

ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
COLLEGE OF DEVELOPMENT STUDIES

**LIVELIHOOD IN THE INFORMAL SECTOR OF ADDIS ABABA:
A CASE STUDY OF STREET VENDORS OF BOLE SUB-CITY,
'MEGENAGNA' AND 'HAYAHULET' AREAS**

BY
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JUNE 2013
ADDIS ABABA

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STUDIES OF ADDIS ABABA UNIVERSITY IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTERS OF ART IN URBAN MANAGEMENT AND DEVELOPEMNT**

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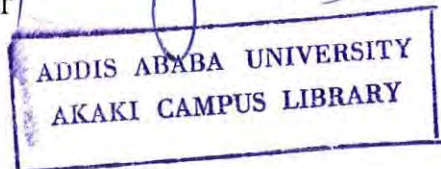

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Acronyms and Abbreviations

CSA	Central Statistical Authority
ECA	Economic Commission for Africa
KII	Key Informant Interview
SLF	Sustainable Livelihood Framework
ILO	International Labor Organization
ICLS	International Conference of Labor Statisticians
ISO	Informal Sector Operator
UNDP	United Nation Development Program
DFID	Department for International Development
MOLSA	Ministry of Labor and Social Affaires
UNECA	United Nation Economic Commission for Africa
SPSS	Statistical Package for Social Science
CEO	Chief Executive Officer
GNP	Gross National Products
NGOs	Non Governmental Organizations
UIS	Urban Informal Sector
ULBs	Urban Local Bodies
UN	United Nation

Abstract

This study attempted to assess the livelihoods conditions of street vendors in the urban informal sector of Eastern Addis Ababa, 'Megenagna' and 'hahyahulet' areas. It also depicts and analyses the major problems that vendors are facing in earning their livelihoods and intervention and responses by the government authorities.

Livelihood approach is adopted to look at the issues to get insights on how street vendors are making a living in the urban informal sector in Addis Ababa. It has looked at how street vendors are making a living and how they have changed the access to assets as compared to their previous condition.

In order to achieve the above objective, the researcher uses both quantitative and qualitative research methods and the relevant data were gathered through questionnaire, interviews and observations. The data collected from different sources were analyzed quantitatively (using frequency and, percent) and qualitative textual method was deployed.

The study finds that, street vending is an opportunity to both rural and urban poor for making a living in the urban areas. The current livelihoods of street vendors, as compared with their previous occupation, have improved after getting involved in the street vending. Access to assets shows street vendors have improved their physical, social, human and financial capital assets as compared to their previous condition. Thus, street vending in Addis Ababa can be accounted as a resource rather than a problem.

However, there are confrontations between authorities and vendors over licensing, taxation and encroachment of public places and pavements. Street vending in spite of its crucial role for providing employment and livelihoods to both urban and rural poor, its economic importance is rarely recognized either in national poverty reduction strategies or in city governance initiatives. Urban authorities in Addis Ababa take it as an illegal and unproductive sector, and their response to street trading is, too often, harassment of traders and eviction, which causes conflict between authorities and vendors.

Chapter one

1. Introduction

1.1 Background

The informal sector has experienced rapid growth in developing countries and has consequently attracted increasing attention among academics, researchers, social development activists, and policy planners. It is generally believed that the rapid growth of the sector has been influenced by increasing unemployment in developing countries. According to ILO (1998/9900), the lack of jobs in the formal sector of the economy as well as the lack of skills in a large part of the labor force has resulted in the growth of a substantial informal sector in which most workers are in low-paid employment under unregulated and poor working conditions.

The informal sector encompasses largely unrecognized, unrecorded and unregulated small scale activities including; small enterprises, household enterprises, self-employed sectors such as street vendors, cleaners, shoe-shiners, hawkers etc. Srinivas (2004) and Sethuraman (1997) have defined the informal sector, as essentially covering the unorganized spectrum of economic activities in commerce, agriculture, construction, manufacturing, transportation and services, which absorbs as much as 60 percent of the labor force in urban areas of developing countries.

The informal sector of an economy can thus be defined in terms of lack of governmental regulation or lack of institutions that provide job security and benefits. Comprising the largest part of the economies of developing countries, the sector depends on small scale individual entrepreneurship, almost always without the benefit of official support or services (<http://en.wikipedia.org>). In the urban context, the informal sector includes small enterprise operators selling food and goods or offering services and thereby involving the cash economy and market transactions (Suharto, 2003). The UIS (Urban Informal Sector)

is thus more diverse than the rural one and includes a vast variety of economic activities through which most urban families earn their livelihoods.

In Africa, the informal economy is growing at a faster rate than the formal economy. The informal sector proves to be the major mechanism for economic growth and development. In most less developed countries; the informal sector is the largest source of employment, investment and government revenue. This is because the informal sector offers the best opportunity for the upward mobility in lifeline of the poor people and their children. In most African cities, as a part of the self-employed sector, street vending has provided a means of livelihood for the many unemployed and poor peoples. As a result, there is a substantial increase in the number of street vendors in the major African cities. In recent years, the informal sector has started to be recognized for its role as a mechanism of economic adjustment and source of livelihood for the poor and unemployed. In most Sub Saharan African countries, neither the public sector nor the formal private sector is able to provide enough jobs for the ever expanding labor force. Thus self employment in the informal sector is increasingly the only alternative solution to growing unemployment, particularly among youth (www.lenda.org, 2011).

Informal businesses in Ethiopia are defined based on three criteria: no book of accounts; no license; and fewer than 10 employees (World Bank 2007c). Registration is a first but not yet sufficient step towards licensing. Based on official statistics, 26% of those employed in Addis Ababa work in informal businesses, with another 4.8% reported as unpaid family work, other employees or so called domestic workers engaged in sales, machine operating, trade, clerks and official work. The sectors wholesale and retail trade, hotels and restaurants and primary production activities are over 90% informal, measured as a share of employment, CSA (2004) has defined the informal sector, as a large number of economic activities carried out by large numbers of people in the economy which generally go unrecorded in the official accounts. They are for the most part unregistered and operating on a very small scale and with a low level of organization. Most of them have very low level of productivity and income. They tend to have little or no access to organized markets, to credit institutions, to modern technology, to formal training and to

many public services and amenities. A large number of them are carried out without fixed location or in places such as small shops, outlets or home-based activities. They are not recognized, supported or regulated by the government. They are beyond social protection, labor legislation and protective measures at the workplace.

In Addis Ababa, a large number of street vendors are earning their livelihoods on the street. Most of them are low skilled and un-skilled who have migrated from rural areas in search of employment. These people are vending on the street because they did not find other means of livelihoods. Though the income in this profession is low, the investment too is low and the people do not require special skills or training.

Despite the fact that street vending is an important source of livelihood to urban poor, street vendors occupy the footpath leaving no space to the pedestrians. This has become a public concern because it creates problem for smooth vehicular and pedestrians' movement, and has polluted the environment of the surroundings. Similarly, vendors occupy public places and roads, which can create social problems like pick pocketing and theft. This situation has created several problems in management, development and has destroyed the morphology of the city. Therefore, much more needs to be understood in Addis Ababa about the role of the informal sector - to what extent street vending provides a means of livelihoods to the urban poor. This thesis will provide understanding of street vending as an opportunity for livelihood to urban poor.

1.2 Statement of the Problem

The informal sector studies played a crucial role in drawing attention to the poverty and the plight of people involved in such activities, the employment potentials of the sector, and the creativity and entrepreneurial skills of informal sector participants who make it amidst inappropriate state regulations. However, since the unit of analysis in many informal sector studies tend to be the economic activities rather than the people involved in such activities, the studies fail to capture the realities of contemporary urban livelihood (Rakowski, 1994).

Livelihood in African cities has no longer revolved primarily around wage earning jobs in the formal sector rather increasingly people earn their livelihood from informal wage labor 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 who are excluded from the formal sector due to little access, control over resources, and lack of education (UNECA, 1996; Darare, 2007). The other assumption is that the increase of street vendors in present days is partly due to the increasing migration from rural areas.

In Ethiopia, particularly in Addis Ababa, street vending is a source of employment, income and survival for a large number of population; especially the middle and low-income earners. At the same time it should be noted that street vending survives not merely because it is an important source of employment but also because of the services it provides to the urban population. For the urban poor, street vendors provide goods, including food, at low prices. It means one section of the urban poor, namely, street vendors; subsidize the existence of the other sections of the urban poor by providing them with cheaper goods and services.

However, these aspects are unfortunately ignored by the Urban Local Bodies (ULBs) because street vending is considered as an illegal activity and people involved are treated as criminals. Studies show that in almost all the African countries, street vendors have no legal status to conduct their business and they are constantly harassed by the authorities Francis Owusu (2007). Furthermore, the role of informal sector (street vending) has not been well perceived. It is rather regarded to be a non-profit activity, as it does not contribute to the national economy in terms of tax. It is marginalized from the development agenda, and hence has been severely affected by the functioning of macro socio-economic policies. Particularly improper or lack of policy support has made the sector to be unsecured, which adversely affects the livelihoods of the urban poor Francis Owusu (2005). Yet they are popular because they provide the urban population with much needed services that neither the municipalities nor the larger retailing outlets can provide.

In Addis Ababa, most of the urban poor get easy access of goods from those vendors. However, the vendors occupy the footpath leaving no space to the pedestrians. This creates problem for vehicular and pedestrians movement, and has polluted the environment of the surrounding. One of the main problems of street vending activities is that it creates difficulty for the traffic to move more smoothly during peak hours. They occupy public places and roads, which can also create social problems. This situation has created several problems in management, development and has destroyed the morphology of the city. Therefore, much more needs to be understood in the city about the role of the informal sector, particularly its role as a problem or a resource in Addis Ababa.

Many researches were conducted in the informal sector of Ethiopia in general, but not the livelihood of street vendors in particular. For instance Amene (2011) conducted a study on urban informal sector as a livelihood strategy of women: The case of 'Tella and Katicala producers and sellers in Dejen Town' basically to assess the livelihood conditions of women in the urban informal sector with particular emphasis on Tella and Katicala producers and sellers. He found that, 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 search other activities in order to come out of this crisis.

Jan Fransen and Meine Piter Van (2008) have also conducted a research about Informality in Addis Ababa. According to the finding, the level of informality in Addis Ababa has been measured. It appears to be a vast sector, with low value added and limited innovation and dynamics. In fact, value added has reduced over time. For most it offers a quality of life far below that of the formal sector. They note significant differences between voluntary and exclusionary informality in causes and policy responses. In Addis Ababa, most informality is exclusionary, caused by poverty linked to exclusion from government support.

As stated above different studies were carried out on the different informal activities. However, there are no studies about the livelihood of street vendors in Addis Ababa. In this stance, this research study provides understanding of why street vending is increasing and how street vendors are earning livelihoods in the selected areas of Addis Ababa city.

1.3 Research Objectives

1.3.1 General objective

The main objective of the study is to assess the livelihood conditions of street vendors in the urban informal sector of Eastern Addis Ababa, 'Megenagna' and 'hahyahulet' areas.

1.3.2 Specific Objectives

It is to:

- i. examine the present livelihood security of street vendors as compared to their previous status,
- ii. understand the challenges of the informal sector in an increasingly competitive situation of street vending activities in Addis Ababa city and
- iii. analyze the local policy on street vending to build-up of their livelihood

1.4 Research Questions

This study is mainly designed to address the following research questions:

- i. What is the nature of the livelihood of street vendors?
- ii. What are the main opportunities and challenges street vendors face regarding their street occupation as a livelihood?
- iii. What is the local policy on street vending and how does it affect the livelihood of street vendors?

1.5 Significance of the Study

Since, the informal sector, to some extent has been interpreted as an illegal sector; economists, researchers, policy makers and others take it as a less-productive sector in terms of government revenue, mainly because people in the informal sectors do not pay taxes. Although the informal sectors provide an income earning opportunities to make a living to the poor in the cities, it is marginalized from the development agenda. Therefore, it is important to account the informal sector as employment provider to the poor people and should not be ignored. The study thus, will provide insights into significant importance of urban informal sector on people's physical capital, human capital, financial capital, social capital and natural capital and how they are embedded in development. The study is also regarded as having an applied dimension in the sense that it can guide in making policies concerning informal sector and its direct and indirect contributions to the national economy through creating employment and providing a way of living to the poor. Moreover, economists are increasingly interested in the role of the informal sector. However, this sector is not only connected to the economics and it has now been emerging in scope and gets increasing attention in development studies. This study thus provides an understanding in the importance of the informal sector and how it provides livelihoods alternatives for the urban poor, and pleads that it will be considered as an employment provider sector rather than an illegal or insignificant sector.

1.6 Scope of the Study

The study is mainly focused on investigating the livelihood of street vendors in Addis Ababa, Bole sub-city namely 'Megenagna' and 'Hayahulet' areas.

1.7 Description of the situation/Street vending in the study area

Haile Gebrselassie Street around Megenagna and Hayahulet area is always busy, especially after 5:00pm, with pedestrians, street vendors, and their customers crowding the sidewalks.

The vendors' vocal advertisements for their products and their customers' price negotiations compete with the noise of minibuses and other vehicles, rendering people unable to hear a person talking right beside them. In addition, the minibus drivers' assistants, calling out their routes, contribute even more to the overwhelming noise.

The sidewalks, becoming difficult to navigate due to the street markets, force many pedestrians to leave its safety and walk on the street. On Haile Gebreselassie Street one can find almost anything, from second-hand clothes to cups, dishes, shoes, wallets, jewelry, books, hair bands, and scarves, all manner of underwear, electronics, dolls, and miscellaneous equipment. Across the road, there are shops and boutiques which sell almost the same products as the street vendors.

Sometimes, the police try to clear the vendors out of the area, which creates more chaos. They all just start running at once, not caring either for their lives or for the lives of others, which makes things much worse.

No matter how much the street vendors contribute to traffic accidents, the situation remains dangerous until more improvements are made.

1.8 Limitations of the study

When the researcher conducted this study, a number of challenges and or problems has encountered in the process. Some street vendors were suspicious while they saw me recording their responses on papers and tape, a few refused to be interviewed. In fact, they are often suspicious and didn't trust strangers. Some vendors, for example, were assuming me as a police or security agent who is sent by the government office at least until they knew my objectives. Some refused to talk to me since they have busy schedules and some had an unnatural fear of being recorded on tape. In some cases, interviews with respondents were interrupted by other street children or other people.

There is also a considerable data and knowledge gap about street vendor both at national and city level. Responsible departments lack comprehensive data about street vendor.

There are very scanty studies conducted on this issue so that difficult to get adequate literature. Indeed, the shallow quantitative summaries and often are reduplicating each other.

1.9 Organization of the Study

The thesis consists seven chapters. Chapter one is the introduction to the whole thesis. It gives an overview of the background of the study, the statement of the research problem, objectives, and research questions. The second chapter presents literature review and analytical approach to theorize and guide to the study. In this chapter, informal sector and livelihood approach are reviewed to highlight the problem at hand. Chapter three presents the research methodology. It discusses the methods used in the collection and analysis of the data and the reasons for their choices. It also describes the rationale upon which my study was based and explained the means adopted to answer particular research questions. It also reflects my field experiences and raised ethical and analytical issues in relation to researching street vendors. The fourth chapter presents the main findings of the study including general characteristic of the respondents, street vendors' present activity or the business which is their livelihood strategy for survival, vendors' livelihood assets to generate their means of survival of the household, the goal achievements and major problems and challenges of street vendors of the study area. The fifth chapter, gives due emphasis on intervention and responses of different stake holders regarding street vending. The sixth chapter is about the livelihood outcomes of street vendors of the study areas. Finally, the last chapter gives summary, conclusion and plausible recommendation based on the findings of the study.

Chapter Two

2. Review of Related Literature

2.1 Introduction

This chapter is designed to review relevant literature. Both theoretical and other relevant literature have been reviewed which are pertinent to the study to achieve designed goal in a scientific way. This chapter consists of four sections. In the first section, key concepts have been defined. In the second section, definition of urban informal sector, its role, nature and different view about the informal sector have been viewed. In the third section, the livelihood approach and its different elements e.g. assets, asset pentagon, outcomes, vulnerability contexts, structures and processes have been introduced to look at the livelihood conditions of the street vendors. The final section presents the link between the informal sector and livelihood approach which will facilitates to the analysis.

2.2 Key Concepts

It is important to define some key concepts that have been used in this study to clarify to the readers. Those key concepts are defined in the following-:

2.2.1 Development

Development is human well-being, including individual civil and political liberties, as well as meeting the physical and material needs of human society. Human development is about increasing peoples' choices and creating an enabling environment in which people can develop their full potential and lead productive and creative lives in accordance with their needs (UNDP, 2002 cited in Mugisha, 2005:26). Holistic human development is about creating an enabling environment that empowers a population to actively participate in making choices affecting their lives and harnessing potential to improve on their livelihood.

2.2.2 Livelihood

A livelihood is considered to consist of the assets, activities and entitlements that enable people to make a living (Singh et al 1994, cited in Mugisha, 2005:27). Assets are designed by human capital, social capital, natural capital and physical capital. According to Ellis (2000:10), a livelihood comprises the assets (natural, physical, human, financial and social capital), the activities, and the access to these (mediated by institutions and social relations) that together determine the living gained by the individual or household. This study considers livelihoods as a way to create different assets, activities and entitlement that enable people to make a living.

2.2.3 Livelihood Assets

Livelihood assets are the basic building blocks upon which households are able to undertake production, engage in labor markets, and participate in reciprocal exchange with other households (Ellis, 2000:31). In other words it can be described as stocks of capital that can be utilized directly, or indirectly, to generate the means of survival of the household or to sustain its material well-being. As mentioned above, there are five livelihood assets - human capital, natural capital, social capital, physical capital, financial capital. In this study, focus has been given to human capital, social capital, physical capital and financial capital.

