



COLLEGE OF SOCIAL SCIENCE AND HUMANITIES

DEPARTMENT OF GOVERNANCE AND DEVELOPMENT STUDIES

**THE EFFECT OF RURAL TO URBAN MIGRATION IN INFORMAL
ECONOMY: THE CASE OF WOLISO TOWN**

BY

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**A THESIS PAPER SUBMITTED TO THE DEPARTMENT OF
GOVERNANCE AND DEVELOPMENT STUDIES FOR THE PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
MASTER OF ART IN DEVELOPMENT STUDIES**

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Jan, 2023

Wolkite, Ethiopia

Declaration

I, Zenebe Agbachew, hereby declare that this thesis is my original work and has not been presented in any other University or College. All the sources and materials used in this thesis are properly acknowledged.

Name of the candidate

Signature

Date

Acknowledgement

First, I would like to thank the Almighty God for allowing me to be here this time and prepare this thesis. For their Excellency, I am grateful to my advisor Wubante A. (PhD) and co-advisor Girma S. (MA) for their constructive advice and supportive comments in developing this thesis paper, beginning with its proposal draft. Last but not least, I would like to thank the population and respondents of Woliso Town for their valuable support in providing relevant information during the data collection and analysis.

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Acronyms

CBOs	Community Based Organizations
DAs	Development Agents
GDP	Gross National Income (GNI
ILO	International Labor Organization
LED	Local Economic Development
MoP	Ministry of Planning
OECD	Organization for Economic Cooperation and Development
OECD	Organization of Economic and Cultural Development
PPP	Public Private Partnership
RUM	Rural-Urban Migration
SSACS	Sub-Saharan African Countries
WB	World Bank

Abstract

The urban informal economy sector plays a vital role in generating employment, income generation, and skill development as well as improvement of human life standadrd. This study aimed at assessing the effect of rural-urban migration on the informal economy. For the purpose of this study, an explanatory survey design is employed. In this study, 375 respondents were taken as sample for the study to represent population of the study. Among the total population, 242 (65.5%) were male respondents and 125 (34.5%) of them were female respondents. To select samples, the study used a simple random sampling technique. The study indicated that there is a higher extent of rural-urban migration in the study town. Moreover, the study found that there is low effort of responsible bodies in order to solve rural-urban migration and its effect on informal economy. The study reveals that the major factor that effect rural-urban migration and the informal economy in the study area includes pushing factor such as economic hardship, political instability, famine, environmental degradation, religious & ethnic conflict and pulling factors like employment opportunity, hope for better life, political freedom etc. According to the findings of the study, the social effect of rural to urban migration the study area includes the increment of population size in the urban area. This results in unbalanced proportion of the local population. The study also indicates that the economic effect of rural-urban migration is the imbalance between production and basic demand of the population in the area. The study shown that the rural-urban migration increases the urban population and hence unplanned urban expansion with insufficient supply of social services like education, health care proper sewerage system, road networks and transportation system. The study suggests that there should be intensive researches to reduce the multi-dimensional effect of rural-urban migration on the informal economy sector.

Keywords: - effect, informal economy, rural-urban migration

Chapter One

Introduction

1.1 Background of the Study

In the economy, there are two modes of operation: formally and informally. Informal activities are those that take place without the protection of the law. It's possible that informal actions are of a legal type, i.e., they are not criminal in nature, but they are still carried out without adhering to the formalities imposed by the official legal framework and are therefore regarded as informal. In this view, the informal sector is typically characterized by low entry barriers, a family-owned business model, labor-intensive technology, and informal mechanisms for skill acquisition (Slater, 1986).

The part of commercial activity that is either unregulated or insufficiently regulated by the state is what is generally referred to as the informal economy. In this respect, productive activities that are not recorded or are not sufficiently accounted for in a nation's national income account are referred to as informal economic activity. Lack of agreement on the activities that constitute the informal economy makes it difficult to define it in a way that is more precise and useful. (ibid)

Most workers across the world work informally and support economic and social progress through market and non-market activities that are not well-protected, regulated, respected, or well-recognized. The vulnerability that exists in the informal economy is comprehensively diagnosed in this study. Based on the ILO indicators of informality and the new OECD Key Indicators of Informality based on Individuals and Their Household Fields (1975), it investigates innovative approaches to enhance the lives of employees in the informal sector.

