



ISSN: 0975-833X

Available online at <http://www.journalcra.com>

**INTERNATIONAL JOURNAL
OF CURRENT RESEARCH**

International Journal of Current Research
Vol. 13, Issue, 09, pp.18931-18938, September, 2021

DOI: <https://doi.org/10.24941/ijcr.42110.09.2021>

RESEARCH ARTICLE

CHALLENGES OF INFORMAL SECTOR: A CASE STUDY OF STREET FOOD VENDORS IN MEKELLE CITY, ETHIOPIA

*Habiba Yesuf

Department of Public Administration and Development Management, School of Management,
College of Business and Economics, Mekelle University,

ARTICLE INFO

Article History:

Received 29th June, 2021

Received in revised form

24th July, 2021

Accepted 19th August, 2021

Published online 30th September, 2021

Key Words:

Challenges,
Informal sector,
Street Food Vendors.

***Corresponding author:**

Habiba Yesuf

ABSTRACT

Street food vendors (SFVs) are highly self-governing and play their own role in reducing unemployment, crime and generate income for their survival. Moreover, SFVs are more accessible and affordable for the urban poor. However, they are not given due attention and support by concerned bodies in the creation of enabling environment. The study intended to investigate the challenges of SFVs in Mekelle city. In achieving the objectives of the study, both primary and secondary data were used. Primary data were collected from SFVs and managers of small scale enterprise of sub cities and secondary data were gathered from relevant reports and published materials. 384 sample SFVs were surveyed from Hawlti, Kedamayeweyane and Adi-Haki sub cities and stratified random sampling and convenience non random sampling were employed to select sample SFVs respondents. Descriptive statistical tools were used to present and analyze the data collected. The finding of the study depicted that SFVs face operational, managerial and governmental challenges during the operations and running of their business. Therefore, provide favorable working premises, design appropriate policy framework that support SFVs (designing legally supporting framework), and providing training are recommended.

Copyright © 2021. Habiba Yesuf. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Citation: Habiba Yesuf. "Challenges of informal sector: a case study of street food vendors in mekelle city", 2021. *International Journal of Current Research*, 13, (09), 18931-18938.

INTRODUCTION

The informal sector is define by many scholars by giving various names to the sector some of this are Informal economy, Gray economy, Hidden Sector, Informal Sector, Invisible Sector, Subterranean economy, and Parallel economy, Petty Commodity Production, Underground Economy, Unobserved Economy, Unofficial Economy, Unorganized Sector, Unrecorded Economic Activities, Unstructured Sector and Urban Subsistence Sector. The name was given based on different circumstances and perspectives. The sector's activity are usually distinguished as labor intensive, tiny scale, low capital, use of straightforward technology, use of family labor, low level of production, low and unequal incomes and highly variable (ILO, 2004). From the business operation point of belief the sector in general and street vending in particular is characterized by easy to entry that requires less capital, educational knowledge, training and use limited local resources based and possession is restricted to family members. It is beyond doubt that the informal sector has a major contribution to the economy at large. Around 90% of all new job opportunities around the globe are generated in the informal economy and adopted the endorsement regarding

the transition from informal to formal sectors (ILO, 2016). Conceivably, all of the people involved in the informal sector for their livelihood and street sidewalk vendors face more problems in the path of running their business. Every business day poses constraint to their survival because they do not have legal recognition (UNCHS, 2006). It is undeniable fact that in some countries the informal sector absorbs enormous amount of labor force and support the economic growth whereas large modern business downsize. This is evidenced by the fact that in Ethiopia 52.6% of urban employed is in the informal sector (CSA, 2014). Street vendors are a significant category of the informal sector, in which workers are depicted as mostly unregistered, unregulated and as unable to access organized markets or institutional support but they are enormously independent with their challenges (Elias, 2015). Operations of street vending could be stationary and occupy permanent space on public/private areas, or mobile, move from place to place (where a considerable number of buyers concentrate) carrying their products on different units (push carts, or baskets on their heads) or could sell their products in different moving vehicles. While the vendors try to survive from the streets they face several constraints; among many other constraints, Tambunan (2009) outlines socio-cultural challenges, adverse political

