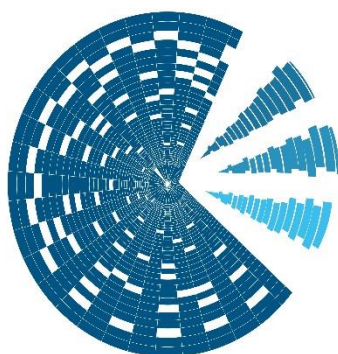


THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA  
ETHIOPIA STATISTICS SERVICES



**ETHIOPIAN  
STATISTICS  
SERVICE**

REPORT ON  
URBAN INFORMAL SECTOR  
SAMPLE SURVEY

ADDIS ABABA  
SEPTEMBER 2021

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STATISTICAL BULLETIN

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# CHAPTER I INTRODUCTION AND OBJECTIVES OF THE SURVEY

## 1.1 INTRODUCTION

The Ethiopia Statistics Services (ESS) has conducted a nationwide urban informal sector survey in January 2003, to provide as part of its statistical programme, comprehensive data on the size and characteristics of the informal sector and its contribution to the national economy. As a concept the ***Informal Sector*** refers to home based or individual establishment /activity operated by the owner with few or no employees. They are for the most part unregistered and operating on a very small scale and with a low level of organization. Most of them have very low level of productivity and income. They tend to have little or no access to organized markets, to credit institutions, to modern technology, to formal training and to many public services and amenities. A large number of them are carried out without fixed location or in places such as small shops, outlets or home-based activities. They are not recognized, supported or regulated by the government. They are beyond social protection, labour legislation and protective measures at the workplace. These activities comprise what has now come to be called the 'Informal Sector'. In the past the informal sector was largely ignored by official statistics. Little need was felt to collect data on its activities because development strategies were oriented towards modern medium and large-scale enterprises. The informal sector was considered a transient phenomenon that would dwindle away in the near future as more jobs were created during development.

Economic recession, adjustment policies and continued high rates of urbanization and population growth have led to an unexpected and unprecedented expansion of the informal sector in many developing countries, as modern sector enterprises, and especially the public sector, have been obliged to dismiss workers or reduce wages drastically. In some countries it is in fact only the informal sector, which absorbs the labour force and keeps the economy going, while large modern enterprises downsize. This is evidenced by the facts that in Ethiopia 16.1 percent of urban employed are in

the informal sector<sup>1</sup>. Consequently, in recognition of the importance of the sector to the national economy and to bridge the data gap on this sector a nationwide survey was conducted for the second time in this country. Hence the survey results could serve as an information base for macroeconomic analysis, planning, policy formulation, research, monitoring and evaluation. The data can also be used for the design, monitoring and evaluation of support policies and assistance programmes for the informal sector with a view to increasing its productive potential (and, hence, its employment- and income-generating capacity), in improving the working conditions and social and legal protection of informal sector workers. Moreover, the survey result could be useful in developing an appropriate regulatory framework and promoting the organization of informal sector producers and workers, and for analysis of the situation of particular groups of informal sector workers such as women, children, rural-urban migrants.

## **1.2. SURVEY OBJECTIVES**

The objectives of the Urban Informal Sector Survey are to provide data on:

- The number of informal sector establishments, classified by various characteristics (e.g. kind of activity, type of workplace) to provide information on the size and composition of the informal sector;
- Employment in such establishments, including information on the number of persons engaged in the informal sector by socio-demographic and other characteristics (e.g. status in employment), their conditions of employment and work including earnings, hours of work, and their social protection status and needs;
- Output, value added, operating surplus and capital equipment of the informal sector enterprises;
- Other characteristics pertaining to the conditions and constraints under which informal sector businesses operate, including their linkages with the formal sector, mobilization of financial resources, position with regard to the existing framework of regulations, needs for assistance, etc.;

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<sup>1</sup> Statistical Report on the 2021 National Labour Force Survey, March 2021

- Characteristics of the households and household members of informal sector operators.

This report consists of four Chapters where CHAPTER I, presents an introduction and objectives of the survey, CHAPTER II deals with the survey methodology, data collection and data processing. CHAPTER III discusses the summary of the survey results while CHAPTER IV presents the detailed statistical tables on the survey findings at national level.

Finally, under Annexes 1, 2 and 3, Estimation Procedure, Sampling Errors for selected Variables and Survey Questionnaires are attached for interested users.

**CHAPTER II**  
**SURVEY METHODOLOGY, DATA COLLECTION**  
**AND DATA PROCESSING**

**2.1 SCOPE, COVERAGE, AND CONTENT OF THE SURVEY**

In order to establish a clear and practical definition of the Informal Sector that is suitable to the Ethiopian condition the Central Statistical Authority has carried out the following activities That is:

- a) study the resolution of the Fifteenth International Conference of Labor Statistics, (1993), and other material on the subject including the 'Delhi Group' recommendations;
- b) study and identify the data users' demand. Well over forty institutions were invited to brainstorm on the previous questionnaire and to identify user needs.
- c) Consider the real situation existing in the country.

Based on the conduct of these activities an Informal Sector Establishment /Activity is defined as given in the concepts and definitions of this report. And those establishments/activities that fulfill the criteria given by section on the definition were covered by the survey.

With respect to geographic area, the survey is limited only to urban centers. Hence, all the Ten Regional State Capitals, Addis Ababa Administration, Dire Dawa Administrative Council, 8 big towns with a population of 100,000 and above and 250 other urban centers were selected and included. From these urban centers a total of 1270 enumeration areas were covered. In these enumeration areas 26,840 households with Informal Sector operators were sampled to be covered, however, for various reasons a total of 25,400 (94.8 percent) households with Informal Sector operators were covered in the survey (See the details in Table 1 below).

Distribution of sample units by domain (reporting levels) and category is given in Table

A.

**COVERAGE AND RESPONSE RATES**

Category	Domain (Reporting Level)	EAs		Households	
		Sample d	Covered d	Sample d	Covered d
I	Semera logiya	5	5	100	100
	Bahir Dar	41	41	820	820
	Gondar	30	30	600	600
	Dessie	20	20	400	400
	Jimma	24	24	480	480
	Bishoftu	23	23	460	460
	Adama	49	49	980	980
	Nekmete	17	17	340	340
	Jigjiga	21	21	420	420
	Asosa	8	8	160	160
	Arbaminch	13	13	260	260
	Sodo	17	17	340	340
	Hawassa	42	42	840	840
	Gambela	7	7	140	140
	Harari	13	13	260	260
	Addis Ababa	393	393	7860	7860
	Dire Dawa	26	26	520	520
II	Other Urban Afar	10	10	200	200
	Other Urban Amhara	140	140	2800	2800
	Other Urban Oromiya	264	264	5280	5280
	Other Urban Somali	34	34	680	680

Category	Domain (Reporting Level)	EAs		Households	
		Sample d	Covered	Sample d	Covered
	Other Urban Benhangul_Gumuz	17	17	340	340
	Other Urban SNNP	101	34	2020	680
	Other Urban Sidama	17	17	340	340
	Other Gambela	7	5	140	100
	<b>Total</b>	<b>1339</b>	<b>1270</b>	<b>26780</b>	<b>25400</b>

Remark: The overall reduction in the effective sample size is only 2.6 percent. As a result, no serious loss of precision in major survey results is anticipated.

From these Informal Sector operators' information on:

- demographic characteristics of Informal Sector operators,
- Informal Sector establishments/activities,
- capital,
- production and sales,
- expenditures
- employment
- problems and future plans and
- income/debt were collected.

## 2.2 PILOT SURVEY

A Pilot survey was conducted on purposively selected three urban centers. These urban centers were: Addis Ababa (in each subcity), Hawassa, Bahirdar, Gondar, Dessie, Adama, Jimma, Sodo, Harer, jijiga, chiro and Diredawa and Walkitie.

Fourty one kebeles/ Enumeration Areas were covered in the pilot survey. The main purposes of the pilot survey were:

- \* to test the field procedures,
- \* to test the survey documents,
- \* to test the survey sample design and
- \* to test the data processing aspect of the questionnaires

## 2.3 CONCEPTS AND DEFINITIONS

**Household**- A household denotes a group of persons who often live in the same housing unit or in connected premises and have common arrangements for cooking and eating their food. A household could consist of a single person, but usually, it consists of a husband, his wife, their children, relatives, etc.

**Household member**: - A person is considered a household member if he/she has lived continuously for a minimum of six months with the household. However, an individual who has come with an intention to live with the household permanently is considered a household member even if he/she has lived for less than six months with the household. Household members who are living elsewhere for less than six months are also considered as members of the household in question.

**Enumeration Area (EA)** An enumeration area is a unit of land delineated for the purpose of enumerating housing units and population without omission and duplication. For the purpose of the 1994 Population and Housing Census, an EA in rural areas usually consists of 150 - 200 households, and on the other hand an EA in urban centers constitutes 150 - 200 housing units. During the census/survey an EA is usually assigned to an enumerator.

**Informal Sector**: For this survey Informal Sector is defined as household type establishments/activities: -

- i. which are mainly engaged in marketed production and
- ii. which are not registered companies or cooperatives and
- iii. which have no full written book of accounts and



- iv. which have less than 10 persons engaged in the activity and
- v. which has no license.

Therefore, for this survey an establishment/activity is considered informal if it meets the aforementioned six criteria.

A large number of economic activities are carried out by large numbers of people in the economy which generally go unrecorded in the official accounts. They are for the most part unregistered and operating on a very small scale and with a low level of organization. Most of them have very low level of productivity and income. They tend to have little or no access to organized markets, to credit institutions, to modern technology, to formal training and to many public services and amenities. A large number of them are carried out without fixed location or in places such as small shops, outlets or home-based activities. They are not recognized, supported or regulated by the government. They are beyond social protection, labour legislation and protective measures at the workplace.

These activities comprise what has now come to be called the 'Informal Sector'. A large portion of the population is engaged in this sector due to:

- ease of entry,
- family ownership of enterprise,
- labour intensive method of production,
- small scale operation etc.

**Operator:** - An individual who owns and/or runs an Informal Sector establishment/activity.

**Productive activity** This is an act of selling (or making available to the market) the output of an activity (the whole or in part) in kind or cash. This could be working in public or privately owned enterprise on salary/wage basis.

