



## International Journal of Marketing Research (IJMR)



# Street Businesses in Addis Ababa: Causes, Consequences and Administrative Interventions

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### ABSTRACT

Street vending has long been a source of debate among development economists. It has been argued that direct government intervention that aids this sector will encourage rural to urban migration. Others have argued that this sector deserves government help as often more than 50% of the urban labor force is employed by this sector. This study is designed to assess the causes, consequences and administrative interventions of street vending in Addis Ababa with particular reference to Yeka sub-city. Data were collected from randomly selected samples of 330 street vendors, 14 code enforcers and 9 government officials through questionnaires and interview of key respondents. The finding shows most of the traders came from outside Addis Ababa in search of jobs. Street vending proliferated as a way of life and a coping mechanism adopted by those economically under privileged segment of the society. Factors that led to street vending were complex and varied. According to the findings, absence of opportunity in the formal sector was the main factor that led the operators to street vending. This is followed by the need to support their family and themselves. The authorities stated that unless managed well street vending will have negative impact on traffic movement, encroach on public space and create unfair completion with formal businesses. To mitigate these problems the City administration has issued street vending regulation No. 5 in 2018 so that specific vending plots are allocated and the vendors need to do their business legally and those who fail to do so will be dealt with by the law.

**Keywords:** Street vendors, causes, consequences. Code enforcers, administrative interventions

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### How to cite this article:

Jemal Abagissa. Street Businesses in Addis Ababa: Causes, Consequences and Administrative Interventions. International Journal of Marketing Research, 2019,1:5.



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Website: <https://escipub.com/>

## Introduction

Despite the advances in modern retailing, millions of people throughout the Third World countries still make their living partly or wholly through selling goods on the streets. This is particularly the case in Africa (Mitullah, W.V. (2003). A vibrant array of traders selling everything from fruit and vegetables to clothes, traditional medicine and even furniture is what characterizes African cities.

Youth unemployment and the associated problems of poverty and lack of livelihood opportunities for young people are major causes leading the bulk of new entrants to the urban labour force who create their own employment. Migration and population growth are also causes for the growth of the informal sector in urban areas (Ethiopian Economic Association, 2007). Research on rural youth livelihoods shows that the decrease in farmland in the highlands of Ethiopia coupled with lack of non-farm employment opportunities in the rural areas has pushed youth away from their agricultural livelihoods and rural villages to urban areas (Bezu and Holden, 2014).

Among the self-employed in the informal sector, street vendors are the most visible in urban areas. In the broader sense, street vendors refer to persons who sell goods in public space as well as those who provide services in public spaces (ILO, 2013b). Many join this sector because informal sector employment is more accessible than formal sector employment to people with low human, financial and social capital.

It has become evident that rapid growth of Addis Ababa is providing both opportunities and risks. One particular aspect emerging as a downside of the growing urbanization process is the proliferation of informal trade, most notably, street vending which has been expanding unabated for the past two decades despite many attempts made by the City government to address the problem.

According to Capital Ethiopia (2018), the exact number of vendors in the City is unknown but a

2014 random study indicated that there were 87,000 street vendors at that time. Now it is estimated that there are over 117,000 vendors working on the street without paying taxes or holding any license.

The main objective of the study is to assess the causes, consequences and administrative interventions of street vending in Addis Ababa with particular reference to Yeka sub-city

## 2. Literature review

The concept of informal economy originated in the Third World out of studies on urban labor markets in Africa (Potts, 2007). How to define the informal economy and differentiate it from the formal economy has been an ongoing contest ever since Keith Hart first introduced this concept in his work on Kenya (ILO, 1972) and Ghana (Hart, 1973). The first ILO mission in Kenya distinguished the informal sector from the formal sector on the basis of seven antipodal traits namely easy versus difficult entry; reliance on local rather than foreign resources; family in contrast to corporate ownership; small versus large-scale enterprises; labor intensive and adapted instead of capital intensive and imported technologies; informally rather than formally acquired skills; and unregulated and competitive as opposed to a protected market.

