more rooms occupied on average by 1⁺ - 2.4 persons per room are classified as adequately occupied.

- ❖ Housing units with one or more rooms occupied on average by 2.5 or more persons per room classified as overcrowded.

Based on the above criteria, significant proportion (35.6%) of the households were living in over-crowded houses. With this regard, key informants mentioned that their economic incapability to build their own house as well as to rent quality and non crowded house forced them to stay in the current house. The cross tabulation result between household size and number of rooms are presented below.

Table 4.17 Distribution of Households by Family Size and Number of Rooms

		Number of rooms								Total	
		one room		two room		three room		four			
		Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total	Count	% of Total
Household Size	1	12	10.4	-	-	-	-	7	6.1	19	16.5
	2	3	2.6	16	13.9	-	-	-	-	19	16.5
	3	6	5.2**	7	6.1	10	8.7	-	-	23	20.0
	4	12	10.4* *	3	2.6	15	13	-	-	30	26.1
	5	6	5.2**	-	-	1	.9	-	-	7	6.1
	6	4	3.5**	5	4.3**	-	-	-	-	9	7.8
	7	-	-	6	5.2**	-	-	-	-	6	5.2
	8	1	.9**	1	.9**	-	-	-	-	2	1.7
Total		44	38.3	38	33	26	22.6	7	6.1	115	100

Source: SPSS result Computed from Field Survey, 2010 (** Over-crowded)

Moreover, the field observation inspected that almost all women who are engaged in this activity are living and working in a house mainly built from wood, mud, and corrugated iron sheet. In addition, the majority of the houses are very old and small. Because of this reason, significant numbers of women are in a problem of acquiring enough space to perform the production process and to serve customers.

Case 5: A woman whose age is 47 years old came to Dejen town from the neighboring rural Kebeles before 12 years. She has three family members. *Tella* making and selling is the sole sources of income for the household. The operator narrates the housing condition, problems in relation to housing, and the general aspects of the activity as

“Tella making is a business process that needs sufficient space for preparing the ingredients, for brewing (actual making) and where to serve customers. My situation is indeed unfavorable in all respects. I have no kitchen facility and my house is very small and too old. Under this condition, practically it is difficult to win the strong competition from other operators and to make sufficient income for subsistence. In the former days, we would survive on it as the activity allowed making small earnings. Now, things have totally changed as the input price soared, and competitors in similar activity increase and customers divert their attention to others. Due to this fact, now we are not sure whether we are continuing or stop this activity.”

4.3.7 Facility and Service Condition of Sample Respondents

People do not have equal access and ownership to social facilities and services. By taking this fact into account, this study presents the facility and social service availability of *Tella* and *Katicala* Sellers.

Water: - is one of the essential elements of life. Currently in Ethiopia, considerable efforts have been made on the provision of safe drinking water for all. According to the data obtained from the Water Resource Development Office of Dejen Woreda, the provision of pure water in the Woreda is about 70.4% and the town accounts the huge proportion. As can be seen from table 4.18, the majority (58.3%) of the sample respondents have acquired their drinking water from communal or public water (bono); 35.7% have a private tap water while the remaining 6% have obtained water from other sources like well, springs etc. It is clear that processing of *Tella* and *Katicala* requires much water, therefore, the absence as well as shortage of water has a

tremendous effect on the monthly earning of operators and increases their vulnerabilities. Participants further specified water shortage and lack of sustainability as their main problems.

Table 4.18 Source of Drinking Water for the Sample Respondents

Water Sources	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Own Tap	31	41.3	10	25	41	35.7
Public tap/bono	41	54.7	26	65	67	58.3
Others	3	4	4	10	7	6
Total	75	100	40	100	115	100

Source: Field Survey, 2010

Kitchen: - in terms of access to cooking space, only 30.4% of the women have private kitchen at their house while the rest 47% have shared kitchen and 22.6% did not have kitchen at all. The absence of cooking space has an implication on the women's day-to-day lives as well as in their ability to earn income, since the activity requires the availability of kitchen.

Table 4.19 Kitchen Service for the sample Respondents

Kitchen	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Shared	33	44	21	52.5	54	47
Private (own)	27	36	8	20	35	30.4
No kitchen	15	20	11	27.5	26	22.6
Total	75	100	40		115	100

Source: Field Survey, 2010

Toilet: - The availability and type of toilet indicates economic difference in a society. As table 4.20 shown, about 39 % of the sample respondents have no toilet facility, 41% have shared (pit) toilet while the remaining 20 % have private pit toilet. Generally, from the above findings it can be understood that significant number of participants have no toilet facilities. Thus, adversely affect the sanitary condition of the town and the health of the inhabitants.

Table 4.20 Toilet Facility Conditions of the Sample Respondent

Toilet	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Private (Pit)	19	25.3	4	10	23	20
Shared (pit)	30	40	17	42.5	47	41
No toilet	26	34.7	19	47.5	45	39
Total	75	100	40	100	115	100

Source: Field Survey, 2010

Furthermore, the field observation indicated that almost all women who produce and sell *Tella* and *Katicala* are accessible to roads, school, health centers and other services and infrastructures. This study also found that none of the sample respondents in the study area have bathing rooms. In relation to telephone service, the majority of the respondents (58.3%) did not have access to telephone lines while 41.7% have access telephone lines.