### **Employment status**

**Self-employed worker.** - This an individual who works in his own enterprise without hiring anyone. But in this survey, those who use family labour without payment are included here.

**Employer:** - A person who hires at least one employee for his/her (income generating) enterprise. Anyone who uses hired labour for his/her enterprise and takes part in the productive activity is also included here in this survey.

**Employee.** An employee is any worker hired by someone on contract, permanent or temporary basis. The payment could be in cash or kind on weekly, bimonthly or monthly basis.

**Unpaid family worker:** - A member of a household who is working for the establishment/activities of the household without payment.

**Apprentice:** - include production, administrative and service workers who are working to gain experience with or without payment.

**Number Employed:** - includes all persons on the payroll whether seasonal or temporary workers. In this survey number of seasonal and temporary workers has been adjusted to give equivalent of full-time workers.

**Other Workers:** - Any worker who is not included in the aforementioned categories i.e., those working in charity organizations, public enterprises: religious organization ...etc. without payment or apprentices.

**Wages and Salaries:** - includes all payments in cash or in kind made to employees during the reference year in connection with work done for the establishments/activities.

**Revenue from Sales:** - represents the total sales value of all products and by-products during the reference year valued at market price.

**Gross Value of Income:** - includes the sales value of all products and services, rent of machinery and equipment, the net change between the beginning and end of the reference period in the value of finished goods and the value of work in-progress and other income.

**Intermediate Costs:** - include the cost of raw materials/merchandise, cost of energy and other costs consumed/sold.

**Value Added (in the National Account Concept, at Market Price):**- is defined as the difference between the gross value of income and total intermediate costs.

**Operating Surplus:** - is defined here as the difference between value added in the national account concept at market price and total wages and salaries and employee benefits.

**Fixed Assets:** - are those with a productive life of one year or more which are intended for the use of the Informal Sector establishment/activity.

**Partnership.** - An enterprise with legal status run by more than one person. The responsibility /liability is equal for all the partners irrespective of their share.

**Share company.** An enterprise with legal status and has five or more members. A share could be transferred from one person to another.

**Private Limited Company (P.L.C).** An enterprise with legal status formed by at least 2 and not more than 50 individuals. In order to transfer the share a 3/4 consensus (approval) of the members is needed.

**Persons engaged:** - These are persons taking part in the activity of the establishment/activity with or without payment. They could be family members, and apprentices. This category includes permanent, contract and temporary workers but excludes the operators.

**Cooperative:** - An enterprise owned by a group of persons who take full part in the activity of the enterprise by coordinating their knowledge and assets.

**Book of accounts:** - A ledger which contains details of financial activities of the enterprise, including the balance sheet. It is usually opened and closed at beginning and ending of the budget year of the enterprise.

**Minor Repair:** - A kind of repair made to maintain the existing condition of fixed assets.

**Work permit (License):** - A legal document (Certificate) issued by a government office (Internal Revenue Authority, Ministry of Trade and Industry, Municipality etc.) as a permission to operate a certain type of enterprise/ activity.

**Permanent Employee:** - A person engaged in the activity of the enterprise and hired on salary basis for unlimited period of time.

**Contract Worker:** - A person engaged in the activity of the enterprise hired on written agreement for a limited period of time. However, his tenure could be extended or terminated depending on the agreement.

**Temporary Worker:** - A worker hired on verbal agreement between the owner and himself for certain days or months. His pay could be on daily, weekly or monthly basis.

**Gullit:** - is one type of a petty trade (in most cases retail) activity where the activity is usually carried out in an open air on raised flat surfaces and on the road side. However, there are some Gullit where that have shades made from simple materials such as fabrics canvass, plastics, wood, etc.

**Elementary Occupations:** These are occupations consisting simple and routine tasks which mainly require the use of hand-held tools and often some physical effort.

Examples of tasks performed by workers in elementary occupations:

- selling goods in streets and public places or from door to door,
- cleaning, washing, pressing;
- taking care of apartment houses, hotels, offices and other buildings;
- carrying luggage, etc.

**Establishment/Activity:** - is defined as the whole of the premises/activities under the same ownership or management at a fixed /mobile address, which is engaged in manufacturing, trade or service giving activity.

**Manufacturing:** - is defined here as the physical or chemical transformation of materials or components into new products, whether the work is performed by power-driven machines or by hand, whether it is done in a factory or in the worker's home, and whether the products are sold at wholesale or retail. The assembly of bodies and parts to produce a new product is also considered as a manufacturing activity.

**Mining and Quarrying:** - Extraction of minerals that occur naturally as solids, such as monumental and building stone in the rough, roughly trimmed, or cut by sawing or other means typically done at the quarry.

**Construction:** - This class includes new work, additions and alterations, the erection of prefabricated buildings or structures on the site and also construction of temporary nature.

**Community and Personal Services:** - This category includes recreational, cultural and sporting activities, washing and cleaning of textile, hairdressing and other beauty treatment and related services.

**Wholesale trade:** - This division includes the resale (sale without transformation) of new and used goods to retailers, industrial, commercial, institutional or professional users or to other wholesalers.

**Retail trade:** - This division includes the re-sale (sales without transformation) of new and used goods to the general public for personal or household consumption or utilization.

**Service trade:** - The act of giving service on payment basis to individuals, households or enterprise.

**Initial capital:** - A capital that has been contributed by the shareholders or individual owner at the start of the operation of the enterprise/activity. Initial capital could be cash or assets.

**Hand tools and equipment:** - These are tools which are not power driven e.g. shovel, ax, hammer, ...etc.

**Machinery**: - Any power-driven instrument used in production or service giving. e.g. electric power driven saw mill, welding instruments; bakery hardware...etc.

**Urban Centers**: It is generally defined as a locality with 2000 or more inhabitants. However, for the purposes of this survey and other similar surveys, urban center includes the following regardless of the number of inhabitants.

- a) All administrative capitals
  - i) Regional Capitals,
  - ii) Zone Capitals not included in (i),
  - iii) Wereda capitals not included in (i) and (ii),
  - iv) Localities with Urban Dwellers Associations not included in (i-iii),
- b) Municipal towns not included in 'a' above
- c) All localities which are not included either in 'a' or 'b' above having a population of 1000 or more persons, and whose inhabitants are primarily engaged in non-agricultural activities.

## **2.3 SAMPLE DESIGN**

For the purpose of the survey, urban areas of the country were divided into two broad categories taking into account sizes of their population and anticipated distribution of establishments/activities in the Informal Sector.

**Category I:** Ten regional capitals, Addis Ababa Administration and Dire Dawa Administrative Council, and four Five urban centers of the country were grouped in this category. Each of the fifteen urban centers in this category was the survey domain (reporting level) for which separate survey results for major survey characteristics were reported. Two stage stratified sample design was used to select the sample in which the Primary Sampling Units (PSUs) were enumeration areas (EAs). Sample EAs from each domain were selected using systematic probability proportional to size; size being number of households obtained from the census enumeration areas (EA) created for the upcoming Population and Housing Census (PHC). Within each sample

EA, 20 households with one or more operators were systematically selected from fresh list of households prepared at the beginning of the survey's fieldwork.

**Category II:** Urban centers in the country other than the fifteen urban centers in category I were grouped in this category. There were eight domains (reporting levels) in this category, namely,

- i) Other Urban Tigray (Excluding Mekele)
- ii) Other Urban Afar (Excluding Aysayta)
- iii) Other Urban Amhara (Excluding Gondar, Bahir Dar and Dessie)
- iv) Other Urban Oromia (Excluding Jima, Nazreth, Debre Zeit)
- v) Other Urban Somali (Excluding Jigjiga)
- vi) Other Urban Benshangul\_Gumuz (Excluding Assosa)
- vi) Other Urban SNNP (Excluding Arbaminch and Sodo)
- vii) Other Urban Sidama (Excluding Awasa)
- viii) Other Urban Gambella (Excluding Gambella)

Three-stage stratified sample design was adopted to select the sample from domains in category II. The PSUs were urban centers selected using systematic probability proportional to size; size being number of households obtained from the census enumeration areas (EA) created for the upcoming Population and Housing Census (PHC). The secondary sampling units were EAs which were selected using systematic probability to size, size being number of households obtained from the census enumeration areas (EA) created for the upcoming Population and Housing Census (PHC) Number of sample EAs selected from each of the sample urban centers was determined by proportional allocation to their household from the census. Ultimately, 20 tertiary sampling units (households with a minimum of one Informal Sector Operator as a member) from within each selected EA were systematically selected from fresh list of households prepared at the beginning of the survey's fieldwork.

All in all, thirty-six domains, including total urban (country level) were defined for the survey. Definition of the survey domains was based on both technical and resource considerations. More specifically, sample size for the domains were determined to enable provision of major indicators with reasonable precision subject to the resource available for the survey.

Other than the thirty-six domains (reporting levels) defined in Category I and II nine additional domains can be constructed by combining domains from the first two categories.

These domains are:

- i) Urban Tigray
- ii) Urban Afar
- iii) Urban Amhara
- iv) Urban Oromia
- v) Urban Somali
- vi) Urban Benshangul\_Gumuz
- vii) Urban SNNP
- viii) Urban Sidama
- ix) Urban Gambela

## **2. 4. RECRUITMENT AND TRAINING OF FIELD STAFF**

Each Branch Statistical Office recruited the required number of enumerators with an educational background of at least grade 12. The supervisors assigned for this survey, by and large, were the permanent field staff members of the Branch Statistical Offices.

The training for the field workers was given at two stages. The trainees in the first stage were experts from the head office, branch statistical office heads and staff



members from the data processing department which include data processing experts, editors and coders.

The trainees in the second stage were field supervisors and enumerators in each of the 22 Branch Statistical Offices. In both stages of the training programmes, a one-day field practice was carried out where each of the trainees were required to go out to an enumeration area and complete 1-2 survey questionnaires. performed for the 20 selected households from each sampled EA using GPS enabled Tablets.

## **2.5 FIELD ORGANIZATION**

In order to carry out a survey with the desired level of quality, there is a need to organize a large staff that performs the various survey activities. The Central Statistical Authority has 25 Branch Statistical Offices in the different Regional States which facilitate and implement various preparatory and data collection aspects of the socio-economic surveys to be carried out in urban and rural areas. All Branch Offices took part in the survey execution especially in recruiting the enumerators, organizing the 2<sup>nd</sup> stage training, assigning the field staff to their sites of enumeration, supervising the data collection, electronic data transfer and retrieving completed questionnaires and submitting them to the Head Office for data processing.