The informal sector comprises of street vendors, domestic workers, home-based workers, construction workers, transport workers, and waste pickers. Street vendors and home based workers makeup the largest group of informal sector operators. While home-based workers are invisible but numerous, street vendors are the most visible and self-employed entrepreneurs (ILO, 2002b).

Street vending refers to income-generating activities whereby individuals sell their wares along streets and pavements to passing pedestrians and motorists. Cross (1998) uses legal infringements as the defining principle. He terms street vending as the production and exchange of goods and services that involved the lack of appropriate business permits,

violation of zoning codes, failure to report tax liability, non-compliance with labor regulations governing contracts, work conditions, and/or legal guarantees in relations with suppliers and clients.

Over the years, there have been continuous debates among the three theories regarding the informal economy. According to the dualist theory, the persistence of informal activities is due to the fact that not enough formal job opportunities have been produced to take in surplus labour due to a slow rate of economic development and a faster rate of urbanization (Tokman 1978). In this logic the economy was conceived as being dual, consisting of traditional and modern sectors. Thus, the dualistic theory views the formal and informal sectors as having almost no links with each other and in theory represent almost two opposite parts of the economy.

However, (Chen 2007) disputed the dualist view of thinking by arguing that, the formal and the informal economy are often dynamically linked with many informal enterprises having production or distribution relations with formal enterprises, supplying inputs, goods or services ready for the market either through direct transactions or subcontracting engagements. Moreover, several formal enterprises employ wage workers under informal employment relations, for instance, the majority of part time workers, temporary workers and home workers work for formal enterprises through contracting or sub-contracting arrangements.

Hence, in reaction to the dualist theory, a new understanding of the informal sector emerged with the name structuralist. The structuralist theory is also known as the black market theory, the underground theory, the world systems theory and the Portes theory (Rakowski 1994). The structuralist school was propounded by Moser and by Castells and Portes in the late 1970s and 1980s and they focused on the analysis of the modes of production within the capitalist system and the subordinations that occurred within it (Saha 2009). The structuralist

perspective has come to the fore which depicts street vending as a survival practice conducted out of economic necessity as a last resort in the absence of alternative means of livelihood. In this view, such entrepreneurship is a direct by-product of the advent of a de-regulated open world economy. The street vendors are therefore depicted as unwilling and unfortunate pawns in an exploitative global economic system. The sector is highly insecure and unstable, composed of long hours, poor conditions, no legal or social protection, limited access to credit and very limited bargaining power (ILO 2002a, b; Kapoor 2007).

The third theory regarding the informal economy is the legalist propounded by Peruvian economist Hernando De Soto (1989) who argued that informality is a consequence of bureaucratic barriers and that the inflexible rules and regulations, terms and conditions for operating a business in the formal sector are so tedious such that it becomes an additional burden for people and hence they are forced to circumvent formal rules and regulations by operating in the informal sector.

Street business is more a matter of choice than due to a lack of choice. For these neo-liberals, such entrepreneurs are heroes throwing off the shackles of a burdensome state and making a rational economic decision to enter street vending to escape over-regulation in the formal realm. As Nwabuzor (2005) asserts, 'Informality is a response to burdensome controls, and an attempt to circumvent them. Informal work arrangements are considered as a rational response by micro-entrepreneurs to over-regulation by government bureaucracies. This theory is also known as Romantic theory of street vending (De Sato, 1989). This school believes that if the sector is intervened by the government in terms of policies, regulations, capital and skills it could perform in the same way as the formal sector. According to this view, informal firms are potentially productive, but held back by government policies, regulations, and limited access to finance. Therefore, if such

barriers would be eliminated informal businesses would register and take advantage of the benefits of their formal status. Generally, this view believes that informal undertakings are similar to official ones.

Despite the debates on the status of street vending, street vending raises the tension between the individual right to work and the collective right to public space. In most countries, public space is understood as a collective good that all people have a right to enjoy, and it is the responsibility of local government to regulate its use so that those collective rights can be enjoyed. Opponents of street vendors argue that those collective rights are violated when street vendors appropriate public space for their own use. In this view, as argued, governments must defend public space from such encroachments by strictly regulating or even outlawing street vending.