Table 4.21 Respondents Access to Telephone Lines

Telephone line	TPAS		KPAS		Total	
	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>
Yes	34	45.3	14	40	48	41.7
No	41	54.7	26	60	67	58.3
Total	75	100	40	100	115	100

Source: Field Survey, 2010

4.3.8 Households Participation into Formal and Informal Associations

Social network is one of the important resource that people in urban areas have in the context of poverty and food insecurity, emphasizing that poor people who do not have social capital are the poorest of poor (Kanji, 1999). With regard to this capital, the variables considered were the extent of membership in various formal and informal associations. Sample respondents were asked whether they participate in any formal associations like micro-credit associations, women association, and different formal associations etc. Only a small proportion (27%) were participated in formal associations while around two-third of the respondents do not involve in any of formal associations. From the above result, the participation of these women to formal association is not much significant. Apart from formal associations, there are different community based informal associations aimed to help members in time of death or other sudden socio-economic crisis. These associations are Edir, Equib and Mahber which served the local communities (members) as coping strategies for problems related to financial shortage and burial costs. However, most of the *CBOs* focus on funeral ceremonies, and their contribution to the development process is limited, and their potential to the improvement of the life situation of women is quite limited (Pankhurst, 2003). The Survey result revealed that the majority of sampled respondents 104 (90.4%) were participated in one or more of these institutions while insignificant proportion (9.6%) of the respondents were not involved in any of these institutions. As indicated in table 4.22 below, the most common informal institution is Edir which constitutes 92.3% of the total sample respondents followed by Mahber constituting 47.1% of the total sample households and the one which constitutes smaller proportion (44.25) of the sample respondents as compared to the above two is Equib. Sample respondents further mentioned that their participation in such associations helped them to get support while the have faced sudden natural or man made shocks like death, theft etc, strengthen the social network and enabled them to improve saving habit.

Table 4.22 Sample Respondents Participation in Formal and Informal or CBOs

		TPAS		KPAS		Total	
		<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>
Formal	Yes	20	26.7	11	27.5	31	27
	No	55	73.3	29	72.5	84	73
	Total	75	100	40	100	115	100
Informal/CBO	Edir	65	95.6	31	86.1	96	92.3
	Yes						
	No	3	4.4	5	13.9	8	7.7
	Total	68	100	36	100	104	100
	Equib	30	44.1	16	44.4	46	44.2
	Yes						
	No	38	55.9	20	55.6	58	55.8
	Total	68	100	36	100	104	100
	Mahber	39	57.4	10	27.8	49	47.1
	Yes						
	No	29	42.6	26	72.2	55	52.9
Total	68	100	36	100	104	100	

Source: Field Survey, 2010

Chapter Five

5. Challenges of *Tella* and *Katicala* Producers and Sellers

5.1 Start up Challenges

Women who are producing and selling *Tella* and *Katicala* in the study area are struggling to raise their earnings and to ensure well-being. However, majority of the operators did not succeed their dream due to various challenges they have encountered from the early beginning of the business up to now. As indicated in table 5.1, significant proportion (29.8%) of sample respondents reported housing and working place problems as their main start up challenge; 25.4% of sample respondents reported difficulty to access initial capital and its size as serious challenge in the initial beginning of the business while the rest 16.1%, 15.7% and 12.9% reported lack of customers, social security problems and difficulty to adapt the working environment as a start up challenges respectively. Generally, the three main starting challenges of sample respondents were housing and working place problems, problems related to the size and source of initial capital, and lack of customers.

Table 5.1 Start up Challenges of Sample Respondents

Start up Challenges	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Housing and Working place problems	42	29.8	32	30.8	74	29.8
Difficulty to access initial capital and its small size	48	33.3	15	14.4	63	25.4
Lack of customers	21	14.6	19	18.3	40	16.1
Social security problems	18	12.5	21	20.2	39	15.7
Difficulty to adopt the working environment	15	10.4	17	16.3	32	12.9
Total	144	100	104	100	248	100

Source: Field Survey, 2010 Note: the item raised in table 5.1 has multiple responses

5.2 Challenges on Progress

Apart from the starting difficulties, different factors affect the activities of women local drink house owners. As can be seen from table 5.2, about 25.3% of sample respondents reported housing and working place problems as their main operational challenges; 22% reported working capital as their main operational challenge; 19.9 % reported market competitions as main operational difficulties and the remaining 18%, 9.4% and 5.4 % mentioned lack of institutional and government support, difficulties in the working environment, and health problems as their main operational challenges respectively.