2.2.4 Street Vendors

In this study, a street vendor is a person who offers goods or services for sale to the public without having a permanent built up structure, but has a temporary static structure or mobile stall (or head load). Street vendors may be stationary by occupying space on the pavements or other public/private areas, or may be mobile in the sense that they move from place to place carrying their wares on push carts or in cycles or baskets on their heads, or may sell their wares in moving cars etc.

2.3 Literature Review

Literature review is used to demonstrate skills in library searching; to show command of the subject area and understanding of the problem; to justify the research topic, design and methodology (Hart, 1998, cited in Silverman, 2005:295). Furthermore, literature gives to the researcher a set of explanatory concepts that are useful for explaining a particular phenomenon. There is close relationship between reviewing literature and theoretical understanding of the context. Literature, on the one hand, provides theoretical understanding of the context to the researcher within the universe of already existing research. Similarly, theories on the other hand, provide certain ways of looking at the world and are essential in defining a research problem. Theory, according to Corbin (1994 Cited in Silverman, 2005:99), consists of plausible relationships produced among concepts and sets of concepts. Without a theory, such phenomena as 'death' tribes and families cannot be understood. In this sense, without theory there is nothing to research (Ibid). He further adds that theory provides both: a framework for critically understanding phenomena and a basis for considering how what is unknown might be organized. Thus, concepts and theories are self-confirming in the sense that they instruct us to look at phenomena.

The most important thing to understand about the conceptual context of a study is that it is a formulation of what the researcher's think is going on with the phenomena he is studying. The function of the theory is therefore to inform the rest of the researcher's design - to help him to assess his purposes, develop and select realistic and relevant research questions and methods, and identify potential validity threats to his conclusion (Silverman, 2005:99-100).

2.3.1 Urban Informal Sector in Developing Countries: Definition and Nature

Writers on the urban economy of developing countries have divided the urban sector into two parallel sectors, a formal sector and an informal sector. The formal sector is sometimes referred to as the modern sector or the industrial wage-sector.

The informal sector is also referred to as the traditional sector. The latter includes the subsistence/non-wage sector. The term 'informal sector' was first used by the ILO (1972) in its report on Kenya. The origin of the term, however, goes back to the dualistic theories of development. Originally advanced by the Dutch economist Jan Boeke, the dualistic theory of development postulated that the developing economies comprised a traditional sector and a modern sector. The distinguishing feature was the degree of factor substitutability, with the modern sector constrained by modern technology to exhibit a lack of factor substitutability while the traditional sector was characterized by perfect factor substitutability (Higgins, 1968). On this foundation, Clifford Geertz, for example, postulated the dualistic structure as comprising a 'firm sector' and a '*bazar* sector', each of which represented a distinct mode of operation. It is the traditional or the *bazar* sector, which is now popularly known as the informal sector.

Since the introduction of the term by the ILO, it has been receiving much attention from social scientists as a distinct sector of economic activity and also as a distinct socio-economic group.

The debate over what comprises the formal and what the informal sector is still far from resolved. But generally, it is taken that the formal sector includes enterprises (government and private) that are registered, officially recognized, nurtured and regulated by the state. In contrast, the informal sector operates outside the regulations of governments. As such, it is beyond access to state subsidies, credit, or other forms of state assistance or control. This sector also has a greater capacity to absorb a large proportion of labor and generate income. There exist, however, increasing linkages between the two sectors, with the informal sector increasingly fulfilling certain tasks of economic development (Weeks,

1975). More commonly, one tends to find that sub-contractors rely on the informal sector to carry out their part of the production deals. The sector, as Fidler and Webster (1996:5) found in the context of Latin America, also incorporates illegal activities by individuals operating outside the formal sphere for the purpose of evading taxation or regulatory burdens.

The informal sector broadly refers to a wide range of economic activities including street food or market vendors, small automotive and machine repair shops, small-scale manufacturing such as garments, shoes or handicrafts carried out by single operators outside the regulatory framework of the state. The sector can also be described as a 'petty commodity sector'. It comprises economic activities for the market on the basis largely of self-employment, with little or no wage-labor, although there may be use of additional labor in the form of apprentices or of family labor. Although a high degree of convergence exists between 'small-scale enterprises' and the 'informal sector', a distinction needs to be made between the two. The informal sector is described as consisting of 'all small-scale activities that are normally semi organized and un-regulated, and use simple labor-intensive technology... undertaken by artisans, traders and operators in work-sites such as open yards, market stalls, undeveloped plots, residential houses and street pavements..... not registered with the Register of Companies, they may or may not have licenses from local authorities for carrying out a variety of businesses' (Ferej, 2000).

While increasingly it is found that the informal sector comprises households of long standing urban residents, in many cases in the Third World, a significant section of the informal sector has common roots in abject poverty, insecurity of land tenure, poor education, lack of institutional support, and weak organization. It emerges from the inability of the modern economy to absorb the rising labor force in productive employment. The sector is closely associated with poverty and squatter problems. Indeed, the dualistic theorists had argued that if the traditional sector was rising, it would lead to shared poverty, meaning that an increasing number of workers would be absorbed in the relatively inefficient traditional sector, thereby reducing the average and marginal

products of labor in this sector. On average, then, a progressively increasing number of people would tend to share a less rapidly rising output.

It was only in 1993 during the fifteenth International Conference of Labor 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 Labor 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 establishment 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 person 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, an individual activity like *Street vending* is part 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.

2.3.2 Role of the Informal Sector

The informal sector provides employment to the poor, absorbing some of the labor that cannot find employment in the formal sector. The sector plays a supplementary role in employment and income generation. It also plays a complementary role in the provision of goods and services.

According to Fidler and Webster (1996: 5), the urban informal sector is a major provider of employment and income to three categories of socio-economic groups in urban areas: survivalists (i.e. very poor people who work part-time in income generating activities), the self-employed (who produce goods for sale, purchase goods for resale or offer services), and very small businesses (i.e. micro-enterprises that usually operate from a fixed location with more or less regular hours).

The Save the Children's Fund and a few other NGOs argue that the informal sector can build markets, expand trade, manage natural resources, fight poverty, generate employment, strengthen communities, support families and feed most of the world's children (as cited in Salter, 1998). The sector also utilizes waste materials such as old tires, metal, disposed equipment, etc. to produce goods some of which otherwise would have been imported and to provide services which could be too expensive for low income earners.

The proportion of urban employment accounted for by the informal sector in developing countries varies widely. Studies reveal that the share of the urban labor force engaged in informal sector activities ranges from 20 to 70 percent, the average being around 50 percent (Todaro, 1994: 253). The proportion of informal sector employment to the total urban employment is highest in Africa followed by Asia, Latin America and the Caribbean (ILO, 1999).

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%).

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.

2.3.3 The Urban Informal sector in Ethiopia

Like any developing socio-economic environment, the majority of Ethiopia's population (60%) lives in a state of absolute poverty. Ethiopia is characterized by low level of economic growth, rapid population expansion, drought, famine and rural to urban migration, which has been experienced over the last couple of decades. The per capita GNP was about USD 110 in 1992 with an average growth rate of -1.9% since 1980 (Hayat Abdulahi, 1997, p. 173, as quoted from WDR 1994). The poor performance of the economy has resulted in rising unemployment and decline of real wages.

Growth of population and labor force due to rural-urban migration has inflated the urban workforce. Accordingly, lack of capacity on the part of the formal sector to absorb the growth in population forced the unemployed to seek refuge in the informal sector in order to create own employment (Street Business Operators Task Force/Addis Ababa, pp.7-8). This resulted in concentration of labor force in micro-income generating activities urban

areas as a natural desire for survival on the part of destitute men, women and the youth (Ibid.). Studies have shown that in many poor countries, like Ethiopia, heavy burden of taxes, corruption and bureaucratic intricacy have driven formal actors into the informal sector (Azuma & Grossman, p.1). The structural adjustment programs, the various austerity measures and the proliferation of economic activities outside of the formal structure have made the economically active labor force to align itself with the informal sector (Haeri, n.d, p. 1).

Another factor that helped in the expansion of the informal economy is the reaction against government's regulation of the economy. The taxation systems, social legislation, health and environmental controls that are imposed on the activities of the business community and the economic hardship during periods of economic recession forced business people to go informal to operate outside of the regulatory framework (Portes et al, pp. 27-28).

Because of cheaper imports and illegal inflow of commodities from outside, the labor-intensive manufacturers of consumer goods could not remain competitive in the market and were forced to close or move underground. (Ibid. p. 28). In addition, the industrialization process that took place under unacceptable social and economic conditions that imposed standards set by governments also pushed formal enterprises to use informal means to obtain comparative advantage relative to the more regulated areas of the economy. (Ibid., pp. 28 - 29).

The diminishing supply of rural lands and population explosion and resource scarcity, could not enable rural people to sustain life in their localities. The widening gap between the resource-loaded urban centers and the poverty-ridden rural areas facilitated migration as an option for survival (Addis Ababa City Administration., p.1). For example, the 2.9% increase in the population of Addis Ababa is found to be a result of rural-urban migration which has escalated the rate of unemployment in the city. According to the 1994/95 survey, it is indicated that 46.7% were unemployed. From among the economically active population of 10 years of age and above 61% was found to be in the informal sector (Central Statistical Authority/Ministry of Labor & Social Affairs - Ethiopia, 1997).

Because of the labor intensive nature, use of local raw materials and more simple and flexible technology and the innovative tendencies of informal activities, the actors operate in response to market forces and are skilled in taking advantage of their close links with grassroots communities and institutions. The ease of entry and exit opportunities enables them to be more flexible in coping with the dynamic socioeconomic - environment.

Although the informal sector exists as a natural ally of the formal sector, it has remained neglected and has not been integrated as useful partner in the development process. Such a situation has created a hostile environment resulting in uncertainties to undertake risk-ridden business activities which threatened the income earning and productive potentials of the sector.

Despite the economic crisis and the problems of the structural adjustment programs that have adversely affected the economic development of poor countries, the informal sector has survived and supported a significant proportion of the impoverished population through employment creation to provide the means for their livelihood. In the Ethiopian situation, like other developing countries, the informal sector has come about as a result of the socio-economic crisis created by local and external forces and as a response to the search for a means of earning a modest living (UNECA, October 1993,p.9). Its expansion and development is, thus, determined by the worsening socio-economic crisis and the creation of enabling environments to accommodate the needs and requirements of the sector.

2.3.4 Change in development theories, change in view on informal sector

This contesting of the dichotomy of formal-informal sectors is widely around in development studies literature. In a broader context it can be related to the changing paradigms in development thinking, as is illustrated in this paragraph. Since there has been change in the paradigms of development, so there has been change for the views on informal sector as well. When the dichotomy formal-informal was created the modernist

paradigm was the dominant paradigm in development theories. In short this meant that less developed countries were seen as 'lagging behind' the developed countries, but had the possibility to overcome this backward position by modeling themselves like developed nations and spurring their own economic growth in that way. From that angle came the notion that informal sector is a traditional economy that will wither away and die out with modern industrial growth. In more recent views, where the post-modernist paradigm has taken place, stating that development is multi-layered, site specific and multi-scalar, it is observed and taken into account that the informal economy is expanding with modern industrial growth.

Similarly the former, modernist if you like, dichotomy of a separate formal and informal sector is replaced by the notion of an inter-linkage between formal and informal enterprises. The informal sector produces for, trades with, distributes for and provides services to the formal economy. Besides that it is not marginally productive, as viewed in the classical view but it is a major provider of goods and services of lower income groups and it produces a significant share of GDP.

The significance for the local economy is differently valued as well. Before the informal sector was viewed as a reserve pool of surplus labor, nowadays much of the rise in informal employment is due to decline in formal employment or to the informalization of former formal employment relations. Neither is it made up only of street traders and very small scale producers), but made up of a wide range of informal occupations.

The common view of the entrepreneurs in the sector was that of entrepreneurs who ran illegal and unregistered enterprises in order to avoid regulations and taxations. Nowadays the view is that the informal sector is made up of non-standard wage workers as well as entrepreneurs and self employed persons who produce legal goods and services, albeit through irregular or unregulated means. Most entrepreneurs and the self-employed are amenable to, and would welcome efforts to reduce barriers to registration and related transaction costs and to increase benefits from regulations. And most informal wage workers would welcome more stable jobs and workers' rights. On a policy level little attention was given to informal work since the view was that work in the informal

economy is comprised mostly of survival activities and thus is not a subject for economic policy.

Currently in the developed world this view has changed, research shows that Informal enterprises include not only survival activities but also stable enterprises and dynamic growing businesses, and informal employment includes not only self-employment but also wage-employment. All forms of informal employment are attracted by most (if not all) economic policies. (Alter Chen, 2007)

2.3.5 Livelihood Approach

Livelihoods approach views the world from the point of view of the individuals, households and social groups who are trying to make a living in volatile conditions and with limited assets. It provides a framework for understanding the opportunities and assets available to poor people and the sources of their vulnerability, as well as the impact upon them of external organizations, processes and policies.

The concept of livelihoods became prominent in the middle of the 1980s with work done by Robert Chambers and the Institute of Development Studies at the University of Sussex (Schafer, 2002:22-23). Schafer further states that: 'for Chambers, the livelihoods approach and increased participation of the poor were means of correcting the inevitable biases introduced by outsiders deciding what was best for the poor people. The idea of a livelihoods framework as a tool for analysis is simply to capture the main elements, which comprise the complex livelihoods of people at a given point in time, and ideally the course and dynamics of change in livelihoods as well (Ibid). According to him, the basic elements of most livelihoods frameworks are:

- **Livelihood resources:** what people have, variously referred to as stocks and stores, assets and capital (both tangible and intangible),
- **Livelihood strategies:** what people do (e.g. agriculture, wage labor, migration),
- **Livelihood outcomes:** what goals they are pursuing, the living that results from their activities.

In recent years, multilateral and bilateral agencies have put reduction, elimination or eradication of poverty as the prime focus of their programs (Cahn, 2002, in www.devnet.org.nz). It was realized that a new way of thinking about poverty reduction is needed. The basis of a life free from poverty is access and entitlement to a range of assets and livelihood strategies that can sustain households and individuals through the stresses and shocks of life (Ibid). During the 1990s a new approach to poverty reduction, **the sustainable livelihood approach (SLA)** emerged. The sustainable livelihood approach is promoted by multilateral and bilateral organizations such as United Nations Development Program (UNDP) and Department for International Development (DFID). Furthermore, Ellis (2000:37) has emphasized more on the access to assets and activities in his definition of livelihood that is influenced by social relations and institutions.

Many organizations and institutions such as DFID and IDS have documented the livelihoods framework explaining on different development issues. But the IDS framework shows how in different context, sustainable livelihoods are achieved through access to a range of livelihood resources (natural, economic, human and social capital), which are combined in the pursuit of different livelihood strategies (agricultural intensification, livelihood diversification and migration) (Scoones, 1998:9). Central to the framework is the analysis of the range of formal and informal organizations and institutional factors that influence sustainable livelihood outcomes.

2.3.5.1 The Livelihood Framework

The livelihoods framework is a tool to improve our understanding of livelihoods, particularly the livelihoods of the poor. It was developed over a period of several months by the Sustainable Rural Livelihoods Advisory Committee, building on earlier work by the Institute of Development Studies (amongst others) (DFID, 1999 in www.livelihoods.org. accessed on 12-12-06). According to Solesbury (2003:9), the livelihood framework is a tool that helps to define the scope of, and provides the analytical basis for livelihoods analysis by identifying the main factors affecting livelihoods and the relationships between them. The framework therefore highlights five

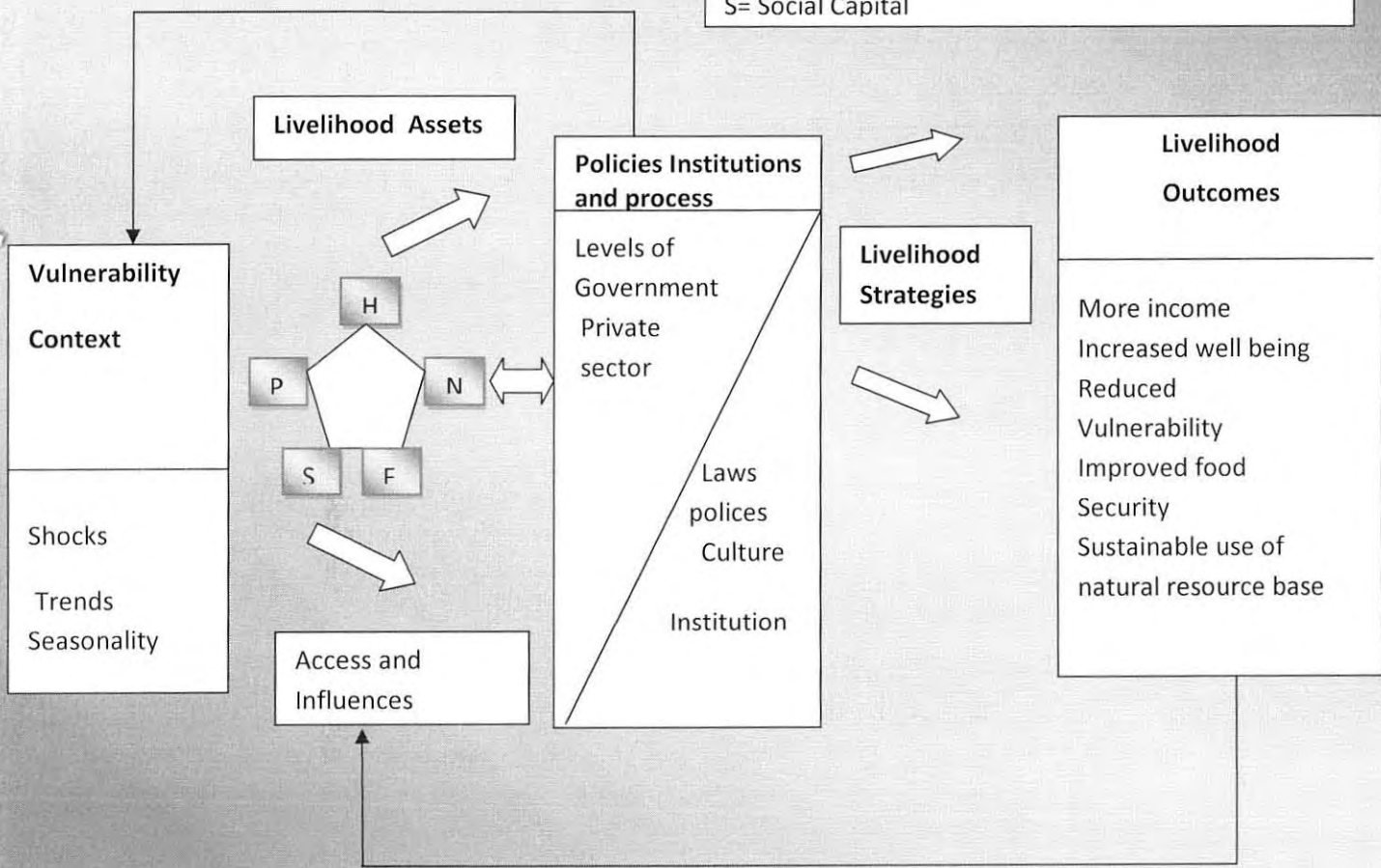
interacting elements: contexts; resources; institutions; strategies; and outcomes. At the centre of the framework, there are the assets on which households or individuals draw to build their livelihoods, which is prime focus of this study.