In the context of countries in Central and Eastern Europe, the informal economy is characterized by economic activities outside the formal reach of labor legislation, as well as by economic activities within the formal reach of the law, but for which the law is not effectively enforced or simply not applied in practice. In developing countries, informal firms account for up to half of economic activity. They provide livelihood for billions of people. Yet their role in economic development remains controversial. Some, like Hernando De Soto (1989, 2000), see informal firms as an untapped reservoir of entrepreneurial energy, held back by government regulations.

According to this perspective, releasing this energy by lowering entry requirements or enhancing property rights will promote development. Others, like Levy (2008), adopt a more pessimistic perspective, highlighting the benefits that informal businesses and employees receive from avoiding taxes and laws.

The informal sector in Africa makes a considerable contribution to the continent's gross national income (GNI), the creation of jobs, and the generation of income for the majority of inhabitants, and the delivery of essential services to the most disadvantaged groups in society. Along with its contribution to the formal economy, this also exists. According to recent studies conducted in seven African nations (AFD: 2007), the informal economy's average share of the continent's GNI south of the Sahara is 42.2%, with wide variances between nations.

Since it was 'discovered' in Africa in the early 1970s, the informal economy has continued to prove useful as a concept to many policymakers, activists, and researchers because the reality it seeks to capture the large share of economic units and workers that remain outside the world of regulated economic activities and protected employment relationships is so large and significant.

In Ethiopia, employment in the informal sector is less secure, and incomes are lower than in the formal sector. These diverse activities share the common thread of low status, low wages, long hours, and often dangerous and insecure working conditions. Ethiopia in the world is currently experiencing a high influx of urban population growth due to migration over the years. This view is brought about by the large numbers of unemployed or underemployed young people in many urban areas. These chronic migration problems are a key cause of crime, as people need to find ways of putting food on their tables and engaging in informal sectors.

Just like other parts of Ethiopia, Oromia is one victim of the effects of RUM. The effects of RUM are social too, not just economic; crime rates rise as people are unable to meet their needs through work. Divorce rates often rise because people cannot solve their financial problems. Woliso is one of the towns in which unplanned urban expansion would have been occurring. As a result of this rapid, unplanned rural-urban expansion, many farmers are searching for jobs for their lives. In Woliso town, the informal economy is deprived, even if some achievements can be seen across different parts of the county, and the status of the town is very poor since so many migrants live in the town (Woliso Town Municipality, 2016).

1.2 Statement of the Problem

It is obvious that economy is critical point for human life. An informal economy is one that is neither taxed nor regulated by any kind of government. Although the informal sector accounts for a sizable share of the economies of emerging nations, it is sometimes portrayed as difficult and uncontrollable. However, the informal sector, which has been steadily developing since the 1960s, provides crucial economic prospects for the poor. Integrating the informal and formal economies is a significant policy problem. Beker (2004). According to Beker (2004), the majority of rural urban migrants who take part in the informal economy are doing so as a method of subsistence, not as a choice, and the reason for the expansion of informal economic activities in urban areas is RUM in combination with human problems for low-cost goods and services, along with economic stagnation.

According to Chen (2007), the mass of informal operators represents members of disadvantaged groups based on gender, ethnic origin, immigration status, and other characteristics. They rely solely on the informal economy for a living (ILO, 2014). The informal sector is the main source of employment and income for the underprivileged; it is an effective tool for reducing poverty and social isolation. According to Rukmana (2013), the key factor driving the expansion of urban informal economic activities is rural-urban migration due to the urban aggregation effect in search of employment opportunities. Similarly, a few good studies argue that RUM is closely linked with and positively correlates with the formation and growth of urban informal sectors. Ronald S. (2016) concludes that rural urban migration is closely linked to the growth and extension of the urban informal sector. The large flow of rural people into cities has altered the job structure of the destination. Economic incentives, as well as other aspects of metropolitan life, entice rural residents to relocate. However, relatively few of the lucky migrants are able to get positions in the industry. Others wait for jobs in the formal sector, forming a “reserve army of labor.” The remainder are exclusively absorbed in the urban informal sector. Again, low wages, low security, and high labor intensity in informal occupations have decreased people’s living standards.

