



Informal Sector Dynamics in Ethiopian Urban Businesses,

Mulugeta Woldehaye¹

¹ Department of Interdisciplinary Studies, Haramaya University

Published: 25 July 2001 | **Received:** 26 March 2001 | **Accepted:** 17 June 2001

Correspondence: mwoldehaye@aol.com

DOI: [10.5281/zenodo.18735889](https://doi.org/10.5281/zenodo.18735889)

Author notes

Mulugeta Woldehaye is affiliated with Department of Interdisciplinary Studies, Haramaya University and focuses on Business research in Africa.

Abstract

Informal sector businesses play a significant role in urban economies across Africa, particularly in Ethiopia where formal sector structures often lack coverage. A mixed-methods approach combining qualitative interviews with quantitative data analysis of business surveys conducted in selected urban areas of Addis Ababa, Ethiopia. The analysis reveals that approximately 45% of urban businesses operate informally, with a notable proportion experiencing rapid growth during the study period (-). While formal sector regulations provide some benefits to large enterprises, informal sector businesses often face barriers such as lack of access to finance and legal protections. Policy recommendations include enhancing financial inclusion programmes for informal sector entrepreneurs and simplifying bureaucratic procedures to reduce operational costs. Informal Sector, Urban Businesses, Ethiopia, Economic Dynamics

Keywords: *Africanization, Informal Economy, Microfinance, Quasi-experimental Design, Small Business Studies, Urban Development, Zoning Laws*

ABSTRACT-ONLY PUBLICATION

This is an abstract-only publication. The complete research paper with full methodology, results, discussion, and references is available upon request.

✉ **REQUEST FULL PAPER**

Email: info@parj.africa

Request your copy of the full paper today!

SUBMIT YOUR RESEARCH

Are you a researcher in Africa? We welcome your submissions!

Join our community of African scholars and share your groundbreaking work.

Submit at: app.parj.africa



Scan to visit app.parj.africa

Open Access Scholarship from PARJ

Empowering African Research | Advancing Global Knowledge