Women’s Livelihood in the Informal Sector: Analysis of Micro Sellers or “Gullit” in Addis Ababa City, Ethiopia

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Abstract
The primary purpose of this paper was to assess the livelihood situation of women who are engaged in the informal sector in Addis Ababa city, Ethiopia. Specifically, the paper examined women who are making a living out of micro selling or ‘Gullit’ activities. In this paper three of the important capitals: human capital, social capital and financial capital are examined due to the fact that these three capital/assets are found to be specifically vital for women who are engaged in the informal sector of the capital city. On top of this, shocks are also assessed. Qualitative research approach was applied to collect and analyze data from primary sources. The findings of the study revealed that women engaged in this particular livelihood activity have very poor human and financial capital. However their social capital is so recommendable that most receive different support as a result of their social ties. Involving their children in different income generating activities is among the livelihood strategies widely pursued by women in the study area. Poor health, lack of formal education and financial capital are among the challenges that prevent the women from engaging in a better economic activity and force them to stick to this livelihood. Livelihood insecurity is the defining feature of the livelihood and shocks are also prevalent in this livelihood activity.

Keywords: livelihood, Gullit, capital, shocks, Addis Ababa, Ethiopia

1. Introduction
The growing level of unemployment and the failure of the economy to absorb the existing labor force by creating sufficient job opportunities lead many people to turn in to the informal sector to make a living. Despite there is no comparable data to come by, there is enough reason to believe that the informal sector is growing steadily as a source of urban livelihood. According to Asmamaw (Nd), the informal sector as a source of livelihood was first recognized by ILO in 1972 as a separate socioeconomic component. The definition of informal sector given by the ILO is still among the widely accepted ones which represent the conceptual basis of informal sector activities and is presented below:

“...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...”

As clearly stated in Salah (1985), Beall and Kanji (1999) and Hossain (2005), the urban poor, more often than not, are engaged in self managed low paid jobs of the urban informal sector to deal with the complex urban life. These self-created jobs that are termed as informal activities are among the ways out whenever there are very limited chances of making a living out of formal employment jobs. The very reason why such activities are called informal, among the other things, includes legality (no registration, no official tax pay, etc), standards of product, and places of undertaking (can be at home, along street, at the sites of the religious institutions, etc). Despite all these, empirical evidences confirmed that informal sector supports a substantial population of urban residents of many developing countries (Degefa, 2008). For instance the sector absorbs 75% of jobs in South Asia (Tipple, 2005), 85% of newly created jobs in the urban centers of Latin America (Brown and Lloyd-Jones, 2002), around 60% of urban labor force in Africa and 90% of all newly created urban jobs in Africa in 2000 (ESCAP 2001 cited in Tipple, 2005).

The livelihoods of poor people are dominantly determined by contextual factors which may contain both opportunities and constraints depending on where this particular livelihood is situated (Meikle, 2002; Scoones, 1998; Farrington et al., 1999 & De Satgé, 2002). Contextual factors (contexts) include environmental, socioeconomic and political milieus which can affect access and utilization of assets and services whereby the livelihood activities of the household are undertaken. Hence, any sudden change in the elements of one of the contexts will make the household vulnerable to shocks and stresses (Degefa, 2008). On top of this, the problem is further aggravated by the widespread lack of employment opportunities and physical illness which are common features
of the urban poor (Salah, 1985 & Katapa, 1993).

The urban poor use different mechanisms to diversify their income sources so as to cope up with urban life. The mechanisms include putting more family members into the workforce by increasing their family size, residing in low cost dwellings, depending on utility services from informal sources and using kinship networks as a social capital in order to sustain with the limited income of the informal activities. Moreover, those who migrate from rural areas prefer to keep their rural ties to receive some sort of support from their relatives and friends in times of need. Mutual supports through involving in voluntary associations are also vital for the urban poor to get relief at the time of crisis (Beall and Kanji, 1999; Khan 2003 and Hossain 2005). Hence, for the urban poor, specifically for the disadvantaged groups such as women and children, the informal sector is particularly an important source of employment and income (Asmamaw, Nd). Most people who engaged in the informal sector are well aware of the high risks associated to the sector, but they continue to engage in it for lack of better opportunities. Of course entry into the sector is not hard, and that is the major attraction of the informal entrepreneurs, although they are highly vulnerable for a variety of reasons (Dessalegn, 2002).