Lewis (1999) says that internal migration is blamed for excessive urbanization, unemployment, income inequality and dilution, environmental stress, and demographic maldistribution. Because

the urban informal sector has a limited labor absorb capacity, many new migrants who do not have expected-wage formal sector positions end up settling for low-wage urban informal paid work or self-employment in the informal economy. Among the numerous sorts of work possibilities available in the informal sector are those with little or no entry and departure restrictions, as well as cheap starting capital. Street trade in emerging economies is a classic example of such a business activity.

Rural-urban migrants, particularly youth migrants, are the main perpetrators of urban crime involving theft, smuggling, and human security issues. According to Erukar S. (2019), youth migrants cannot realize their objectives or the reason why they migrated from rural places. Alemante, E. shows people in Oromia region state migrated to big towns due to different reasons. The government is losing a lot of revenues, which could have contributed to the provision of infrastructure services. Furthermore, informal economic activities are affecting the mobility of people and the transformation system. Increased rural urban migratory flows contribute to rural population growth. This presents a challenge to governments in their attempts to secure the social and economic wellbeing of city dwellers. The key issues are enhancing household income and food security.

According to Taye, M. (2017), migration in Ethiopia is a crucial issue, especially rural urban migration, which is much more than urban to rural migration, and it is also a big deal and the reason for much instability in a country. Rural-urban migration seems to be a key characteristic of city centers and has increased abruptly. As Temesigen A. (2019) migrants in Addis Ababa, the majority come from the southern regional state, and the main reasons to leave their original place are in search of work and due to a lack of educational opportunities. The informal sector is an opportunity to fight poverty, provided it is well managed in cities like Addis Ababa, where poverty is a huge challenge.

Rural to urban migration is a source of crime in the Oromia regional state. Environmental pollution, overcrowding in housing, employment, medical services, public schools, infrastructure, and traffic congestion, social unrest (theft, crime, pickpocketing, and prostitution), and beggarly, high living costs of the influx of migrants Similarly, despite being the capital city

of South West Showa Zone, Woliso town's migrant population is in excess, which leads to it not attracting private sector investment. (Woliso Town Municipality, 2015 E.C.)

To address these challenges and their root causes and thus meet the needs of migrants and the labor market, this study supports the transformation process of the informal sector at different levels. The result of this study was an effective and efficient, as well as significant, migration to the informal sector.

Previous studies, such as Becker (2004), Chen (2007), Lewis (1982), and ILO (2009), stated that the effect of rural urban migration in informal economies did not fully cover the condition of the majority of migration in a country. They merely focused on the causes of migration and its impact on some parts of a country. Moreover, the findings of those studies did not indicate the status of migration or its effect on the informal economy in Woliso town. Therefore, in this current study, the researcher hopefully proposes that this study fills all the gaps of the previous studies and brings about a change in the reduction of the effects of rural-urban migration in informal economies in the study area.

Although different research has been conducted in the town in relation to migration, including irregular migration and factors influencing youth unemployment, no studies have properly addressed the effects of rural-urban migration on informal economic issues, in particular in the study area. Therefore, this study was investigating the effects of rural-urban migration on informal economies in the study area.

1.3 Objectives of the study

1.3.1 General Objective

The general objective of the study is to examine effects of rural to urban migration on the informal economic activities

1.3.2 Specific Objectives are;

- To identify the challenges faced by migrants while they participate in the informal economy in the study area.

- To explore the positive effect of rural-urban migration on the informal economy in Woliso town.
- To investigate the adverse effects of migration from rural to urban areas on informal economy in Woliso town's.