conditions and policies, economic pressures and operational challenges. Street vending is an economic realism that works to the benefit of both sellers and clients, providing productive employment for a lot of people and cheap goods and services for the urban poor. It is argued that street vendors are highly self-governing and play their own role in reducing unemployment, crime and generate income for their survival (Hurley, Donnacadh, 1990). Despite the fact that these various optimistic effects for urban residents and the economy, street vending is rarely supported, and more often even repressed by the local authorities and urban planners (Chen & Skinner, 2014). Street food vending as part of the informal sector was considered as a veritable sponge that could observe a significant amount of labor force from streets. SFVs face restrictive bureaucratic regulations to operate on the unsecured and unsafe vending environment (ILO, 2004). Street foods are ready to eat foods or drinks prepared or sold in the street and other public spaces for immediate consumption or later time without additional preparation or processing (WHO, 2006). There informality is part of daily life of individuals and households because it is a means through which generating their income or support themselves for their survival. SFVs are often viewed as a nuisance or barrier to business. On the basis of that due to lack of legal status and recognition by responsible bodies the vendors face frequent evictions and harassment from their selling premises by local officials or competing formal shopkeepers. The goods and products get confiscated and catch are common (Enosmaphosa, 2015). The places where they work are often unclean and unsafe and lack basic infrastructural services. Even though the substantial risk connected with this work, street food vending is merely option for a lot of urban poor people (WIEGO, 2002). Street food vending is giving a survival reality to considerable number of Mekelle city dwellers it is also vital source of employment, particularly for those without the skills or for those who have difficulty to gain a formal sector job, As their investments are self-financed, informal sector growth is unlikely to diminish significantly investable resources from other sectors. Therefore, this study was investigating the challenges of the SFVs in Mekelle city. This paper tried to investigate the major challenges that SFVs face while they operate in the streets of the city. Understanding how the SFVs operate and pointing out their major challenges will help to achieve a couple of objectives at a time: helping the poor and boosting the contribution of the sub sector to the economy at large.

LITERATURE REVIEW

Definition of Informal Sector: Informal Sector has been defined by different scholars/practitioners, social scientists, economists in different ways. Due to the variety of definition given to the sector it hard to find conventionally agreed definition of Informal Sector. However, for this study purpose the following two definitions were used as solid ground for further discussions. The informal sector was first appreciated by ILO (1972) as a distinct socio-economic force. It is regarded as non-formal employment in micro-enterprises. As cited by Desyalew *et al.*, (p.80, 2016) the meaning given by ILO is still broadly known to denote the theoretical basis of informal sector activities and is presented as follow:

“...all small-scale activities that are normally semi-organized and unregulated, 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 legally registered and in most cases not have licenses from local authorities for carrying out businesses...”.

This implies that Informal sector operators do not have easy access to organized markets, credit institutions, formal education and training institutions, or to many public services since they are not recognized and supported by the government. Ferej (1996) specifies the sector commonly encompasses petty trading, self-employment, causal and irregular wageworker, employment in personal service or in very small “micro” enterprises in manufacturing and service. The individuals who are unable to find or get full-time regular wage employment enlarge the ranks of the informal sector, characterized by its relative ease of entry with low capital investment requirements and by being relatively labor intensive and unregulated. Informal sector enterprises are not officially recorded businesses and exist largely outside the tax system (Allen and Thomas, 2000). In addition to the above definition of the informal sector different scholars defined in various ways based on different criteria. In comparison with formal sector, Reddy *et al.*, (2005) defines informal sector in terms of technology capital, employment etc. as:

“In contrast to the formal sector, the informal sector is generally characterized by low entry barriers and ease of entry, reliance on indigenous/local resources, family ownership of the enterprises, simple organizational and production structures, small scale of the operations, labor intensive and adapted low technology, low level of education and skills, skills acquired outside the formal system of education and training, unregulated and competitive markets, little capital investment, self-employment with little or no wage labor or family labor, family based management system, traditional pre-modern method of production, lack of institutional support, personal sources of funds for investment, irregular working hours, and small inventories (Reddy *et al.*, 2005, p. 133) ”.

Informal sector actors are self-governing individuals who produce and distribute goods and services largely in urban areas. Some of the small scale operators utilize family labor and/or a few hired workers or apprentices, the low capital base and the low level of technology employed have made them to be less productive and they can only acquire very small and irregular incomes from their unstable employment.

Challenges of Street Food Vendors: Street food is well-defined as ready to eat food or drink vended on a street or other public places, such as a market or fair by a vendor or hawker often from a movable stall (Artemis and Bhat, 2000). Dardano (2003) describes street food as a food prepared on the streets or at home, and ready-to-eat and consumed on the streets with no further preparation. Street foods are a varied food group, encompassing snacks, meals, and drinks or beverage. Street foods demonstrate variation in terms of ingredients, methods of processing, ways of preparation, and consumption (Ekanem, 1998). There is growing recognition that street food vending plays significant socio-economic role in terms of employment potential (Chukuezi, 2010). As well as providing particular income mainly for women and provision of food at reasonable costs to mostly the lower income groups in the cities (Najaya, 2014).