Hence, street vendors frequently face eviction, arbitrary confiscations of merchandise, demands for bribes, harassment and physical abuse in their work place, including from police and other state actors. State-led evictions that target street vendors are not infrequent and have been justified by city clean-up for modernization; pressure from formal businesses who are worried from 'unfair' competition; and preparation for specific public events such as visits of dignitaries, hosting of international sport competitions and other tourist events (Skinner, 2008, Bromley, 2000, Potts, 2007, Hansen, 2004).

### 3. Research Methodology

A descriptive survey design is used to collect data from different sources. Descriptive method is set out to describe and to interpret what is going on. Therefore, the study has been descriptive research with cross sectional data. The primary sources were obtained from interviews and questionnaire filled by respondents to attain the objectives of the study. The study relied on both qualitative and quantitative methods of data collection and analysis.

#### Description of the Study Area

This study is conducted in Addis Ababa, the capital city of the Federal Democratic Republic of Ethiopia. Addis Ababa is also a seat of international organizations such as the African Union (AU) and the United Nations Economic Commission for Africa (UNECA). Consequently, it has become a centre to many people coming from all corners of the country looking for employment opportunities. Hence, with rapid natural population growth and high rate of rural-urban migration, Addis Ababa is one of the fastest growing cities in Africa. This creates critical problems such as unemployment and informality.

For administrative purpose, the city is divided into ten sub-cities. The sub-cities are further subdivided into weredas (neighborhoods), which are the third and smallest organizational units in the city. There are 116 weredas in the city administration (City Government of Addis Ababa, 2013).

**Table 1: the sub-cities, their population size and areas in sq km**

Ser No	Sub-city	Population	Area in Sq. Km
1.	AkakiKaliti	205,385	118.08
2.	Nifas silk lafto	358,359	68.30
3.	KolfeKeranio	485,952	61.25
4.	Gulele	303,226	30.18
5.	Lideta	228,547	9.18
6.	Kirkos	250,665	14.62
7.	Arada	239,638	9.91
8.	Addis ketema	289,344	7.41
9.	Yeka	392,781	85.98
10.	Bole	350,102	122.08

Source: 2013 CSA projection

The focus of this study is Yeka sub-city. Yeka is a particular locality is called Megenagna where the survey took place. Yeka is located in the northeast part of Addis Ababa. The



**Figure 1: the map of Addis Ababa and Yeka sub-city** Source: Mare Addis Destaa and Fikirte Demissie Tulu(2015: 160), adjusted.

**3.2 Sources of Data**

The study employed mainly primary data. The primary sources of data were collected from street vendors, code enforcers and sub-city officials. These primary data were collected through questionnaires and interviews. The questionnaires comprised both closed and open-ended questions.

Key informant interviews were used to collect data from the Yeka sub-city Trade and Industry Office Street vendors Monitoring, Support Case team and from Code Enforcers. The secondary data have been collected from various online and offline report published by various institutions and agencies.

**Table 2: Target Population**

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

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

### 3.1 Sample Size

The basis for determining the sample size in each option is the level of precision or sampling error, the confidence level and the degree of variability in the attributes being measured. The ample size of the study is determined by using a simplified formula provided by Yamane (1967) with a consideration of the 95% confidence level and 0.05 of the margin of error.

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

Where:

N = Population Size

n = Sample Size

e = Precision (Sampling Error).

Accordingly, 330 respondents were selected from the 1923 street vendors from Megenegna Site, and also 9 respondents were selected from a total of 9 government officials and 14 respondents from a total population of 15 Code enforcers.

**Table 3:**Target Population and sample size

S. no	Target Population(Responsible body)	Study area	Target Population	Sample size
1	Street vendors	Megenagna	1923	330
2	Code enforcers	Yeka sub-city Code enforcers	15	14
3	Government officials	Yeka sub-city Trade and Industry Office Street vendors Monitoring, support and transition Case team	9	9
<b>Total</b>				<b>353</b>

Source: Own data (2019)

## 4. Data Analysis and Presentation

This part presents the back ground of street vendors, the reasons why they are engaged in street vending business the sources of goods sold by street vendors, the challenges encountered and related issues.