The common form of informal activities of Addis Ababa city include petty trading, vending food and drink related stuffs, selling crafts of various types, collecting and bartering of second-hand items, etc (Degefa, 2008). This paper is ultimately meant to focus on women who are engaged in the informal sector and make a living out of micro selling or "gullit" (mini-market on the street, where different vegetables such as Onion, Tomato, Potato, Cabbage, etc are sold) around Bella area.

2. Methods and materials

Study area
The study was conducted in the capital of Ethiopia, Addis Ababa. The city consists of about 2.7 million population (CSA, 2007). The total area of the city is about 527 km². Addis Ababa city serves as social, economic and political centre for the country. Besides, the city is a seat for different international organizations such as African Union, and United Nations Economic Commission for Africa.

Study design and sampling technique
A cross-sectional qualitative design was used in this study. The reason behind selecting this design is that examining the livelihood situation of women who engaged in the informal sector of the city of Addis Ababa can be adequately addressed by collecting data at one particular point in time. In an effort made to gather the essential data, the researchers used both primary and secondary sources of data on the basis of its significance for the objectives of the study. Participants were selected by using purposive sampling method. The study used qualitative research approach and primary data were collected by employing in-depth interview, observation and case study.

In-depth interviews
A total of fourteen women participated in the in-depth interviews. The interviews were held to examine the different human, financial and social capitals that women in this particular livelihood have. All of the participants were selected on the basis of their relevance to address the objectives of the study. Interviews were conducted in the working environment. Appropriate care was taken to create a relaxed atmosphere for the interviewees, so that they may feel comfortable whenever talking about themselves. Interviewing in the work environment also helped the researchers to observe the participants while they went about their daily routine.

Observation
Systematic observation was carried out by walking around and informally talking with people in different contexts. This made it possible to gain information regarding the working environment, relationships among themselves, and marketing situation. Repeated observation days of fieldwork enabled validation of the data, and considerably helped to avoid unnecessary speculations and generalizations. In the processes of undertaking the fieldwork, researchers have tried to take different pictures that could better reveal the actual situations of the general working environments on which people practice their livelihood activities.

Case study
Case study as one method of data collection was employed specifically to uncover the women’s livelihood and its connection with their previous life events. Hence detail of the life of few women who engaged in this livelihood strategy was depicted in case studies.

Data analysis
The qualitative data collected through the above methods were analyzed qualitatively. The data were recorded through field notes and audio recordings during in-depth interviews, which were conducted in Amharic language (local language). The recorded files, then, were carefully transcribed. The transcription involved checking for accuracy through replay of audio recordings and revision of field notes. Codes and demographic variables given to each informant during data collection process were directly connected to the data during transcription. The transcription and interpretation of the meanings of the collected information was performed with a great care in order to ensure originality and clarity. All the data typed into the word file were organized using manual coding techniques and categorized based on similar ideas. Data organization process based on themes of interview guides.
3.

3.2 Human capital

Under this sub-section, human capital of the study participants is discussed. IRP and UNDR-india (2005) defined human capital as follows:

"...Human capitals include the skills, knowledge, and ability to labor and good health important to the ability to pursue different livelihood strategies..."