Since this survey was the carried out after long time the coverage was extensive, it demanded the participation of quite a number of head office as well as the Branch Statistical Offices' staff members. The enumerators, supervisors and other supporting staff were equipped with the necessary survey documents (questionnaires, instruction manual, code book, random number table, listing form, EA map, ...etc.).

The Branch Offices were also responsible for administering the financial and logistic aspects of the survey within their areas of operation. A total of 670 enumerators, 223 field supervisors and 108 statisticians/experts were involved in the data collection where on the average one supervisor was assigned to three enumeration areas for supervision of data collection period which took about one month. All the enumerators were supplied with the necessary survey equipment (GPS-equipped tablets, solar battery chargers, etc.) after the completion of the training to

ensure the smooth operation of the survey. To facilitate the data collection activities, a total of 105 four-wheel drive vehicles were used.

## **2.6 DATA COLLECTION**

In line with the objectives and nature of the survey the investigation was carried out by personal interviews. One enumerator was assigned in a selected enumeration area and made a complete list of households and Informal Sector operators by going from house to house using the enumeration area map prepared for the census created for the upcoming Population and Housing Census (PHC) using CAPI (Computer assisted Personnel Interviews) and data collection tools like smart tablets that reads the map using the navigation tool called TPK.

### **a) Identification of Informal Sector Operators**

In order to identify the households with Informal Sector Operators, the following screening criteria were used during the listing of households within the selected enumeration area:

- i. at least one member of the household must be engaged in productive activity.
- ii. employment status of the owner of the activity must be either an employer or a self-operated activity,
- iii. the establishment/activity shall not be a corporate type of enterprise,
- iv. the establishment/activity should not keep a complete book of accounts,
- v. number of persons engaged (if any) including the operator must be less than 10.
- vi. the establishment/activity should not be registered by any legal authority which gives licenses.

### **b. Reference Period**

The reference period for most of the data items in the questionnaire is the last 12 months, preceding the survey date. However, since the Informal Sector operators (the respondents) by and large have no record keeping practices, monthly, quarterly,

etc. data were collected where the operators were not able to provide annual data. In such situations, the enumerators were instructed to indicate whether the information collected was monthly, quarterly...etc in the space provided for each specific question.

## **2.7 DATA PROCESSING**

### **a) Editing, Coding and Verification**

In order to attain the required level of quality of data, various quality control mechanisms were applied on the different stages of the survey activities. Classroom as well as practical training to the field staff was one of the mechanisms used. The other step taken to control the quality of the survey data was preparing a detail and clear editing and coding instruction manual. Using this manual, statisticians and supervisors on CAPI so called “check back” were given training for three days.

Then, the filled in questionnaires were manually edited and coded. Verification was done on 100 percent basis before the questionnaires were sent to further data processing activity.

### **b) Cleaning and Tabulation**

Data entry and verification were done on personal computers using the CSPro software. Using the computer edit specification prepared earlier for this purpose, the entered data were cleaned. Finally, applying CSPro software, tabulation of results and variances were processed by one programmer with assistance from the subject matter personnel.

## **CHAPTER III**

### **SUMMARY OF SURVEY RESULTS**

Using the survey data, more than hundred statistical tables for each reporting level are produced. To highlight the major results of the survey, summary and brief description on some of the survey results are given in this Chapter. However, the detailed statistical tables on Informal Sector Operators, Establishment/Activities, persons engaged, gross value of income and value added, fixed assets, benefits, type of problems and assistance needed are presented in Chapter IV.

At this juncture, it should be noted that users of this report should be aware that due to rounding problem, totals vary from one table to another. However, the variations are not significant.

#### **3. 1. TOTAL PERSONS ENGAGED IN THE INFORMAL SECTOR**

As explained in the coverage section, the 2000 Informal Sector Sample Survey covered only the urban centers of the country. For this survey, number of persons engaged refers to/includes operators and other working proprietors, permanent workers, temporary workers, contract workers, unpaid family workers, apprentice (paid and unpaid).

##### **a. Total Persons engaged by Sex and Urban Centers**

Table 3.1 presents total size of persons engaged by sex. As shown in this table, the result of this survey indicates that there are 990,210 persons engaged in this sector of which 869,030 (87.76 percent) are Informal Sector Operators and 121,180 (12.23 percent) are those persons employed in the informal sector during the survey period.

The result also indicates that of the total workforce, 499,935 (50.49 percent) are females while 490,275 (49.51percent) are males. With respect to geographic distribution Oromia Urban accounts for 34.25 percent of the total Informal Sector workforce. SNNP and Amhara Urban account for about 21.15 percent and 17.96

percent of the total persons engaged of the sector, respectively. See the details in Table 3.2.

SEX	OPERATORS		EMPLOYEES		TOTAL PERSONS ENGAGED	
	Number	Percent	Number	percent	Number	percent
MALE	401430	46.19	490275	49.51	891705	47.96
FEMALE	467600	53.81	499935	50.49	967535	52.04
<b>TOTAL</b>	<b>869030</b>	<b>100</b>	<b>990210</b>	<b>100</b>	<b>1859240</b>	<b>100</b>

TABLE 3.2 DISTRIBUTION OF TOTAL EMPLOYMENT BY REGION/URBAN CENTERS AND SEX : 2021

REGION/URBAN CENTERS	EMPLOYMENT SIZE					
	MALE		FEMALE		TOTAL	
	NO.	%	NO.	%	NO.	%
<b>TIGRAY URBAN TOTAL</b>	-	-	-	-	-	-
Mekele	-	-	-	-	-	-
Other Tigray Urban	-	-	-	-	-	-
<b>AFFAR URBAN TOTAL</b>	15162	3.26	9686	2	24848	2.62
Semera Logiya	2195	0.47	1515	0.31	3710	0.39
Other Affar Urban	12967	2.79	8170	1.69	21137	2.23
<b>AMHARA URBAN TOTAL</b>	67461	14.49	103096	21.29	170557	17.96
Gonder	4228	0.91	7034	1.45	11262	1.19
Dessie	5303	1.14	4092	0.84	9396	0.99
Bahir Dar	3290	0.71	6441	1.33	9731	1.02
Other Amhara Urban	54640	11.74	85529	17.66	140168	14.76
<b>OROMIYA URBAN TOTAL</b>	158011	33.95	167263	34.53	325274	34.25
Jimma	5951	1.28	6330	1.31	12281	1.29
Adama	6918	1.49	7490	1.55	14408	1.52
Bishoftu	3987	0.86	4641	0.96	8629	0.91
Nekemet	1741	0.37	3140	0.65	4881	0.51
Other Oromiya Urban	139413	29.95	145662	30.07	285075	30.01
<b>SOMALI URBAN TOTAL</b>	29228	6.28	41767	8.62	70995	7.47
Jijiga	6413	1.38	6124	1.26	12537	1.32
Other Somali Urban	22815	4.9	35643	7.36	58458	6.15
<b>BENSHANGULE URBAN TOTAL</b>	2762	0.59	4574	0.94	7336	0.77
Asosa	340	0.07	983	0.2	1323	0.14
Other Benshangul Urban	2422	0.52	3591	0.74	6013	0.63
<b>S.N.N.P URBAN TOTAL</b>	117362	25.21	83527	17.25	200889	21.15
Sodo	9427	2.03	3858	0.8	13285	1.4
Arbaminch	1921	0.41	2743	0.57	4663	0.49
Other S.N.N.P Urban	106015	22.78	76926	15.88	182941	19.26
<b>SIDAMA URBAN TOTAL</b>	15372	3.3	11798	2.44	27170	2.86
Hawassa	6589	1.42	6402	1.32	12991	1.37
Other Sidama Urban	8783	1.89	5396	1.11	14179	1.49
<b>GAMBELA URBAN TOTAL</b>	3226	0.69	7565	1.56	10791	1.14
Gambela	969	0.21	2833	0.58	3802	0.4
Other Gambela Urban	2257	0.48	4731	0.98	6989	0.74
<b>HARARI URBAN TOTAL</b>	4162	0.89	3837	0.79	7999	0.84
<b>HARAR</b>	4162	0.89	3837	0.79	7999	0.84

<b>DIRE DAWA</b>	2811	0.6	7693	1.59	10504	1.11
<b>ADDIS ABABA</b>	49915	10.72	43530	8.99	93445	9.84
Addis Ketema Subcity	4291	0.92	4459	0.92	8750	0.92
Akaki Kality Subcity	5022	1.08	4607	0.95	9629	1.01
Arada Subcity	4917	1.06	4605	0.95	9522	1
Bole Subcity	4164	0.89	4254	0.88	8419	0.89
Gulele Subcity	4388	0.94	3280	0.68	7668	0.81
Kerkos Subcity	1766	0.38	1738	0.36	3504	0.37
Kolfe Keraniyo Subcity	10013	2.15	6461	1.33	16474	1.73
Lideta Subcity	1314	0.28	1768	0.37	3082	0.32
Nifas Slik Lafto Subcity	7130	1.53	6488	1.34	13618	1.43
Yeka Subcity	6909	1.48	5870	1.21	12779	1.35
<b>TOTAL</b>	465471	100	484336	100	949808	100

**B). Total Persons Engaged By Urban Centers And Industry.**

During the data collection attempts were made to identify sample Informal Sector operators and other employees (if any) in which particular industrial group they are operating in. Accordingly, Tables 3.3, 3.4 and 3.5 deal with the distribution of the Informal Sector workforce (operators and employees) by urban centers and major industrial groups.

Regarding the distribution of operators, 50 percent are in Trade, Hotels and Restaurants and 29 percent are in Community and personal services. The remaining 21 percent of the operators are distributed among the other sectors (See Table 3.3).

Considering the distribution of employees in the sector, the data in Table 3.4 show a high concentration of employees in the Trade, Hotels and Restaurants (48 percent) and in Community and personal services industrial groups (29 percent).