Table 5.2 Operational Challenges of *Tella* and *Katicala* Producers and Sellers

Operational challenges	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Housing and working place problems	44	25	26	25.5	70	25.3
Shortage of working capital	37	21	24	23.5	61	22
Lack of institutional and government support	31	17.7	19	18.6	50	18
Strong competition	34	19.4	13	12.7	47	17
Fluctuation in demand and the cost of input	11	6.3	15	14.7	26	9.4
Health Problems	12	6.9	3	2.9	15	5.4
Others	6	3.4	2	1.9	8	3
Total	175	100	102	100	277	100

Source, Field Survey, 2010 Note: the item raised in table 5.2 has multiple responses

A. Housing and working place problems

Having a suitable and secured housing helps people a lot in attaining a sense of security and stability as well as a resource base to earn income by renting out rooms and creating space to business (Chant, 1995; Miles, 2001). This study found that problem of housing and/or suitable

working place is the main challenge for women who produce and sell *Tella* and *Katicala* in the study area. It is clear that home ownership in rapidly growing urban centers like Dejen is very difficult. Because of these endeavour many of these women failed to realize their dream of building home. As a result, most of the women who produce and sell *Tella* and *Katicala* were run their activity in rented and crowded houses which is incapable to absorb all the clients.

B. Shortage of working capital

The second factor that hampers the day to day activity and profit earning potential of local drink house owners in the study area is shortage of working capital. As stated earlier, the majority of participants had nothing while they start such activity and it was through borrowing from relatives/friends for the sake of survival. Due to this fact, their monthly income did not allow them to expand the business and even it cannot cover monthly expenses. Besides, the current price inflation aggravates the problems and creates complexity on their well-being and it highly influences the capital accumulation power of operators. Above all, formal financial institutions like banks, credit and saving institutions etc do not give credit for these women hence they lack collateral and their activity did not give warrant. Therefore, working capital is a serious problem that strongly hinders the monthly income of local drink house owners and it further restricts the gradual transformation of operators from such informal activity to the formal sector of the economy.

C. Lack of Institutional and Government Support

It is the third factor that hinders the activities of sample respondents in relation to its expansion and profitability. Government is biased towards formal sector while informal sectors operators have not received the required support from government bodies (Karaja, 1998). The results of this study confirmed the above idea. As this factor is regarded, respondents were asked about the view of the government towards their activities; about 62.6% of sample respondents reported the neutral view of government to their business while the remaining 24.4% and 13% reported the view of government as ‘discouraging’ and ‘supportive’ respectively. Generally, 87% of sample respondents mentioned that the view of government was not supportive. In addition, participants stated that different assistances and trainings (related to skill improvement and business management etc) delivered by government officials are favored towards formal sector operators while their activity was not seen positively by the eyes of the government.

Table 5.3 The Way Respondents See Governments View towards their Activity

Views	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Supportive	13	17.3	2	5	15	13
Discouraging	17	22.7	11	27.5	28	24.4
Neutral	45	60	27	67.5	72	62.6
Total	75	100	40	100	115	100

Source: Field survey, 2010

To critically examine the views of government officials towards informal business, *KII* was held with government officials in Dejen town. According to the key informants, informal sector activities in the town have been increasing, among the many, processing of traditional alcoholic drinks like *Tella* and *Katicala* is the common and widely expanding one and it plays a vital role in the life of participants (serve as a refuge to survive) and the town development (by reducing poverty and unemployment). Government officials further stated that the majority of the participants are the urban poor and these people need strong assistance from the government and they are frequently requested for help, but nothing has been done on the sides of the local government as these people worked informally and officials further confirmed the ‘indifferent’ views of the government. At the end, they said that:

“Even if the activities have so many valuable roles, encouraging this activity means promoting informality and illegal activities by discouraging formal sector operators and in the long run the formal sector operators would transform into informality”.

As institutional and government support is concerned, key informant women were asked about the type of assistance they need from government and NGOs. Accordingly, they stated the following points:

- Easy access to credit
- Business recognition and work security
- To solve housing demand and working place problem

D. Strong Competitions

It is the fourth factor that affects the activity of women local drink house owners. Despite the easy entry and low capital and skill requirements, competitions in the informal sector activities is very strong and thus, causes market shortage. In Dejen town, women are increasingly engaged in the preparation and selling of *Tella* and *Katicala* and now large numbers of households (328) are relied on such activities as a source of livelihood and to supplement low household income. The competition in this specific activity is becoming serious or getting narrow over time. Thus, affects the monthly income and living condition of the participants. To cool down the competition, operators especially *TPAS* have arranged to sell their output through shift either one or two days of the week. But, this did not solve the problem and it is still a challenge. Due to loss of market and decline in monthly earnings sample respondents are now in dilemma whether to continue in the current business or not.

E. Fluctuation in the Cost of Inputs and Demand

It is the fifth factor that affects the activities of sample respondents. The cost of ingredient materials and demand for output varies across season. This has a direct impact on the livelihood of people and questioned its sustainability.

F. Health Problems

Another factor that hinders the good functioning of the activities of sample respondents in this study is health problem. Proper health is an essential thing for the well-being of individuals and without which life would be difficult. Some operators noted health problem as the main operational problem to run the activity. It is clear that the main sources of energy for these women is fuel wood, and the cooking process carried out in unpleasant condition either in a small house or in the field. Thus, exposes these women to various diseases. Besides, the working environment and nature of the business increases the vulnerability of operators to HIV/AIDS as drinkers enforced them to make unsafe sex. In this regard, a key informant woman also mentioned health problem as an operational problem. A woman narrates her health condition after joining into such activities and its impacts as

“My health is not in normal situation, I frequently feel sickness. I spent a lot of money for medical treatment, but I still have not recovered. Because of this problem, I do not sell ‘Tella’ regularly and sometimes the prepared Tella stay a long time unsold and became out of use.”