Key

H= Human capital p = physical capital

N= Natural capital F= Financial capital

S= Social Capital



Source : DFID,2000

2.3.5.2 Livelihood Assets on Asset Pentagon

Livelihood assets are the basic building blocks upon which households are able to undertake production, engage in labor markets, and participate in reciprocal exchange with other households (Ellis, 2000:31). In other words it can be described as stocks of capital that can be utilized directly, or indirectly, to generate the means of survival of the household or to sustain its material well-being at different levels above survival.

Natural capital: Natural capital comprises the land, water and biological resources that are utilized by people to generate means of survival. Sometimes these are referred to as environmental resources, and are thought of jointly as comprising the environment (Ellis, 2000:32). Natural capital are not static and nor is its utilization for survival purposes confined to gathering activities.

Physical Capitals: Physical assets comprise capitals that are created by economic production processes. Buildings, irrigation canals, roads, tools, machines, communications, and so on are physical assets. In economic terms, physical capital is defined as a producer good as contrasted to a consumer good. For example, roads have multiple effects in reducing the spatial costs of transactions in resources and outputs. They also facilitate movement of people between places offering different income earning opportunities (Ellis, 2000:33). Thus, this is the capitals which are available to the people that enable them to earn their livelihoods.

Human Capitals: It is often said that the chief asset possessed by the poor is their own labor. Human capital refers to the labor available to the household: its education, skills, and health (Carney, 1998 cited in Ellis, 2000:33-34). Human capital is increased by investment in education and training, as well as by the skills acquired through pursuing one or more occupations (Ellis, 2000:33). It enables to individuals to work or pursue some source of livelihoods.

Financial Capitals: Financial capital refers the capitals to stocks of money to which the household has access. This is chiefly likely to be savings, and access to credit in the form

of loans. Neither money savings nor loans are directly productive forms of capital, they owe their role in the asset portfolio of households to their convertibility into other form of capital, or, indeed, directly into consumption (Ellis, 2000:34). These are available to people in the forms of savings, supplies of credit or regular remittances or pensions which enables people to pursue their livelihoods.

Social Capitals: Moser (1998, cited in Ellis, 2000:36), defines social capital as reciprocity within communities and between households based on trust deriving from social ties. It attempts to capture community and wider social claims on which individuals and households can draw by virtue of their belonging to social groups of varying degree of inclusiveness in society at large (Ellis, 2000:36). It is social networks system where the individuals and households can produce livelihoods through the relations e.g. community, family. The World Bank (1997 cited in McAlsan, 2002:139) has defined social capital as ‘the internal rules, norms and long-term relationship that facilitate coordinated actions and enable people to undertake co-operative ventures for mutual advantages. According to Putnam (1993 cited in McAlsan, 2002:140), social capital can be defined as the ‘features of social organizations, such as networks, norms, and trust that facilitate action and co-operation for mutual benefits.

The Asset Pentagon: The asset pentagon lies at the core of the livelihoods framework, within the vulnerability context. The pentagon was developed to enable information about people’s assets to be presented visually, thereby bringing to life important inter-relationships between the various assets (DFID, 1999 in www.livelihood.org). The shape of the pentagon can be used to show schematically the variation in people’s access to assets. The idea is that the centre point of the pentagon, where the lines meet, represents zero access to assets while the outer perimeter represents maximum access to assets. On this basis different shaped pentagons can be drawn for different communities or social groups within communities.

2.3.5.3 Transforming Structures and Processes

It is important to understand the structures or organizations, and the processes such as laws, policies, societal norms, and incentives while dealing on livelihood issues. Access, control and use of assets are influenced by the institutional structures and processes. An understanding of structures and processes provides the link between the micro (individual, household and community) and the macro (regional, government, powerful private enterprise) (Scoones, 1998, Carney, 1998, Ellis, 2000 cited in Cahn, 2002 in www.devnet.org.nz, accessed on 12-02-07). Such an understanding helps to identify areas where restrictions, barriers or constraints occur and explain social process that could impact on livelihood sustainability (Scoones, 1998, Ibid).

2.3.5.4 Livelihood Outcomes

The reason that the word 'outcomes' is used rather than 'objective' in the DFID framework is that 'outcomes' is considered a neutral term that reflects the aims of both DFID and its clients, whereas the term 'objectives' could imply top down objectives (Carney, 1998, cited in Chan, 2002 in www.devnet.org.nz). A focus on outcomes leads to a focus on achievements, indicators and progress. An understanding of livelihood outcomes is intended to provide, through a participatory enquiry, a range of outcomes that will improve well-being and reduce poverty in its broadest sense (DFID, 1999, Ibid).

2.3.5.5 Livelihood Strategies

Livelihood strategies are the way in which people adopt different activities for survival in different socio-economic and environmental settings. According to Ellis (2000:40), livelihood strategies are composed of activities that generate the means of household survival. Scoones (1998:9) identifies three types of rural livelihood strategies: agricultural intensification or extensification, livelihood diversification including, both paid employment and rural enterprises, and migration (including income generation and remittances). Carney (1998 in www.odi.org.uk and Ellis, 2000:40-41) list these categories of livelihood strategies as natural resource based, non-natural resource based including, migration and remittances and other transfers.

2.3.5.6 Vulnerability Context

The vulnerability context is especially about how people adapt to and cope with stresses and shocks. People's livelihoods and their access and control of resources can be affected by events largely beyond their control. The vulnerability context firstly frames the external environment in which people exist (DFID, 1999 cited in Chan, 2002 in www.devnet.org.nz). For example: trends in population growth, national and international economics, natural resources, politics, and technology; sudden shocks or events such as health problems, earthquakes, floods, droughts, conflict, agricultural problems such as pests and disease, economic shocks; and seasonal vulnerability of prices, production, employment opportunities or health can impact on livelihoods (Chambers & Conway, 1991:11). Culture (including gender) and household dynamics can also cause risk and vulnerability (Cahn, 2002 in www.devnet.org.nz).

2.3.6 Link between the Informal Sector and Livelihood Approach

As discussed the term 'informal sector' is commonly used to refer to that segment of labor market in developing countries that has absorbed significant numbers of job seekers, mostly in self-employment, and to workers in very small production units. The informal sector operates outside the formal economy, utilize lower levels of investment and less demanding skills and handle relatively simpler products. In addition to this, it links with the formal sector through subcontracting the networks and commodity chains of production.

In developing countries, informal sector is linked to poor people's livelihood approach due to its increasing role in absorbing and creating employment opportunities. The informal sector provides activities for the urban poor and is carried out within easy reach of their available resources. As Chambers (1997) puts the reality for the majority of the very poor in the south both in the rural areas and the urban informal sector, is one of diverse livelihoods exploiting varies resources. Informal sector has been recognized as leading to development and has continued to support most of the population in many developing countries, by creating necessary employment opportunities and income.

Finally, development will necessarily grasp enabling people by using physical, financial and human resources at the household level. The use of various resources is also one of the key focuses of livelihood in which the term 'livelihood asset' has been used. On the one hand, livelihood approach talks about people's access to assets and the use of those assets for making a living in a particular society. On the other hand, urban informal sector creates employment opportunities and income to the urban and rural poor to create livelihoods. Thus, there is close relationship between livelihood approach and the informal sector.

Chapter three

3. Methodology

This chapter presents the methodology and approaches that were employed in the collection and analysis of the data. It also gives a brief overview of the validity and reliability of the data and reflects on the field experience and problems encountered during the fieldwork.

3.1. Methodological approach

3.1.1. Multiple Method

The choice of methodological approach depends on the purpose of the research and can either be qualitative or quantitative. In his attempt to differentiate between these two, Dabbs (1982, in Berg 2001) indicates that the notion of quality is essential to the nature of settings. On the other hand, quantity is elementally an amount of something. Quality refers to the what, how, when, and where of a thing –its essence and ambience. Qualitative research thus refers to the meanings, concepts, definitions, characteristics, metaphors, and descriptions of things. In contrast, quantitative research refers to counts and measures of things. Quantitative methods are employed when one wishes to count or measure the extension of a phenomenon (Bryman 1989; Berg 2001).

To better understand street vendors and represent a reasoned account of their everyday life the researcher need to be able to explore and explain through the commonalities and diversities in their social experience across time and space. Due to the fact that there is no single perfect method and/or tool of assessing livelihood strategies (Weinberg 2002), the researcher used a combination of various methods to illuminate their daily lived experience.

Every method has its own merits and demerits (Strauss & Corbin, 1990) and thus weighing the strengths and limitations of each method and tool is essential in deciding which combination(s) of methods/tools to use. The researcher have employed different

methods of data collection and hence, enabled me to possess deep understanding of the research problem. According to Strauss and Corbin (1990) one might use qualitative data to illustrate or clarify quantitatively derived findings; or one could quantify demographic findings. Or, use some form of quantitative data to validate one's qualitative analysis.

3.2. Nature of Data and Data Collection Methods

In social science research, field work is the central and important method for collecting the primary information. Secondary information also plays an important role while analyzing and giving inference of some empirical knowledge. The following sub-sections present the methods of data collection.

3.2.1. Methods of Primary Data Collection

The researcher used different methods of primary data collection. Those are Interviews (standardized open-ended interviews, and key informants' interviews), observation and survey for 70 street vendors. These combinations of primary data sources were made possible to have in-depth and rich information as to why they are on the street and how they survive.

Interviews

Qualitative interviewing is a kind of guided conversation in which the interviewer carefully listens 'so as to hear the meaning' of what is being conveyed (Rubin and Rubin, 1995, cited in Warren, 2001:85). The interview is the key techniques and probably the most commonly used in qualitative research. According to Kitchin & Tate (2000:213), it allows the researcher to produce a rich, depth and varied data set in an informal setting. It provides a thorough examination of experiences, feelings or opinions that closed questions could never hope to capture (Ibid). There are many types of interview. These are according to Patton (2002:342), informal conversational interview, general interview guide approach, and standardized open-ended interview. The researcher has chosen standardized open-ended interviews and key informants' interview in my study.

Standardized Open-ended Interview

The standardized open-ended interview consists of a set of open-ended questions carefully worded and arranged in advance. It is called content focused (Dunn, 2000 in Hay, 2000:61), which focuses on content rather than informants or researcher. The interviewer asks the same questions to each respondent with essentially the same words and in the same sequence. It is also useful when it is desirable to have the same information from each interviewee at several points in time or when there are time constraints for data collection. It allows the researcher to collect detailed data systematically and facilitate comparability among all respondents (<http://web.worldbank.org>, dated, 04-09-06). Thus, it increases the comparability of responses since every respondent answers the same sets of questions. It also reduces possible bias from researcher while interviewing many respondents. Though questions are standardized, respondents are free to express themselves on the related topics.

However, it may have some weaknesses. It does not permit the interviewer to pursue topics or issues that were not predictable when the interview instrument was elaborated. It also allows little flexibility in relating the interviews to particular individuals and circumstances.

It may also reduce the naturalness of the interview as it consists of standardized wording. It also limits the use of alternative lines of questioning with different people depending on their particular experiences. This reduces the extent to which individual differences and circumstances can be fully incorporated in the research.

In my study, open-ended interviews were conducted with 15 vendors (appendix II). Questions were standardized and open-ended, regarding livelihood security by street occupation, problems and opportunities they were facing and individual life experience. Interview was conducted in the work environment, Tea houses and cafes of “Hayahulet” and “Megenagna”.

Key Informants' Interview (KII)

The key-informants' interview is a powerful data-gathering tool in qualitative research. The key-informant is regarded as an '*expert*' or '*knowledgeable*' person, who imparts important information to the interviewer. The assumption is that key informants know the issue well, which is determined after preliminary survey or informal talk with the relevant people. Thus, the interviewer acts the part of someone interested in learning from the informant. The interviewer should not respond to information from the key-informants with value judgments or expressions of criticism. Although individuals vary considerably in their natural interviewing skills, the techniques of key-informant interview can be conducted by the highly educated to near-illiterate community people.

In this study, five key informants; including one sub-city authority (in charge officer of street market), two representatives of street vendors' union, and two public customers were selected. The interviews were conducted with them for the information regarding their views towards increasing rate of street vendors, the policies and response towards street vendors, street trade and its consequences, the activities and response from vendors' organization and so on (appendix III).

Observation

According to Kitchin and Tate (2000:220), observation is an inductive method of data generation. Furthermore, Wolcott (1995 cited in Kitchin and Tate, 2000:219-20) suggests that the difference between interviewing and observation is that in observation one watches as events unfold, whereas with interviews 'one gets noisy'. Interviews are self-reports of experiences, opinions and feelings, whereas observation relies on the observer's ability to interpret what is happening and why. Observation entails being present in a situation and making a record of one's impressions of what takes place (Jones and Somekh, 2004:138). According to Frankfort-Nichanias and Nachanias (1996, cited in Kitchin and Tate, 2000:220), directness is the major advantage of observation. Researchers watch what they do and listen to what they say, rather than asking people about their views and feelings. This directness provides a degree of validity as it

concentrates upon what people really do as opposed to what they say they will do. There are two types of observation, participant observation and direct (non-participant) observation.

In participant observation, observer (researcher) becomes a member of the community or population being studied. The researcher participates in activities of the community, observes how people behave and interact with each other and outside community (<http://web.worldbank.org>, accessed on 05-09-06). The researcher tries to become accepted as a neighbor or participant rather than as an outsider. The purpose of such participation is not only to see what is happening but to feel what it is like to be part of the group. The strength of this approach is that the researcher is able to experience and presumably better understand any issues. The main weakness is that it is likely to alter the behavior that is being observed and ethical issues may arise if the participant observer misrepresents himself/herself in order to be accepted by the community being studied.

But, in direct (non-participant) observation researcher becomes a passive observer. It is just the systematic noting and recording of activities, behaviors and physical objects as an unobtrusive observer. It can often be a rapid and economical way of obtaining basic socio-economic information on households or communities. The main advantage of this method is that if participants are not aware that they are being observed, then they are less likely to change their behavior and compromise the validity of the evaluation.

In this study, the researcher used both observation methods to collect the information. First of all it was very important me to know the right informants. Participant observation was, then, useful to collect the pre-information to recognize right informants. The researcher decided to play a role of customer so that the researcher could be a part of the study object because without customer the marketing phenomenon could not be possible. The researcher went on shopping around the study location and watched on an around over the phenomenon what was going on there.

Likewise, non-participant observation was also conducted to get information being unobtrusive observer regarding the issue like, what the types of street vending exist, what

type of location they prefer, how they are coping while the metropolitan police oppose them to put up their shop on the street, etc.

Self administered questionnaire

The researcher administered a simple questionnaire for about 70 vendors who work in the selected areas to generate quantifiable data. The questionnaire consists different type of questions providing general information on respondent's background, their present activity/the business, their livelihood assets, the consumption and expenditure pattern of street vendor's, problems and challenges faces while trading in the street, their attitude towards government policy and their goals/future plans . The first draft of the questionnaire was prepared in English and was directly translated in to Amharic (official language) using very simple words and phrases to avoid inconsistencies and communication barriers (Appendix I).

The researcher had two enumerators in distributing and collecting the questionnaire. The enumerators have a diploma in marketing. Training on data gathering techniques and over all ethical acts was given for the enumerators.

3.2.2. Secondary Data Source

Secondary data is data which have been collected by individuals or agencies for purposes other than the particular research study. It plays an important role in research from the very beginning to final stage of analysis. The information derived from secondary data can be very helpful to conceptualize and then contextualize the study. In this study, the researcher used secondary information from various sources, which include published and unpublished documentary sources; books, newspapers, articles etc.