**TABLE 3.3 DISTRIBUTION OF INFORMAL SECTOR OPERATORS BY REGION/URBAN CENTERS AND INDUSTRY : 2021**

REGION/URBAN CENTERS	Major Industrial Group							Total	
	Agriculture		Manufacturing	Construction	Trade,		Community		
	Hunting, and Forestry, and Fishing	Mining and Quarrying			Hotels, and Restaurants	Transport	and Personal Services		Not Stated
<b>TIGRAY URBAN TOTAL</b>	-	-	-	-	-	-	-	-	-
Mekele	-	-	-	-	-	-	-	-	-
Other Tigray Urban	-	-	-	-	-	-	-	-	-
<b>AFFAR URBAN TOTAL</b>	1,499	-	1,194	2,393	10,089	749	6,223	216	22,362
Semera Logiya	-	-	452	200	1,613	86	995	-	3,347
Other Affar Urban	1,499	-	741	2,194	8,476	663	5,227	216	19,015
<b>AMHARA URBAN TOTAL</b>	6,042	145	22,219	5,024	65,062	2,725	56,700	651	158,568
Gonder	126	-	1,065	368	4,665	37	4,159	25	10,444
Dessie	224	-	792	748	3,198	27	3,686	17	8,693
Bahir Dar	297	33	1,084	115	3,992	116	3,235	427	9,298
Other Amhara Urban	5,395	111	19,279	3,793	53,207	2,546	45,621	181	130,133
<b>OROMIYA URBAN TOTAL</b>	6,682	52	26,898	10,493	159,361	5,079	81,381	5,469	295,415
Jimma	49	-	855	328	7,572	60	2,445	67	11,377
Adama	441	22	933	426	7,622	372	3,724	22	13,563
Bishoftu	452	-	396	117	1,833	897	1,696	105	5,495
Nekemet	14	-	90	315	2,883	113	1,457	-	4,871
Other Oromiya Urban	5,726	30	24,624	9,307	139,451	3,637	72,059	5,274	260,109
<b>SOMALI URBAN TOTAL</b>	662	-	1,101	1,336	43,782	2,380	15,413	2,478	67,153
Jijiga	221	-	557	454	4,938	1,594	3,666	19	11,448
Other Somali Urban	441	-	545	882	38,844	787	11,747	2,459	55,705
<b>BENSHANGULE URBAN TOTAL</b>	301	400	418	429	3,611	178	1,791	109	7,236
Asosa	-	-	-	89	949	-	231	-	1,270
Other Benshangul Urban	301	400	418	340	2,661	178	1,560	109	5,967

	22,128	-	13,578	5,590	91,788	6,255	39,652	3,143	
<b>S.N.N.P URBAN TOTAL</b>									182,134
Sodo	356	-	640	1,486	4,535	999	3,925	236	12,177
Arbaminch	10	-	765	143	2,561	46	1,092	-	4,617
	21,762	-	12,173	3,961	84,693	5,210	34,635	2,906	
Other S.N.N.P Urban									165,340
<b>SIDAMA URBAN TOTAL</b>	276	-	1,086	1,058	9,641	1,098	8,760	123	22,041
Hawassa	128	-	701	496	5,646	343	3,322	123	10,759
Other Sidama Urban	148	-	384	563	3,995	755	5,438	-	11,282
<b>GAMBELA URBAN TOTAL</b>	133	-	639	47	4,401	124	2,755	2,292	10,392
Gambela	35	-	301	47	3,017	4	332	27	3,763
Other Gambela Urban	98	-	338	-	1,384	120	2,423	2,265	6,629
<b>HARARI URBAN TOTAL</b>	70	-	681	451	2,200	65	3,758	226	7,452
<b>HARAR</b>	70	-	681	451	2,200	65	3,758	226	7,452
<b>DIRE DAWA</b>	198	-	575	161	6,991	31	2,057	133	10,147
<b>ADDIS ABABA</b>	715	429	7,357	4,181	40,479	774	31,035	1,160	86,130
Addis Ketema Subcity	106	-	132	157	4,750	90	3,103	54	8,392
Akaki Kality Subcity	13	-	385	434	4,513	-	4,039	13	9,397
Arada Subcity	29	-	1,100	288	2,761	15	3,943	115	8,250
Bole Subcity	70	39	396	444	4,027	30	2,557	355	7,920
Gulele Subcity	30	376	1,841	205	2,440	-	1,908	-	6,800
Kerkos Subcity	-	-	108	218	1,463	33	944	35	2,801
Kolfe Keraniyo Subcity	253	13	1,388	722	8,524	44	4,074	364	15,384
Lideta Subcity	37	-	46	82	1,178	369	1,147	13	2,872
Nifas Slik Lafto Subcity	70	-	1,220	641	5,875	131	4,852	64	12,854
Yeka Subcity	107	-	741	991	4,948	61	4,467	146	11,461
<b>TOTAL</b>	38,707	1,025	75,747	31,165	437,404	19,457	249,525		
								15,999	869,030
<b>%</b>	5	0	9	4	50	2	29	2	100



**TABLE 3.4 DISTRIBUTION OF PERSONS ENGAGED BY REGION/URBAN CENTERS AND INDUSTRY : 2021**

REGION/URBAN CENTERS	Major Industrial Group						Community and Personal Services	Others	Total
	Agriculture, Hunting, Forestry, and Fishing	Mining and Quarrying	Manufacturing	Construction	Trade, Hotels, and Restaurants	Transport			
<b>TIGRAY URBAN TOTAL</b>	-	-	-	-	-	-	-	-	-
Mekele	-	-	-	-	-	-	-	-	-
Other Tigray Urban	-	-	-	-	-	-	-	-	-
<b>AFFAR URBAN TOTAL</b>	2,461	-	1,194	3,918	10,206	749	6,627	216	25,371
Semera Logiya	-	-	452	488	1,685	86	1,064	-	3,775
Other Affar Urban	2,461	-	741	3,430	8,521	663	5,563	216	21,596
<b>AMHARA URBAN TOTAL</b>	12,175	145	24,109	8,033	70,934	2,725	60,696	651	179,468
Gonder	126	-	1,196	821	5,223	37	4,353	25	11,780
Dessie	275	-	959	1,262	3,319	27	3,686	17	9,544
Bahir Dar	358	33	1,509	177	4,087	116	3,691	427	10,398
Other Amhara Urban	11,417	111	20,446	5,773	58,306	2,546	48,966	181	147,745
<b>OROMIYA URBAN TOTAL</b>	9,979	52	29,651	14,841	175,976	5,093	96,381	7,145	339,118
Jimma	90	-	855	515	8,184	60	2,849	67	12,619
Adama	441	22	1,127	602	8,288	372	3,946	22	14,821
Bishoftu	477	-	435	117	2,696	910	4,716	105	9,457
Nekemet	14	-	90	315	2,893	113	1,457	-	4,881
Other Oromiya Urban	8,957	30	27,144	13,293	153,915	3,637	83,413	6,950	297,340
<b>SOMALI URBAN TOTAL</b>	662	-	1,210	2,686	45,693	2,380	17,266	2,478	72,376
Jijiga	221	-	666	1,089	5,368	1,594	3,740	19	12,696
Other Somali Urban	441	-	545	1,598	40,325	787	13,526	2,459	59,679
<b>BENSHANGULE URBAN TOTAL</b>	301	400	418	429	3,710	178	1,791	109	7,336
Asosa	-	-	-	89	1,003	-	231	-	1,323
Other Benshangul Urban	301	400	418	340	2,708	178	1,560	109	6,013
<b>S.N.N.P URBAN TOTAL</b>	23,321	-	20,565	8,745	101,879	6,552	46,452	3,538	211,052
Sodo	356	-	922	1,530	4,749	1,024	4,594	236	13,411
Arbaminch	10	-	765	161	2,663	46	1,092	-	4,737
Other S.N.N.P Urban	22,955	-	18,878	7,055	94,466	5,482	40,766	3,302	192,904
<b>SIDAMA URBAN TOTAL</b>	539	-	1,484	1,362	12,085	1,098	11,876	147	28,591
Hawassa	169	-	880	800	7,521	343	3,894	147	13,753
Other Sidama Urban	370	-	604	563	4,564	755	7,983	-	14,837
<b>GAMBELA URBAN TOTAL</b>	133	-	659	47	5,208	124	3,494	2,292	11,957
Gambela	35	-	321	47	3,344	4	352	27	4,130

Other Gambela Urban	98	-	338	-	1,863	120	3,142	2,265	7,828
<b>HARARI URBAN TOTAL</b>	70	-	901	637	2,292	65	3,907	226	8,099
<b>HARAR</b>	70	-	901	637	2,292	65	3,907	226	8,099
<b>DIRE DAWA</b>	214	-	636	266	7,324	31	2,122	133	10,725
<b>ADDIS ABABA</b>	842	429	9,695	6,414	43,581	784	32,972	1,401	96,118
Addis Ketema Subcity	106	-	132	195	5,016	90	3,430	54	9,024
Akaki Kality Subcity	13	-	385	664	4,583	-	4,087	13	9,744
Arada Subcity	29	-	1,602	640	3,152	15	4,158	216	9,812
Bole Subcity	163	39	530	584	4,155	30	2,750	355	8,608
Gulele Subcity	30	376	2,863	260	2,663	-	2,032	-	8,224
Kerkos Subcity	-	-	178	346	1,833	33	1,298	175	3,864
Kolfe Keraniyo Subcity	276	13	1,612	868	9,181	44	4,144	364	16,503
Lideta Subcity	37	-	46	113	1,345	379	1,295	13	3,227
Nifas Slik Lafto Subcity	70	-	1,437	1,105	6,228	131	4,950	64	13,986
Yeka Subcity	119	-	910	1,638	5,424	61	4,828	146	13,126
<b>TOTAL</b>	50,698	1,025	90,521	47,379	478,887	19,778	283,584	18,337	990,210
<b>%</b>	5	0	9	5	48	2	29	2	100

The data in Table 3.5 indicates that of the total persons engaged in the Informal Sector 48 percent are in Trade, Hotels and Restaurants, 29 percent are in Community and personal services which together accounts over 78 percent of the total workforce in the Informal Sector. The residual, 22 percent accounts to the remaining 5 major industrial groups.

On the other hand, a very insignificant contribution to Informal Sector employment comes from the Mining and Quarrying and Transport Sectors, which is 0.12 percent and 1.25 percent at national level, respectively.