In Africa street food vending contributes about 38 % to total gross domestic product, and on average it employs 37.8% of the labor force (Aydoele *et al*, 2016). In spite of its importance in reducing unemployment and generating revenue for the urban poor, street food vending face numerous challenges. Cohen (2000) found that like all informal workers, informal street food vendors lack legal representation, status, and voice. With a few distinguished exclusions, they earn low incomes; usually live in the poverty level. Besides they experience several problems specific to their trade:

- Trouble in finding secure spaces to sell
- Harassment, demands for bribes, evictions from selling places, arrest, and confiscation of goods by authorities, who often see street food vendors as a barrier to formal business and to traffic flow
- Lack of amenities and infrastructure as such waste removal, water, electricity, toilet or latrines, shelter, storage space, and financial services.
- High risk for diseases transmitted by insects, lead poisoning and respiratory problems from vehicle fumes, and musculoskeletal problems associated with constant pose and other financial risk.

As mentioned by Ottoo (2011) Street food vending does not only symbolize impermanent means of income but becomes the main and long-term employment alternative for the most susceptible groups. The size and profit of entrepreneurial achievement is negatively linked to shortage of financial resources, site insecurity and unsteadiness. Tavonga (2014) specifies that Harare city council provides licenses to small number of vegetable vendors and the vending should take place at selected vending sites because street food vending is an unrecognized industry has often justifiable harassment of the vendors by the local authorities. Furthermore, most of unlicensed vendors complained about raids and taking away of their products and materials by both the republic police and municipal workers. He also explains that the state is not acknowledging street food business by means of lawmaking and initiation of a code of practice for SFVs. Moreover, the huge amounts of street food vending sites are lacked infrastructure amenities like waste disposal, potable water, and toilet.

Systematically, there are two different categories of contamination factors: endogenous factors (suggesting the direct responsibility of vendors) and exogenous factors (external control of vendors). The former ones include poor hygienic practices as such unsafe food handling, Irregular hand washing, concurrent handling of money and food, and poor compliance with use of protective clothing (e.g. apron, head covering, rubber gloves), poor cleanliness of kitchen utensils, use of informal manufactured pots, poor garbage disposal, exposure of food to flies and pests, parasitic infections. Exogenous factors include lack of public infrastructures enabling the vendors to comply with standard hygienic practices (like clean water service and public toilets), absence of public waste disposal facility, and poor sanitary conditions of vending locations (e.g. open-air sewages; traffic fumes; dust from dirt roads), contaminated inputs form farmers and market sellers, poor storage conditions, unclean transportation condition (Haleegoah *et al*, 2015). Chisoro (2015) explains that informal vendors are facing serious difficulties in the implementation of their trade the hindrances involve lack of financial skills, lack of managerial skills, inadequate funds,

and lack of government support. The utmost challenges facing informal vendors, principally in the Hillbrow area, have to do with operating and not give a place to trade. The majority of the places vendor's uses are considered as illegal. In several cases where they are permitted to operate, the places are considered impermanent and eviction happens at the will of urban authorities. The major source of insecurity has been Municipal authorities. Those authorities beat, harass, and confiscate the goods of the vendors without their readiness and warning. He also describes that In South Africa, informal vendors operate without access to water and sanitation apart from a few cities in the country. In Asia street food cultures widen all over countries of developed regions; the Asian street food is considered as the most excellent in the globe (Bhowmik, 2005). He also added that SFVs are valuable because it is a great important area supporting the livelihoods of millions of the urban poor and the affordability, convenience make street food the most special selection. However, their contributions were barely admired by the governments instead of recognizing their contributions to the economy in general, governments look SFVs as criminals or encroachers. The study conducted by Bhowmik (2005), Vietnam government does not provide legal status to SFVs and they are regularly harassed by administrative authorities. He noted that SFVs face lack of fund they rely mostly on loans from families, relatives and to run their business. Having low income was double burden of having to work on the streets.

RESEARCH METHODOLOGY

Description of the Study Area: Mekelle town is located in the northern part of Ethiopia in Tigray National Regional State. Its astronomical location is 13°32' North latitude and 39°28' East longitude and Covers an area of 109 square kilometers. Mekelle is one of the restructure cities in Tigray region and have a municipality administration with 7 sub-cities, and 33 kebelles as well as 105 Ketenas. The city has a structural plan which was designed in 2007. The main sub-locations are Ayder, Hawlti, Adi-Haki, Hadnet, Kedamaye Weyane, Quiha and Semien. The study area was cover Mekelle city administration. Within the city administration, there are seven sub-city administrations (Adi-Haki, Hadnet, Kedamaye-weyane, Hawlti, Ayder, Semen, and Quiha) from these sub-cities the research took three sub cities which have the most food vending activities practiced Hawlti, Kedamayeweyane and Adi-Haki sub cities.