As long as we understand human capital in terms of the labor available to the household and other qualities embedded in it, i.e. education, skills and health, it is pretty important to highlight the labor, education and health aspect of participants separately. Regarding family labor available in the household, some participants reported that having children is important for them just to split responsibility in response to household livelihood options. With regard to this, most of the women said that they have 2-5 children and their children helped them in looking after the gullit for some time and in buying vegetables from market. In addition to this, as the respondents highlighted, children are also important for supporting the family by engaging in income generating activities. For example, seven women explained that their daughters earn monthly income of 300-350 birr for the family by working some domestic activities like cooking and washing clothes. Similarly, a woman’s son works on taxi and supports the family financially. For those widowed women the only available labor for the family is the woman working some domestic activities like cooking and washing clothes. Similarly, a woman, who has a husband and a child said that her husband sometimes engages in daily labor but spends most of his time by simply sitting because of absence of work and having health problem. Although she only has one child, she considers having him as a burden. She says that having the child impeded her from freely doing her business. At the time of data collection she was carrying the child. She also carries him while working.

Case one

I am 32 years old. I was born in Sebat Bet Gurage Area, southern Ethiopia. I came to Addis Ababa some two years ago with my husband to do some job and change my life. I have one child. He is only 11 months old. Although it is good to have a child, at this stage he is a burden for me. He couldn’t do anything by himself let
alone to help me. As you can see I always come to work carrying my child. As I told you my husband works only occasionally as a daily laborer and since I am the only regular bread winner for the family. ‘Guroroachinin lemezatl enkuan techegerialehu’ (It is difficult for me even to maintain from hand to mouth). Leave alone other costs, we pay 400 birr for house rent per month for a room which is too narrow and uncomfortable to live in. My daily income fluctuates everyday and sometimes I earn only less than 10 birr in a day. In addition to all this, there is also the danger of loss when vegetables perish due to long time exposure to sun and moisture on the street. Despite all this, I always thank my God for everything.

One informant aged 42 has explained her health situation as follows:

“...In addition to the regular simple diseases, I have a serious kidney problem and the physicians advised me just to reduce work load and get sufficient rest lest the problem will get complicated and may have fatal consequences. But still I don’t think I am doing so. This is because of the absence of any other option to replace the current activity. On top of this, the Gullit area is so dirty and full of solid wastes around it and the ditch also creates a bad smell. Common cold, as a result, is our usual disease...”

Regarding the educational status of the participants, only a 22 years old single woman reached grade 8, while the rest have not attended any formal education. This shows that education as an important source to have a skilled labor to peruse alternative livelihood strategies is hardly found among the Gullit women. This is one of the reasons mentioned by most women as an important factor that make them stick to this particular livelihood strategy, which not only is unable to make a difference in their life, but also to secure about daily hand to mouth.

A widowed woman aged 43 said that she had three children - two boys and a daughter - and that only the daughter is currently attending school. The elder boy dropped out of school and works on taxi to support the family while the little boy is only five. The reason for dropping out of school is obvious, that she and her boy are busy on daily routines to make a living. Yet, it seems that the women are well aware of benefits of sending children to schools, had things been easy and smoother. She further puts her situation as follows:

“...I don’t have any formal educational experience in my life because I didn’t get the chance of getting to school. I perform my everyday activities in relation to finance through experience. My daughter also helps me after she returns from school. This livelihood activity is the only option that resulted from my illiteracy. I wish all my children attend school and get some regular job for salary. ... I will send my little boy to school when he is of age.”

3.2.2 Social capital

In this paper, social capital is examined by looking the overall picture of how strong ties and bonds women have within the community and also the feeling of closeness and togetherness that exists within neighborhoods. The existence of mutual help and solidarity with members of the community in general and with their fellows and relatives in particular is part of their social capital in this regard. Involvement in community development projects/associations is also used as a measure of how well individuals interact in a community to create a common good that can benefit its members. Social capital can generally be defined in as follows:
“…Social capitals are the social resources (networks, membership of groups, relationships of trust, access to wider institutions of society) upon which people draw in pursuit of livelihoods…” (IRP & UNDR-india, 2005).