**c). Informal Sector Operators by Urban Centers and Occupations**

For this survey, the nine major occupation classifications recommended by International Labour Organization are adopted. As indicated in Table 3.6, there is high concentration of operators in areas of Service Workers and Shop and Market Sales Workers (56 percent). The second largest occupational group is Elementary Occupation 22.70 percent of the total operators in the Informal Sector are engaged in. The third largest occupational group is Crafts, and Related Trades Workers, which constitutes about 12 percent.

In the case of employees, the largest occupation group is Crafts and Related Trades Workers constituting 60.70 percent. Service Workers and Shop and Market sales Workers occupational group is the second largest, which accounts for 32.97 percent of the total employees. The third highest occupational group for employees is the Elementary Occupations Occupational group, constituting 8.41 percent. (For details see Table 3.7).

The distribution of Informal Sector workforce by major occupational group at national level presented in Table 3.8, indicates that the majority of the workforce are in the Crafts and Related Trades Workers which is about 51.27 percent, the second dominant occupational group that has engaged a significant number of the workforce is Service Workers and Shop and Market Sales Workers. This occupational group has absorbed about 21.76 percent of the total persons engaged.

**TABLE 3.5 DISTRIBUTION OF TOTAL EMPLOYMENT BY REGION/URBAN CENTERS AND MAJOR INDUSTRIAL GROUPS :2021**

REGION/URBAN CENTERS	Major Industrial Group							Total	
	Agriculture, Hunting, Forestry, and Fishing	Mining and Quarrying	Manufacturing	Construction	Trade, Hotels, and Restaurants	Transport	Community and Personal Services		Others
<b>TIGRAY URBAN TOTAL</b>	-	-	-	-	-	-	-	-	-
Mekele	-	-	-	-	-	-	-	-	-
Other Tigray Urban	-	-	-	-	-	-	-	-	-
<b>AFFAR URBAN TOTAL</b>	2,049	-	1,194	3,918	10,130	749	6,592	216	24,848
Semera Logiya	-	-	452	488	1,655	86	1,030	-	3,710
Other Affar Urban	2,049	-	741	3,430	8,476	663	5,563	216	21,137
<b>AMHARA URBAN TOTAL</b>	9,284	145	22,976	7,906	68,751	2,725	58,119	651	170,557
Gonder	126	-	1,079	738	5,049	37	4,209	25	11,262
Dessie	246	-	870	1,262	3,288	27	3,686	17	9,396
Bahir Dar	297	33	1,295	177	4,033	116	3,352	427	9,731
Other Amhara Urban	8,616	111	19,732	5,729	56,381	2,546	46,872	181	140,168
<b>OROMIYA URBAN TOTAL</b>	9,213	52	28,403	14,699	168,600	5,079	92,404	6,824	325,274
Jimma	90	-	855	515	7,910	60	2,785	67	12,281
Adama	441	22	1,075	602	8,026	372	3,847	22	14,408
Bishoftu	477	-	415	117	2,615	897	4,003	105	8,629
Nekemet	14	-	90	315	2,893	113	1,457	-	4,881
Other Oromiya Urban	8,191	30	25,968	13,151	147,156	3,637	80,312	6,629	285,075
<b>SOMALI URBAN TOTAL</b>	662	-	1,167	2,686	45,190	2,380	16,431	2,478	70,995
Jijiga	221	-	622	1,089	5,253	1,594	3,740	19	12,537
Other Somali Urban	441	-	545	1,598	39,938	787	12,691	2,459	58,458
<b>BENSHANGULE URBAN TOTAL</b>	301	400	418	429	3,710	178	1,791	109	7,336
Asosa	-	-	-	89	1,003	-	231	-	1,323
Other Benshangul Urban	301	400	418	340	2,708	178	1,560	109	6,013
<b>S.N.N.P URBAN TOTAL</b>	22,710	-	15,440	8,533	98,760	6,490	45,418	3,538	200,889
Sodo	356	-	922	1,530	4,703	999	4,539	236	13,285
Arbaminch	10	-	765	152	2,599	46	1,092	-	4,663
Other S.N.N.P Urban	22,344	-	13,753	6,851	91,459	5,445	39,787	3,302	182,941

<b>SIDAMA URBAN TOTAL</b>	465	-	1,388	1,350	11,587	1,098	11,159	123	27,170
Hawassa	169	-	858	787	7,053	343	3,657	123	12,991
Other Sidama Urban	296	-	530	563	4,534	755	7,502	-	14,179
<b>GAMBELA URBAN TOTAL</b>	133	-	659	47	4,641	124	2,895	2,292	10,791
Gambela	35	-	321	47	3,017	4	352	27	3,802
Other Gambela Urban	98	-	338	-	1,624	120	2,543	2,265	6,989
<b>HARARI URBAN TOTAL</b>	70	-	845	637	2,282	65	3,873	226	7,999
<b>HARAR</b>	70	-	845	637	2,282	65	3,873	226	7,999
<b>DIRE DAWA</b>	198	-	636	266	7,119	31	2,122	133	10,504
<b>ADDIS ABABA</b>	787	429	8,706	6,182	42,693	784	32,550	1,314	93,445
Addis Ketema Subcity	106	-	132	195	4,832	90	3,340	54	8,750
Akaki Kality Subcity	13	-	385	580	4,583	-	4,056	13	9,629
Arada Subcity	29	-	1,468	640	3,039	15	4,114	216	9,522
Bole Subcity	120	39	478	572	4,089	30	2,735	355	8,419
Gulele Subcity	30	376	2,322	260	2,663	-	2,018	-	7,668
Kerkos Subcity	-	-	161	284	1,744	33	1,195	88	3,504
Kolfe Keraniyo Subcity	276	13	1,612	868	9,153	44	4,144	364	16,474
Lideta Subcity	37	-	46	113	1,210	379	1,285	13	3,082
Nifas Slik Lafto Subcity	70	-	1,347	1,039	6,050	131	4,916	64	13,618
Yeka Subcity	107	-	756	1,630	5,331	61	4,748	146	12,779
<b>TOTAL</b>	45,872	1,025	81,832	46,653	463,464	19,702	273,356	17,903	949,808
<b>%</b>	5	0	9	5	49	2	29	2	100

**TABLE 3.6 DISTRIBUTION OF INFORMAL SECTOR OPERATORS BY REGION/URBAN CENTER AND OCCUPATION :2021**

REGION/URBAN CENTERS	Major Occupation Group										Total	
	Legislators, Senior Officials and Managers	Professionals	Technicians and Associate Professionals	Clerks	Services Workers and Shop and Market Sales Workers	Skilled Workers	Agricultural and Fishery Workers	Crafts and Related Trades Workers	Plant and Machine Operators Assemblers	Elementary Occupation		Not stated
<b>TIGRAY URBAN TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-	-
Mekele	-	-	-	-	-	-	-	-	-	-	-	-
Other Tigray Urban	-	-	-	-	-	-	-	-	-	-	-	-
<b>AFFAR URBAN TOTAL</b>	118	-	865	484	9,882	1,639	990	146	8,238	-	22,362	
Semera Logiya	11	-	-	43	1,977	-	252	-	1,063	-	3,347	
Other Affar Urban	107	-	865	441	7,905	1,639	737	146	7,175	-	19,015	
<b>AMHARA URBAN TOTAL</b>	3,193	819	423	1,782	71,734	5,769	27,331	171	46,863	485	158,568	
Gonder	-	25	59	328	5,772	216	1,630	15	2,386	12	10,444	
Dessie	-	66	53	312	3,414	181	787	29	3,850	-	8,693	
Bahir Dar	217	58	33	129	5,016	297	1,367	-	1,814	367	9,298	
Other Amhara Urban	2,976	669	278	1,013	57,531	5,075	23,547	127	38,812	105	130,133	
<b>OROMIYA URBAN TOTAL</b>	981	1,397	1,240	1,867	184,037	5,141	34,184	2,059	58,761	5,749	295,415	
Jimma	-	-	69	62	8,887	45	1,021	23	1,219	50	11,377	
Adama	-	83	148	37	8,712	371	1,966	62	2,151	31	13,563	
Bishoftu	-	-	27	-	2,727	332	563	116	1,595	134	5,495	
Nekemet	-	-	15	-	2,983	14	523	24	1,312	-	4,871	
Other Oromiya Urban	981	1,313	980	1,767	160,728	4,379	30,110	1,834	52,484	5,533	260,109	
<b>SOMALI URBAN TOTAL</b>	710	254	300	103	53,106	557	2,262	589	7,044	2,228	67,153	
Jijiga	-	140	300	42	6,765	191	940	143	2,909	19	11,448	
Other Somali Urban	710	114	-	62	46,342	367	1,322	446	4,135	2,208	55,705	
<b>BENSHANGULE URBAN TOTAL</b>	-	-	-	312	3,666	301	1,245	46	1,531	136	7,236	
Asosa	-	-	-	-	1,020	-	112	-	138	-	1,270	