1.4 Research Questions

The above-specific issues can be addressed by answering the following research questions:

1. What are the challenges faced by migrants while they participate in the informal economy in the study area?
2. What are the positive effects of rural-urban migration on the informal economy in Woliso town?
3. What are the adverse effects of migration from rural to urban areas on informal economy in Woliso town?

1.5 Significance of the Study

The findings of this study gave an insight into understanding the effect of rural-urban migration on the informal economy. The study also gave a clear understanding of the context of the informal economy and contributing factors for the growth of economic development in the study area. The concerned bodies would use the research findings to provide solutions for managing the informal economic activities in their area. The study further served as baseline data for any further investigation, as useful material for academic purposes, and as an addition to existing knowledge.

1.6 Scope of the Study

The geographical coverage of the study was limited to Woliso town, which is located in South West Shewa, Oromia, Ethiopia. Hence, the research limits itself to the effect of rural-urban migration on informal economies in Woliso town. In terms of subject (thematic or conceptual), it were limited to focusing on the effect of rural-urban migration on the informal economy in Woliso town. In our perspective, migration refers to whatever individual or family migration

moved from nearby or not to Woliso town. In terms of technique, the study used a descriptive design, and the sample for the questionnaire was drawn at random.

1.7 Limitation of the study

The researcher faces different challenges which have effect on the results of the study. Time and financial constraints may be the major limitations of this study. Furthermore, the officials and officers carry out activities in busy schedules with their customers in urban administration offices. Hence, they may assume responding to interviews is a time-consuming and unnecessary task for them. However, the researcher briefly explained its importance to them in order to get their attention to respond to the interview. Other challenges that a researcher encountered during data collection are unavailability of written materials about the issue due to illegal nature of migration, doubtful of migrant's, returnees and other informants at places of origin. In addition, the services in migration are somewhat complex and wide and might not be covered comprehensively in this study. But the researcher tray to manage these challenges systematically.

1.8 Organization of the Study

This paper contains five chapters. The first chapter was the introductory sections that include background, statement of the problem, objective, research question, significance, scope and limitation of the study. The second chapter is a review of a related literature. The third chapter deals with methodology that includes, sampling techniques, tools and techniques for data collection and method of data analysis. The fourth chapter discuses comprise of introduction, demographic profile of study participant and present the data that you collect from the clients by following sequence of research question. In addition, the last chapter was the conclusion and recommendation.

Chapter Two

Literature Review

2.1 Introduction

In this section, we present the history of the term “informal economy” and the various definitions advocated/promoted by scholars. Two typologies are presented that classify various kinds of work and various kinds of informal economy activities. Four key characteristics of informal work are discussed. Lastly, the work activities that are excluded from the definition of the informal economy are outlined.

A. History of the study of the informal economy

Various labels have been used by scholars to refer to the "informal economy": it has been called the irregular economy, the subterranean economy (Gutmann, 1977), the underground economy, black economy, the shadow economy, and the informal economy (Mc Crohan & Smith, 1986). The popular media uses terms such as invisible, hidden, submerged, shadow, irregular, non-official, unrecorded, or clandestine (U.S. Department of Labor, 1992). The common threads that these activities are not recorded or imperfectly reflected in official national accounting systems.

The concept of Informal sector was first coined by a British anthropologist Keith Hart, in his 1971 study of economic activities in urban Ghana. Hart was of the opinion that “self-organized economic activities, growing out of people’s everyday lives, however, irregular, and inadequate they may seem to be, ought to modify the perceptions of economy current in development discourse”(Hart: 2006). It was subsequently used in ILO reports of labor market conditions in other African cities and by the World Bank in a series of studies of urbanization and poverty throughout the Third World (Sethuraman, 1981; Mazumdar, 1975). In its application to issues of

equity, economic opportunity, and social development, the term "informal economy" first came into widespread use as a means of describing a dualistic economic structure found in developing countries. Such an economy involves both the mainstream formal economy and an unofficial economy within which economic transactions occur outside traditional channels and deliver explicit economic and social benefits.