In addition, sample respondents mentioned other operational difficulties as water shortage, conflict with customers, loss associated with lack of demand and customers cheating, damage of household property while conflicts arise between customers, and accidents. All these negatively influence the profitability of the business and future well-being of participants.

5.3 Future Decisions and Plans of Sample Respondents

As stated above, the activities of women are constrained by a number of factors. As a result, the income obtained from such activity is too small and is not enough to support the livelihood of operators and their family members. In this regard, local drink house owners were asked whether they intend to continue in the current business or not. Accordingly, about 67.8% of the participants claimed that they would have interest to continue with the present business as they do not have other alternatives for living. In addition, these people have planned to expand their activity through minimizing and/or alleviating the current problems. The rest 32.2% of the respondents did not have interest to continue with the current business because of health problems, interests to start other formal business, market shortage and aging.

Table 5.4 Future Decisions of Sample Respondents

Do you intend to continue with the current business?	TPAS		KPAS		Total	
	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>	<i>Freq.</i>	<i>%</i>
Yes	56	74.7	22	55	78	67.8
No	19	25.3	18	45	37	32.2
Total	75	100.0	40	100	115	100.0

Source: Field Survey, 2010

Finally, an attempt has been made to examine the views of sample respondents towards forming any formal associations/ cooperatives. In this regard, the survey result revealed that more than half (65.2%) of the respondents have an interest to be organized in associations where as the remaining 34.2% did not want to form any association. Besides, respondents who have positive view in forming associations further pointed out that forming associations would help them to

bring a quick solution for the existing problems through facilitating access to credit and the chance for acquiring trainings and working places.

Table 5.5 Sample Respondents View towards forming Associations/Cooperatives

Would you like to organize in associations?	TPAS		KPAS		Total	
	Freq.	%	Freq.	%	Freq.	%
Yes	45	60	30	75	75	65.2
No	30	40	10	25	40	34.8
Total	75	100	40	100	115	100.0

Source: Field Survey, 2010

5.4 Factors Affecting the Monthly Income of Sample Respondents

The monthly income of women who produce and sell *Tella* and *Katicala* in Dejen town is low and different social, economic and demographic factors affect monthly income these women. To examine the association between the factors and monthly income a simple correlation analysis was made. The dependent variable is monthly income (MoI) while the independent variables include age of respondents (Ag), family size of respondents (Fs), housing tenure status of respondents (Ht), work experiences of respondents (WoE), educational level of respondents (Edu) and initial capital size of respondents (InC). Moreover, the dependent variable and other explanatory variables are cross-tabulated (see appendix-iv). The results with regard to the direction and degree of associations that directly generated from the simple correlation analysis are presented below.

Table 5.6 The Results of Simple Correlation Analysis

Monthly Income of Respondents

	Pearson Correlation	Sig. (2-tailed)	N
Monthly Income (MoI)	1		115
Age (Ag)	-.107	.254	115
Family Size (Fs)	.324(**)	.000	115
Educational Level (Edu)	.023	.811	115
Amount of Initial capital (InC)	.648(**)	.000	115
Work Experiences (WoE)	.601(**)	.000	115
Housing Tenure (HoT)	.671(**)	.000	115

** Correlation is significant at the 0.01 level (2-tailed).

SPSS result Computed from Field Survey, 2010

Coding of Variables

<p>Monthly Income “0” = ≤100 birr “1” = 101-250 birr “2” = 251-400 birr “3” = 401-550 birr “4” = 551-700 birr “5” = ≥700</p>	<p>Housing Tenure “0” = Owned “1” = Rented “2” = others</p>	<p>Educational Level “0” = No Schooling “1” = Read and write “2” = Grade (1-8) “3” = Grade (9-12) “4” = Grade 12+</p>	<p>Age Groups “0” = ≤25 years “1” = 26-35 Years “2” = 36-45 years “3” = 46-55 years “4” = 56-65 years</p>
<p>Work Experiences “0” = ≤5 years “1” = 6 -10 Years “2” = 11-15 Years “3” = 16-19 years “4” = ≥20 years</p>	<p>Family Size “0” = 1 “1” = 2-4 “2” = 5-7 “3” = ≥8</p>	<p>Size of Initial Capital “0” = ≤50 birr “1” = 51-150 birr “2” = 151-250 birr “3” = 251-350 birr “4” = 351-450 birr “5” = ≥450 birr</p>	