Other Benshangul Urban	-	-	-	312	2,646	301	1,133	46	1,393	136	5,967
<b>S.N.N.P URBAN TOTAL</b>	<b>4,636</b>	<b>384</b>	<b>637</b>	<b>295</b>	<b>93,437</b>	<b>22,246</b>	<b>21,320</b>	<b>3,154</b>	<b>32,676</b>	<b>3,350</b>	<b>182,134</b>
Sodo	-	128	58	17	5,753	534	2,066	337	3,090	194	12,177
Arbaminch	-	10	10	-	2,275	10	878	10	1,425	-	4,617
Other S.N.N.P Urban	4,636	246	569	278	85,409	21,702	18,376	2,807	28,161	3,156	165,340
<b>SIDAMA URBAN TOTAL</b>	<b>166</b>	<b>86</b>	<b>562</b>	<b>192</b>	<b>10,958</b>	<b>295</b>	<b>3,466</b>	<b>200</b>	<b>6,024</b>	<b>92</b>	<b>22,041</b>
Hawassa	166	86	47	44	6,131	148	1,066	200	2,781	92	10,759
Other Sidama Urban	-	-	516	148	4,828	148	2,400	-	3,242	-	11,282
<b>GAMBELA URBAN TOTAL</b>	<b>-</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>3,892</b>	<b>133</b>	<b>901</b>	<b>-</b>	<b>3,108</b>	<b>2,325</b>	<b>10,392</b>
Gambela	-	-	33	-	2,481	35	563	-	591	59	3,763
Other Gambela Urban	-	-	-	-	1,410	98	338	-	2,517	2,265	6,629
<b>HARARI URBAN TOTAL</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>27</b>	<b>2,192</b>	<b>17</b>	<b>843</b>	<b>64</b>	<b>4,289</b>	<b>-</b>	<b>7,452</b>
<b>HARAR</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>27</b>	<b>2,192</b>	<b>17</b>	<b>843</b>	<b>64</b>	<b>4,289</b>	<b>-</b>	<b>7,452</b>
<b>DIRE DAWA</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>61</b>	<b>7,504</b>	<b>225</b>	<b>556</b>	<b>30</b>	<b>1,628</b>	<b>112</b>	<b>10,147</b>
<b>ADDIS ABABA</b>	<b>925</b>	<b>1,942</b>	<b>1,217</b>	<b>1,305</b>	<b>45,123</b>	<b>1,011</b>	<b>11,832</b>	<b>935</b>	<b>20,517</b>	<b>1,322</b>	<b>86,130</b>
Addis Ketema Subcity	-	34	244	16	5,342	178	1,610	40	904	24	8,392
Akaki Kality Subcity	80	139	50	715	5,227	29	898	144	1,848	266	9,397
Arada Subcity	-	156	150	34	2,350	15	514	141	4,485	407	8,250
Bole Subcity	40	140	32	73	4,416	73	1,322	98	1,664	62	7,920
Gulele Subcity	-	529	-	130	2,652	52	2,587	25	790	34	6,800
Kerkos Subcity	-	48	186	44	1,706	23	201	169	388	36	2,801
Kolfe Keraniyo Subcity	35	132	133	231	9,066	387	1,483	81	3,565	271	15,384
Lideta Subcity	637	10	71	-	1,158	37	158	23	765	13	2,872
Nifas Slik Lafto Subcity	82	169	85	50	7,026	105	2,317	128	2,848	43	12,854
Yeka Subcity	50	586	267	12	6,182	111	742	85	3,260	166	11,461
<b>TOTAL</b>	<b>10,728</b>	<b>4,882</b>	<b>5,327</b>	<b>6,428</b>	<b>485,530</b>	<b>37,335</b>	<b>104,929</b>	<b>7,393</b>	<b>190,678</b>	<b>15,799</b>	<b>869,030</b>
<b>%</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>56</b>	<b>4</b>	<b>12</b>	<b>1</b>	<b>22</b>	<b>2</b>	<b>100</b>

**TABLE 3.7 DISTRIBUTION OF PERSONS ENGAGED BY REGION/URBAN CENTERS AND OCCUPATION :2021**

REGION/URBAN CENTERS	Major Occupation Group										Total
	Legislators , Senior Officials and Managers	Professionals	Technicians and Associate Professionals	Clerks	Services Workers and Shop and Market Sales Workers	Skilled Agricultural and Fishery Workers	Crafts and Related Trades Workers	Plant and Machine Operators Assemblers	Elementary Occupation	Not stated	
<b>TIGRAY URBAN TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-
Mekele	-	-	-	-	-	-	-	-	-	-	-
Other Tigray Urban	-	-	-	-	-	-	-	-	-	-	-
<b>AFFAR URBAN TOTAL</b>	152	-	1,871	484	9,962	1,914	1,219	146	9,621	-	25,371
Semera Logiya	46	-	-	43	2,011	-	252	-	1,423	-	3,775
Other Affar Urban	107	-	1,871	441	7,951	1,914	967	146	8,198	-	21,596
<b>AMHARA URBAN TOTAL</b>	3,617	916	658	2,656	77,999	12,689	30,779	171	49,472	511	179,468
Gonder	-	38	70	542	6,167	227	2,292	15	2,417	12	11,780
Dessie	-	66	53	436	3,540	232	937	29	4,251	-	9,544
Bahir Dar	217	94	33	199	5,227	358	1,799	-	2,105	367	10,398
Other Amhara Urban	3,400	719	503	1,479	63,064	11,872	25,752	127	40,698	131	147,745
<b>OROMIYA URBAN TOTAL</b>	1,082	5,207	1,749	2,309	205,238	7,384	39,968	2,390	66,480	7,310	339,118
Jimma	-	-	162	136	9,512	131	1,162	23	1,444	50	12,619
Adama	-	83	268	37	9,342	371	2,334	62	2,291	31	14,821
Bishoftu	-	-	27	-	5,733	332	603	288	2,341	134	9,457
Nekemet	-	-	15	-	2,993	14	523	24	1,312	-	4,881
Other Oromiya Urban	1,082	5,124	1,277	2,136	177,660	6,536	35,346	1,994	59,092	7,094	297,340
<b>SOMALI URBAN TOTAL</b>	710	275	401	103	55,582	557	3,187	589	8,744	2,228	72,376
Jijiga	-	160	401	42	7,175	191	1,583	143	2,982	19	12,696
Other Somali Urban	710	114	-	62	48,407	367	1,605	446	5,762	2,208	59,679
<b>BENSHANGULE URBAN TOTAL</b>	-	-	-	312	3,719	301	1,245	46	1,577	136	7,336
Asosa	-	-	-	-	1,074	-	112	-	138	-	1,323
Other Benshangul Urban	-	-	-	312	2,646	301	1,133	46	1,439	136	6,013



<b>S.N.N.P URBAN TOTAL</b>	5,214	632	1,040	426	112,075	23,158	23,201	3,312	38,644	3,350	211,052
Sodo	-	128	58	17	6,390	687	2,078	337	3,523	194	13,411
Arbaminch	-	10	10	-	2,377	10	896	10	1,425	-	4,737
Other S.N.N.P Urban	5,214	495	972	409	103,308	22,461	20,228	2,966	33,696	3,156	192,904
<b>SIDAMA URBAN TOTAL</b>	300	261	610	783	13,418	517	4,683	200	7,715	104	28,591
Hawassa	300	261	94	44	7,873	148	1,331	200	3,400	104	13,753
Other Sidama Urban	-	-	516	739	5,545	370	3,352	-	4,315	-	14,837
<b>GAMBELA URBAN TOTAL</b>	-	-	33	-	4,371	133	1,118	-	3,913	2,390	11,957
Gambela	-	-	33	-	2,481	35	779	-	676	125	4,130
Other Gambela Urban	-	-	-	-	1,890	98	338	-	3,236	2,265	7,828
<b>HARARI URBAN TOTAL</b>	-	-	19	27	2,294	17	1,216	64	4,462	-	8,099
<b>HARAR</b>	-	-	19	27	2,294	17	1,216	64	4,462	-	8,099
<b>DIRE DAWA</b>	-	-	57	61	7,820	241	656	57	1,721	112	10,725
<b>ADDIS ABABA</b>	1,102	2,479	1,562	1,337	48,821	1,082	14,859	1,053	22,386	1,438	96,118
Addis Ketema Subcity	-	34	263	16	5,656	196	1,891	40	904	24	9,024
Akaki Kality Subcity	80	139	50	715	5,502	29	930	144	1,887	266	9,744
Arada Subcity	-	508	235	34	2,628	15	514	197	5,160	522	9,812
Bole Subcity	53	174	32	73	4,529	104	1,599	98	1,883	62	8,608
Gulele Subcity	-	616	-	130	2,721	52	3,799	25	845	34	8,224
Kerkos Subcity	-	48	292	44	2,214	23	272	231	705	36	3,864
Kolfe Keraniyo Subcity	35	144	252	263	9,684	410	1,680	81	3,684	271	16,503
Lideta Subcity	801	10	71	-	1,331	37	158	23	784	13	3,227
Nifas Slik Lafto Subcity	82	208	85	50	7,446	105	2,935	128	2,904	43	13,986
Yeka Subcity	50	598	283	12	7,110	111	1,082	85	3,629	166	13,126
<b>TOTAL</b>	12,176	9,770	8,001	8,499	541,299	47,994	122,131	8,027	214,734	17,579	990,210
<b>%</b>	1	1	1	1	55	5	12	1	22	2	100

**TABLE 3.8 DISTRIBUTION OF SIZE OF EMPLOYMENT BY REGION/URBAN CENTERS AND OCCUPATION :2021**

REGION/URBAN CENTERS	Major Occupation Group										Total
	Legislators, Senior Officials and Managers	Professionals	Technicians and Associates	Clerks	Services Workers and Shop and Market Sales Workers	Skilled Workers	Crafts and Related Trades Workers	Plant and Machine Assemblers	Elementary Occupations	Not stated	
<b>TIGRAY URBAN TOTAL</b>	-	-	-	-	-	-	-	-	-	-	-
Mekele	-	-	-	-	-	-	-	-	-	-	-
Other Tigray Urban	-	-	-	-	-	-	-	-	-	-	-
<b>AFFAR URBAN TOTAL</b>	130	-	1,871	484	9,916	1,639	1,219	146	9,442	-	24,848
Semera Logiya	23	-	-	43	2,011	-	252	-	1,381	-	3,710
Other Affar Urban	107	-	1,871	441	7,905	1,639	967	146	8,060	-	21,137
<b>AMHARA URBAN TOTAL</b>	3,568	893	658	2,508	75,209	9,056	29,671	171	48,339	485	170,557
Gonder	-	38	70	485	5,948	227	2,081	15	2,386	12	11,262
Dessie	-	66	53	436	3,510	203	847	29	4,251	-	9,396
Bahir Dar	217	70	33	152	5,093	297	1,543	-	1,959	367	9,731
Other Amhara Urban	3,351	719	503	1,435	60,659	8,329	25,199	127	39,742	105	140,168
<b>OROMIYA URBAN TOTAL</b>	1,082	3,869	1,645	2,270	196,622	6,818	38,541	2,378	65,111	6,937	325,274
Jimma	-	-	162	136	9,236	97	1,134	23	1,444	50	12,281
Adama	-	83	244	37	9,123	371	2,183	62	2,273	31	14,408
Bishoftu	-	-	27	-	5,097	332	583	275	2,180	134	8,629
Nekemet	-	-	15	-	2,993	14	523	24	1,312	-	4,881
Other Oromiya Urban	1,082	3,785	1,197	2,097	170,174	6,004	34,118	1,994	57,902	6,721	285,075
<b>SOMALI URBAN TOTAL</b>	710	254	401	103	54,769	557	2,861	589	8,523	2,228	70,995
Jijiga	-	140	401	42	7,079	191	1,539	143	2,982	19	12,537
Other Somali Urban	710	114	-	62	47,690	367	1,322	446	5,540	2,208	58,458
<b>BENSHANGULE URBAN TOTAL</b>	-	-	-	312	3,719	301	1,245	46	1,577	136	7,336