Research Design: In order to answer the research questions, this research work adopted Creswell's (2009) framework for research design which involves the intersection of three research components: the philosophical worldview, the selected strategy of inquiry, and the chosen research designs, thus resulting in a specific research design that may either be quantitative, qualitative or mixed. Based on this, among various research methodologies in order to attain the envisioned objectives of the study, descriptive research design was adopted. For the purpose of this study, both quantitative and qualitative data collection methods were employed. The quantitative data was employ closed ended questions while qualitative data was employ open-ended questions.

Data Type and Source: The researcher gathered relevant data from both primary and secondary sources. Primary data were conducted by the investigator for the purpose of specific

inquiry and it is original in character. So the researcher was contacted SFVs to understand their challenges and other related information. The secondary data were obtained from the sub city report regarding informal sector specifically street food vending, journals, reports, government publications, and different written materials from the website.

Sampling Technique and Sample Size Determination

Sampling Technique: In order to attain the aim of this study determination of correct sample unit and sample size is quite vital. While the nature of the population in street food vending is heterogeneous in terms of their work distinctiveness; for that reason, to ensure representativeness of the population and to form homogenous population, the researcher used stratified random sampling technique. The investigator classifies the population into different groups which is called strata. To collect the relevant data from SFVs in each stratum, the researcher used convenience non-random sampling techniques.

Sample Size Determination: The target population for this survey was informal operators (street food vendors) of Mekelle city. According to the information obtained from sub city administration of the city, there is no complete record of SFVs as the nature of the business is unregistered or semi-registered; for this reason, the researcher couldn't find the exact number (population) of SFVs from official records of the city administration. Therefore, to determine sample size for this study, the researcher opted to consider the total population as unknown. Hence, the researcher adopted Cochran, sample size determination formula which was developed in 1963.

The sample size formula for unknown population is therefore;

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where:

n_0 = Sample size

Z = Recommended value of normal probability distribution

p = Probability of success

q = Probability of failure

e = Error term

For this study purpose the sample size will be

$$n_0 = \frac{Z^2 pq}{e^2} = \frac{1.96^2 (0.5)(0.5)}{0.05^2} = 384.16 \sim 384$$

Method of Data Collection: In order to collect the necessary information about challenges of SFVs and the researcher develop mainly survey information. Questionnaire was designed based on the objectives of the study in sequential manner that helps to activate, facilitate and reduce the efforts that were face in the analysis and discussion part of the research. In order to open the view of the respondents, the questionnaire contains both open and close ended questions. Furthermore, to gather qualitative information from SFVs the researcher employed interview for concerned bodies that are manager for micro- small scale enterprises in the sub city and observation are used to observe SFVs activity. So, it is important to get some hidden information that respondents may not disclose using survey and interview techniques.

Method of Data Analysis: The data was gathered through open and close ended questionnaires, interview and physical observation are quantitative and qualitative in nature. This study used descriptive method of data analysis such as mean value, standard deviation, percent and frequency of the items. Relatively, this method was appropriate to this study as it aims to point out the challenges of SFVs and during the time of the study to explore the current situation of the vendors. The questionnaire was edited, coded and analyzed using SPSS (Statistical Package for Social Science) in order to make easy and silky analysis, discussion and interpretation of the data.

Validity and Reliability: The most significant issue in the investigation of the research is to ensure the reliability and validity of the study. Joppe (2000) at Bashir.*et al*, (2008) describes reliability as: "the extent to which results are consistent overtime and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable". For the purpose of this research, reliability has been assured by preparing interview guidelines and survey questionnaire by removing questions having diverse sense. The questionnaire was designed rigorously and carefully, before conducting the study pre-test of the questionnaire was also made. Each and every step of the data collection and the raw data has been well recorded as well as the actual working situation of SFVs was also captured by using photograph. Ensuring the reliability of the study is not only enough whereas ensuring the validity of the research is quite crucial to have a well completed and scientific study. Validity 'determines whether the research truly measures what it was intended to measure or how truthful the research results are' (Bashir *et al*, 2008). In this study, validity has been ensured by removing frustrating and leading questions from the survey questionnaire. Content validity was also realized by preparing interview guidelines and questionnaires based on concepts, indicators and variables. Furthermore, Bias has also be reduced by employed multiple data collection tools, and techniques to support the finding of the study and by spent adequate time on the field has achieved the validity of the research.

RESULTS AND DISCUSSION

Table 1.Problems in the Operation of the Business

| Description | Respondents | |
|---|-------------|------------|
| | Frequency | Percentage |
| Problems | | |
| Working place is unsanitary and hazardous | 270 | 70.3 |
| Low income of the business(for survival only) | 314 | 81.7 |
| Brutal action by municipality workers | 286 | 74.5 |

Source: Field Survey, 2019

Operational Challenges of SFVs: As the above table depicted, indeed the respondents indicated more than one problem. Accordingly, 81.7% (314) of the respondents got low income from the business for their survival, 74.5 % (286) of the respondents faced brutal action by the municipality workers in the operation of their business and 70.3%(270) of vendors sell their products in a place where it is unsanitary and hazardous due to lack of working premise. The study conducted by Bromley (2000) in developing countries SFV is family self-employment. He said that the nature of the business is a survival approach in which countries that lack societal safety nets and unemployment cover.