- ☞ The age of women is expected to influence income from activities and it may create difference in living condition among operators. The result of simple correlation analysis shows the negative relationship between age of women and monthly income but the value is statistically insignificant. This implies that the age of operators do not affect their monthly earnings.
- ☞ The relation between family size and income can be seen from two different angles. At one hand, large family size is a burden and call for additional income to support members. This is especially true when there are large dependents in the family. On the other hand, large family size might enable households to generate higher income either through helping in the expansion of the business or engaging in other activities. This is true in households having more adult members. The result of the simple correlation analysis shows significant positive relationship between family size and income. This implies the more family size the better income earned and it further indicates the presence of many adult family members.
- ☞ Housing tenure is another variable expected to affect the income of *Tella* and *Katicala* sellers. It is clear that operators who have their own house do not incur extra cost for housing. Besides, they might have enough space to perform the production process and to accommodate their customers. However, operators who are working and living in rented houses spent portion of their income for house rent and they are disadvantaged in acquiring convenient working place that would enable them to expand the business and to increase profit. With this regard, the result of the simple correlation analysis shows the strong positive relationship between housing tenure and income. Therefore, housing tenure significantly affect the monthly income of participants.
- ☞ The number of years spent in a similar business may matter the monthly earnings of participants. As depicted in table 5.6, there is positive relationship between monthly income and work experiences. The more women stay in similar business the more the experiences they have and able to cultivate more customers. Thus, help them to improve their monthly earnings.

- ☞ Educational level of operators is also expected to affect the income of operators. The result of simple correlation shows the positive relationship between educational level and income. However, the relationship is statistically insignificant. This implies educational level did not matter the monthly earning of women engaged in *Tella* and *Katicala* selling. Therefore, there is no need of education to be successful in home based business. The result confirmed the idea raised by Tebarek (1997) which stated that formal education is not a necessary thing for the success of informal sector operators.
- ☞ The startup capital of *Tella* and *Katicala* producers and sellers is low on average. Even if this is the case, significant variations in the size of initial capital has been observed and this is expected to affect the monthly earning of participants. With this regard, the result of correlation indicates the strong positive relationship between the size of initial capital and income of women. It implies that the higher the initial capital the greater the monthly earnings women earn. Therefore, the size of startup capital plays a determinant role in the income of women local drink house owners.

Chapter Six

6. Conclusions and Recommendations

6.1 Conclusions

The urban informal sectors are becoming the major source of livelihood for many people in both urban and rural areas of Ethiopia. This sector in Dejen town provides livelihood for huge population mainly to the poor and other impoverished groups' of the society. The participation of women to informal activities in general and processing of traditional drinks in particular in the town have been increasing mainly due to lack of job opportunities, divorce, school dropouts, family death and insufficient monthly income of households. There are various factors that hinder the success and profit earning potential of these women. These include lack of convenient working place, shortage of working capital, strong competition, fluctuation in demand and the cost of inputs, lack of institutional and government support, difficulties in the working environment and health problems.

Tella and *Katicala* production and selling in the town of Dejen supports the livelihood of the poor. Most of the operators depend on it for living while some others used it as an additional source of income. The monthly earnings of participants are low on average and this small amount in the past was enough to make living at subsistence level. However, the current changes in the market structure create difficulties on their livelihood and its sustainability. In addition, natural incidents like drought, crop diseases and loss of family; and human induced problems like competitions and fluctuation in demand and cost of inputs further aggravates the vulnerability of local drink house owners. Moreover, government has been giving limited attention to these people. This condition also increases the vulnerability of operators as different financial supports and other trainings favored to formal sector operators.

Women *Tella* and *Katicala* sellers' status of asset ownership with reference to the livelihood framework shows that;

- Human capital: these women do not have much than physical well being, which gives them a potential to work in areas that do not require education and skills.
- Financial capital: they are in bad situation; due to financial shortage households have faced a challenge to expand the activity, failed to ensure food security, inability to rent quality and non-crowded house etc.

- Physical capital: the majority of them lived in rented houses and these houses lacked basic facilities and services.
- Social capital: it was found that social capital is a big asset that these women have. In relation to this asset, operators are participated into different *CBOs*. The most popular associations in relation social capital are Edir, Equb and Mahber. However, the participation of these women to formal associations or institutions is very limited.
- Women *Tella* and *Katicala* sellers do not have much access and control to the natural capital. Despite this, their activity cause depletion of some natural capital particularly forest.

From the above, it can be concluded that most of the women participating in this study do not have necessary assets that they can use to achieve secured livelihood and were faced food insecurity. To fill these gaps operators have used different coping strategies. These include change in consumption pattern (i.e. consume less preferable food items and skipping lunch or breakfast), borrowing items in kind/cash from relatives, diversifying income sources and selling household assets.

Tella and *Katicala* selling is a livelihood strategy that women pursue to survive in urban centers like Dejen. These activities as a livelihood strategy have brought various outcomes. Initially most of the participants had nothing before they start work, however, after their participation; they are able to survive even if their living condition is still unsatisfactory. Apart from this, some participants have showed significant improvements in their living and were able to make various assets including house. According to the findings of this study, women local drink house owners are found in low socio-economic status and their business now failed to ensure livelihood security. Due to this reason the operators are in dilemma whether to continue with their current business or searching other activities that let out them from this crisis.