### 4.1. Street Vendors Background

One particular aspect emerging as a downside of the growing urbanization process is the proliferation of informal trade, most notably, street vending which has been expanding unabated for the past two decades despite many attempts made by the city government to address the problem.



**Figure 1: Street business at Megenagna site**

## 4.2 Profile of respondents

In this section various primary data are analyzed including socio-demographic aspects of the respondents.

### 4.2.1 Place of Birth

As table 4 indicates that the birth place of those engaged in the street business is predominantly outside Addis Ababa. In this sample of 297(90%) 33(10%) are migrants coming from regions and only 33 are from Addis Ababa.

**Table 4: Place of Birth of Respondents**

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

Source: field survey (2019)

### 4.2.2 Ages of Respondents

The data show that from 330 respondents 16(4.8%) are between 12-17 years old and 290(87.9%) are between 18-29 years old,

20(6.1%) are adults whose age ranges between (30-40 years) and finally 4(1.2%) are above 41 age category.

**Table 5: Ages of Respondents**

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

Source: field survey (2019)

More than 92 % of the individuals surveyed are in the age group 12-29 and the oldest age observed is 1.2 %. The data shows most of the respondents are in active age group to operate this business. The data also imply that it is difficult for code enforcers to control street vendors by using physical power.

### 4.2.3 Sex of the respondents

The result shows that one third of respondents (33.3 %) were female, where as the large portion (66.7%) were male operators.

**Table 6: Sex of respondents**

Sex	Frequency	Percent
Male	220	66.7
Female	110	33.3
<b>Total</b>	<b>330</b>	<b>100</b>

Source: field survey (2019)

**4.2.4 Previous Occupation of the Respondents**

The status of respondents' previous employment situation can impact their current status. As shown in the table below from 330 respondents; 23(7.0%) were previously

engaged in formal business, 258 (78.2%) were students, 3(0.9%) were farmers and 46(13.9%) were daily laborers. Students dominate the street vendors' population implying that more students in a rural areas are quitting their education due to poverty.

**Table 7: Previous Occupations**

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

Source: field survey (2019)

**4.2.5 Parents' Occupation of Respondents**

Parents or guardians occupation has also its impact on the decisions of the vendors current employment and status. In this regard 66(20%) responded that their Parents were merchants,

12 (3.6%) government employees, 242(73.3%) were farmers, 10(3%) self-employed. Most parents were farmers implying the main causes of youth migration is low productivity in agriculture in rural Ethiopia.

**Table 8: Parents' occupation of street vendors**

Street vendors parents' occupation	Frequency	Percent
Merchants	66	20.0
Government employees	12	3.6
Farmers	242	73.3
Self-employed	10	3.0
<b>Total</b>	<b>330</b>	<b>100.0</b>

Source: field survey (2019)

**4.2.6 The main causes that forced young people to be street vendors**

Engagement in street vending is a consequence of multiple factors. Table 9 shows that the

majority of respondents involved in street business due to the lack of supporter, which is 49.7%; whereas 25.8% are due to lack of opportunity to join the formal sector.

**Table 9: Reasons that forced to be street vendor**

What are the main reasons that forced as you to be a street vendor?	Frequency	Percent
To support family	73	22.1
due to lack of income	164	49.7
inadequate previous employment conditions	8	2.4
Lack of opportunity to join formal job	85	25.8
<b>Total</b>	<b>330</b>	<b>100.0</b>

Source: field survey (2019).

There are a number of factors that compel people to embark on street vending business. Some of these factors include the fact vending is the easiest and fastest means to earn income; vending acts a way of livelihood for the poor families; inadequate jobs in the formal sector; fewer obstacles to start a vending venture; lack of capital to start formal business; working hours are very flexible compared to the formal sector; vending business is not associated with costs

that consumes profits such as overhead costs such as licensing fees, rates, and rentals.

**4.2.7 Profitability of street vending business**

The vendors said that street vending business is profitable because vendors do not pay tax and vending place rent. Moreover, the market condition is dynamic as vendors frequently change their places to find areas where most customers are accessible.

**Table 10: Profitability of street vending business**

Is your business profitable?	Frequency	Percent
Yes	236	71.5
No	94	28.5
<b>Total</b>	<b>330</b>	<b>100.0</b>

Source: field survey (2019)

236(71.5 %) of respondent s said, street vending business is profitable and only 94(28.5%) of them answered the business it is not profitable.