3.3. Selection of the Sample

The logic of using a sample of subjects is to make inferences about some larger population from a smaller one. In quantitative survey, the investigator is keenly concerned with probability sampling (Berg 2001).Qualitative inquiry typically focuses in

depth on relatively small samples, even single case, selected purposefully. Quantitative methods typically depend on larger samples selected randomly. These tendencies result from the underlying purpose of sampling in the two tradition of inquiry. In quantitative research, one's sample should be representative of some larger population to which one hopes to generalize the research findings. In qualitative inquiry, sampling is driven by the desire to illuminate the questions under study and to increase the scope or range of data exposed – to uncover multiple realities. In general, quantitative sampling concerns itself with representativeness and qualitative sampling with information- richness (Paton 1990; quoted in Crabtree & Miller 1992).

In this study the researcher used different methods to select study sites and respondents. Two highly concentrated locations of street vending activities from Bole sub-city namely 'Megenagna' and 'Hayahulet' areas are purposively selected. Similarly key informants including representative authorities of Bole sub city and local residents were purposively selected. Those who have rich information deliberately targeted as in selecting key informant. Since informal sectors (street vendors) are legally unregistered, the strategy for this study will be Bernard's (1988:98) method of "snowballing" sampling for open-ended interview ; i.e., allowing already established networks of blood ties, community and friendship connections to guide choice.

Snowball sampling can be defined as a technique for finding research subjects. One subject gives the researcher the name of another subject, who in turn provides the name of a third, and so on (Vogt, 1999 cited in <http://www.soc.surrey.ac.uk>, accessed on 05-09-06). According to Flowerdew & Martin (1997, Ibid), the term snowball describes using one contact to help you recruit another contact, who in turn can put the researcher in touch with someone else. The initial contact may be a friend, relative, neighbor or someone from a social group or formal organization. As the term implies, through this method, recruiting gains momentum or 'snowballs' as the researcher builds up layers of contacts.

The researcher conducted the snowball sampling to select the respondents. There were a neighbor who works for Bole sub-city administration office and the researcher met him

and told him about my study and the purpose of the study, and we had a conversation for about one hour, which was very useful for me to get one of my key informant interviewee-Ato Mesfin, who is my neighbor's best friend and Manager of Trade and Industry department of the sub-city. Then, the researcher got an overview about street vendors on and around 'Megenagna' and 'Hayahulet' area. In the mean time he deliberately introduced the researcher Dagne-one of the representatives of street vendor's organization around 'Megenagna' area and the researcher invited him for a tea in a small café close to his work place. That day we communicated well and made another appointment. Afterwards, he introduced the researcher his friends (members and non members of the organization) who also became my informants – snowballing.

In quantitative sampling, since studying the entire population of street vendors in the selected areas was practically impossible, a manageable size had to be chosen for the survey. The researcher administered a simple survey for about 70 vendors who work on the streets of the selected two areas to generate quantifiable data. It was not easy to find an accurate number of street vendors from which the researcher could select a proper scientific sample by random method.

'Since the street vendors keep moving it would have been very difficult to prepare any sampling frame, out of which to select the desired sample applying principles of random method. There is no way by which the representative nature of the sample can be verified except to say that vendor's have been selected from selling a variety of items, which may ensure a good representative'.

3.4. Methods of data analysis

3.4.1. Qualitative data analysis

Qualitative researches believe in words, expression and content analysis while it comes to the phase of analysis. Thus, data analysis in qualitative research provides ways of discerning, examining, comparing and contrasting, and interpreting meaningful patterns or themes. Meaningfulness is determined by the objectives of the research at hand: the same data can be analyzed and synthesized from multiple angles depending on the

particular research objectives or the research questions being investigated (<http://ebn.bmjournals.com>, dated, 11-09-06).

The varieties of approaches - including narrative analysis, discourse analysis, and textual analysis - correspond to different types of data, disciplinary traditions, objectives, and philosophical orientations (Ibid). In my study, the collected data have been edited and checked to remove possible errors during the field work evaluation. I then tried to match the responses of each of the respondents with the questions and the topic discussed during the interview. I related this to my objectives of the study and research questions. This helped me to analyze my data.

3.4.2. Quantitative data analysis

The researcher employed some descriptive statistics to analyze the data, generated from the questionnaire. Quantitative information that surveys provide would be helpful in assessing the livelihood condition that has to do with the community rather than an individual vendor. The statistical data that would be presented in my findings would be processed and analyzed through the use of SPSS (frequency, percent, and cross tabulations). The use of figures would also be focused on for descriptive purposes. The quantitative analysis helped me to structure the data generated from qualitative resources.

3.5. Challenges in the Field

Field research is the process of getting information to acquire knowledge through interaction with people. Information that interviewees provide to the researcher depends on how much he/she could convince them about the issue and subject matter to acquire knowledge.

It was difficult to get time from the vendors during the day time. All vendors would be busy to wait for customers and selling during the day time. They did not want to be disturbed. In addition to this, the police try to clear the vendors out of the area, which creates more chaos. They all just start running at once, not caring either for their lives or

for the lives of others, which makes things much worse. The researcher had to collect the required information by giving them the feeling that did not disturb them. According to the information from one informal discussion it is convenient to get vendors freely around 10:00 am – 2:00 pm. The researcher realized that it would be suitable time to talk and to distribute the questionnaire.

Furthermore, getting time with sub city's authorities (in charge of street vendors), a key informant in the study, was also difficult. Once, the researcher went to arrange an appointment with him but he was not available in his office. Again he arranged a meeting time for the following day. When the researcher got there the following day, he was not available, and it was because of his frequent meeting (work related). After two days, the researcher again met him in his office and rescheduled for another meeting, according to his available time. Thus, the researcher could interview him. This kind of incident always happens during the field work. The researcher must be patient and has to accept such situations.

3.6. Validity and Reliability of data

Reliability is the degree to which the finding is independent of circumstances of the research and validity is degree to which the finding is interpreted in a correct way (Kirk & Miller 1986). Informants' understanding about the relevance of the study and their willingness to participate affect the validity of the data. The researcher gave them a comprehensive introduction about the nature and importance of research to enable them respond freely and tried to set a very clear objective and attempt to familiarize with respondents before starting any kind of data collection.

Some of the factors affecting reliability of a research are the wording of questions, the physical setting, the respondents' mood and the nature of interaction. Some respondents may be unwilling to respond to some questions. Some others may have intentionally or unintentionally exaggeration while responding. Then, it becomes very important to convince them about the purpose of the study, to participate and interact with them in a

way that they could trust the researcher. To do this, it is important that researcher may play different roles like teachers, students and also to follow the ethical guidelines.

In this study, the researcher used a combination of qualitative and quantitative methods, which helped the researcher to reduce the risk of systematic biases due to a specific method. Data collection methods such as interviews, observation and questionnaire have been used to support and check one another's validity.

The combination of methods proved to be very fruitful during the field work. The researcher therefore believes that the collected information provides a valid context for analyzing the research questions.

Chapter Four

4. Analysis and Interpretations of Data

4.1 Introduction

The data which was collected through the field work will be analyzed in the current chapter and other chapters that follow.

This chapter analyzes the objective which covers the present livelihood security of street vendors and challenges of the informal sector in an increasingly competitive situation of street vending activities in Addis Ababa city in general and in Bole sub-city in particular. In the first section, this chapter deals with the general characteristics of street vendors. The second section is about street vendors' present activity or the business which is their livelihood strategy for survival. The third section deals with vendors livelihood assets to generate their means of survival of the household. The fourth section of this chapter is about the goal achievements or what street vendors want with their future and how they aim to achieve this goal is analyzed. Finally major problems and challenges of street vendors of the study area have also been investigated in order to know what makes difficult to achieve their desired goal.

This chapter is based on empirical data generated from the survey methods of data collection. In doing so, the qualitative analysis complements the statistical description.

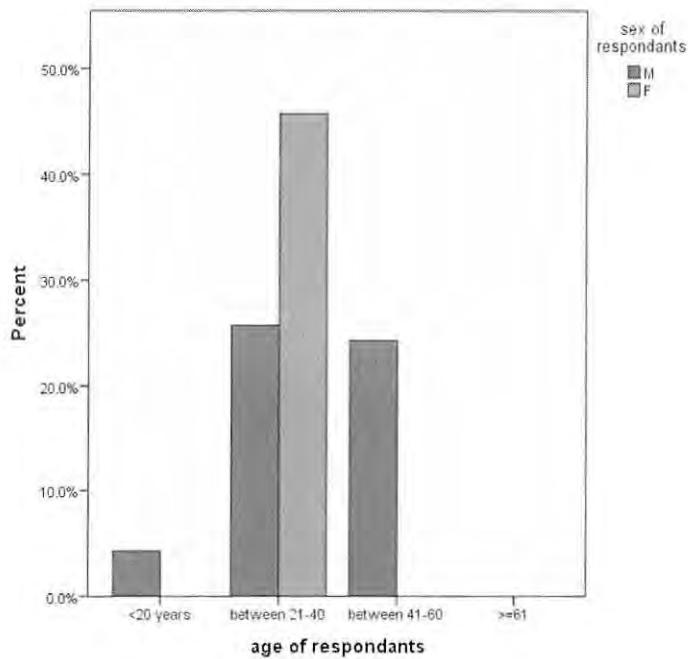
4.2 Basic Characteristics of Respondents

This part provides a demographic & socioeconomic profile of sample respondents. It included age, sex, educational level, place of birth, family size, previous occupation and number of years in the business.

4.2.1 Age and Sex of sample respondents

As the survey result reveals, vending operations were a particularly important source of employment and income for economically-active age group of 21-40 years representing about 71.4%. Furthermore, some 24.3% vendor aged group of 41-60 and reaming 4.3% were aged 20 years and below. This suggests that, since selling on the street is tedious and energy consuming activity, it is mainly the active and youthful population who gets involved in it.

Figure 4.1: age and sex of sample respondents

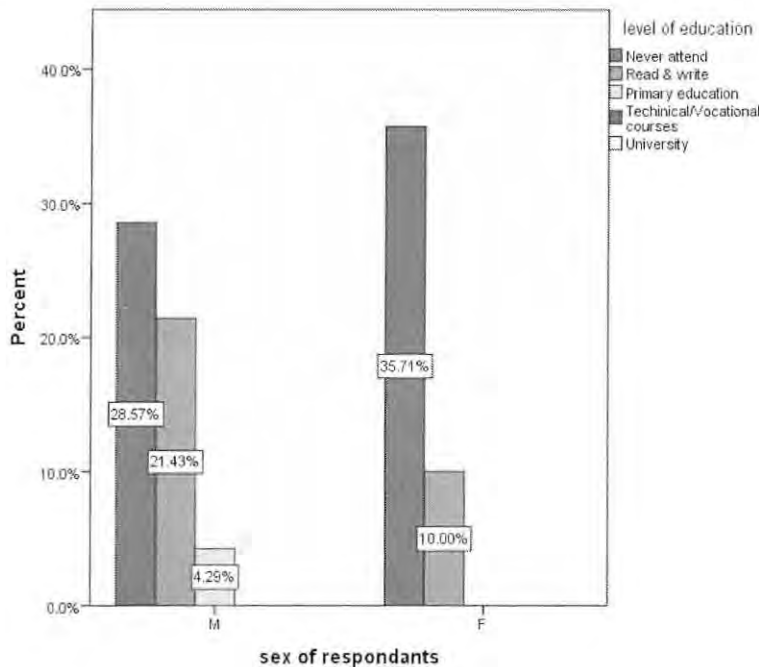


As shown in graph 1, vending industry was particularly important source of employment and income for both gender groups. About 54.3% of the vendor was males and 45.7% were females. Hence, the gender split in economically active age categories favored the female gender. On the other hand, there were some interesting inter-firm variations with respect to enterprise owners. 25.7% of women total vendors sell prepared food, 15.7% women sell fruits and vegetables and 4.3% women sell second hand cloths. Such activities gave women a special way to escape social and cultural restriction by strengthen of their economic status in the house holds or outside when divorced or separated or unmarried in the area surveyed.

4.2.2 Educational level of sample Respondent

For the attainment of higher level of productivity it is important to study the extent to which the education and employment are matched. It also plays an important role in one's life in the sense that it helps in shaping the right kind of life style in the human beings. The educational standard of the selected respondents is depicted in figure 2.

Figure 4.2: Level of education by sex of the respondent



The above figure shows that most of the respondents were from poor educational background. About 28.57% of male vendors never go to school, 21.43% of them can read and write and only 4.3% were at a primary level of education. Majority of female respondents (35.71%) was found illiterate and 10% can read and write.

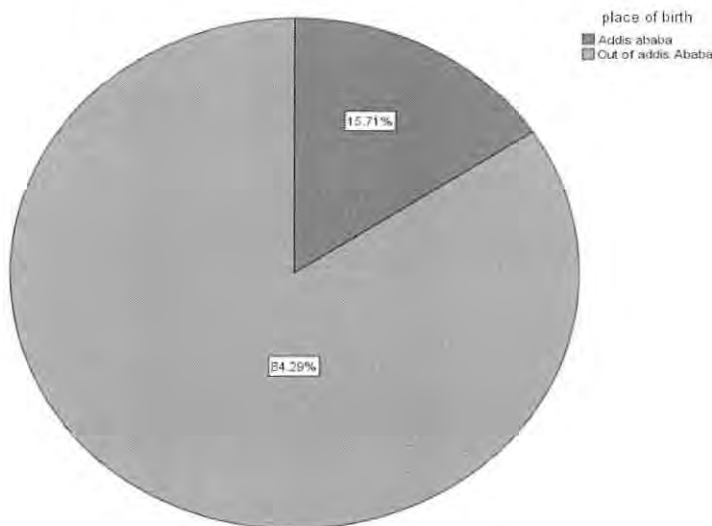
There were various factors responsible for poor educational background. Low level of family income was one of the most important reasons for poor education for both genders. As it was found in most of the cases, all the family members of the surveyed street vendors were engaged directly or indirectly in informal sector and their children

were either illiterate or studying primary level of education. Another reason was that either parents of the respondent were dead or they were the only earning members in their family. Some of them responded that there is no job security as there are thousands of educated unemployed and it is better to earn than join school.

4.2.3 Birth place of Respondents

In Ethiopia, migration has long been an important livelihood strategy for the rural people. On the one hand, the rural population has increased to such an extent that people no longer could secure a livelihood, whereas on the other hand; in some better off people deemed to live & earn more wealth in the urban jobs. Therefore, both poor and better-off people pursue migration as a livelihood strategy. As depicted in figure 4.3, great proportions of respondents (84.29%) were found to be from outside Addis Ababa while only 15.71% were city – born.

Figure 4.3: Birth place of sample respondents



The push factor of street vendors leaving their home was the scarcity of farm land associated with traditional farming for very low returns in rural setting. The increasingly growing importance of the city as a socio- economic center and a capital city of the country was also considered as pull factor for migrants from rural area.

Over all, as shown in table 4.1 below, the growing importance of street vending incomes in sustaining urban livelihood of rural migrants. According to the finding, 44.3% of the respondents reported migration to the city to look for a job. In support of this evidence, Todaro (1986) stated that the migrants' main reason to move to cities would be directly related to the probabilities of finding a job. About 20% of Female Street vendors came to Addis Ababa through marriage, some 10% mentioned city attraction as the main reason, and the rest 5.7% and 4.3% came hoping to get best thing and family displacement respectively.

Table 4.1: Respondents main reason to come to Addis Ababa

Reason for Coming Addis to Ababa	sex of respondents				Total	
	M		F			
	Freq	%	Freq	%	Freq	%
Looking for a job	20	28.6%	11	15.7%	31	44.3%
Family displacement	3	4.3%	–	–	3	4.3%
Marriage	–	–	14	20.0%	14	20%
Wishing best things	4	5.7%	0	–	4	6%
Is not saying out of Addis Ababa"	4	5.7%	7	10.0%	11	16%
City attraction	7	10.0%	–	0.0%	7	10%

4.2.4 Length of stay in the business

This variable helps to show the trends of such business generating activities across different time periods. The study investigates longevity of vendors in vending profession in the study area. Accordingly, 57.1% of vendors lived in Addis Ababa between 6 and 10 years and they have been street vendors for 5 years and below. Some 15.7% of vendors were born in Addis Ababa and have been working in this business between 6 and 10 years, and the other 14.3% vendor's lived in Addis Ababa for 5 years and below and they

stayed in the business for 5 years & below. Some 8.6% of the respondents lives in Addis Ababa between 11-15 years and has been vending between 6-10 years, whereas insignificant amount (4.3%) of the respondents live in Addis Ababa for between 11-15 years and they has been a street vendor for 5 years and below. This shows that huge numbers of street operators joined the business in a very recent past and it makes the competition strong.

Table 4.2: Length of stay in Addis Ababa and working experience of the respondents

Length of stay in the business	Number of years living in Addis Ababa									
	<5 years		between 6-10		between 11-15		>=16 years		Is not saying "Out of Addis Ababa"	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
<5 years	10	14.3%	40	57.1%	3	4.3%	—	—	—	—
between 6-10 years	—	—	—	—	6	8.6%	—	—	11	15.7%
between 11-15 years	—	—	—	—	—	—	—	—	—	—
>= 16 years	—	—	—	—	—	—	—	—	—	—

4.2.5 Household's size

Household size is an important variable to look in to the possible relationship between the increase in member of family with the availability of labor and consumption and expenditure pattern in households. Of 70 respondents, 60% have family sizes between 4-6 the reaming 34.3% and 5.7% of the respondents have family size between 7-10 and 3 and below respectively. Thus, from this study, it can be understood that the owners had relatively large family members whose livelihoods depend on informal source of income. This evidence, therefore, suggest the significance of urban informal employment, in this case of street vending.