6.2 Recommendations

Informal sectors play a significant role in the socio-economic development process of poor countries like Ethiopia. Despite the significant role of the sector in reducing unemployment and in the fight against poverty, the sector in general and participants in particular has not been getting support and recognition from government and policy makers. Participants in the sector need support and assistance from government and other stakeholders to increase the efficiency of the business and to ensure their wellbeing. Based on the findings of this study, the researcher has made the following recommendations to be taken by the concerned bodies.

- The municipality of Dejen town confirmed the importance of informal sectors especially local bars in reducing poverty and unemployment. Therefore, the government should change its “Indifferent view” and need to actively take part in supporting operators through creating an enabling environment with appropriate policies and regulatory practices with regard to finance, work security and other supportive services.
- The findings revealed that lack of housing and convenient working place is the major problem of women *Tella* and *Katicala* producers and sellers, of which most of them live and work in the poorly built and physically deteriorated rented houses. Therefore, government and NGOs should take immediate action to meet the housing demand of the poor either through constructing new Kebele houses or any other else. Besides, the existed Kebele houses should be repaired.
- Women local drink house owners have faced shortage of working capital; this hinders monthly profit, expansion of the business and gradual transformation of participants to the formal sector of the economy. To improve the welfare of these people, favorable legal environment should be created to encourage banks and other financial institutions to design appropriate mechanisms for credit lines to informal sector operators in general and traditional alcoholic drink processors in particular.
- The majority of women in such activities have been in a problem of food insecurity. To ensure the living condition of the poor, the government should work extensively and its current market stabilization program should be further strengthened and trickledown to other commodities and agricultural crops. Besides, quick and effective intervention measures like food/ financial subsidy to the vulnerable groups should be given.

- According to the field survey, operators have faced water shortage and they spent more time to fetch water as there are many users per bono. This results a complicated impact on the living conditions of operators. To alleviate this problem, there should be construction of additional public taps and simultaneously improving and repairing the unfunctional public taps.
- To increase the contribution of the sector for the local and national economy, the government needs to design appropriate strategies for the gradual move of these women to the formal sector of the economy through organizing them into associations/ cooperatives and by providing different trainings. The micro and small enterprise office of the town is expected to play the leading role in the process.

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APPENDIX_I
ADDIS ABABA UNIVERSITY
COLLEGE OF SOCIAL SCIENCES AND HUMANITIES
Department of Geography and Environmental Studies

Dear respondents:

This questionnaire is designed to gather data on the over all living conditions of women's in the urban informal sector with particular emphasis on *Tella* and *Katicala* sellers in Dejen town. To achieve this purpose and to deeply investigate the case, your response to the questions given below has a crucial value. Therefore, you are kindly requested to read the questions carefully and give accurate and real data which exists on the ground. The response that you reply will not be used for any other purpose other than this research work, so be free and give your honest and genuine response.

Thank you in advance for your Cooperation!

Town Dejen **Date** _____

Kebele _____

Instruction: Circle the letter of your choice or fill the blank spaces or tick on the boxes for the following questions. You may respond more than one answer if it is necessary.

Part I Background Information of Sample Respondents

1. Age _____

2. Marital Status

A. Married

D. Widowed

B. Divorced

E. Other (Specify) _____

C. Single

3. Educational level

A. No Schooling

D. Secondary Education (grade 9-12)

B. Basic education

F. above Secondary Education

C. Primary education

G. Other (specify) _____

4. Family size Male _____ Female _____ Total _____

5. Where is your place of birth?

A. Dejen town

B. outside Dejen town

6. If your place of birth is out side Dejen town, what was your major reason for coming here?

A. Marriage

D. Inaccessibility to productive resources like

B. Following relatives or friends

land in rural areas

C. Family displacement

F. to lead secure life

E. To get job opportunities

G. Other (Specify) _____

7. What was your previous occupation?

A. Daily wage labourer

C. Informal sector operator's

E. House wife

B. Student

D. Government employee

F. Unemployed

G. Maid Servant

H. Other (specify) _____

8. How many years did you spent on this activity? _____ Years

Part II Reasons for Women participations in the Urban Informal Sector

9. Do you join the urban informal sector by your choice? A. Yes B. No

10. If your answer to Q. 9 is "Yes", why did you prefer working informally?

11. If you reply "No" to Q. 9, what factors forced you to the so called Urban Informal sector?

A. Absence of other alternatives for living/lack of job opportunities

B. Divorce

E. Family and/or Husband Death

C. Insufficient monthly Income

F. Dismissal from formal employment

D. School Dropouts

G. Other (specify) _____

12. Why did you prefer *Tella* and *Katicala* preparation and selling than other Informal sector?

- A. Its flexibility and undertakes at home
- B. Experiences of brewing and distillation
- C. Provides better income/profit than others
- D. It works through out the year (absence of seasonality)
- E. Other (Specify)_____

Part III Socio-economic status of 'Tella' and 'Katicala' sellers

A. Economic Characteristics of 'Tella' and 'Katicala' sellers

❖ Income and expenditure patterns

13. How much was your initial capital to start this activity? _____ birr

14. What was the source of your initial capital?

- A. Borrowing from relatives/friends
- B. Own saving
- C. From micro-finance institutions
- D. Family/relatives
- E. Other (specify)_____