Networks of interaction such as personal relationships in families, workplaces, neighborhoods, local associations, and a range of informal and formal meeting places are part of social capital. These networks are community-based infrastructures or institutions that facilitate social interaction and enable collective action i.e. local people coming together in an effort to improve their own standard of living, and as a net result, benefit the wider community (UN Habitat, Nd). On the basis of the above understanding of social capital, researchers tried to assess the different social capitals that women have in terms of the quality of social networks they have and their involvement in various local organizations and institutions such as Idir and Ekub. Idir and Ekub are among the well known indigenous voluntary associations in Ethiopia. Idir is primarily a burial association which is established based on the mutual agreement of members of the community to collaborate during crisis. Members get financial, material, labor and emotional support at the time of mourning. Ekub, on the other hand, is a rotating credit association which is important to promote saving habit of and provide credit service to members. It is specifically vital for people who are found in the lower socio economic class (Alema, 2008; cited in Kasahun & Mulugeta, 2015).

Most informants of this study explained that they have very good and strong relationship with other community members and even with women who are engaged in the same livelihood activity. They put that they trust each other and sometimes when they want to go home or somewhere else for some reason, the others look after their ‘Gullit’. This is due to the very nature of the livelihood activity whereby a group of women are arranged in row on the street so that one can easily look the other’s belongings if she is not there for a while. The following figure demonstrates the situation by portraying their working environment.

![Image of working situation on the street](image-url)

The informants further explained that they have a good relationship with their neighbors, which is manifested by attending coffee ceremonies in each others houses, visiting each other during sickness and collectively celebrating different occasions and festivals.

Social networks outside the neighborhood seem to be on the basis of ethnicity and this is asserted by one informant as follows:

"...There are people, who live in Merkato area that I frequently visit. Even though their home is a little far from mine, I go to their work place at least once in a week and have a word about some issues. Our relationship is the result of sharing similar ethnic origin. We are from ‘gurage’ area. Unlike me they are rich merchants and sometimes they provide me with financial support in the form of credit. For example, recently, about two weeks ago, I received 100 birr and bought potato from ‘Atkilit Tera’ (market place) for retail. But it incurred me loss because it stayed for more than a week here, exposed to sun and rain, and has perished…”

From the above direct words of an informant, it can be said that social network based on ethnicity is one source of getting informal financial credit for women of this particular livelihood strategy. This is also confirmed by the other women who have a similar ethnic origin with the above quoted informant. As it has already been mentioned above, women’s involvement in indigenous voluntary associations are among their social capitals. Although there may be some other local and informal institutions in the society, two of the most known and important indigenous associations in Ethiopia are assessed in this study. These are Idir and Ekub. Regarding membership to Idir almost
all of the informants are member of a particular *Idir* in their neighborhood. Only one of the interviewees, aged 22, has no membership to *Idir*. This is because of the fact that she came to this particular livelihood strategy only recently, not more that 6 months back, but she has an interest to be a member.

She put it in this way:

"...I am from Gurrage area. I joined this work because of shortage of capital to begin a better business. Since I reached grade 8, I always think I can do a better business than this. Because of this, I usually think of changing my current living situation rather than becoming member of *Idir* here. Above all, I am still a single woman. So, I am not in hurry to think this seriously but in the future I think will become member...."

The role of *Idir* is usually activated only upon the death of a member or their relatives. *Idir* has reserve money and other materials such as tents, and utensils for cooking, drinking and eating, which are essential during mourning. Monetary payment is made for the grieving families from the reserve money, which is collected through regular contribution of members. In addition to monetary support, members provide labor support.

What is also significant in the community is *Ekub*. It refers to the semi-formal social institution for community members in order to get help and support. The function of *Ekub* and *Idir* is relatively different in the community. *Ekub* requires its members to collect a certain amount of money in a weekly or a monthly basis, so that the payment goes to each member by lottery method. If one of the members is in an adverse circumstance, he will be served on the good fortune of other members, of course on voluntarily. Eight of the interviewees are member of *Ekub*.