Table4.3: Family size of the respondents

Number of persons in the household							
<3		between 4-6		between 7-10		>=12	
Freq	%	Freq	%	Freq	%	Freq	%
4	5.7%	42	60.0%	24	34.3%	-	-

4.2.6 Previous occupation

Assessing the previous occupation of street vendors is major variable to know the livelihood out comes from their current business. The result revealed that, street vendors in this study had different employment background. As shown in table 4.4 about 47.1% of both male & females respondents were daily wage laborers, 20% of female respondents were maids, the remaining were unemployed, framers and or engaged in other types of work. This implies that vending was not only providing cash income but sustaining the livelihood of vendors themselves and their immediate families.

Table 4.4: Previous occupation of sample respondents by sex

Previous occupation	sex of respondents				Total	
	M		F		Freq	%
	Freq	%	Freq	%		
Daily wage laborer	19	27.1%	14	20.0%	33	47.1%
student	-	-	-	-	-	-
Informal sector operator's	-	-	-	-	-	-
Government employee	-	-	-	-	-	-
House wife	-	-	-	-	-	-
Unemployed	7	10.0%	4	5.7%	11	15.7%
Maid servant			14	20.0%	14	20%
Farmer	8	11.4%	-	-	8	11.4%
Any types of jobs	4	5.7%	-	-	4	5.7%
total	38	53.2%	32	45.7%	70	100%

4.3 The livelihoods and livelihood outcomes

4.3.1 Livelihood assets of respondents

As discussed in the second chapter, livelihood is the combination and access to various assets available in a particular community and household. According to Ellis (200:48-50), the livelihoods approach is based on the promise that the asset status of the poor is fundamental to understanding the options open to them, the strategies they adopt to attain livelihoods, the outcomes they aspire to and the vulnerability context under which they operate. The status of the house hold and the society can be determined by analyzing the asset status & their functions in the society. An analysis of assets is review of what people have (and recognition of what people do not have) rather than an analysis of needs (Helmore, 1998 cited in Cahn 2002).

The asset analysis also considers how access to assets has changed over time, what changes are predicated what the cause of changes are and how access and control of assets differs between different social groups and circumstances (Carney, 1998, I bid).

In the following section, I will put the current status of vendors on the basis of information provided by sample respondents.

✦ Physical capital

Physical capital comprises the basic infrastructure and producer goods needed to support livelihoods. Among physical assets: affordable transport, secure shelter and building, adequate water supply and sanitation and access to information are most important (DFID, April 1999:21).

Transport, road plays an important role in improving livelihoods by providing access to other assets. Sometimes transport can enable access to financial assets. A fruit and vegetable seller respondent in this regard says (he has an old pick up car):

"I have been selling vegetables at this site for 5 years. When I started, I used to collect vegetables from local wholesalers at Addis Ababa. At present I collect vegetables from peri-urban areas such as Debrezeyit, Sebeta, etc. Because of road access to those districts I can go and collect vegetable in every 2 or 3 days from the farmland which provides me with extra income because I can get vegetables cheap at the farmland than from the local wholesalers".

Hence, road can enhance peoples livelihoods in the urban areas, others, like water supply, toilet facility, telephone line and housing conditions of sample respondents were investigated in this study.

Table 4.5: Source of water, toilet facility and access to Telephone line with type of item of respondents

source of drinking water	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		Miscellaneous activities		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Tap	-	-	3	4.3%	-	-	-	-	-	-	4	5.7%	7	10%
Public tap/bono	29	41.4%	13	18.6%	-	-	21	30.0%	-	-	-	-	63	90%
River	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Well or Spring	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Toilet facility														
No toilet	10	14.3%	6	8.6%	-	-	10	14.3%	-	-	-	-	26	37%
Private	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public	7	10.0%	6	8.6%	-	-	3	4.3%	-	-	4	5.7%	20	29%
(renter) toilet's	12	17.1%	4	5.7%	-	-	8	11.4%	-	-	-	-	24	34%
Access to telephone														
No	17	24.3%	6	8.6%	-	-	11	15.7%	-	-	-	-	34	49
Yes	12	17.1%	10	14.3%	-	-	10	14.3%	-	-	4	5.7%	36	51

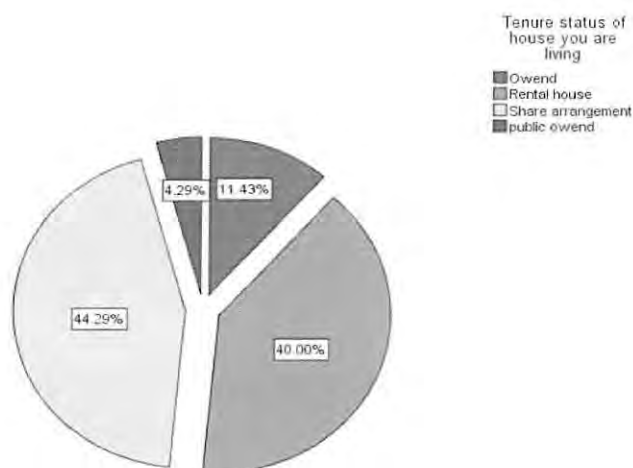
As can be seen from the table above, the majority (90%) of the sample respondents has acquired access to drinking water from public water (bono) and the remaining 10% have a private tap water. It is clearly understood that currently vendors in this study have got potable and clean water. In addition to this, this study confirmed that the sub-city water and sewerage department have made a considerable effort on the provision of safe drinking water.

The accessibility of toilet facility indicates the availability of sanitation in a society. The above table shows that significant number of the participant (37.2%) have no toilet facility, about 34.2% of the respondents used toilet of the house-renter, while the remaining 28.6% have common access from the street (public toilet). It can be concluded that street vendor in the study area have low coverage of sanitation and it implies that the sub city is a little bit far from achieving its target for the provision of basic sanitation.

Regarding the accessibility of telephone service, above half of the sample respondent (51.4%) have access to telephone line, while 48.6% of the respondents did not have access to telephone lines. This implies that, vendors have good access to information and communication which is important for their business.

Housing is an important aspect for living; generally it refers to the social problem of insuring that members of the society have a home to live in, whether this is a house or some other kind of dwelling or shelter. (www.en.wikipedia.org). Now days, in Addis Ababa because of the increase in housing cost, home ownership is becoming a serious problem. The tenure status of the sample respondents is depicted in the following pie chart.

Figure 4.4: Housing tenure of sample respondents



The above chart shows the majority of sampled respondents (44.29%) live in a share arrangement house. These people may be living with friends or relatives. About 40% live in a rented house, some 11.43% have their own house and the rest 4.29% of the respondents lived in a public house (kebele owned) with a little rent payment.

The study result revealed that, there is a tendency across all respondents with potential space problems. The number of rooms to the number of people in the house indicated that there is a problem of overcrowding.

Table 4.6: Number of persons per room ratio of sample respondents

Number of persons in the households	Number of rooms in the house				Total	
	1 room		2 rooms			
	Freq	%	Freq	%	Freq	%
<3	4	5.7%	-	-	4	5.7%
between 4-6	35	50.0%	7	10.0	42	60%
between 7-10	24	34.3%	-	-	24	34.3%
>=12	-	-	-	-	-	-

Based on the above table almost all (84.3%) total sample respondents were live in over crowded house. As indicated by 10 out of 15 interviewee high price of rent of housing is the major reason that creates overcrowding in the house hold.

Generally, with regard to physical capital, even though there is a problem in housing condition, one can be concluded that street vendors of the study area have better access to physical capital as compared to their previous condition.

✦ Social capital

Social capital is a mutual relationship within and among households and communities. This relationship is based on trust and reciprocity (DFID, 1999 in www.livelihoods.org) the importance of social organizations, networks, norms, and trust determine failure or success of any community.

Informal relationships among vendors are indentified as the most basic components of their social activity in the study area. The other aspects of their social network include trust among particular sub groups, habitual exchanges of favors and mutual support among vendors and their friends; they share their feelings and problems of each other and show collective actions to the common problems. If they get any financial crisis or any other problems they share and help each other. The following statement by a vendor proves the importance of trust in mutual relationships.

“Trust plays a key role in our day-to-day business. It is not easy to make good understanding or connection with the money lenders. It takes time even if we borrow money at high rates of interest. Sometimes, the commonality of our language and community (they came from Gurage ethnicity) promotes the building up of good relations ship among us. A highly social relationship with the lenders makes the availability of loans much easier which are directly or indirectly related to our business activities.”

When one respondent mentioned about their mutual support he says:

“Once, I faced a crisis in which almost all my money and property was lost and it was hard for me to recover from that crisis alone. I explained all my problems to my friends (street vendors) and they immediately borrowed me enough money and I got back to my business (vending).”

Need for cooperation: the survey of this study implies that street vendors have a need for cooperation because of their special position towards the local law as well as to other endeavors that takes place in the streets. Table 4.7 shows that all the respondents need cooperation.

Table 4.7: The need for cooperation with others of sample street vendors by gender

Sex of respondents	Need for cooperation			
	No		Yes	
	Freq	%	Freq	%
M	-	-	38	54.3%
F	-	-	32	45.7%

The type cooperation and frequency of contact among street vendors of the study area is shown in the following table.

Table 4.8: Kind of cooperation and frequency of contact by type of item

kind of cooperation	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Sharing business operation matter	4	5.7%	3	4.3%	-	-	3	4.3%	-	-	10	14%
Information about suppliers	3	4.3%	7	10.0%	-	-	4	5.7%	4	5.7%	18	26%
Lending each other credit	22	31.4%	6	8.6%	-	-	14	20.0%	-	-	42	60%
Setting prices	-	-	-	-	-	-	-	-	-	-	-	-
Frequency of contact												
Daily	7	10.0%	-	-	-	-	3	4.3%	-	-	10	14%
Weekly	8	11.4%	10	14.3%	-	-	12	17.1%	4	5.7%	34	49%
Monthly	11	15.7%	-	-	-	-	-	-	-	-	11	16%
Very incidentally	3	4.3%	6	8.6%	-	-	6	8.6%	-	-	15	22%
Never	-	-	-	-	-	-	-	-	-	-	-	-

For the majority (60%) of the respondents lending each other money is the main reason of vendors to cooperate with each other. Some 25.7% of the respondent needs cooperation to get information about suppliers and the remaining 14.3% of vendors wants the cooperation to share business operation matters. 49% of the respondents have contact with other street vendors on weekly basis and the remaining 21.5% ,15.7% and 14.3% of vendors' consecutively stated that they have contact each other incidentally, monthly and daily.

Participation in traditional institution: In Ethiopia there are different community based associations aimed to help members in time of death or other sudden socio economic crisis. These associations are 'Edir', 'Equib' and 'Mhaber' which served local communities as a problem solving strategy.

Table4.9: Vendors participation in traditional institution and benefit from the participation by type of item

Participation in traditional institution	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Yes	25	35.7%	16	22.9%	-	-	18	25.7%	4	5.7%	63	90%
No	4	5.7%	-	-	-	-	3	4.3%	-	-	7	10%
Benefits from participation												
Enabling me to save more	15	21.4%	9	12.9%	-	-	4	5.7%	-	-	28	40%
Assistance in the time of financial crisis	11	15.7%	4	5.7%	-	-	-	-	4	5.7%	15	21%
Strengthen the social network	3	4.3%	3	4.3%	-	-	14	20.0%	-	-	20	29%
Not saying "Yes")	-	-	-	-	-	-	3	4.3%	-	-	3	4.3%

The survey result revealed that the majority (90%) of the sample respondents participated in these kinds of traditional institutions ('Edir', 'Equib' and 'Mhaber'). (40%) of the Sample respondents further mentioned that their participation in such associations enabled them to improve their saving habit, (28.6%) said that it helped them to strengthen their social network and the remaining (21.4%) reported that these kind of participation assist them in the time of financial crisis.

Hence the above results indicated that street vending improves their relation among others and they are highly beneficial of social capital.

‡ Human Capital

Human capital highlights the importance of labor, health education and skills as assets to achieving livelihoods (Carney, 1990, cited in Ellis, 2000:33). In this study it was investigated that there is large number of labor in the household of street vendors (see the household size), but labor alone cannot sustain livelihoods unless enhanced through education, training and other skills, (Boli, 2005:10). Furthermore education is means through which labor can be maximized for the benefit of the households. But the study founded that majority of street vendors are illiterates (see the educational level of the study). Some of the respondents have invested on their children education. One of the female fruit and vegetable vendor says:

"I am uneducated, my parents and my sisters too, cannot read and write and I am always regretting of not attaining school. Now my children are studying in public schools and they have achieved a very good result and I am proud of them. God knows that one day they will join university and will get formal job with attractive salary and they will assist me during my retirement period, till then I work hard on this vending activity."

Street vendors can not invest for human capital for themselves, but as a household head they try to invest in education and training for their children. Hence, earning money from vending activities opens the door for creating human capital for the next generations.

‡ Financial capital

Financial capital denotes the financial resources that people use to achieve their livelihoods objectives. In a simple way, financial capital refers to bundles of money and financial assets such as loan, deposits, share etc and household possessions, which can be converted into other assets (Ellis, 2000:34). The financial assets are not useful for the household unless it has been converted in to other assets or in to consumption.

As stated in the factors that forced vendors to involve in the informal sector, insufficient monthly income is one of the major reasons to join such activity. In order to solve this financial problem, street vending is a key solution for sampled respondents. Comparing to his previous situation, one respondent says:

“I started second hand cloth vending at this site (Megenagna) 4 years ago. Previously, I was a daily laborer; and the income was not sufficient to sustain my life. It was very difficult to have money in hand. Now, at least I can use money as per my need. Financially, this street business is far better than working as a wage laborer.”

There is, of course, not equal financial access and status of all vendors. But they mentioned that in terms of financial asset vending on the street seems better than their previous situation.

Monthly Income/profit

Income is crucial if basic needs are to be met in a sustainable manner. Yet income is only generated by individual who have an opportunity to take part in economic activity. The income of street vendors depends on the product they sell and it varies from product to product. The data on the monthly income status of the respondents reveals some very essential details regarding their expenditure that they can possibly make.

Table 4.10: Monthly income by type of item of the respondent

monthly income	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
500-1000 Birr	11	15.7%	6	8.6%	-	-	10	14.3%	-	-	27	38.6%
1001-1500 Birr	-	-	11	15.7	-	-	11	15.7%	4	50.7%	26	37.1%
1501-2000 Birr	6	8.6%	7	10.0%	-	-	-	-	4	5.7%	17	24.3%

Table 4.11: Monthly profit by type of item of the respondent

Monthly profit	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
200-300 Birr	23	32.9%	16	22.9%	-	-	21	30.0%	4	5.7%	64	91%
301-400 Birr	-	-	-	-	-	-	-	-	-	-	6	8.6%
401-500 Birr	6	8.6%	-	-	-	-	-	-	-	-	-	-
>500 Birr	-	-	-	-	-	-	-	-	-	-	-	-

The survey result revealed that the monthly income of street vendors ranged from 500-2000 Birr and monthly net profit of street vendors ranged from 200-500. Of the total sample respondents, majority (91.4%) of street vendors earn monthly net profit between 200-300 Birr. The remaining 8.6 % of the respondents had a net monthly profit range between 400-500 Birr and they all are fruits and vegetables vendors. From this, one can be conclude that, livelihood of the street vendors in the study areas has been improved as compared to their previous status as a daily wage laborers, house hold maids, farmer etc..., however, they earn little amount of profit per month.

Furthermore, knowing the trend of income of the respondents is important to investigate the vender livelihood security. The result of the study shows that the highest proportion (64.3%) of the respondent replied as their income is similar to in the last 3 months. The remaining 35.7% of the respondents replied that their income has increased in the last 3 months.

The study found that the income trends of all sample respondents are good and street vending has a great role in securing livelihood of the poor.

Monthly expenditure

Vendors act of spending money in consuming or using of goods, materials and services is explained in this part. The major kinds of expenditure for sample respondents are expenditure on food, cloth, children education, health and miscellaneous housing expenditure.

Table 4.12: Monthly expenditure with type of item of the respondent

monthly expenditure	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
500-1000 Birr	26	37.1%	16	22.9%	-	-	21	30%	-	-	63	90%
1001-1500 Birr	-	-	-	-	-	-	-	-	-	-	-	-
1501-2000 Birr	3	4.3%	-	-	-	-	-	-	4	5.7%	7	10%

Monthly expenditure of sample respondents ranges from 500-2000 Birr. As shows in table 4.12, all most all of the respondents (90%) have a monthly expenditure between 500-1000 Birr, while insignificants amounts (10%) of the respondent have a monthly expenditure between 1500-2000. From this result we can concluded that, street vendors of the study areas tries to minimize their expenditure and efforts has been made to maximize their working capital.

An attempt was also made if vendors have other sources of income. The result shows that, majority (93 %) of the sample respondents replied they don't have other sources of income. While the reaming 5.7 % and 4.3 % replied they do have other income sources, such as renting inherited home and family pension respectively.

Major kinds of expenditure of sample respondents is depicted in table 4.13

Table 4.13: Major type of expenditure of the respondents

Type of Expenditure	No		yes	
	Freq	%	Freq	%
Food	-	-	70	100.0%
Clothing	7	10.0%	63	90.0%
Education	70	100.0%	-	-
Health Care	67	95.7%	3	4.3%
House rent	30	42.9%	40	57.1%

All of the sample respondents (100 %) ranked that food is their first and major kind of expenditure 90% ranked their second largest expenditure is cloth 57% ranked house rent is their third expenditure and health share 4.3% of their expenditure. Since they teach their children at government school, none of the sample respondents spend on education.