The concept has evolved to encompass various types of cash and non-cash transaction in both developing and industrialized economies—transactions that benefit both the poor and non-poor. Drawing on extensive theoretical and empirical work on Third World countries, researchers began to examine the nature and dynamics of the informal economy in developed countries. Although similar activities had been observed in European countries and the concept did not gain much initial popularity in the United States. Ferman and Ferman's (1973) paper documented the informal economic exchanges as means of survival among the urban poor of American cities that served as a major breakthrough in the field. Ethnographic studies by Stack (1974), Lowenthal (1975), and Dow (1977) highlighted the informal economic activity within the urban inner city.

B. Typologies

Our understanding of the informal economy may benefit from typologies that classify various kinds of work and that classify various kinds of informal economy activities. We present one of each in this section.

1. Informal work as a labor market category

The Dual Labor Market Theory) provides one approach to understanding the place of informal work within the labor market. It divides the labor market into four categories: primary, secondary, informal, and illegal. The authors argue that these categories reflect the class, racial, and gender stratification in our society. The primary sector is regular, wage jobs that are taxed and regulated for example, heavy industry or white-collar jobs. The secondary sector is composed of jobs that have less security than primary work and are not as well regulated, e.g., lower wage jobs in the service sector (often referred to as "pink collar jobs").

The Dual Labor Market Theory argues that the informal sector is composed of people who are unable to access primary or secondary work. Informal work includes people who operate their own small business in a cash-only or unregulated arrangement or people who work for employers but off-the-books. The fourth category is illegal work and this includes all criminal activity that is revenue generating. This categorization has been adopted from the work presented by Cross & Johnson (2000). They argue that these four categories are more two-dimensional with formal vs. informal and legal vs. illegal being more important considerations.

Table 1 *Labor Market Categories*

Primary Sector	Secondary Sector	Informal Sector	Illegal Sector
<ul style="list-style-type: none"> ✓ High wage ✓ High security ✓ Well regulated 	<ul style="list-style-type: none"> ✓ Low wage ✓ Low security ✓ Poorly regulated 	<ul style="list-style-type: none"> ✓ Self-employment ✓ Casual labor ✓ Unregulated 	<ul style="list-style-type: none"> ✓ Criminal ✓ Unregulated

Source: Cross & Johnson, 2000: 102

One problem with this typology is that it assumes discrete categories based on class, race, or gender. Other research has found that many people who have easy access to the primary sector make the choice to engage in the informal economy, either as their primary source of income or as a means to generate supplemental income.

2.1.1 Five Things to Know about the Informal Economy

A. The informal economy consists of activities that have market value but are not formally registered.

The informal economy embraces professions as diverse as minibuses drivers in Africa, the market stands in Latin America, and the hawkers found at traffic lights all over the world. In advanced economies, examples can range from gig and construction workers, through domestic workers, to registered firms that engage in informal activities. The International Labor Organization estimates that about 2 billion workers, or over 60 percent of the world’s adult labor force, operate in the informal sector--at least part time. The informal economy is a global phenomenon, but

there is great variation within and across countries. On average, it represents 35 percent of GDP in low- and middle- income countries versus 15 percent in advanced economies. Latin America and sub-Saharan Africa have the highest levels of informality, and Europe and East Asia are the regions with the lowest levels of informality.

B. The informal economy is difficult to measure

This is because activities within it cannot be directly observed, and for the most part, participants in the informal economy do not want to be accounted for. But it is important to try and measure the size of the informal economy because of its significance, and also because it employs some of the world's most vulnerable people. Informality can be measured in two different ways. The *direct* approach is based on surveys, voluntary replies, and other compliance methods to directly measure the number of informal workers and firms. *Indirect* methods focus on certain characteristics, or proxies, that can be observed and are related to informal economic activity. Examples of proxies include electricity consumption, night-light satellite data, and cash in circulation. Using these methods, the share of the informal economy in total output can be measured.

C. The COVID-19 pandemic hit informal workers particularly hard, especially women

This uneven impact of the pandemic is because the majority of informal workers are employed in contact-intensive sectors (such as domestic workers, market vendors, and taxi drivers) and in insecure jobs that do not offer paid leave or the ability to work from home.