The income of street vendors depends on the products they sell, and it varies from product to product, from location to location, and in terms of the volume of trade. Interestingly the incomes of vendors selling garments and electronics items differ from those of vegetable vendors

However, the disadvantage of street vending business is lack of shade that causes damages to goods due to exposure to sunlight and rain and certainly also threat of confiscation.

Local authorities, namely, the police and code enforcers try to prevent street vendors from using places for their trade. Their market is often perceived in terms of ‘encroachments upon public space’ leading to overcrowding, traffic jams and road accidents.

**4.2.8 The kinds of goods which are sold by street vendors**

A range of goods are sold on the streets of Addis Ababa including but not limited to roasted grain, peanut, vegetables, fruits, clothes, socks, pairs

of shoes electric equipment, bugs cosmetics, perfume, lotion and cream, household appliances, cigarettes, wallets, chewing gums, candy, mobile cards, toilets tissues, belts , umbrellas, soaps, watches, bandeau, barrette, hair grip, comb and brush, toy and books.

**4.2.10 the Origin of Street Goods**

One of the issues that the residents of Addis Ababa wonder is from where such variety of goods come. The data shows that 9% of respondents have bought goods from formal business owners who operate their business in Merkato and Kolfe areas of the City. Only 0.6 and 0.3% buy their goods from producers and contraband respectively.

**4.2.11 Other income sources of street vendors**

As shown in the table below 98.8% of the respondents have no another sources of income; only 1.2% of them operate alternative activities such as casual jobs, daily labor and assistance from relatives. Most of the respondents are full time vendors with no other sources of income.

**Table 11: List of goods sold by street vendors**

Kind of goods sold	Frequency	Percent
Roasted Grain and Peanut	39	11.8
vegetables, fruits, ingredient	28	8.5
clothes and socks	81	24.5
Shoes	32	9.7
electrical equipment's	19	5.8
Bugs	17	5.2
Cosmetics, perfume, lotion and face-Cream	4	1.2
Equipment's used for household purpose	12	3.6
cigarettes, wallet chewing gum, Candy, mobile cards, tissues, etc.	33	10.0
Belts	6	1.8
Umbrellas	10	3.0
Soaps	11	3.3
Watches	13	3.9
bandeau, barrette, hair grip, comb, brush, etc	14	4.2
Toy	10	3.0
Book	1	.3
<b>Total</b>	<b>330</b>	<b>100.0</b>

Source: field survey (2019)

**Table 12: The sources of street goods**

Sources of goods	Frequency	Percent
formal traders	327	99.1
Producers	2	.6
Contrabandists	1	.3
<b>Total</b>	<b>330</b>	<b>100.0</b>

Source: field survey (2019)

**Table 13: Street vendors' alternative income sources**

S. No	Did you have another source of income?	Frequency	Percent
1	Yes	4	1.2
2	No	326	98.8
3	Total	330	100.0
	<b>If "Yes" what is the source of income?</b>	Frequency	Percent
1	Casual	1	.3
2	Daily labor	1	.3
3	Assistance from relatives	1	.3
4	No another source of income	327	99.1
	<b>Total</b>	<b>330</b>	<b>100.0</b>

Source: field survey (2019)

**4.2.12 Problems street vending creates to the residents**

Street vending is illegal activity in Ethiopian trade law and regulation. For this reason law enforcers have taken actions. The vendors occupy the footpath leaving no space to the pedestrians. This has become a public concern because it creates problem for vehicular and pedestrians movement and pollutes the environment. Many people have no positive image about street vendors and pedestrians are

annoyed by their encroachment of sidewalks. At some places it is difficult to walk straight. People then will have to pass the narrow aisles between seller stalls walking sideways. When the sidewalks are too crowded people are forced to step onto the road to walk which is a very dangerous exercise. Drivers and other road users also dislike them for their road encroachment. The table below shows a list of these problems.