15. How often do you produce and sell 'Tella' and 'Katicala' per week?

15.1 For 'Tella' producers and sellers

- A. Once
- B. Twice
- C. Three times
- D. Other (specify) _____

15.2 For 'Katicala' producers and sellers

- A. Once
- B. Twice
- C. Three times
- D. Other (specify) _____

16. Did you brew and/or distill Tella and Katicala at your home by your own?

- 16.1 For Tella Sellers A. Yes B. No
- 16.2 For Katicala Sellers A. Yes B. No

17. How much profits on average do you earn from your production and selling monthly?

_____ Birr

18. Does your earning show seasonal variations? A. yes B. No

19. If it shows seasonal variation, which season did you get the maximum profit?

A. Spring C. Summer

B. Autumn D. Winter

20. What factors associated to the seasonal variation of your earning?

21. Do you have any other income source and/or income generating activity? A. Yes B. No

22. If you reply "Yes" to Q. 21, what are this income source and/or income generating activity?

A. House rent (part of it)

D. Other type of Informal sector

B. Self owned formal activity (small shops) E. Land rent in rural area

C. Cattle rearing

F. Other (specify) _____

23. How much you expend monthly? _____ birr

24. Do you have saving from your earnings? A. Yes B. No

25. If you reply "No" to Q. 24, why? _____

26. Does your monthly income cover your monthly expenditures? A. Yes B. No

27. If you respond "No" to Q. 26, what factors responsible for this imbalance? _____

28. What did you do to fill the gaps or to alleviate such problems? Put “X” on the strategies you used.

No.	Copping Strategies	Remark	
		Yes	No
1	Change in consumption pattern		
1.1	Consume crops/food having low cost/value		
1.2	Skipping launch or breakfast		
2	Engage in other income generating activities		
3	Borrowing items in kind/cash from relatives or friends		
4	Selling physical assets or any other property of the household		
5	Lending money from personal lenders at high interest rate		
6	Other (specify)		

29. How do you evaluate the trends of your income in the past three years?

A. Increase

C. Similar

B. Decrease

D. Other (specify) _____

30. If your answer to Q. 29 is ‘decrease’, what factors responsible for this unprecedented change in your income? _____

B. Social Characteristics Tella and Katicala Sellers

❖ Housing condition

31. What is the tenure status of the house you are living and working?

A. Owned B. Rental house C. Other (specify) _____

32. If you are living in rented house, from whom you are rented?

A. Kebele C. Other (specify) _____

B. Individual

33. How many rooms does your house have? _____ Rooms

44. If you respond “Yes” to Q.43, what benefits you acquired as a result of your participation?

A. Contributes a lot for household saving C. Strengthen the social network

B. Assistance in the time of crisis D. Other (specify) _____

45. If you reply “No” to Q.44, Why? _____

Part IV Challenges of women who sells ‘Tella’ and ‘Katicala’

46. What difficulties you faced while you start the activity and on progress? Put “X” on the difficulties you have faced.

No		Challenges of ‘Tella’ and ‘Katicala’ Sellers	Remark	
			Yes	No
A	Start up challenges			
1		Housing and working place problems		
2		Small size and difficulty to access Initial capital		
3		Lack of customers		
4		Social Security problems		
5		Difficulty to adapt the working condition/environment		
6		Other (specify)		
7	Challenges on progress	Housing and working place problems		
8		Shortage of working capital		
9		Lack of institutional or government support		
10		Narrow or strong competition		
11		Fluctuation in demand and cost of inputs		
12		Health problems		
13		Other (specify)		

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

- A. Supportive
- B. Discouraging
- C. Indifferent (neutral)
- D. Other (Specify) _____

48. If it is “discouraging” how, explain? _____

49. Do you intend to continue with the current business? A. Yes B. No

50. If your answer to Q. 50 is “Yes”, what is your future plan? _____

51. If you reply “No” to Q. 50, what are your reasons?

- A. Unable to compete with other producers and sellers
- B. Lack or shortage of market
- C. Not profitable
- D. Old age
- E. Lack of enough working capital
- F. Other (specify) _____

52. Would you like to organize in formal associations/cooperatives? A. Yes B. No

53. If you reply “Yes” to Q. 52, what benefits does forming cooperatives will provide to you?

Thank you for your cooperation!

Amene Afework

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Department of Geography and Environmental Studies

Key Informant Interview

Part I Interview Questions for Government Officials

Name _____ Educational level _____ Date _____
Position _____ Work Experiences _____

1. How do you see the participants in informal sector in general and ‘Tella’ and ‘Katicala’ selling in particular in the town with reference to time?
2. Are there any policies or strategies for the growth of informal sector operators in Ethiopia in general and Dejen town in particular? Explain?
3. How do you see the link between gender and involvement in the informal activities?
4. How do you evaluate the role of ‘Tella’ and ‘Katicala’ selling activities in reducing unemployment and urban poverty?
5. Does the government assist these people? If so, what kinds of assistance does government give to these people?