Close to 95 million more people many of them informal workers--are estimated to have fallen below the threshold of extreme poverty in 2020 compared with pre-pandemic projections.

Gender inequality is also increasing as millions of women who are informal workers, have been forced to stop working since the start of the pandemic. For example, women make up 80 percent of domestic workers globally, and 72 percent of them have lost their jobs as a result of the pandemic.

In sub-Saharan Africa, 41 percent of women-owned businesses closed, compared with 34 percent of those owned by men.

D. The informal economy is central to the economic development process.

Understanding the drivers and consequences of informality is central to sustainable and inclusive development, as informality is critically related to how fast countries grow, and to poverty and inequality, including gender inequality. Whereas some individuals and firms operate informally by choice, 85 percent of all informal workers are in precarious employment, not through choice but due to a lack of opportunities in the formal sector. This has important economic consequences.

First, countries with large informal sectors tend to grow below their potential. Informal firms tend to remain small, with low productivity and limited access to finance. Also, they do not contribute to the tax base, depriving governments of resources to provide basic services to their populations.

Second, informal workers are more likely to be poor and to earn lower wages compared to their peers in the formal sector. They lack social protection, access to credit and are generally less educated.

Third, informality is related to gender inequality. Globally, 58 per cent of employed women work in the informal sector, and are more likely to be in the most precarious and low-paid categories of informal employment. In sub-Saharan Africa, women's average share of informal employment in the region's nonagricultural sector is 83 percent,

E. A balanced approach is crucial in addressing the informal economy, as it currently represents the only source of income and a critical safety net for millions of people.

It is important for policymakers to focus on implementing policies that help reduce informality gradually by tackling the drivers of informality in each country, including social exclusion and the incentives for individuals and firms to operate informally. Attacks on the sector motivated by the view that it operates illegally and evades taxes are not the answer.

Rather, policies that have been found to be effective include reforms to ensure equitable access to education for boys and girls; increasing access to finance, including by leveraging mobile money and digital reforms, and putting in place measures to improve the business environment. Specific measures include simplifying registration and regulatory requirements for new firms, simple tax systems including easy registration and electronic payment of taxes, and labor market reforms.

2.1.2 The term “informal sector” and its multiple denotations

Over the years, the term “informal sector” has more and more become questioned by international actors such as the ILO. Increasingly, it has been found to be an inadequate and perhaps misleading term to reflect such a dynamic and complex phenomenon, which is not actually a “sector” in the sense of a specific industry group or economic activity. Alternatively, it has therefore been argued that the term “informal economy” would be more appropriate as to cover the growing and diverse group of workers who operate informally. By doing so, it would better specify the conceptual framework of informality, covering both employment relationships and production relationships. The term “informal economy” would hence better reflect the great diversity of the workers, as their problems and needs are obviously different and consequently needs to be dealt with separately (International Labor Office, 2002).

2.1.3 Informal Sector in Developed and Less Developed Countries and Transition Countries

A study done in Kenya indicated that most studies estimated the share of informal sector in many developing countries as of GDP is accounted for 35-50% summarized that a comparison of studies on the informal sector in developed countries and studies in less developed countries has shown that they converge on some basic criteria undeclared labor, tax evasion, unregulated or unlicensed 14 enterprises, illegality or criminality used to characterize it. The essential divergence is related to the use of the ‘survival’ criterion. Consequently, studies in developed countries show that the informal sector offers possibilities for growth, whereas research in less developed countries provides evidence that survival is the main characteristic of the informal

sector there. As Pardo (1995) on K. Gërkhani, (2005) observes, survival always ‘legitimizes’ law avoidance in extreme situations, where a conflict between morality and individual rationality emerges: agents justify their actions by lack of choice.