Bhowmik (2005) stated that in Bangladesh SFVs were frequently victimized by the police and local government authorities. Nurdeen A.A (2014) explained that 60% of the vendors prepared their food in an unclean environment with the presence of flies and dumps all over the places. This implied that SFVs work in unclean, risky working place and also due to their informality they face eviction and removal by municipality workers from they operate. Moreover, the income that gained from the business was too much low.



Photograph 1. Unsanitary Working Condition of SFVs

Table 2. SFVs maintain records or accounts

| Description | Respondents | |
|---|-------------|------------|
| | Frequency | Percentage |
| Maintain records or accounts | | |
| Complete bookkeeping | - | - |
| Simplified legal accounts | - | - |
| Unstructured records of sales and purchases | 88 | 22.9 |
| No written records are kept | 296 | 77.1 |
| Total | 384 | 100 |

Source: Field survey, 2019

Managerial Challenges of SFVs: As it is depicted in the above table 4.2, majority of the vendors didn't record their purchases and sales and the remaining 22.9 % (88) of the respondents maintain informal records of sales and purchases. This pointed out that 77.1% of vendors don't keep record of their sales and purchases details on day to day basis and they memorize their sales and purchases in their mind. Moreover, none of the respondents keep income statement, ledger and cash flows due to lack of technical knowledge and skill. Therefore, it is difficult to calculate the profit and loss account to make adjustment in their operations. But there are various studies that vary from this study. For instance, the study conducted by Richard (2012) in Zimbabwe 55% of SFVs keep sales day books while 31% keep the purchases day books and the expenditure or expenses books. Very few business operators keep the income statements, the ledger and cash flows. Richard's finding differs from the finding of this study where the finding of the study revealed that most of the vendors didn't have purchase and expenditure day books and all the vendors did not know how to prepare income statement and ledgers apart from simple memorization of sales and purchase.

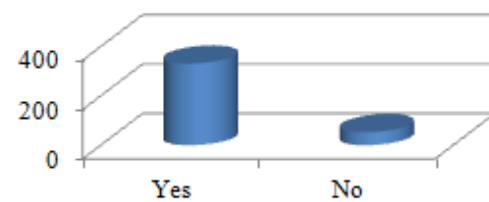
Table 3. Managerial Challenges that Food Vendors Face

| Description | Respondents | Minimum | Maximum | Mean | Std. Deviation |
|--|-------------|---------|---------|------|----------------|
| Lack of financial planning | 384 | 1 | 5 | 3.91 | .803 |
| Lack of recording | - | 4 | 5 | 4.30 | .457 |
| Inadequate management & entrepreneurship skill | - | 4 | 5 | 4.34 | .474 |
| Borrowing money without planning | - | 1 | 5 | 3.10 | 1.244 |
| Lack of financial skill | - | 4 | 5 | 4.52 | .500 |
| Lack of marketing skill | - | 4 | 5 | 4.33 | .470 |

Source: Field survey, 2019

In the table above 4.3, the vendors' main managerial challenges are depicted. They indicated their agreement on the basis of 5 scale of measurements strongly agree (5), agree (4), neutral (3), disagree (2), strongly disagree (1).Based on this, the results of the respondents on the managerial challenges and their levels of agreement are presented above. Accordingly, lack of financial skill is the main managerial challenge of SFVs with mean value of 4.52 and standard deviation of .500. The mean value indicates that most of them revealed strong agreement on challenges with low level of standard deviation. Low level of standard deviation shows that there is low desperation of each observation from the mean. Regarding to inadequate management and entrepreneurship skill is another main challenge to SFVs with the mean value of 4.34 and standard deviation of .474.The mean value indicates agreement of the vendors in management and entrepreneurship insufficiency is a constraint impeding the growth of business operators. Regarding to marketing skill as a challenge of the vendors in the business, most of the vendors agree with mean value 4.33. This confirmed SFVs agreement on the challenge that they don't have marketing proficiency and skill to run their business. The other managerial challenges of the vendors are lack of recording and financial planning with the mean value of 4.30 and 3.91 respectively. As explained earlier and using alike explanation of the mean and standard deviation, most of the vendors agreed on lack of documentation of their purchases and sells as well as planning of their finance. Furthermore, another managerial challenge that SFVs faced was borrowing money without planning (with the mean value of 3.10).The mean value indicates respondents averagely agree on borrowing money without planning as a challenge for their business but it is not vital as the above ones. Generally, almost all respondents faced managerial challenges to run the business. The research prepared by Chisoro (2015) in the Hillbrow area of Johannesburg clarifies informal traders does not have managerial skills.