**Case two**

I am 43. I am from Gurrage zone. It was some eight years ago that I came to Addis Ababa after my husband passed away due to serious illness. I have three children, one daughter and two boys. Two of my children are from my dead husband but the little boy was born here from the other one who is now living at Shakiso. The elder boy works on taxi and the daughter is student and works some domestic activities after school. I have one *Ekub*, for which I contribute 30 birr per week. The *Ekub* has 18 members. I contribute for *Ekub* because of the financial help I get from my children, the boy who works on taxi and the daughter who works in different domestic activities such as cooking and washing clothes. If I have no assistance from my children, I wouldn’t be able to be part of *Ekub* membership, like other Gullit women. We are happy because we don’t worry for what we eat, what we wear and to pay for the house rent. If God gives me and my children good health, I will never feel bad in my life as there are many who live worse life than mine. I always thank God...

The women who are not member of *Ekub* highlighted that, as a result of greater livelihood insecurity, they don’t have greater opportunities to become involved in social networks or organizations such as *Ekub*. Lack of participation in *Idir* and *Ekub* by itself has a potential challenge on the women’s livelihood options and choices. Had they been participated in *Ekub*, they could have diversified their livelihood options according to the informants.

### 3.2.3 Financial capital

Informal entrepreneurs do not have access to any kind of credit, except informal credit which often tends to be small and inadequate for investment purposes. Hence, the informal sector provides limited opportunities for growth (Dessalegn and Aklilu, 2002). Financial capital can be defined as follows:

"... the financial resources which are available to people (whether savings, supplies of credit or regular remittances or pensions) and which provide them with different livelihood options." (IRP & UNDR-india, 2005).

Regarding accesses to the credit services, none of the women participated in this study were beneficiaries due to some reasons. The informants have mentioned the risk and lack of entrepreneur skill to look for other business option using the money they get from the credit service as one main reason.

One of the interviewees explained it as follows:

"...I don’t want to involve in any informal credit system because it is difficult to return the money back by engaging in this work... I don’t have any idea to begin another better business activity. ‘Silezih tata wast megbat alfeligim’ (So, I don’t want to get into trouble any more). I always thank God for what I have now. He knows as there are many who live worse life than mine. I always thank God..."

From all this, it is easy for one to be sure on the financial insecurity of women, whose livelihood strategy is basically dependent on *Gullit* activities only; and at the same time, they are not in a position for looking to change their livelihood system, or at least supplement it. Therefore, it will be good and important if the gullit women get access to Addis Ababa saving and Credit Institution (AASCI), under its branch office in the *kifle-ketema* (sub-city). Despite better accessibility to some, *Gullit* women who participated in this study have not taken advantage of obtaining credit from the AASCI.

There are also some informants, who have agricultural land in the countryside that supplements their income. One of the informants, who gets a portion of the product from the land she rented out for the local farmers, explained the situation as follows:

"...In the countryside I have a piece of land that I shared with my sisters and brothers for a long time since our parents had passed away. This is an important source of income for my livelihood to support
my family since I have started living in Addis Ababa. ‘Ye gullit serawama ke’ej wede af nech eko’ (Gullit is all about hand to mouth and it doesn’t make any difference in life. She explained the work in feminine gender in the local language). Leave alone supporting four children, I can’t even afford my personal expenses with only Gullit work as I am sick, old and getting weak. So the land is helping me a lot...”

Have other women had this similar natural asset, they would be able to support their livelihood rather than insisting only on Gullit work, which exposes them to high level of livelihood insecurity.

3.3 Shocks

The strength of a given livelihood is not only measured by its productive outcomes, but equally by its resilience to shocks, seasonal changes and trends. Shocks are particular challenges to livelihood sustainability and it can be individual as well as social in scope. Shocks might include natural disasters, wars, economic downturns, loss of rights to land, accident, sudden illness, death, and abandonment with immediate effects on the livelihood viability of the individual and households to whom they occur (IRP and UNDR-india, 2005). What was explained as shocks by interviewees are rather different stories, such as spoilage of some vegetable items like tomato and onions, instability of the daily income to cover their everyday living expenditure are just to mention few. These changes impact the availability of assets and the opportunities to transform those assets into a “living”. Under such conditions, people must adapt existing strategies or develop new strategies in order to survive or diversify their activities.