Part II Interview Question for Women *Tella* and *Katicala* Sellers

1. What was your employment history?
2. What are your success and failure histories while starting the business up to now?
3. Does brewing Tella and/or Katicala distillation cause health problem? Answer with practical Example to your self?
4. Does the activity you run ensure Livelihood Security? If not, how do you do to cope the problem?
5. How do you evaluate the trends in your vulnerability before your participation and after? And now what makes you vulnerable?
6. How do you see the working environment and housing units you are living?
7. What kind of assistance do you require from Government and other Non Governmental Organizations to maximize your profit and minimize cost?

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Observation Check list

Date of Observation _____ Place of observation (Kebele) _____

➤ Observation code A. Observed B. Not observe

1. Housing condition

- ✓ Newly built quality House { }
- ✓ Old and physically deteriorated house { }

❖ Construction materials used of the wall

Construction Materials of the roof

- | | |
|---------------------------------------------------|--------------------------------|
| i. Mud { } | -Corrugated Iron { } |
| ii. Stone { } | - Grass { } |
| iii. Blocket { } | -Plastic { } |
| iv. Quality of the house { } | |
| vi. Other (to be specified by the observer) _____ | |

2. Facilities and services

1. Presence of Private water tap { }
2. Availability of kitchen and toilet facilities { }
3. Accessibility to school, health centers and other social services { }

3. Working and marketing condition

1. High supply of inputs at Market { }
2. Strong competitions { }
3. Good Security set up of working environment { }
4. Good relation ship between customers and waitress { }

APPENDIX-IV

The Cross Tabulation between Dependent Variable (Income) and Independent Variables

Table 5.7 Distribution of Households by age groups and Monthly Income

Monthly Income	Age groups					Total
	≤25	26-35 Years	36-45 years	46-55 years	56-65 years	
≤100 birr	9	3	-	2	3	17
101-250 birr	7	2	5	9	1	24
251-400 birr	1	11	14	4	1	31
401-550 birr	4	9	7	2	4	26
551-700 birr	1	3	6	-	1	11
≥701	1	-	3	2	-	6
Total	23	28	35	19	10	511

Source: SPSS result Computed from Field Survey, 2010

Table 5.8 Women Local Drink House Owners by family Size and Monthly Income

Monthly Income	Family size				Total
	1	2-4	5-7	>8	
≤100 birr	2	15	-	-	17
101-250 birr	4	17	3	-	24
251-400 birr	7	19	5	-	31
401-550 birr	4	15	7	-	26
551-700 birr	2	3	6	-	11
≥701	-	2	2	2	6
Total	19	23	71	2	115

Source: SPSS result Computed from Field Survey, 201

Table 5.9 Women Local Drink House Owners by housing tenure and monthly Income

Monthly Income	Housing Tenure			Total
	Owned	Rented	Other	
≤100 birr	-	12	5	17
101-250 birr	-	22	2	24
251-400 birr	7	24	-	31
401-550 birr	21	5	-	26
551-700 birr	9	2	-	11
≥701	4	2	-	6
Total	41	67	7	115

Source: SPSS result Computed from Field Survey, 2010

Table 5.10 Distribution of respondents by Work Experience and monthly Income

Monthly Income	Work Experiences					Total
	≤5 years	6-10 Years	11-15 Years	16-20 years	>20 years	
≤100 birr	13	3	1	-	-	17
101-250 birr	9	8	7	-	-	24
251-400 birr	5	15	9	2	-	31
401-550 birr	4	11	7	2	2	26
551-700 birr	-	-	2	6	3	11
≥701	-	1	3	1	1	6
Total	31	38	29	11	6	115

Source: SPSS result Computed from Field Survey, 2010

Table 5.11 Distribution of Respondents by Educational Level and Monthly Income

Monthly Income	Educational Level					Total
	No Schooling	Read and write	Grade (1-8)	Grade (9-12)	Grade 12+	
≤100 birr	8	2	4	2	1	17
101-250 birr	11	5	5	3	-	24
251-400 birr	12	5	6	4	-	31
401-550 birr	12	5	6	3	-	26
551-700 birr	5	2	1	1	2	11
≥701	3	2	1	-	-	6
Total	56	19	25	11	3	115

Source: SPSS result Computed from Field Survey, 2010

Table 5.12 Size of Initial Capital and Monthly Income

Monthly Income	Amount of Initial Capital						Total
	≤50 birr	51-150 birr	151-250 birr	251-350 birr	351-450 birr	≥450 birr	
≤100 birr	8	3	6	-	-	-	17
101-250 birr	9	14	1	-	-	-	24
251-400 birr	7	7	14	2	-	1	31
401-550 birr	2	5	12	3	1	3	26
551-700 birr	0	1	2	2	2	4	11
≥701	-	-	-	2	1	3	6
Total	26	30	35	9	4	11	115

Source: SPSS result Computed from Field Survey, 2010

Declaration

I, the undersigned, hereby declare that this thesis is my original work, and has not been presented for any degree to any university, and that all relevant sources used in the thesis have been fully acknowledged.

Name: Amene Afework Jenberu

Signature: _____

Date: June 9, 2011