The informal sector will probably always exist. From different researchers has put that although the consequences differ between developed and less developed countries, this phenomenon deserves full attention from all the societal agents involved. In spite of several (short run) positive outcomes, with the exception of some neoclassical economists and public choice theorists (De Soto, 1989; Buchanan et. al, 1990), there is a general agreement that, in the long run, the informal sector should be reduced in size or formalized. It also suggested by Schneider and Enste (2003) that although a reduction of the size of this sector is very difficult, it can only be possible when a low regulatory burden by a trustworthy state is combined with a democratic involvement of citizens in respecting the rule of law.

As shown in many studies the motives for individual participation in informal activities converge, to a large extent, for developed and less developed countries. The few specific differences are related to institutional country differences. The relationship between the formal and informal economy has been analyzed in the literature but the outcome is still ambiguous. The literature on developed countries argues more towards the positive effect, while in less developed countries, a negative relationship appears to be more dominant.

From many reasons for the existence of informal sector regarding developing countries, the low rate of industrialization and productivity, and the presence of surplus labor are listed as principal reasons why a dualistic system arose in the cities of the third world cited on K. In addition, it is accepted that due to the old economic mechanism (low technology and intensive use of cheap unskilled and semiskilled labor) that these countries have, informal activities emerge and grow quite rapidly. This is basically one of the reasons why the informal sector in less developed countries is considered to be a sector for survival.

With respect to transition countries, studies depicted that the distinctive reasons of informalization are mainly related to the political, economic and social institutional causes of their transformation from centrally planned into free market economies. As cited on they involve:

insufficient economic development (mention the low degree of economic liberalization and macroeconomic instability); a high tax burden and a complicated tax system a weak and complex legal and institutional framework (which is mainly due to the gap between the destruction of old institutions and the construction of new ones); inefficient enforcement mechanisms; a high level of corruption and bureaucratic incompetence among the government agents (Johnson et al., 1998a); the general lack of confidence in state institutions; the laissez passer approach towards the informal sector (i.e., the tolerance and insufficient control by the government); civil wars in some of these countries; and finally, the ‘path dependency’ (i.e., the conflict between the established economic and social norms in the past and the reaction to a new reality in the present) (K. Gërkhani*, 2005).

2.1.4 Informal Sector in Africa

The drastic expansion of urbanization over the past four decades has made urbanization one of the defining features of the twentieth and twenty-first centuries. Rapid urbanization, dominant economic informality, gender inequality and the unplanned nature of urban settings characterize most African cities. While urbanization in Africa is experiencing expansion – largely triggered by rural– urban migration and natural population growth rates in cities – it has failed to bring about inclusive growth, leading to the rise of slums and the prevalence of economic informality. Urbanization is complicated by planning ideologies that exclude rather than include. In particular, the planning ideologies to a large extent exclude women and individuals involved in economic informality. As put on N. Kinyanjui, (2014) different researchers Harris (1992) cited on observes that cities in developing countries are characterized by vast squatter settlements, shanty towns, a poor supply of basic amenities, rapid environmental degradation, traffic jams, violence, crime and urban sprawl that eats into the countryside. Murray and Myers (2006) observe that African city life has been reduced to a dystopian nightmare manifested by limited opportunities for formal employment, a lack of decent and affordable housing, failing and neglected infrastructure, the absence of social services, pauperization, criminality and increased inequalities. Robinson, (2002) also stated that due to these flaws, cities in Africa and the developing world are considered structurally irrelevant in the realm of world cities and attract hardly any global investment (N. Kinyanjui, 2014). The rapid urbanization, dominant economic

informality, gender inequality and unplanned nature of African cities make them different from cities in Europe, North America, Asia and the Middle East.

According to Sanchez (2006), Africa will experience the most rapid urban growth in the world until 2050. It is estimated that Africa's urban population will reach 742 million by 2030, up from 294 million in 2000. The projected 152 per cent increase in Africa's urban population will be fairly large compared with Asia's (94 per cent) and Latin America's (55 per cent); this rapid growth in population is attributable to rural–urban migration as well as to natural birth rates in cities. In his work on backwash urbanization (Mabogunje 1984), he argued that urbanization in sub-Saharan Africa is not based on economic development but is more the product of failed development policies in both cities and rural areas, with the failure of development in rural areas generating rural–urban migrants who flood the cities. He stated that this backwash urbanization has resulted in the peasantization of cities, whereby peasant migrants with rural origins dominate the cities and introduce peasant-type lifestyles and norms of survival. These peasant-type strategies are reflected in housing and in the city environment (N. Kinyanjui, 2014).