Figure 1. Aggressive action



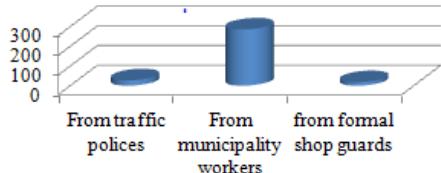
Source: Field survey, 2019

Governmental Challenges

Aggressive action due to performing food vending on the street: The above figure 4.2 explained that, the survey result point out that of total respondents 86.2% (331) of SFVs face aggressive action and 13.8% (53) of SFVs were not face aggressive action. As a result, 86.2 % of SFVs face forceful action due to performing food vending on the street. The survey result in the above figure 4.13 depicted, 74.5 % (286) of vendors face aggressive action from municipality workers, 4.7 %(18) and 7.0 %(27) of respondents face aggressive action from formal shop guards and traffic polices respectively. This indicated that due to their informality the vendors face confiscation of their product and other actions by municipality workers locally named as "munchibe".

Similarly result by Chukuezi (2010) stated that SFVs complained of harassment by government officials. Based on the interview with sub city officials there are reasons that nominate 'munchibe' to evacuate SFVs:

Figure 2. From whom face aggressive action



Source: Field survey, 2019

- Firstly, in order to implement the government measure towards informal sector was evicting them from they operate.
- Secondly, to safeguard the formal business operators and to implement the grievance provided by those formal ones about their competition in the business and
- Lastly, to minimize the coincidence in the road because most vendors operate in the street they create traffic congestion and it increases the risk of car accident.

Table 4. Governmental challenges that the food vendors face

| Description | Minimum | Maximum | Mean | Std. Deviation |
|------------------------------------|---------|---------|------|----------------|
| Lack of legal supporting framework | 4 | 5 | 4.75 | .432 |
| Lack of providing training | 4 | 5 | 4.74 | .438 |
| Absence of credit and subsidy | 4 | 5 | 4.78 | .414 |
| Lack of infrastructural facility | 4 | 5 | 4.67 | .470 |

Source: Field survey, 2019

As stated in the above table 4.4 the respondents' key challenges are presented. They denote their agreement on the basis of 5 scale of measurements strongly agree (5), agree (4), neutral (3), disagree (2), strongly disagree (1). Based on this, the governmental challenges are discussed below. From the above governmental challenges, absence of credit and subsidy was a major challenge of the vendors faced in the startup of the business with mean value of 4.74 and standard deviation of .438. The mean value indicates most of the vendors show strong agreement on the absence of credit and subsidy or being away from any financial assistance from responsible body to support their business and lack of guarantee to the default mechanism with low level of standard deviation. Succeeding the absence of credit and subsidy, absence of legal supporting framework was the second challenge that food vendors' face in the operation of the business with the mean value of 4.75 and standard deviation of .432. The mean value indicates SFVs were strongly agreed that the policies seems against the vendors or not supportive. Based on the interview with officials all the government policies were concerned about only the formal ones the current measurements towards SFVs were evicting them from they operate. This shows from the government side there is no legal supporting framework or appropriate policy for the vendors. As mentioned by Chisoro (2015) in the hilbrow area of Johannesburg 80% of interviewed informal traders agrees that there were no friendly laws to informal traders. Another study conduct by Otoo (2011) in Ghana either at the national or at local level, there is no policy framework or law specifically supporting street food

vending. Additionally, Acquah *et al.* (2007) specifies that street food vending in urban Ghana find that street food vendors are face several challenges because of inattention and not having support from government policies and frameworks. Regarding to lack of training provision from the government, most of the vendors strongly agree with the mean value of 4.74 and standard deviation of .438. The mean value shows absence of providing training for street food vendors to train how to protect their products were scarce. Concerning about lack of infrastructure from the government, it is another challenge that hampers growth of the business with the mean value of 4.67 and standard deviation .470. This indicates that there was a problem of infrastructural facility to the vendors working place like toilet and other drainage facilities. Moreover, the vendors fetch water from unknown sources in 20 Litre containers and leave their wastes in the major road. It creates unhealthy environment or working situation this exposed peoples to transmitted diseases like influenza. Similar result by Ntiforo (2000) in urban Ghana there was lack of adequate infrastructures denounced by the government e.g. supply of potable water was insufficient and unreliable waste disposal system; inconvenient and unhygienic eating places) has not been overcome yet the vendors themselves prepared to pay for infrastructural services.