Asosa	-	-	-	-	1,074	-	112	-	138	-	1,323
Other Benshangul Urban	-	-	-	312	2,646	301	1,133	46	1,439	136	6,013
<b>S.N.N.P URBAN TOTAL</b>	<b>4,997</b>	<b>632</b>	<b>1,040</b>	<b>394</b>	<b>103,522</b>	<b>22,763</b>	<b>22,882</b>	<b>3,312</b>	<b>37,996</b>	<b>3,350</b>	<b>200,889</b>
Sodo	-	128	58	17	6,292	687	2,066	337	3,506	194	13,285
Arbaminch	-	10	10	-	2,312	10	887	10	1,425	-	4,663
Other S.N.N.P Urban	4,997	495	972	377	94,918	22,067	19,929	2,966	33,065	3,156	182,941
<b>SIDAMA URBAN TOTAL</b>	<b>258</b>	<b>248</b>	<b>610</b>	<b>561</b>	<b>12,925</b>	<b>443</b>	<b>4,542</b>	<b>200</b>	<b>7,290</b>	<b>92</b>	<b>27,170</b>
Hawassa	258	248	94	44	7,484	148	1,300	200	3,123	92	12,991
Other Sidama Urban	-	-	516	518	5,441	296	3,242	-	4,167	-	14,179
<b>GAMBELA URBAN TOTAL</b>	<b>-</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>4,131</b>	<b>133</b>	<b>921</b>	<b>-</b>	<b>3,248</b>	<b>2,325</b>	<b>10,791</b>
Gambela	-	-	33	-	2,481	35	583	-	611	59	3,802
Other Gambela Urban	-	-	-	-	1,650	98	338	-	2,637	2,265	6,989
<b>HARARI URBAN TOTAL</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>27</b>	<b>2,284</b>	<b>17</b>	<b>1,160</b>	<b>64</b>	<b>4,428</b>	<b>-</b>	<b>7,999</b>
<b>HARAR</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>27</b>	<b>2,284</b>	<b>17</b>	<b>1,160</b>	<b>64</b>	<b>4,428</b>	<b>-</b>	<b>7,999</b>
<b>DIRE DAWA</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>61</b>	<b>7,632</b>	<b>225</b>	<b>656</b>	<b>57</b>	<b>1,704</b>	<b>112</b>	<b>10,504</b>
<b>ADDIS ABABA</b>	<b>987</b>	<b>2,467</b>	<b>1,499</b>	<b>1,337</b>	<b>47,743</b>	<b>1,045</b>	<b>13,863</b>	<b>1,021</b>	<b>22,043</b>	<b>1,438</b>	<b>93,445</b>
Addis Ketema Subcity	-	34	263	16	5,528	190	1,751	40	904	24	8,750
Akaki Kality Subcity	80	139	50	715	5,404	29	914	144	1,887	266	9,629
Arada Subcity	-	508	207	34	2,541	15	514	197	4,985	522	9,522
Bole Subcity	53	174	32	73	4,456	73	1,526	98	1,871	62	8,419
Gulele Subcity	-	616	-	130	2,686	52	3,278	25	845	34	7,668
Kerkos Subcity	-	48	274	44	2,050	23	254	200	575	36	3,504
Kolfe Keraniyo Subcity	35	132	235	263	9,684	410	1,680	81	3,684	271	16,474
Lideta Subcity	686	10	71	-	1,300	37	158	23	784	13	3,082
Nifas Slik Lafto Subcity	82	208	85	50	7,258	105	2,768	128	2,891	43	13,618
Yeka Subcity	50	598	283	12	6,837	111	1,019	85	3,617	166	12,779
<b>TOTAL</b>	<b>11,732</b>	<b>8,364</b>	<b>7,834</b>	<b>8,059</b>	<b>518,473</b>	<b>42,999</b>	<b>117,561</b>	<b>7,983</b>	<b>209,701</b>	<b>17,102</b>	<b>949,808</b>
<b>%</b>	<b>1.2</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>54.6</b>	<b>4.5</b>	<b>12.4</b>	<b>0.8</b>	<b>22.1</b>	<b>1.8</b>	<b>100</b>

### **3.2. INFORMAL SECTOR ESTABLISHMENTS/ACTIVITIES**

As shown in Table 3.9, the total number of Informal Sector establishments/ activities was estimated to be 869,030. During the survey period detailed information was collected from each Informal Sector Operator regarding his/her major establishment/activity even if he/she has more than one establishments/activity. The main reason in doing so was to avoid confusion of the operators since they have no record keeping practices which would enable them to provide data separately for each of the establishment/activity where they have more than one. It was estimated that 20.04 percent of the operators have more than one Informal Sector establishments/activities.

#### **a). Informal Sector Establishments/Activities by Urban Centers and Type of ownership**

Table 3.9 presents the distribution of Informal Sector establishments/activities by type of ownership. As indicated in this table, the Informal Sector is dominated by Sole Ownership which accounts for 97.92 percent of the total establishments/activities at national level. The other forms of ownership are not found to be common in this sector which consists of only 1.59 percent.

### **3.3. DISTRIBUTION AND LABOUR PRODUCTIVITY IN THE INFORMAL SECTOR**

Among others, the major objectives of the national urban Informal Sector survey were to obtain number of establishments/activities and their spatial distribution, information on employment, productivity and estimate the value of various economic measures from which statistical data that will be an input to the System of National Accounts (SNA) can be compiled. Accordingly, this part of the report discusses the geographic and industrial distribution of number of establishments/activities, initial capital, gross value of income, value added, operating surplus and labour productivity of the national urban Informal Sector.

**TABLE 3.5 DISTRIBUTION OF TOTAL EMPLOYMENT BY REGION/URBAN CENTERS AND MAJOR INDUSTRIAL GROUPS :2021**

REGION/URBAN CENTERS	Sole Ownership		Partnership/Cooperatives		Others		Total
	No.	%	No.	%	No.	%	No.
<b>TIGRAY URBAN TOTAL</b>	0	0	0	0	0	0	0
Mekele	0	0	0	0	0	0	0
Other Tigray Urban	0	0	0	0	0	0	0
<b>AFFAR URBAN TOTAL</b>	22010	2.6	30	0.7	322	2.3	22362
Semera Logiya	3214	0.4	30	0.7	103	0.7	3347
Other Affar Urban	18797	2.2	0	0	219	1.6	19015
<b>AMHARA URBAN TOTAL</b>	153997	18.1	335	7.8	4236	30.7	158568
Gonder	10329	1.2	32	0.7	83	0.6	10444
Dessie	8544	1	0	0	149	1.1	8693
Bahir Dar	9130	1.1	0	0	169	1.2	9298
Other Amhara Urban	125995	14.8	303	7	3835	27.8	130133
<b>OROMIYA URBAN TOTAL</b>	289933	34.1	1456	33.7	4026	29.2	295415
Jimma	11258	1.3	71	1.6	48	0.3	11377
Adama	13395	1.6	94	2.2	74	0.5	13563
Bishoftu	5388	0.6	17	0.4	90	0.7	5495
Nekemet	4871	0.6	0	0	0	0	4871
Other Oromiya Urban	255021	30	1275	29.5	3814	27.7	260109
<b>SOMALI URBAN TOTAL</b>	66644	7.8	493	11.4	16	0.1	67153
Jijiga	11124	1.3	309	7.1	16	0.1	11448
Other Somali Urban	55520	6.5	185	4.3	0	0	55705
<b>BENSHANGULE URBAN TOTAL</b>	7186	0.8	0	0	50	0.4	7236
Asosa	1270	0.1	0	0	0	0	1270
Other Benshangul Urban	5916	0.7	0	0	50	0.4	5967
<b>S.N.N.P URBAN TOTAL</b>	179853	21.1	779	18	1502	10.9	182134
Sodo	11783	1.4	107	2.5	286	2.1	12177
Arbaminch	4588	0.5	0	0	29	0.2	4617
Other S.N.N.P Urban	163481	19.2	672	15.5	1187	8.6	165340
<b>SIDAMA URBAN TOTAL</b>	21158	2.5	326	7.5	558	4	22041
Hawassa	10290	1.2	141	3.3	328	2.4	10759

Other Sidama Urban	10867	1.3	185	4.3	230	1.7	11282
<b>GAMBELA URBAN TOTAL</b>	10074	1.2	218	5.1	99	0.7	10392
Gambela	3762	0.4	0	0	1	*	3763
Other Gambela Urban	6312	0.7	218	5.1	98	0.7	6629
<b>HARARI URBAN TOTAL</b>	6607	0.8	59	1.4	786	5.7	7452
<b>HARAR</b>	6607	0.8	59	1.4	786	5.7	7452
<b>DIRE DAWA</b>	10133	1.2	0	0	14	0.1	10147
<b>ADDIS ABABA</b>	83322	9.8	626	14.5	2183	15.8	86130
Addis Ketema Subcity	7798	0.9	47	1.1	547	4	8392
Akaki Kality Subcity zup[	9218	1.1	44	1	135	1	9397
Arada Subcity	8102	1	63	1.4	86	0.6	8250
Bole Subcity	7787	0.9	15	0.4	117	0.8	7920
Gulele Subcity	6784	0.8	14	0.3	2	*	6800
Kerkos Subcity	2563	0.3	28	0.6	210	1.5	2801
Kolfe Keraniyo Subcity	14700	1.7	135	3.1	549	4	15384
Lideta Subcity	2776	0.3	73	1.7	23	0.2	2872
Nifas Slik Lafto Subcity	12591	1.5	112	2.6	151	1.1	12854
Yeka Subcity	11004	1.3	95	2.2	363	2.6	11461
<b>TOTAL</b>	850916	100	4324	100	13790	100	869030
<b>%</b>	0	0	0	0	0	0	0

a) **Distribution of Informal Sector Establishments/Activities by Industry and Urban Centers.**

The distribution of the Informal Sector establishments/activities by major urban centers and industrial group is shown in Table 3.10. Accordingly, the survey result indicated that the total estimated number of Informal Sector establishments/activities for all urban centers in the country was about 869,030. The data in Table 3.10 further demonstrates that for the country as a whole i.e. for all major industrial groups combined Trade, Hotels and Restaurants major industrial group ranks first in terms of the number of Informal Sector establishments/activities. This accounts for 50.33 percent of the establishments/ activities in the sector. The next important industrial group in the Informal Sector in the country in this respect is the Community and personal services major industrial group, which constituted 28.71 percent of the total number of Informal Sector establishments/activities. That means the share of the two sectors alone was about 79 percent of the overall industrial groups, leaving only about 21 percent for other major industrial groups. Therefore, the Ethiopian Informal Sector is generally characterized by high concentration in Trade, Hotels and Restaurants and Community and personal services major industrial groups.