Saving habits

Saving is one of the most important tools to sustain livelihood of the poor. It promotes the capital accumulation of people that would help them to tackle difficult condition like food insecurity and other sudden economic crisis. It may not always be achievable, but having that goal in mind is step to achieving it. According to the findings of this study, all most all of the respondents (95.7%) have saved portion of their income. Only insignificant proportion of sample respondents did not have saving accounts. This implies that street vendors of the surveyed areas save what they would get.

Table 4.14: Saving account of respondents with the type of item

Saving	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Yes	29	41.4%	16	22.9%	-	-	18	25.7%	4	5.7%	67	95.7%
No	-	-	-	-	-	-	3	4.3%	-	-	3	4.3

Financial capital has thus been found positively among most of the vendors as compared to their previous occupation. Access to financial capital of the vendors has improved as compared to their previous occupation.

4.3.2. Present Activity / Livelihood strategy

Livelihood strategies are ranges of activities that people carry out in order to make a living. They are sustainable when the result of the processing of asset protects people against shocks and stresses (Hann & unfford 2002)

The type of activities, the business area, factors that forced vendors to such business, the type of ownership, the initial capital and source of capital and working hours per day are discussed in this section in order to investigate vendors' current livelihood strategy.

Types of Activities

The informal sector is heterogeneous in character and comprises a wide variety of activities. There were even distinct differences among the vendor operations in terms of the major commodity or service groups sold or delivered (Sethrouman, 1977; De Soto, 1989; McGee, 1986). Vendors in Addis Ababa at 'Megenagna' and 'Hayahulet' areas belonged to this group. They are engaged in a variety of types of street based activities and offered different kinds of goods or services to the community at low cost. Table 4.15 shows types of vendor activities with areas where business is operating. It clearly shows

that vending activities such as vending fruits and vegetables, prepared foods and second hand clothe were the predominant activities in the study area respectively.

Table 4.15: Vendors by types of their business operations

Types of item	Megenagna		Hayahulet		Megenagna & Hayahulet		Total	
	Freq	%	Freq	%	Freq	%	Freq	%
Fruits and vegetables	26	37.1%	3	4.3%	-	-	29	41.4%
Secondhand clothes	9	12.9%	3	4.3%	4	5.7%	16	22.9%
Household goods	-	-	-	-	-	-	-	-
Prepared food	15	21.4%	6	8.6%	-	-	21	30%
Miscellaneous activities	-	-			-	-	-	-
socks & belt	-	-	4	5.7%	-	-	4	5.7

Factors for joining street vending

In this section an attempt is made to explore the major factors that forced and attracted vendors to engage in such activities.

According to G.M.Bhat and Asif Hussain Nengroo (2013) there are various driving forces behind street vending as with the informal economy as a whole. One school of thought argues that many of the working poor who enter street vending do so because they cannot find jobs in the formal economy. Thus vending serves as a refuge occupation, where low barriers to entry make it possible to earn a sustainable income. Another school of thought argues that people choose this occupation because it offers a more flexible or otherwise attractive employment option than other blue collar workers. Below are the major factors that are pushed street vendors to engage in street vending.

✦ **Lack of jobs opportunities**

Lack of year-round employment has been one of the major factor that forced vendors to involve in this kind of activity. The study found that more than half of the respondents (52.8%) joined the informal sector because of lack of job opportunities (see table4.15). Thus street vending has become an opportunity for work and employment. One respondent in this regard says:

“I came to Addis Ababa 7 years ago because I had no jobs in my home village. By working in a vending activity, I have now a small formal shop around ‘Megenagna’ area that is operated by my wife; we have one son and still we are having difficulty to fulfill our family requirements because of the increase in price of goods and home rent. If I had got job in my village, I would have never came to this expensive city”

Another respondent added that

“I am involved in this activity because I had no other options. I did not have land except one small house that was inherited from my parents. I sold that house and came to Addis Ababa in the hope of getting good job. Unfortunately, I did not find any formal job and started vending on the street. At present, it is easy to fulfill my requirements.”

✦ **Insufficient monthly Income**

The second factor that led vendors to the urban informal sector in general and street vending in particular is insufficient monthly income of the house hold. The study found that about 13% of vendors joined the informal sector because of this reason (see table 4.15). One respondent who had a small parcel of land, and could not produce enough food to feed the whole family stated that he came to Addis Ababa and joined street vending because of not having enough income. He stated that:

"I came from one of a village around Wolita. I have altogether 12 family members living together. We have small parcel of land, which is quite little to sustain our whole family. Since the land is not enough to produce sufficient food for our family, it cannot provide us with enough income. Therefore, I came here, Addis Ababa and I am now working on the street to earn some money. I am regularly sending some money to my family back at home."

Another respondent in this regard added that:

"Previously I had been working as a daily wage laborer, waking up in the early morning and working till late evening was my normal working schedule. But the labor I incurred and the wage I earned were not compatible. This condition forced me to look for other income sources and the one which was easy was to join and start street vending"

✦ Dismissal from formal employment

According to the findings of this study, the third factor that is responsible for vendors to engage in such activity is dismissal from formal employment. Some of the respondents (11.4%) were working as a formal employee, but due to various reasons they can't proceed as a formal employee. In this regard one respondent said that:

"I was working for one private limited company; my position didn't need any profession, so I worked as a store keeper. One day I had a conflict with my boss over minor issue, since my boss was a relative to the company owner. I got fired from that company and I can't find other formal job with my limited skill and knowledge. This reason forced me to get in to a vending business"

✦ Divorce

Divorce is the fourth factor associated with joining in the informal activity. Divorce imposed heavy responsibilities especially on women and forced them to involve in income generating activities. The result from field survey implies that about 4.3% of the respondents got in to vending activity because of divorce. One respondent stated that:

“My husband was working as foreman in the construction areas and I was a housewife. When we divorced, we had no property and saving so it was my responsibility to feed and raise our little daughter. Therefore, I begun vending prepared food on the street to cover my family expenses”

✦ School dropouts

The study found that due to several social and economic constraints 4.3% of respondents were forced to quite from school. One respondent said that:

“I should have studied harder in school but I couldn't. I was raised by my mother and we are very poor. Our main source of income was selling injera, but since 3 years she can't prepare injera, as she was getting tired. I was forced to carry the responsibility of my mother in supporting the families and begun vending secondhand clothes around 'Megenanga' area.”

In addition, about 14.3% of the sample respondents mentioned other reason that forced them to involve in street vending activity.

Table 4.16: Factor for joining street vending

Major Factors		reason for choosing street vending				Total
		to enter such vending activity it is easy	Provides better income/profit than others	It works throughout the year(absence of seasonality)	Not Having other options	
lack of job opportunities	Freq	26	4	3	4	37
	%	37.1%	5.7%	4.3%	5.7%	53%
Insufficient monthly Income	Freq	-	-	3	-	9
	%	-	-	4.3%	-	13%
Dismissal from formal employment	Freq	3	3	-	-	8
	%	4.3%	4.3%	-	-	11.4%
Divorce	Freq	-	-	3	-	3
	%	-	-	4.3%	-	4.3%
School Dropouts	Freq	-	-	-	-	3
	%	-	-	-	-	4.3%

Type of ownership

The study found that, the entire sample respondents (100%) are independent own account vendor. This implies that, individual proprietorship is the only form of ownership of street vending business of the selected areas.

Clearly in this context, street activates represent mainly survival strategies adopted in the face of growing unemployment. The evidence supports the widely held view that the majority of the urban labor force is self employed. It reinforces the importance of self employment to sustain livelihood for the urban labor force.

Working Hours

According to Ethiopian Labor law, the average daily working hours for all class of workers is 8 hours (Mulat 1989). Based on this information it is assumed that 48 (8 hours a day, 6 days a week) hours per week represents a full time employment. About 78.2% of the respondents in vending activities work for 8 -12 hours per day so they can be considered as working above full time, while 21.8% worked less than 8 hours per day (less than 48 hours /week) i.e. they spent less than full time. This implies that street vendors of the study areas are work above full time to sustain their livelihood.

Table 4.17: Type of business ownership and average working hours per day by types of item of respondents

type of ownership	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
owner	29	41.4%	16	22.9%	0	0.0%	21	30.0%	4	5.7%	70	100%
partner	-	-	-	-	-	-	-	-	-	-	-	-
A wage employee	-	-	-	-	-	-	-	-	-	-	-	-
number of hours of work per day												
2-5 hours	-	-	-	-	-	-	4	5.7%	-	-	4	7.5%
5-8 hours	4	5.7%	6	8.6%	-	-	-	-	-	-	10	14%
8-12 hours	25	35.7%	10	14.3%	-	-	17	24.3%	4	5.7%	56	78%
>=13 hours	-	-	-	-	-	-	-	-	-	-	-	-

Level of Initial capital of respondents

As table 4.17 shows, about 75.7% of vendors reportedly started with initial capital that ranges from 1600-2500 Birr, 10% incurred Birr 2600-3500, 7.2% of the respondents begun their business with the starting up capital of 500-1500 Birr. The remaining 7.2% of the total surveyed vendors started their business with Birr 3600 – 4500. This implies that, the low level of initial capital requirements was typical of these kinds of activities. One possible explanation for such low level of investment situation was the absence of reliable resource of capital finance.

Table 4.18: Initial capital and source of capital by type of item of respondents

Initial capital	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
500-1500 Birr	3	4.3%	-	-	-	-	2	2.9%	-	-	5	7%
1600-2500 Birr	22	31.4%	13	18.6%	-	-	14	20.0%	4	5.7%	53	8%
2600-3500 Birr	4	5.7%	-	-	-	-	3	4.3%	-	-	7	10%
3600-4500 Birr	-	-	3	4.3%	-	-	2	2.9%	-	-	5	7%
>=4600	-	-	-	-	-	-	-	-	-	-	-	-
Source of capital												
informal lender	3	4.3%	3	4.3%	-	-	6	8.6%	-	-	12	17%
formal lender	-	-	-	-	-	-	-	-	-	-	-	30%
friends and family	11	15.7%	6	8.6%	-	-	-	-	4	5.7%	21	37%
Savings	8	11.4%	7	10.0%	-	-	11	15.7%	-	-	26	30%
others	7	10.0%	-	-	-	-	4	5.7%	-	-	11	16%

Vendors have started their business in one way or another; they all needed some sort of start-up capital or assets. These initial capitals came from different sources. Table 4.18 shows that, 37.1% of the respondents used their saving accounts from their initial involvement, 30% borrowed from friends and family, 17.2% borrowed from informal lender accounts and 15.7% have obtained their initial capital from other sources (gets the items from the owner & pay later, received the item on a consignment base and so on). The result indicates that majority of vendors rely on loans or on their own saving account. The loans are taken from family and friends, mostly without interest. These kinds of source of capital indicate that vendors have a great saving habit and good social capital.

4.3.3 Livelihood Outcomes

Looking at the previous chapters, it is important here to look at the livelihood outcomes. This chapter, therefore, analyzes the overall livelihood outcomes engendered by the street vending activities. Livelihood outcomes are the achievements and benefits that communities hope to derive through obtaining specific strategies. These outcomes can also be interpreted as the aspirations of the community. As the study is concerned with livelihood changes of the street vendors before and after this occupation (street vending), livelihood outcome has been presented as compared to their previous situation. Examples of livelihood outcomes are: changes in income, food security, health, education and vulnerability. The livelihood outcome will affect how the livelihood platform can be utilized, and also affect participation in organizations, and social relations (Tofte, 2004:121). Overall current livelihoods of the street vendors have improved as compared to their previous condition.

Vendors have earned cash income, got better access to physical, social, human and financial capitals. The overall livelihood outcomes of the street vendors can be categorized as follows.

Increased Access to Assets

This is the foremost change after involving in such kind of activity. As compared to their previous status, people have earned more income by involving in the urban street trading. Of course, there are few vendors who have not been able to compete with established vendors. However, they are positive and like to invest, because they see that street vending has given them a good opportunity for income earning. Income has not only increased among the vendors in the study areas, but it has also supported back the rural households through the regular flow of money.

Income has also enabled people to invest in education. Investment in children education is the improvement of human capital because skilled and trained people are the resources for positive livelihood outcomes. In this sense, vendors are having more access to human capital because they have earned relatively more and have invested in education for their children. Therefore, as compared to previous occupation, most of the vendors have improved their livelihood assets.

Vendors have good access to physical and social capital there. Livelihood outcomes in the origin were basically based on natural and social capital assets. Social capital is found stronger than their previous status. Likewise, their current physical capital is better than their origin, both ultimately foster positive livelihood outcomes as a result of street vending. Hence, it can be concluded that livelihoods of the street vendors have improved positively, having more access to physical, social, human and financial assets than before.

Well-being

In addition to income and things that money can buy, people value non-material goods such as interaction in the urban environment, enjoying the city lifestyle and people's well-being. They can get encouragement and work hard to achieve an urban lifestyle that may bring them positive livelihood outcomes. Their sense of well-being is affected by numerous factors including, their self-esteem, sense of inclusion, security of household members, their health status, access to services, political participation etc.

People's well-being is enhanced and increased by having good access to assets. Vendors in Addis Ababa have invested in education, which ultimately will improve their livelihood and that of the next generations. With increased access to assets, vendors have connected with outer world through media and other entertainment facilities in Addis Ababa. Some of the vendors are fulfilling their house by electronics material like Television, Radio, etc. Even if they have been working on the street, some of the vendors look like other urban people. This was observed by their dress up and the way of dealing with me while I was asking them questions.

Food Security Reduced Vulnerability

Improved food security both in the origin and destination is also a livelihood outcome that can be pointed out. Many vendors expressed that even if vending on the street is a hard working job, it has given them food, cloths, and other necessities that neither other jobs could provide nor agricultural work. Some vendors have been regularly sending money and other necessities back to their family in the village, which enhance positive livelihood outcomes.

However, the livelihood outcomes of the vendors in the study areas are primarily affected by interventions (authorities – metropolitan polis) confrontations and conflicts between authorities and vendors and between vendors and inhabitants. But with initiatives taken by the authorities to resolve the problems and, sub-city's plan for solving the problems, the livelihoods of the street vendors can even be further improved.

Chapter Five

5. Major problems and Future plan

5.1 Major problems and challenges of street vendors

Problems in the context of this study refer to elements or factors that restrict street traders from achieving their potential (or higher level of output) with reference to their initial goals. Street vendors experiences different challenges and problems while vending on the street. According to the finding of this study, street vendors in the study area are more exposed to the following issues: Security, crime and harassment, working premises, no access to initial capital, lack of operational capital and strong competition are the main problems that are faced by sample respondents.

Table 5.1: Problems and challenges street vendors by type of item

Problems and Challenges	Fruits and vegetables		Secondhand clothes		Household goods		Prepared food		socks & belt		Total	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Security, crime and harassment	3	4.3%	14	20%	7	10%	3	4.3%	5	7.2%	32	45.8%
Shortage of working capital	-	-	5	7.2%	-	-	-	-	-	-	5	7.2%
Lack of Institutional support	2	2.9%	3	4.3%	-	-	-	-	-	-	5	7.2%
Place to trade	5	7.2%	8	11.45%	-	-	5	7.2%	-	-	18	25.8%
Competitiveness of the Market	3	4.3%	-	-	-	-	-	-	-	-	3	4.30%
Difficulty to access initial capital	-	-	7	10%	-	-	-	-	-	-	7	10%

Security, crime and harassment at work

When the vendors were asked about the greatest challenges they faced in running their business, most mentioned problems is harassment by the authorities. In most cities, street vending is regarded as an illegal activity. The existence of street vendors is not only about a section of poor people trying to earn a livelihood in the informal sector, but also about the provision of valuable services to the urban population. Thus, it is the duty of the government to protect the right of this segment of the population to earn their livelihood, the ground reality however is that they are largely considered as unlawful entities and eyesores, and are consequently subject to constant harassment by the local police as well as the municipal authorities. The absence of legalization is the main problem of this occupation (Bhowmik, 2010). The result of this research confirms the above reality, majority of the sample street vendors (45.8%) were found to be victims of harassment by the metropolitan police. Goods were confiscated and vendors had to pay fines to get their stock back. When they did try to collect their goods they often found their stock missing. Vendors said that the police would sell their stock or take it to their homes and use it themselves. In this regard one respondent says:

“It is about four times now when police have taken my stuffs and I paid fine tow times to get back my stuffs. The other two times they didn't give me my stuffs because they said it was lost”

Hence, it is seen that this vending activity lacks any security and safety conditions that result in increased vulnerability among the vendors.

Place to trade

Difficulty to get working premises is respondent's second major problem. The main problem in such cases is that more often than not, the local authorities, namely, the police and sub-city's authorities, try to prevent street vendors from using such places for their trade. Street vendors occupy the urban space for their livelihood and the eviction and nuisance start because they are considered as illegal encroachers upon public space Bhowmik (2010, p: 9). The result of the study revealed that, 25.7% from total sample

respondents stated that, lack of legitimate spaces to trade is their second major challenges. As a result of the confiscations by police, traders could only trade with limited stock and this inhibited the growth of their business.

Difficulty to access initial capital

As indicated in Table 5.1, about 7.15% of sample respondents indicated that there was a shortage of initial capital. As a result of informality and low level of income, street vendors have no property and consequently no collateral, thus the sector becomes constrained when they try to access credit finances in the formal sector. Alternatively, vendors had borrowed money from family or friends to start their business. None had loans from financial institutions.

Shortage of working capital

The fifth factor that affects street vendors of the selected area is shortage of working capital. The research found that most street vendors ran survivalist business and that almost all their income was spent on food, House rent, children education, and miscellaneous housing expense. This impeded the ability of their business to grow and for them and to accumulate assets. According to the above table, 7.15% sample respondents were reported facing shortage of working capital.