Similar result by Nurdeen (2014) in Nigeria' lack of infrastructural facility or accessibility to water source around the vending sites was very poor and also the method of waste disposal by the street food vendors is deplorable. There are various studies that are conducted in various countries the result of those studies vary from this study. The study conducted by (Abdalla *et al*, 2009) in Sudan, it was reported that 64% of SFVs were trained. Danikuu *et al* (2015) in Ghana Tamale 62.7% of SFVs participates in training courses on food hygiene and safety. This shows that SFVs are not recognize by the government they are forgotten to any training and loan provision as well as various facilities for them, but they are reducing unemployment, crime, violence and providing food in low price for the urban poor. Generally, SFVs face various governmental challenges due to their informality starting from their operation and startup of the business. According to the officials there is a policy recently design for SFVs to provide credit for them but the requirement seems difficult for the vendors. First the vendors have to present witness that have it is own average monthly income up to 5000 ETB then the vendors get credit from responsible bodies. This is not possible to the vendors to easily gain this type of witness for them that's why those policies are seems inappropriate for the vendors.

CONCLUSION AND POLICY IMPLICATIONS

Pertaining to operational challenges, SFVs face working places unsanitary and hazardous, low income of the business for survival, Lack of adapted premises, financial difficulties and brutal action by municipality workers. With regard to managerial challenges, SFVs face lack of financial planning, lack of recording, don't kept written documents of their sales and purchases and also they don't have a business plan, inadequate management and entrepreneurship skill, borrowing money without planning, lack of financial skill and lack of marketing skill. With reference to governmental challenges, SFVs face Brutal action by municipality workers, lack of providing training, lack of infrastructural facilities, registration problem, aggressive action by traffic policies, lack of legal supporting framework, absence of credit and subsidy.

- Based on the result of the study and conclusions made the following recommendations and policy inferences to responsible bodies.
- The major problem that SFVs raised was lack of working premises due to this problem they face eviction and confiscation of their products by municipality workers. Therefore, the sub city administrators should provide favorable working premises for the vendors in addition to providing those places it is highly recommended that the action of municipality workers should be reduced to its minimal level.
 - Another main problem that the food vendors faced was lack of legal framework that supports SFVs. The existing policies are not in favor of them and it requires considerable amount money to be in the formally registered business. This indicates that the government is designing polices that support the registered business (Micro, Small, Medium etc) but overlooked the informal poor and destitute SFVs. Therefore, the government should design appropriate policy framework that support SFVs.
 - Lack of infrastructural facility like water supply and public toilets around the vendors working places aggravate the unsanitary practice of SFVs. Consequently, the food they sell is susceptible to contamination as a result of exogenous factors. Therefore, the government should provide adequate infrastructure for the vendors in order to reduce unsanitary provision of food to customer, and, hence, reduces unclean food borne diseases and to keep the city neat.
 - Furthermore, there is no training provided for SFVs to equip them the necessary managerial and technical skills on how to perform their business and to boost their awareness on food handling practices to improve sanitation. Therefore, government should provide training not only in knowledge creation but also in practical application in the vendors working place in order to advance their contribution to the economy at large.