**Table 14: Problems caused by of street vendors**

Problems	Frequency	Percent
Causes car accident and traffic jam	32	25
Affects formal business	40	32
Expose the pedestrians to traffic accidents	15	12.1
Pollutes environment	5	4.0
Affects customers' health due to shoddy goods	8	6.5
Affects City beauty	4	3.2
Affects government revenue	8	6.5
Encourages illegality	12	9.7
<b>Total</b>	<b>124</b>	<b>100.0</b>

Source: field survey (2019)

**4.2.13 Code enforcers**

Code enforcers are the main government body which control and manage the street vending. The main duties and responsibilities of this government body is awareness creation to street vendors about the rules and regulations of formal trade, confiscating goods from street vendors and depositing the same in government stores which is to be sold later based on government financial rules and regulations.

The officials highlighted that vendors are involved in unorthodox means that violate modern urban management practices. Vendors create multiple challenges such as blocking of pavements, cause littering of the streets, they sell unhygienic food and shoddy merchandise whose source is unknown, disrupt free movement of vehicular traffic.

In line with this, mainstream critics of street vending argue that street vendors are a negative force in cities. Some argue that tolerating street vendors is costly because street vendors contribute to vehicular congestion and pollution by crowding busy thoroughfares and slowing traffic.

**4.2.14 Efforts made by the City Government to mitigate the problem**

Critics of street vending argue that vendors compete unfairly against formal market because they do not incur registration and taxation costs, and do not have costs such as rent and utility payments. This creates unfair competition; the argument goes, threatening the viability of off-street establishments. Following this reasoning, local governments attempt to “formalize” street vendors by relocating them to off-street

premises where they would be expected to register, pay taxes and rent or own their workplace.

In Addis Ababa, efforts have been made to address street vending by way of providing small vending shops and allowing Sunday street markets though it had little to contribute to minimizing the problem. Street vending has rather expanded in volume and continued as irritation for the city residents and a threat to legal traders. In the context of Addis Ababa, it has proliferated as a way of life and a coping mechanism adopted by those economically under privileged segments of the society. It is also considered as the chief source of self-employment for the unskilled labor. This prompted the City Administration to take positive action than continuous punitive measures. Hence it has recently issued street business monitoring regulation.

### **Regulation No. 5/2018**

Recognizing the magnitude of the street vending in the City, the City Administration issued Regulation No, 5, 2018. The regulation states that street business should be regularized and operate from designated places only. The City's MSE (micro and small enterprisers) and Addis Ababa Trade Bureau are mandated to regulate and manage the sector. For instance MSE's roles and mandates are identified as:

- Create awareness, organize them as business entity and assist them to become formal
- Provide training and advice
- Help them save part of their earnings
- Facilitate credit provision

Moreover, the Addis Ababa Trade Bureau had a street trade policy approved by the city council and identified 45 potential locations for street vendors to conduct business legally. These places are selected because they are supposed to have low traffic congestion, asphalt roads, and open spaces. When these designated street vending locations opened up, vendors will be allowed to sell small electronic items like

watches, mobiles and sockets; they also will be able to sell electric wires, tape recorders, and beverages like packed juices and soft drinks. There will also be places to sell clothing and street foods like biscuits, chips, sweets, candies and snack foods. Accordingly, 35,000 street vendors are already registered with the administration including the 7500 vendors who are given plots of land in 2018.

Some places will be open Monday through Sunday as long as it does not affect traffic. If traffic congestion occurs, the Bureau will limit the vending to nights and weekends. The vendors working on the street must have a license. They need to have a permit card displayed visibly that bears legal stamp. That card will state their name, type of business they are conducting and the area they are allowed to operate. If they operate without this permit, they will face legal action including having what they are selling confiscated and possible imprisonment.

The Trade Bureau has established a department that handles street trading in the city and it is currently hiring staff to run its job. The street trade monitoring department will have more than 2,000 staff. Some will work in the central office while others will work in the Woredas (neighborhoods).

The Bureau will also work with relevant city offices such as Transport Bureau, Customs Authority, Roads Authority, Police Commission, Traffic Department, Urban Beatification and Parks bureaus to properly manage street vendors.