Lack of Institutional support

Respondents were asked about the view of the government towards their activities; about 51.4% of sample respondents reported the neutral view of government to their business. Respondents in this regard stated that, government does not take our livelihood in to consideration they didn't give us any support and sometimes they leave us to do our business without license. The remaining 48.6% reported the view of government as 'discouraging'.

Competitiveness of the Market

The last factor that hampers the day to day activity and profit earning potential of street vendors in the study area is competitiveness of the market. 4.3% of the sample respondent were indicated this factor as their major problem. With the number of street

vendors rising in the study area, competition among them has also risen proportionately. The vendors have been forced to evolve better and newer methods to face this competitiveness in the market, in an effort to optimize profits; some vendors are motivated to join hands with each other along ethnic or local lines to form joint enterprises. However, in most cases, the vendors put together their working capital, establish a marketing network and increase their size of space.

5.2 Goals /Future plan of sample respondents

Desire of vendors to improve their livelihood, the ways in which they aim to do this, their strategies and (perceived) possibilities are taken in to account in this section.

Table 5.2: Future plan of sample respondents

proposed options	desire to change the current livelihood			
	No		Yes	
	Freq	%	Freq	%
searching another jobs	-	-	10	14.3%
changing to formal sector	-	-	52	74.3%
expanding current business	-	-	8	11.4%
Not saying "Yes"	-	-	-	-

Sample respondents were asked if they want to make changes in their current livelihoods. As shown in the above cross tabulation table, all (100%) of sample respondents would like to change their current livelihoods. What kind of change they desire is the next interesting question. Majority (74.3%) of the respondents prefer formalizing the existing informal business (vending), 14.3% of the total respondents prefer finding another job and exit the profession of street vendor and the remaining 11.4% preferred to expand the current business and income. What becomes clear from this study is, there is a strong

desire of vendors to formalize the informal business and a small part of respondents choose the benefit of informality.

The study also shows, to obtain their goal vendors need to get a proper place to sell, working capital and local government support. Another issue in this regard is the extent to which local government is supportive of vendors in fulfilling their desired goals.

The result of the study reveals that, all most all (94.3%) of the respondents thinks local governments has a positive influence on their future and only 5.7% consider the local government might not be a positive influence on their desired goal.

Furthermore, vendors stated about how local government will support them in executing their goal. They clearly stated that this is by organizing them in to a small and micro business, by providing vending space, by lending Initial capital and working capital and by providing other formal job.

Generally speaking, vendors of the study areas do not seem to be overwhelmingly negative about the support of local government in fulfilling what they need to achieve their desired goal.

Chapter Six

6. Interventions, Responses and Perception

6.1 Introduction

At this stage of the analysis, it is important here to look at authorities' views on street vending activities. This chapter is, therefore, designed to analyze the interventions and responses by authorities and individuals. This chapter has been divided into three sections. The first section deals with the interventions/responses by the Bole sub-city authority, which includes physical and social problems created by increasing street vending activities in the study area. The second section deals with the views by individual public customers including, vending as goods and service providing sector and, the final section of this chapter deals with the responses made by the representatives of Street Vendors organization of the study area.

6.2 Responses by Bole sub-city Authorities

There is conflict between authorities of the sub-city and vendors. It can be argued that both the authority and vendors have right from their own place and position. Vendors should have livelihoods rights and the authorities should have responsibility to manage city environment. Since, their duties and responsibilities are conflicting with each other, one's duty and responsibility influence another's duty and rights. It is because vendors see their rights and compulsion to stay on the street for livelihoods whereas authorities want to detain them for the convenience of vehicle flow and pedestrians movement. Therefore, it is important to know what the authorities are thinking on the emerging issues regarding increasing street vending activities in Addis Ababa in general and in Bole sub-city in particular.

Responding to the questions, officer of the street in charge said that controlling and managing the city environment, including managing footpath, controlling of increasing vending activities and providing easy movement to the pedestrians were their responsibilities. However, hawkers and street vendors spread their wares on the pavement and sometimes on the street, causing great inconvenience to the pedestrians and vehicles.

At present, vendors on the street have so increased that it has been difficult to throw them away. It is not good to let them stay on the street because it creates a lot of problems, including physical and social problems and difficulty for public movement. It deteriorates the sub-city environment by increasing social evils and overcrowding. Considering this fact, the sub-city is now thinking of giving them a place where they can carry out their business in peace. The following sub-sections categorically provide the responses of the sub city authority facing with increasing street vending activities in the study area.

6.2.1 Increasing Street Vending as the Cause of Physical Problems

One of the main problems that the authority pointed out is about physical problem, including the encroachment of road and public places, creations of congestion and pollution in terms of garbage and so on. Garbage has been spread on the places where vendors put up their mats because they leave all waste materials on the street. Vendors do not clean their surroundings. Congestion and overcrowding are the result of increasing street vending in the study area. According to the officer of street in charge of the sub-city, vending activities in this sub-city is rapidly increasing during the last 6/7 years. During the evening vendors go on the main street and put up their mats. Vendors get gathered and shout loudly to attract to the customers, which creates a noisy environment. Because of the crowd on the pavement and street, it creates difficulty for vehicle flow and public movement. In response to a question about physical problems, the authority says:

"I do not have to tell you about the congestion resulting from the vending activities. You can see the situation. Especially during the evening, vendors go on the street and put up their mats. Vehicle flow and pedestrians movement have been entirely affected. It has now been out of control."

Hearing the responses by the sub-city authority about the physical problems resulting by street vending activities, it can be pointed out that the issue is very complex. On the one hand, vendors claim that they should have options for living because living on the street was not their wish. On the other hand, the pavement has been encroached to such an extent that if appropriate solution has not been taken, probably almost all pavement and

public places will be fully occupied. Therefore, the main problem resulting from increasing street vending is the overcrowding and it leads to encroachment of the public places and roads.

One informal interviewee around “Megenagna” area In this regard says:

“I always use the asphalt road rather than the sidewalk, because the sidewalk is taken up by street vendors and their customers,” she said irritably, while holding the hands of her two daughters who just turned five and six years old. “This has been a problem for me and my family for almost six years now. Thankfully nothing has happened . . . but this does not mean that I do not experience trauma every time I cross the road.”

Other informal respondent (taxi driver in ‘Megenagna’) says:

“The street vendor issue needs to be addressed properly; I always face problems finding a parking space because the pedestrians come onto the road, since they cannot find another place to walk due to the street market. I do not want them to lose their jobs, but at least there has to be some space between the road and the pedestrians to avoid accidents. Most of the time, drivers are to blame for accidents, and it may be justifiable, but problems such as these should be handled by the government for the wellbeing of all of everyone.”

Hence, increasing street vending activities in the sub-city has created the physical problem relating to encroachment of public places and pavement. Overcrowding and pollution of city environment in terms of garbage are also linked with this.

6.2.2 Increasing Street Vending as the Cause of Social Problems

Increasing vending activities in the study area have also become causes of social problems. Social problems relating to theft, hoodlum, pick pocketing, burglary, crime are linked with increasing street vending activities. In addition to this, conflict between

vendors, between metropolitan police and vendors has also been increasing. Vendors have been increasing on the street day by day. Since the space to locate their mats is limited, each vendor does not get space to put up their mats and they quarrel and sometime fight each other. It is said that crimes have been increasing in the sub-city in recent years and some crimes relating to pick pocketing, hooligans according to the street in charge officer, of course, because of increasing informal activities.

Crime and conflict are the main social problem if the study area (especially around 'Megenagna' area). Officer in charge of the street market said that recently they employed more staffs to control encroachment and overcrowding in the public places. Still the situation was that some of the locations were out of control. There were many reports that vendors and the sub-city staffs quarrel. It was because vendors did not want to remove their mats and the sub-city staffs were given duty not to allow vendors putting up mats on the street. One informal informant who was working as a metropolitan policeman in this regard says:

"I have been working as a metropolitan policeman for 7 years. It was very easy to deal with vendors when I started my job. But at present, I find it very difficult to deal with them. I have realized that vendors have been increased by twofold in recent years. Public places and pavements have been occupied by the mats. As a metropolitan police, my duty is to take them away from public places and pavements. Instead of moving away, they attack when we go to chase them. One day I had been bitten seriously by some vendors when I told them to remove their mats."

Hence, it can be pointed out that besides encroachment of streets and public places, social problems including; conflict, theft, robbery, crimes etc. are increasing with increasing street vending in the sub-city. Authorities in this regard should think and come up with appropriate solutions.

6.3 Sub-city Plan for Solving the Problems

Since the issue has now become complex and shooing vendors out forcefully is not the appropriate solution, the sub-city has now realized that increasing street vending is related to poverty, conflict and livelihoods. If vendors have got job in other sectors, they would have not involved on the street for their survival. This section therefore, deals with what the sub-city is thinking to solve the problems relating to increasing street vending activities in the study area.

According to the sub-city authority, there are number of causes that lead to increase in street vending activities in Addis Ababa in general and in the study area in particular. Increasing unemployment, lack of formal jobs in the city and increasing rural to urban migration are significant factors. The officer in charge of the sub-city adds that the sub-city is taking initiation for solving the problems and they have realized that poor people are making livelihoods on the street. But as a responsible body, sub-city's concern, according to him, is to manage city environment, if possible, by protecting poor people's livelihoods.

The sub-city trade and Industry Bureau, Deputy Head Ato Mesfin said:

"The street markets have brought significant changes in the lives of the street vendors. We gave them the permission after we proposed the idea to Ethiopian Roads Authority and they have given us the list of roads we might use. The streets are with less traffic and alternative roads. Therefore, we believe this can be a temporary solution for the street vendors, but not all of them are willing to use the places and instead continue to illegally sell on the streets, endangering pedestrians and drivers"

According to Ato Mesfin the solution is for the vendors to organize themselves with small businesses and alternatively to engage in the booming job opportunity in Addis Ababa on cobble stone:

“We have more jobs covering the roads with cobble stone. The vendors will have a better income doing that. In addition by organizing themselves in small businesses there are opportunities for them to get a permanent business places and loans.”

The sub-city plan in the long run is to construct business centers for all of the street vendors, including those who are selling cattle, to decrease the number of traffic accidents that occur, they will be trained to be legal sellers, and those who do not have a place to sell will be given a chance to form a union to work as legal traders. But still it has not been decided yet. The sub-city then still works its maximum effort to establish the total number of such vendors and work a way out to relocate and organize them.

Hence, the authorities are coming up with positive signs of getting solution over increasing vending problems in Addis Ababa. However, since the issue is connected with poverty, conflict, government policy and national development as a whole, one cannot conclude that it will definitely be solve. There is however a hope that in the future vendors will be able to get their livelihoods rights and Addis Ababa will be a beautiful city.

6.4 Perception of the Public Customers

Responses by the public customers vary from people to people. The perception by them over the street vending activities in the Capital City depends on which background the respondents belong to. Since the sector is connected to poverty and livelihoods, responses belong to the poor rather than rich people. Both urban and rural poor find that the sector is important as the service and employment provider sector. They think that it has provided basic needs to poor people in terms of cheap goods and services. On the one hand, this sector has been providing livelihood opportunities to the rural poor whereas on the other hand, it has been providing basic necessities and services to the urban poor. The following sub-sections provide the responses made by public customers over the increasing street vending activities in the study area.

6.4.1 Street Vending as an Employment Provider Sector to the Poor

Public customers see street vending as an employment provider sector for both migrants and the urban poor. According to them, street vending provides employment and income to a large number of people in Addis Ababa including women and youths. As discussed in previous chapters, many rural poor left their villages due to various reasons. It leads to increase unemployment in the city and compels them to involve in the street vending. So street vending has become an important employment provider sector. In response to a question, one public customer, who was buying some sandal at 'Hayahulet' area, says:

"You can see the vendors around 'Hayahulet', 'Megenagna', 'Mexico', 'yeka', and everywhere in the city, who are putting up their mats on the street for their survival. You cannot easily estimate how many vendors are getting employment on the street. I think there must be significant number of vendors who have been getting employment in this sector."

Furthermore responding to a question, another public customer adds that mostly poor people have been getting employment in this sector. Among poor people, the dominant is from rural migrants. There are, of course, some vendors from urban dwellers but many of them are from outside the city.

6.4.2 Street Vending as Goods and Service Provider Sector

In Addis Ababa, many poor people prefer to buy goods from the street markets. It is because of people's low level of affordability. Many poor people cannot afford goods from the formal markets and supermarkets. Poor people believe that the goods vendors are selling on the street are cheaper than those goods selling in the formal markets (shops and supermarkets). High competition between vendors reduces the price, which brings to the limit of poor people's affordability. One key informant (public customer who was buying cloths on the street) is telling about the importance of street vending activities in Addis Ababa:

"It is important because it provides us goods in cheap price. If I wanted to buy the same clothes in the shop, I would have paid twice or more which I could never afford. So, street market is very important for poor people like me. Those shops are only for rich people, I have never entered into those shops"

Hence, street vending in study areas of Addis Ababa can be taken as goods/service provider sector for poor and middle class people. It also provides employment opportunities and serves in the national economy. In this way, one section of the urban poor helps another section of the urban poor to survive.

6.5 Perception of Street vendors' organization

The street vendors organize themselves to guarantee the security of the vendors along with their customers, to negotiate with the sub-city authority and also among themselves. Its main aim was to establish cooperation and unity among vendors to protect their living and trading rights. Other aims include, raising vendors' socio-economic condition, establish brotherhood among vendors, raise common voice about vendors' problems and to get in touch with the urban authorities,

New vendors need to register and get place from the committee to sell their commodities in order to promote harmony among vendors. The committee is responsible to solve conflicts as well when there is a conflict based on spots.

One of the members of the committee in around 'Zerfeshiwal' school street market organization stated about their role:

"We act as intermediaries between individual street traders and local authorities, we are struggling for the rights for them (the vendors) and for their space on the road, we protest (against the police) continuous harassment in addition to these, we also are a peace committee when conflict arises between vendors. The regulars have a common spots. However, new people come up and tend to take the spot without permission. We try to settle these conflicts through our committee. We also have a monthly contribution from the vendors. We hire a guard to make sure the security of the market"

6.5.1 Livelihood: “Our Right”

Increasing unemployment and livelihoods vulnerability have become common characteristics in both rural and urban areas of Ethiopia. Street vending has become an important opportunity for living. Vendors have been providing goods in cheap price which protect the livelihoods of the urban poor that neither government nor any other organizations can do. The organization representatives said that if they had right to life, street vending could be their livelihoods rights because they had no other options for survival. One representative further says:

“As a vendor myself and from the vendors point of view, livelihoods on the street is our right. Therefore, we all vendors have been fighting to assert our right to a dignified livelihood. It is true that if we had opportunities in other sectors, we would not involve on the street trading. It was our compulsion rather than wish. Most vendors who are staying on the street are poor. If they were not allowed to stay on the street, they would have died because of famine. If there is right to life then there should have right to livelihoods either on the street or somewhere in other sectors.”

He further adds, the sub-city should think and deal with this issue from humanitarian perspectives and should think to provide livelihoods security to all the vendors. Providing employment opportunity or providing permanent space to the vendors, in the agreement between vendors and the sub-city authorities would be a reasonable solution, which could protect livelihood rights of the vendors and regulate increased street vending in Addis Ababa in general and in Bole sub-city in particular.

6.6 Conclusion

This chapter highlighted the responses made by concerned authorities and public customers on increasing street vending activities in Bole sub-city. Authorities (Sub-city administration staff of trade and industry, street trade organization committee) and public customers have realized and agreed that street vending in Addis Ababa is an important livelihoods opportunity to both urban and rural poor. Response by the sub-city authority

was more concerned with increasing problems including, encroachment and overcrowding, social evils and conflict between vendors and sub-city staffs. Since vending in the study area has been providing livelihoods to poor people, authorities are now thinking to solve the problem by executing the above stated plan.

Hence, both issues - livelihoods right of the vendors and management of city environment - are important and should be taken into account by the authorities. Vending activities provide goods and services and livelihoods opportunities to the urban poor. However, the city environment that has been deteriorating by increasing informal activities in the study area should be managed. Therefore, authorities should agree to solve this problem through various dialogues that could provide vendors with an open permanent space to carry out business in peace or creating other livelihoods options to them.

Chapter seven

7. Major Findings, Conclusion and Recommendations

7.1 Findings

The major findings of this study are:

- ✦ The informal sector, street vending in particular, in this study is composed of rural migrants and urban poor peoples. Lack of job opportunities, insufficient monthly income, dismissal from formal employment, divorce, and school dropouts are the major push factors of respondents to participate in such activities. They also have stimulated increasing rural-urban migration in general and urban unemployment in particular in Addis Ababa. Street vending is thus, a way of life for those migrants, and city-born poor in Addis Ababa.
- ✦ Vendors in the study areas have significantly improved their physical, human, social and financial capital assets as compared to the origin. Most of the vendors have been investing for the future generation by providing education and skills to their children. It can be concluded that livelihood of the urban poor who have involved in the informal sector in Addis Ababa in general and in Bole sub city in particular can be termed as ‘struggling for living’ and ‘living in the present, investing for the future’, which indicates livelihood sustainability for the future generation.
- ✦ Street vendors have strong desire to formalize and to expand their informal business. To achieve these goals street vendors are currently facing the following major problems and challenges: security, crime and harassment at work, place to trade, difficulty to access initial capital, shortage of working capital, lack of Institutional support and competitiveness of the market are the major constraints in achieving what they plan for the future.