REFERENCES

- Abdalla, M.A., Suliman, S.E. & Bakhet, A.O. (2009). *Food Safety Knowledge and Practices of Street Food Vendors in Atbara City (NaherElneel State Sudan)*. African Journal of Biotechnology, 8(24):6967-6971.
- Acquah and Mosimanegape, B. (2007). *Factors contributing to the Performance of Small Business Enterprises in Botswana: A Case Study of Gaborone and Environment*.
- Ayodele, A., and Panama, A. (2016). *Predictors of Consumer Patronage of Street Food Vendors in a Typical Developing Economy Context*.
- Allen, T., and Thomas, A. (2000). *Poverty and Development into the 21th century*. Oxford University Press, London.
- Artemis, P.S., & R.V, Bhat.(2000). *Street foods*. Basel: Karger Publishers.
- Bashir, M., Afzal, M., and Azeem, M. (2008). Reliability and operation research design. Pak.j.stat.oper.res. Vol. IV No. 2008 pp35-45
- Bhowmik, S. K. (2005). *Street vendors in Asia: A Review*, Economic and Political weekly, May (http://muepa.nic.in/policies/natpol.htm), March, 2009.
- Bromley, R. (2000). *Street vending and public policy: a global review*. International Journal of Sociology and Social Policy, 20(1/2), 1-28.
- Central Statistics Authority, (2014). *Urban National Informal Sector Survey, Report on Urban Informal Sector: Sample Survey*. Statistical bulletin no-282: Addis Ababa.
- Chen, M., and Skinner, C. 2014. *The urban informal economy: Enhanced knowledge appropriate policies and effective organization*. In: S. Parnell & S. Oldfield (eds.), Rutledge Handbook of Cities of the Global South, pp.219-235. New York: Routledge.
- Chukuezi, C.O. 2010. *Entrepreneurs of the Streets: Socio-Economic Features of Street Food Vending in Owerri, Nigeria*. European Journal of Social Sciences.14 (2): 183-188.
- Chukuezi, C.O. 2010. *Food Safety and Hygienic Practices of Street Food Vendors in Owerri, Nigeria*. Studies Soc. Sci. 1(1):50-57.
- Chisoro, C. 2015. *The challenges facing informal traders in the hilbrow area of Johannesburg*. Kuwait Chapter of Arabian Journal of Business and Management Review Vol. 4, No.6
- Cochran, W. G. 1963. *Sampling Techniques, 2nd Ed.*, New York: John Wiley and Sons, Inc.
- Cohen, M. et al. 2000. *Women Street Vendors: The Road to Recognition*. SEEDS, No. 20, p.4 (http://www.wiego.org/). March, 2009.
- Creswell, J. W. (2009). Quantitative methods. *Research design: Qualitative, quantitative and mixed methods approaches*, 145-171.
- Danikuu, F. M. 2015. *Faeco-oral parasitic infection in street food vendors in Tamale, Ghana*. Journal of Medical and Biomedical Sciences, 4(2), 7-13
- Dardano, C. 2003. *Caribbean regional working group on street food vendors*. Report of FAO, PAHO and BNSI.
- Ekanem, E.O. 1998. *The Street Food Trade in Africa: Safety and Socio environmental Issues*. Food Control, 9 (4):211-215.
- Desyalew, K., Paulos, Y., and Meseret, F. 2016. Women's Livelihood in the Informal Sector: Analysis of Micro Sellers or "Gullit" in Addis Ababa City, Ethiopia.
- Elias, Z., 2015. *Challenges and Prospects of Informal Sector in Alleviating Urban Poverty in Yeka Sub-City of Addis Ababa City Administration*, Ethiopia.
- Enosmaphosa, 2015. Disability and Social justice: A Case of Disabled Vendors in Urban Bulawayo.
- Ferej, Ahmed K., 1996. *The Integration of Youth into the Informal Sector: The Kenyan Experience*, Moi University, Eldoret, Kenya.
- Haleegoah, J., Essegbe, G. and Frempong, G. 2015. Street-Vended Local Food Systems Actors Perceptions on Safety in Urban Ghana: The Case of Hausa Koko, Waakye and GaKenkey.
- Hurley & Donnacadh, 1990. Income generation Schemes for the urban poor. Oxfam development guidelines.
- International Labor Organization, 1972. *Employment, incomes and equality*. Geneva.
- International Labor Organization, 2004. *Role of the Informal Sector in coping with Economic Crisis in Thailand and Zambia*. Geneva: ILO
- International Labor Organization, 2016. *World employment social outlook*. Geneva: ILO
- Joppe, M. 2000. The Research Process.
- Ntiforo, A. 2000. *Improvements to street food vending in Ghana*.A Historical perspective. In Report on workshop

- for stakeholders, policy makers and regulators on street food vending in Accra, 25 - 26 September 2000, Food Research Institute, Accra, Ghana.pp 28 - 32. 2000.
- Nurdeen, A.A. 2014. *A survey of hygiene and sanitary practices of street food vendors in the Central State of Northern Nigeria*. Department of Mathematics, Statistics and Computer Science, Kaduna Polytechnic, Kaduna State, Nigeria.
- Otoo, M. 2011. *Women entrepreneurship in West Africa: the street food sector in Niger and Ghana*. Journal of Developmental Entrepreneurship, 16(01), 37-63.
- Reddy, M., Vijay, N., and Manoranjan M. 2002. The urban informal sector in Fiji: Result from a survey. Fujian Studies, 1(1), pp. 127-154.
- Reddy Mahindra, Vijay Naidu and Manoranjan Mohant 2005. *The Urban Informal Sector in Fiji: Results from a Survey*.
- Richard, B. 2012. *Challenges affecting informal business funding in Zimbabwe: implications for the Zimbabwe open university*. Faculty of Commerce and Law Zimbabwe Open University.
- Tambunan 2009. *Women Entrepreneurship in Asian Developing Countries: Their Development and Main Constraints*.
- Tavonga, N. 2014. *Operations of street food vendors and their impact on sustainable urban life in high density suburbs of Harare, in Zimbabwe*. Faculty of Commerce and Law Zimbabwe Open University.
- UNCHS, 2006. *Supporting the Informal sector in low-income settlements*. United Nations Center for Human Settlement, UN-HABITAT, Nairobi, Kenya.
- World Health Organization, (2006). *Street food vending in the region*. Food Safety Challenges.
- WIEGO, 2002. *Women in Informal Employment, Globalization and Organization*.