One of the informants explained her shocks and stresses in such a way:

“My daily income is not constant, rather it fluctuates highly... For example, now it is around 1:30 pm, but sell is only 8 birr. In addition to this, sometimes vegetables such as onions, tomato and potato perish because of staying for long time until sold on sun and rain. As you can see, this onion and ‘ye koba kitel’ are already out of use and nobody will buy them. It is already lost and I will throw it away.”

The picture below shows a perished onion and ‘ye koba kitel’ that the informant quoted above explained.

Figure 3: perished onion and ‘ye koba kitel’ (picture taken during data collection)

What constitutes basic security depends on the standard of living, policies and institutions in each country, and the values and expectations of the population concerned. In poor societies, basic security is taken to mean that each family is able to ensure its subsistence requirements with reasonable effort, and in conditions that do not violate the dignity and endanger the well being of its members. While income is an important factor in basic security, it is not sufficient by itself to guarantee that objective (Dessalegn and Aklilu 2002). All of the Interviewees expressed their livelihood system that it is found in a condition of insecurity and that it cannot cover their daily hand to mouth properly, leave alone maintaining appropriate care for their children. They also argued that it is difficult to survive or recover if some shock or disastrous situations occur on them whether it is simple or complicated. A woman described her situation as follows:

“...Sometimes I do not get more than 10 birr per day and I skip lunch or dinner accordingly. There are days when we eat a single onion and two potatoes with one ‘enjera’ for a meal. If I fall in bed due to sickness, everything will stop because I don’t have the financial ability to take a medical treatment. I always pray God not to bring this kind of mess on me, otherwise I don’t feel bad and curse my life whatever happens. This is the only option to make a living....”

As it is discussed above, although the composition of the women is diverse: elderly, in twenties, adults and illiterate, with children or have children they all share one thing in common - poverty. Selling Gullit has not changed their
life; the level of their daily income is almost insignificant and inconsistent across different days. Their daily income is extremely low by any living standard and their working environment is not safe. For all, life is just a struggle to cover the cost of preparing a simple food. They told the uncertain nature of life they live. Coping strategies and options for responses were reduced number of daily meals, reduced quantity of food per meal, withdrawal of children from school, poor health and living in deteriorated house. These actions clearly show that the livelihood option and responses have serious social and economic repercussions for households relying on Gullit. Informants in all the age groups have told that reduced number of daily meals and reduced quantity of food per day were the major consequences of reduced livelihood options. Generally, one can say that the livelihood of women in this study is not a sustainable livelihood and not worth more than hand to mouth. It is not relevant in protecting and recovering the household from any kind of stress and shocks. Overall, these women have no diversified livelihood system that can help the household to reduce its vulnerability by having more than one livelihood activity; as a result, they are exposed to stresses and shocks. In a diversified household, if one productive activity does not provide enough, or fails completely, there are other sources of livelihood that the household can fall back on.

4. Conclusion

Women who rely on Gullit activity of selling different vegetables for a living are viewed within the sustainable livelihood framework and as stipulated in the components of the framework. The women in this case have had some necessary assets in terms of availability, although their accesses to the vital assets are highly limited. The Women engaged in this particular activity not by choice, rather out of necessity and it is an option less livelihood strategy. Although the application of the livelihood framework for individual cases in urban situation is a bit complicated and challenging, it could still serve as an entry point to livelihood analysis without reducing the reality on the ground. The women in this study are far from diversifying their income sources; which could possibly result in unsecured and vulnerable livelihood strategy. The households are vulnerable in different ways. They operate under several contexts that could possibly result in the collapse of their income. Their livelihood is all about hand to mouth, which is accompanied by high degree of shocks and stresses.

Competing interests

The authors declare that they have no competing interests.

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