- ✦ Conflict between authorities and vendors over the licensing, encroachment of the public places and pavements, congestion, overcrowding and social problems. Despite the frequent harassment from the urban authorities, street vending in Addis Ababa is increasing and expanding. It is important to think from the ground below after all who are responsible for making decent living of those people. Government and its policies are, of course, responsible for this. If government could provide an adequate employment opportunity to them in the origin, they would not migrate and would not be forced to live on the street for their meager livelihoods. Thus, increasing street vending is the result of increasing unemployment.
- ✦ Realizing the importance of street vending as work, employment and livelihoods to urban poor in Addis Ababa, concerned authorities are now thinking to solve the increasing problems. They are therefore; plan in the long run to construct business centers for all of the street vendors to carry out business in peace.
- ✦ Consumers are getting benefit from the street trading having an easily accessible and cheaper market. Because of the high competition among the vendors, they sell goods at minimal profits. Likewise, having low level of affordability of the consumers, most poor people buy goods with the vendors. On the one hand, vendors have been making a living on the street, on the other hand, one section of the urban poor provides goods and service to another section of urban poor that otherwise government should have provided. Hence, it has been found that one section of the urban poor, namely, street vendors, subsidizes the existence of the other sections of the urban poor by providing them cheap goods.

7.2 Conclusion

Development means positive change of individuals and communities. This change can be accomplished through getting access to various assets or resources by the individuals and communities. In light of the objectives of this study, informal sector activities including,

street vending have been found increasing, which has impacted positively on people's livelihoods in the urban areas in general, and Addis Ababa in particular. It has been found that increasing informal sector activities (street vending) and its contribution in the national economy through employment generation and by providing way of livelihoods to the urban poor is significant. In the urban context, formal and informal sectors are found coexisting in an economic system through activities such as trade and business. But urban authorities have neglected and underestimated the informal sector by considering it as an illegal sector of the urban economy.

It is therefore important to conclude this thesis that with the increasing unemployment in both rural and urban areas of Ethiopia, street vending in Addis Ababa, in Bole sub-city in particular is a means of living to the urban and migrants poor. If we accept development is positive change through accessing different capital assets, street vending in Addis Ababa can be accounted as a resource rather than a problem. There is only the need to think about policies and programmes that should be formulated for getting sustainability of city environment by protecting poor people's livelihoods. There is no doubt that if the government formulates policies, provides opportunities, facilitates for upgrading to the vendors, creates favorable environment including, access to credits, effective coordination, etc, street vending in Addis Ababa, in Bole sub-city in particular will definitely be developed in sustainable manner, providing a way of livelihoods to both urban and rural poor.

7.2 Recommendations

Based on the information gathered during the survey and field study the analysis of this thesis, I wish to make the following recommendations:

- ✦ Street vending in Addis Ababa should be taken into account as a resource rather than a problem. Since it has been providing work, employment and livelihoods to the poor people, it can be a resource to solve the increasing unemployment rate. This study reveals that poor people have somehow developed their capital assets but only there is a need to think about managing and planning how to preserve the

beauty of the city environment and provide place for trading to the vendors in a sustainable way. For this, the government and authorities should formulate policies and programmes according to practical needs.

- ✚ The conflict between authorities and vendors such as: eviction and threats by the metropolitan police needs a policy framework for vending activities, which should be based on solving the problem on the ground through dialogue between authorities and the vendors association. The policy framework should be embedded in the city development planning framework. Moreover, research on various issues linked with the informal sector should be carried out to enable city planners to deal with the raising problems.

- ✚ Organizing the vendors in small and micro finance enterprises should be facilitated. Providing loans and encouraging them to establish formal business by giving training, skills can be taken into consideration.

- ✚ Training about the need of preservation of the city environment should be provided to the vendors so that they would be aware of cleaning their surroundings.

- ✚ Municipality and the Government should take the initiative to upgrade vending activities by approaching various NGOs to work in the management of vending activities in the city. Appropriate and effective programmes for employment generation to urban poor in Addis Ababa should be designed and implemented.

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APPENDIX I
ADDIS ABABA UNIVERSITY
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I. Questionnaire

Dear respondents:

The purpose of this questionnaire is only academic and will not be used for any other purposes. Each respondent is assured that any response provided will not be publicized in the future. All the information will be treated anonymously and confidentially so that it cannot be traced back to the respondent.

NB. All questions will be asked in Addis Ababa

I. Background Information

1 Age:

- | | |
|----------|-----------------|
| A. < 20 | C. 41-60 |
| B. 21-40 | D. 61 and above |

2. Sex:

- | | |
|-----------|---------|
| A. Female | B. Male |
|-----------|---------|

3. Level of education:

- | | |
|----------------------|----------------------------------|
| A. Never attended | E. Technical/ vocational courses |
| B. Read and write | F. University |
| C. Primary education | G. Other, please specify: _____ |

4. Where is your place of birth?

- | | |
|----------------|------------------------|
| A. Addis Ababa | B. outside Addis Ababa |
|----------------|------------------------|

5. If your place of birth is not from Addis Ababa, what was your major reason(s) for leaving home?

- | | |
|------------------------|---------------------------------|
| A. Looking for a job | D. City attraction |
| B. Family displacement | E. Other, please specify: _____ |
| C. Marriage | |

6. How long have you been living in Addis Ababa (in years)?

- | | | | |
|--------|---------|----------|---------------|
| A. < 5 | B. 6-10 | C. 11-15 | D. 16 or more |
|--------|---------|----------|---------------|

7. How many persons does your household consist of (including yourself)?

- A. <3 B. 4-6 C. 7-10 E. 12 or more
8. How long have you been a street vendor?
- A. < 5 B. 6-10 C. 11-15 D. 16 or more
9. What was your previous occupation?
- A. Daily wage labourer F. Unemployed
 B. Student G. Maid Servant
 C. Informal sector operator's H. Farmer
 D. Government employee I. Other (specify)
 E. House wife

II. Present Activity/the business

Livelihood Strategies

10. What kind of items do you sell?
- A. Fruits and vegetables D. Prepared food
 B. Secondhand clothes E. Miscellaneous activities
 C. Household goods
11. Where does the business operate?
- A. Megenagna B. Hayahulet
12. What factors forced you to engage in a street vending activity?
- A. lack of job opportunities E. Family and/or Husband Death
 B. Divorce F. Dismissal from formal employment
 C. Insufficient monthly Income G. Other (specify) _____
 D. School Dropouts
13. Why did you prefer street vending than other Informal sector?
- A. Its flexibility
 B. Provides better income/profit than others
 C. It works throughout the year (absence of seasonality)
 D. Other (Specify) _____
14. Are you?
- A. An independent own-account worker
 B. Associated with other persons on an own-account basis
 C. A wage employee
15. How much was your initial capital to start this activity? _____ birr

16. Where did the money for the initial working capital come from? [RANK according to size]

- A. Borrowing from informal lender
- B. Borrowing from formal lender
- C. Borrowing from friends and family without interest
- D. Savings
- E. Other (specify)

17. How much do you get per month?

Type of income	Amount in the last 4 weeks
Wage	
Own business income	
Remittance	
Other/specify	

18. What are the earnings from the business used to buy (give up to three important reasons?)

1. _____
2. _____
3. _____

19. Does your business employ workers?

- A. Paid worker
- B. Family
- C. No worker

20. At the end of the day (Yesterday), how much have you sold? _____ Birr

21. Of this amount, how much are you going to use to buy new goods to sell the next day? _____?

22. What is the trend of business income in the last 3 months?

- A. Up
- B. Down
- C. No change

23. How much is the average number of hours of work per day?

- A. 2-5
- B. 5-8
- C. 8-12
- D. 13 or more hours

III. Livelihood assets of Street Vendors asset

i. Access to Infrastructures/Physical capital

24. What is the main source of drinking water for your household?

- A. Well or Spring
- B. Own Tap
- C. Public tap/bono
- D. River
- E. Other (specify)

25. Toilet facility

- A. No toilet
- B. Private (pit)
- C. Public
- D. Other (specify)

26. Do you have access to telephone lines?

- A. Yes
- B. No

27. Do you have access to health centers?

- A. Yes
- B. No

ii. Social participation and networking/Social capital

28. Do you cooperate with other street vendors?

- A. Yes
- B. No

If no: Why? _____

29. If you respond "Yes" to Q.28, What does this cooperation consist of?

- A. Sharing business operation matters
- B. Information about suppliers
- C. Lending each other credit
- D. Setting prices
- E. Other (specify)

30. How often do you have contact with other street vendors concerning business matters?

- A. Daily
- B. Weekly
- C. Monthly
- D. Very incidentally
- E. Never

31. Do you participate in traditional social institutions like Equib, Edir, and Mahber etc?

- A. Yes
- B. No

32. If you respond "Yes" to Q.31, 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)

iii, Human capital

33. What skills, capacity, knowledge and experience do you and your household members have? _____

34. In what ways have you developed your human assets (skills education and knowledge)? _____

iv, Financial capital

35. How much profits on average do you earn from your vending monthly? _____

Birr

36. Do you have saving from your earnings?

A. Yes B. No

37. If you reply "No" to Q. 36, why? _____

38. Do you have any other income source and/or income generating activity?

A. Yes B. No

39. If you reply "Yes" to Q. 38, what are this income source and/or income generating activity?

A. Self owned formal activity (small shops)

B. Other type of Informal sector

C. Other (specify)

V. Consumption and expenditure patterns

40. How much you expend monthly? _____ Birr

41. Does your monthly income cover your monthly expenditures in terms of?

Food: Yes No

Clothing: Yes No

Education Yes No

Health Care: Yes No

Housing: Yes No

VI. Housing condition

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

- A. Owned
- B. Rental house
- C. Share arrangement
- D. Open access
- C. Other (specify)

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

44. How do you see people-room ratio in your house?

- A. Under occupied
- B. Adequately Occupied
- C. Over-crowded
- D. Other (specify) _____

45. What problems you have faced in relation to housing?

VI. Problems and Challenges of Street vendors

46. What kind(s) of problem(s) do you face while vending in the street? [RANK according to the weight]

- _____ Working place problems
- _____ Difficulty to access Initial capital
- _____ Security, crime and harassment
- _____ Shortage of working capital
- _____ Lack of institutional or government support
- _____ Narrow or strong competition
- _____ Work place
- _____ Other (specify)

VIII. Attitude towards Local government policy

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

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

58. If it is "discouraging" how, explain? _____

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II. In-depth Interview Guide for street vendors:

This part consists of unstructured questions asked to a group of street vendors. The purpose is to get detailed information as possible by allowing respondents to express and state their views freely and openly.

Demographic background: name, age, gender, religion, education, place of origin, household size

Working on the street: why and how?

1. Why do you decide to work on the street, why do you choose to be street vendors?
2. How long have you been working in this job (vending)?
3. Do you like being street vendors?
4. Do you have plans of expanding your trade?
5. What is your business hour?
6. Do you always get busy at work on the street?
7. When are you so busy: in days? The time? The season?
8. What time do you see yourself less busy?
9. Do these times have any effect on your day's sales or your returns? (Positive and negative effect)
10. What type of commodities do you sell?

Trading on the street: problems and prospects

1. How did you secure this place as trading site? Any license required?
2. Do you face any problems for trading in this site? If yes, what problems do you face?
3. If no, what makes this site so good to trade or run your business?
4. What are your other major problems for your business?
5. Do you pay for stalling your shop on this place?

6. If yes, how much do you pay as tax/toll for occupying this site or stall/shop to the local municipal administration daily? Weekly? Monthly? And annually?
7. Do you have associations that help you to agitate for your right?
8. If yes, what is the name of the association you belong to and how was it formed? How did you become a member? What benefits do you get being a member of your association?
9. How are you treated by the municipal authority? And, how do they see your trading sites?
10. How do you treat them? Do they allow you to stall your shop? If no, how are you running your business at this site?

Contribution of the activities to their livelihoods

1. How do you combine your activity and other sources of income in the household?
3. How is the role of your activity in the household? Which types of costs in the household do you cover?
4. What do you feel about social relation here as compared to your home? Does your neighbor society help you to solve any problem in any way?
5. Do you interact and participate with local people's social activities?
6. If yes, what type of activities do you participate? If no, why?
7. Do you save from your earning? If yes, what amount are you able to save monthly after all expenses are made?

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III. Key Informants Interview Guide

Interview Questions for Government Officials

Name _____ Educational level _____ Date _____

Position _____ Work Experiences _____

- 1) What do you have to say about the situation of street vendors in Bole sub-city?
(General view)
- 2) Do you see any problems by increasing street vending activities in Bole sub-city?
- 3) If yes, what kind of problems do you face?
- 4) What the specific policies are you adopting to deal them?
- 5) What challenges do you encounter in dealing with the issues of street vendors?
- 6) How important do you think street vending as a poor people's livelihood strategies?
- 7) Is the sub-City looking some possible alternatives for those street vendors who are getting subsistence livelihood on the street?
- 8) What are the possible causes do you think about the increasing street vendors in present decade?
- 9) What are the activities that the authorities are doing to control/manage the increasing street vending activities?
- 10) Do you have any suggestions regarding improving to the situation?

Interview Guide for Representative of Bole sub-city Street Vendors Union/Organization

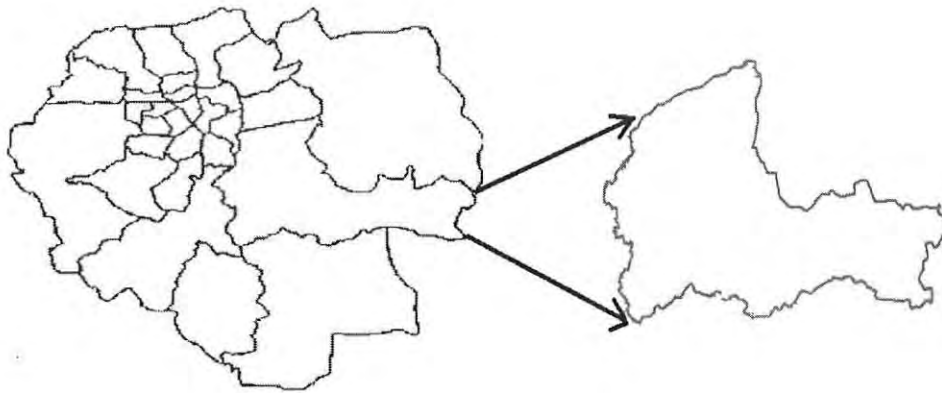
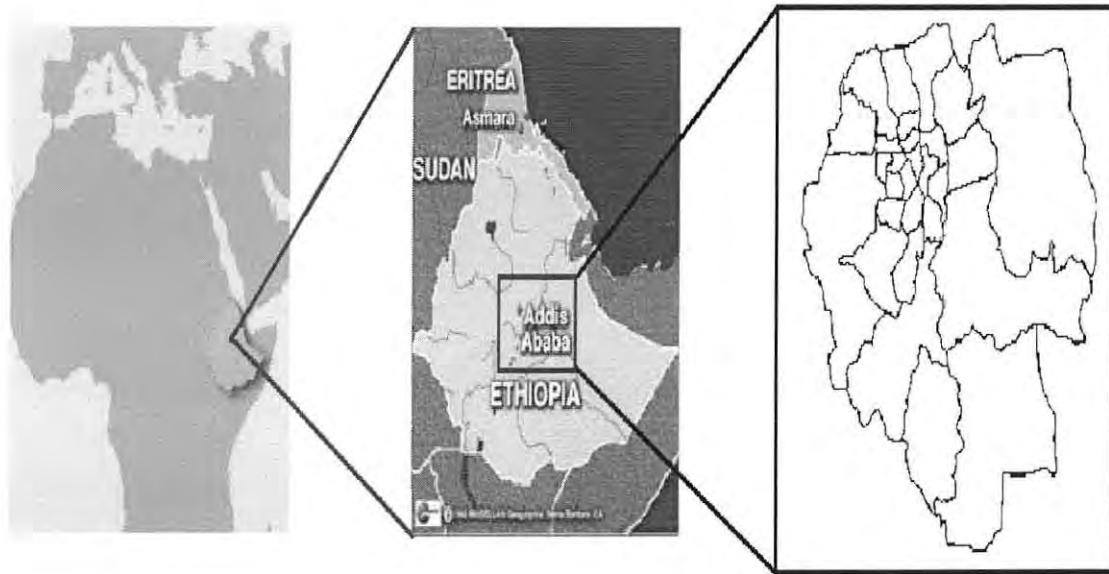
- 1) What are the aims of Street Vendors Union? What activities are you operating while working with street vendors?
- 2) What problems are you feeling while working as a representative of Street Vendors Union?

- 3) Do you see any problems by increasing street vending activities? If yes, what kind of problems are they?
- 4) As you are working as a representative of Street Vendors Union, how important do you think street vending as a poor people's livelihood strategy? And how are the vendors earning livelihoods on the street?
- 5) If you think street vending is an important for providing livelihood options to the poor people, what programs and actions are you adopting to protect their livelihoods?
- 6) How do urban authorities treat on those issues? And how do you deal as a vendor's representative?
- 7) What could be the possible solution to manage street vending activities in a way to protect livelihoods of the poor and to manage urban environment?
- 8) At last, do you have anything to say about street vending activities and its future prospects?

iii) Interview Guide for Public Customers

- 1) Background information: (Name, Age, Sex, Education, and Occupation)
- 2) Where is your home (origin) place and where do you live now?
- 3) Do you usually prefer to buy goods with vendors?
- 4) If yes, why do you prefer to buy with them?
- 5) Do you think these street markets are important? If yes, why? If no why?
- 6) Do you feel any difficulties by the street vendors on the way during your walk?
- 7) If yes, in what ways do you feel difficulties? And how?
- 8) At last, do you have to say any more about street vendors and their activities in this sub-city?


APPENDIX IV
Map of the Study Area



Declaration

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

Name: Woinshet Fadele

Signature: 

Date: July, 2013