Countries like Indonesia and Thailand used similar approaches in more patterned way to deal with the rising population of street vendors in many cities of their countries. According to Caroline Paskarina, Rina Hermawati, et.al (2017), approaches employed in those cities include regularizing business vendors and bringing their activities within the scope of city authorization, for example by designating some pavement areas to accommodate street vending businesses, reduce the number of street

vendors in temporary areas and outside designated areas.

For example, in Bangkok there are at least four models of street vendors' regulators, namely: zone systems, i.e. certain areas allocated to street vendors, trading time systems, such as weekend and night markets, mall or center integration shopping, and giving street vendors in pedestrian, parks and sidewalks, with certain conditions.

Bandung City Government issued a special regulation on street vendors known as Local Regulation No. 4 of 2011 on the Development and Regulatory of Street Vendors that largely contain spatial street vendors, implementing organizations, limiting the number of street vendors and consumer behavior approach. The city regulates the street vendors using zoning system and applies fines for buyers in red and yellow zones. The division of selling locations of street vendors consisting of 3 zones, namely red zone (location must not be street vendors), yellow zone (locations that can be opened and closed based on time and place) and green zone (location allowed to trade for street vendors).

## 5. Conclusion

This study is designed to assess the causes, consequences and administrative interventions of street vending in Addis Ababa with particular reference to Yeka sub-city. The study employed mainly primary data. The primary sources of data were collected from street vendors and city officials.

The study revealed that the majority of the study participants are in the productive age category who came mostly from outside Addis Ababa from rural regions of the country in search of job opportunities. Street vending proliferated as a way of life and a coping mechanism adopted by those economically under privileged segment of the society.

Factors that led street vending activities were complex and varied. According to the findings, absence of opportunity for formal job was the main factor that led them to street vending. Lack

of gainful employment coupled with poverty in rural areas pushed young people out of their villages in search of a better existence in the city. These migrants do not possess the skills or the education to enable them to find better-paid, secure employment in the formal sector.

It has become a public concern that street vending creates problem for vehicular and pedestrians movement, and has polluted the environment by littering the streets. They occupy public places and roads, which can also create social problems like pick pocketing, crime and theft.

So far, the City Administration largely used punitive measures to control street vending. However, coercive measures have rarely been sustainable solutions beyond the immediate short term. Where coercive measures are used as a stand-alone policy, they are unlikely to succeed in getting vendors off the street. This explains why so many times resilient street vendors have soon returned to the streets in Addis Ababa after evictions. When asked how successful the use of force has been, most of the key informants acknowledged that the use of force has not proved any positive result as the vendors kept returning to the streets.

With this in mind, City Administration has issued a regulation (Regulation No.5/2018) to manage the sector. Efforts have been made to address street vending by way of providing small vending shops and allowing Sunday street markets. The Addis Ababa Trade and Industry Bureau is mandated to implement the regulation. The Bureau created open spaces that are far from traffic congestion and Sunday Market areas to accommodate street vendors and those residents who depend on these markets.

The use of vending permits and license systems is believed to exert some control over access to urban public space. Besides revenue generation, this regulatory device also enables the City Administration to prevent congestion and related environmental problems. This strategy is aimed at graduating street vendors into formal jobs according to their capabilities.

The strategy entails categorizing the vendors according to their trading specification in merchandise and offering training in the vendors' areas of interest for them to expand their entrepreneurial potentials through micro and small enterprises.

However, the challenge is that not all vendors will graduate because many of them joined the sector for survival. Street vendors are categorized as survivalists entrepreneurs with very little growth oriented. Survivalist vendors do not start their business by choice. The majority of survivalist vendors do not pursue expansion in their business rather they are necessity driven entrepreneurs that are forced into selling due to joblessness or other economic shocks.

The other problem is finding locations that are suitable for street vendors. The location offered by the government is generally rejected by street vendors due to the lack of access to the location; the lack of consumers in location, location is not in accordance with the majority of commodities traded and so forth.

The researcher believes that the effort of the City Administration alone cannot solve the problem as the major cause of increased street vendor population is due to rural urban migration caused by rural poverty. Rural development is very important to prevent rural labor migrating to urban areas. With prosperity in the villages, there will be less need to search for employment in the already crowded cities.

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