The output by community and personal services major industrial group includes among many others services of light consumer goods, like shoe shining and repair and maintenance (mainly household furniture's, different tools, etc...). The services given by Trade, Hotels and Restaurants among many others includes mainly petty trade like "gullit", small shops and other retail trades and sales of local drinks and food. The types of goods produced and services rendered by Trade, Hotels and Restaurants and community and personal services indicate the dominance of the two major industrial groups in the Informal Sector establishments/activities. This situation could be attributed mainly due to the low level of initial and working capital requirements for these activities. The high demand for these basic and cheap products and services especially by the majority of the low-income group of the population and lack of adequate skills for other alternative investment opportunities on the part of the Informal Sector operators might be the other major reasons for concentrating in these two industrial groups.

Among urban centers of the country, Addis Ababa took 9.9 percent of the total establishments/activities existing in the reference period. Following Addis Ababa the next five urban centers are Adama, Sodo, Jimma, Jijiga and Gondar in this order. The percentage share of these urban centers i.e., Addis Ababa, Adama, Sodo, Jimma, Jijiga and Gondar in total number of Informal Sector establishments/activities were 9.90, 1.60, 1.40, 1.30 1.30 and 1.27 percent respectively, which was all together 16.70 percent (See Table 3.10). Among others the major reason for the concentration of Informal Sector establishments/activities in few large urban centers, specially in Addis Ababa could be mainly due to the size of the city's' population.

**b) Distribution of Informal Sector Establishments/Activities by Urban Centers, Initial Capital and Source of Initial Capital.**

The distribution of Informal Sector establishments/activities by ranges of value of initial capital and its source for each major urban center and for the national urban are presented in Tables 3.11 and 3.12.

As Table 3.11 shows 20.44 percent of the Informal Sector establishments/activities started their operation with a total capital of up to Birr 250 and while only 6.05 percent started their activities with Birr 20,001 and above. The same Table indicates also that the structural distribution of Informal Sector establishments/activities by range of initial capital was very similar to that of the average national urban across all urban centers of the country in the year under review.

During the survey period, operators of Informal Sector establishments/activities were asked to state the source of their initial capital for starting their Informal Sector operation. It can be observed from Table 3.12 that among the total urban Informal Sector establishments/activities 50.50, 26.5 and 14.00 percent stated own saving, borrowed from friends/relatives and assistance from friends/relatives, respectively, were their major source of initial capital. All together 91.00 percent of the total urban Informal Sector establishments/activities secured their initial capital from the sources mentioned above. The same table makes clear that similar to that of the national urban, the most common source of initial capital of Informal Sector establishments/activities for each major urban center except for Asosa was their own



savings, followed by borrowed and assistance from friends/relatives. Therefore, these findings prove the widely held presumption that Informal Sector operators who get loans from formal financial institutions mainly from banks are very few (only 0.80 percent were financed by banks).

**c) Gross Value of Income of Informal Sector Establishments/Activities by Urban Centers and Industry**

The distribution of gross value of income which includes the sale value of all products and services, rent of machinery and equipment, other income and the net change in value of stocks, among various major industrial groups and urban centers are shown in Table 3.13.

For the overall national urban Informal Sector, Community and Personal services constitutes the biggest share in gross value of income compared to other major industrial groups, though, the Trade, Hotels and Restaurants major industrial group as mentioned earlier took the highest proportion in terms of number of establishments/activities. The Trade, Hotel and Restaurants major industrial group alone contributed 58.64 percent of the total gross value of income in the reference period. The next highest industrial group which accounted for 21.66 percent of gross values of income was contributed by the Community and Personal services major industrial group. The share of the rest of the major industrial groups all together was only 20.70 percent of the total national urban Informal Sector, which again proved the dominance of the two major industrial groups.

Regarding the distribution of gross value of income by urban centers like that of the share of number of Informal Sector establishments/activities, about 8.21 percent of the total gross value of income was contributed by Addis Ababa. The share of gross value of income by the other major urban center (excluding small urban centers combined for Affar, Amhara, Oromiya Somalia, Benshengul-Gumuz, S.N.N.P. Sidama Harari Diredawa and Gambela) was 21.82 percent compared to that of the national urban Informal Sector.

**d) Value Added and Operating Surplus of Informal Sector Establishments/Activities by Urban Centers and Industry**

This part of the report shades light on the structural distribution of value added and operating surplus among different major industrial groups and urban centers in the country. The value added in the national account concept at market price is shown in Table 3.14, which includes gross value of income less intermediate costs, which meant the sum of profits, and wages and salaries and employee benefits. On the other hand, in order to summarize the profitability of the Informal Sector establishments/activities, operating surplus (i.e., value added less wages and salaries) and employee benefits was also calculated for each major industrial group and urban centers as given in Table 3.15.

The total estimated value added and operating surplus for the entire national urban Informal Sector were Birr 35,231,821,406 and 34,120,044,847 as indicated in Tables 3.14 and 3.15, respectively. The average annual value added and operating surplus per Informal Sector establishment/activity, were Birr 40,541 and 39,262, respectively, in the reference period.

Regarding the distribution of value added and operating surplus by major industrial groups the share of Trade, Hotels and Restaurants in a similar way to that of gross value of income ranked first in the reference period. That means according to the findings of this survey, the Trade, Hotels & Restaurants industrial group is more profitable than the other major industrial groups. The share of the Trade, Hotels and Restaurants industrial group in the period under review was 59.24 and 59.16 percent of the total national urban Informal Sector value added and operating surplus, respectively.

The proportion of Community and Personal services in value added and operating surplus in the same period was 22.29 and 22.35 percent of the overall national urban Informal Sector, respectively. That indicates the dominance of Trade, Hotels and Restaurants and Community and Personal services major industrial groups in the Informal Sector establishments/activities holds true also in terms of value added and operating surplus. The survey result proved once more the widely held presumption

that, there is an ease of entry to these two major industrial groups of the Informal Sector. A glance at the same tables makes clear also that, the percentage share of manufacturing was 7.11 percent, while that of construction was 3.89 percent. The rest of the major industrial groups contributed 7.47 percent of the total value added. The same pattern of contribution would also be observed to the operating surplus of the Informal Sector.

In respect to the distribution of value added and operating surplus by urban centers, Tables 3.14 and 3.15 demonstrate that like that of the share of Informal Sector establishments/activities and gross value of income, about 8.41 percent of each was contributed by Addis Ababa from the total national urban Informal Sector value added and operating surplus.

e). **Gross Value of Income and Value Added Per Person Engaged by Industry**

Gross value of income and value added per person engaged are summarized in Table 3.16. This table makes clear that, on the average i.e., for all major industrial groups combined, annual gross value of income and value added per person engaged were Birr 42,436 and 35,580, respectively in 2021. For gross value of income per person engaged, the intra-major industrial group structural distribution ranged from Birr 27,464 in Agriculture, Hunting, Forestry and Fishing to Birr 91,909 in transport major industrial group. In annual value added per person engaged the lowest value was found to be Birr 21,642 in Agriculture, Hunting, Forestry and Fishing and the highest Birr 52,165 in transport major industrial group.

The finding of this survey showed that, labour productivity as measured in terms of annual gross value of income per person engaged was the lowest in Agriculture, Hunting, Forestry and Fishing as compared to that of the other major industrial groups in the Informal sector, though, this industry was the fourth leading major industrial group in terms of number of establishments/activities. On the other hand, the evidence presented in the same table portrays that labour productivity as measured in terms of the annual value added per person engaged was too low in Agriculture, Hunting, Forestry and Fishing as compared to that of the other major industrial groups in the

Informal Sector, as similar as, of share in the gross value of income per persons engaged.

### **3.4. PROBLEMS OF INFORMAL SECTOR ESTABLISHMENTS/ACTIVITES**

During the survey period, information on problems encountered when starting the establishment/activity and types of difficulties faced during operation were collected from each sample operator. The final results obtained from the survey on these questions are presented in Tables 3.17 and 3.18 and discussion below refer to the *First Major Difficulties*.

#### **a). Difficulties Faced when Starting the Operation**

The operators were asked to rank their difficulties by order of importance they faced when starting their operations. The distribution of first major difficulties by urban centers is presented in Table 3.17 below while distribution of these difficulties by Industry is presented in Tables 71a, 71b and 71c, in Chapter IV, Statistical Tables.

As indicated in Table 3.17, one of the major problems which affected about 33.0 percent of the establishments/activities is the lack of sufficient capital. The second and third major problems are lack of premises and inadequate skill which affected 17.7 percent and 3.8 percent of the Informal Sector establishments/activities, respectively. These are followed by other problems, access to raw materials and obstacles from government regulations. This result could help policy makers to identify areas of concentration of problems and there by formulate possible intervention policies and programs regarding the Informal Sector.

**b). Difficulties Faced During the Operation**

Summary of difficulties experienced by Informal Sector establishments/activities during operation are presented in Table 3.18. As the survey results indicate, shortage of working capital is the major obstacle which affected 24.50 percent of the Informal Sector establishments/activities in the past. Likewise, lack of premises (9.10 percent) and limited market (8.80 percent) are the second and third major obstacles, respectively, which hinder the day to day activities of the Informal Sector establishments/ activities. This table also shows that social obligations and problems with workers seem to affect very few establishments/activities.