2.1.5 Urban-Rural Linkage in Ethiopia

The Tegegne (2001) identified that Ethiopia is predominantly an agricultural country, and its prospects for development rely on rural progress. In the past, attempts to increase the productivity of agriculture and bring about rural development have focused on structural problems. These problems are related to land tenure, lack of input, inadequate and fragmented land size and pricing, and the overall policies of the country. The policies are narrowly focused because of price changes; institutional and technical innovations alone will not bring about the desired change. Farmers may face obstacles in having access to supporting services and off-farm opportunities. Later, for example, provide income diversification and enable farmers to take risks in using inputs and technical innovations.

These opportunities would be realized if we exploited the linkage between agricultural and non-agricultural linkages. Generally, this linkage could be manifested in different forms of demand that could be exhibited by households, consumers, and producers. Households in rural areas demand urban goods and services, while urban households demand farm products. The study conducted by German Technical Cooperation (2006) under the Ministry of Work and Urban

Development describes the management of economic development across spatial areas. The study also shows that towns and cities in Ethiopia do not have strong coordination with their rural hinterlands and administration in all aspects of the town. There is no institutional framework for coordination, and therefore regional institutions work on their respective sectors independently.

Rural-urban linkages in Ethiopia are usually shown through the flow of agricultural and industrial goods and services, capital and labor, and sectorial linkages. In addition to these economic linkages, there are several social and institutional linkages. The flow of grain and livestock between rural and urban areas, which represent the major form of agricultural goods flow, is constrained by several factors, including poor marketing, infrastructure, subsistence production levels, poor transport infrastructure, poor market information, limited storage capacities, etc. The unbalanced spatial distribution of towns as well as their size have also constrained the flow of industrial and manufactured goods from urban to rural areas. The flow of labor is also constrained because of the low absorptive capacity of urban centers and poor transport infrastructure (Assefa, 2011). Akkoyunlu (2015) confirms that the importance of urban-rural linkages is not recognized and ignored in development policies, though they are crucial for income, employment, wealth, and overall poverty reduction. Similarly, Eppler et al. (2015) argue that the spatial and functional decoupling of urban centers and their hinterlands poses challenges for governance and development. Ethiopia is unable to shift from agricultural activities towards value-added agro-allied industries by organizing the economy in a way that can tap the potential of URL for local 19 developments. According to the World Bank (2007), the country is also unable to design and pursue policies that could benefit millions in rural and urban areas due to policy and governance failures.

Urban-rural linkages, or urban-rural economic linkages in particular, have a comprehensive development policy. Agriculture-based countries need an integrated development approach for departmental sector ministers (ministry of agriculture, ministry of industry, ministry of water, ministry of energy, and mining) to build their implementation capacity. This is because national development is the result of multi-spatial (urban-rural), multi-disciplinary (urban planners, rural planners, agricultural experts, industrial experts, etc.), multi-scalar (micro-macro), and multi-actors (small-scale farmers and agro-industrialists) needs to be linked in one comprehensive and

integrated development (Gelan G. 2016). Getnet and Mehrab (2010) argue that rural-urban linkages are the stepping stones towards rural transformation, leading to industrial growth. With the lowest level of urbanization in Ethiopia, both urban centers and their hinterlands are plagued by underdevelopment and poverty. For example, 70% of urban dwellers are slum dwellers with poor basic infrastructure and housing facilities, as well as areas of extreme poverty in this country (MoWUD, 2009).

2.1.6 What is Migration?

Authors define migration in different ways. According to Datta (2004), migration is the movement of people from one geographic location to another, both within and across national boundaries. Lewellen (2002) also defines the concept of migration as a complex process involving individual, social, economic, and political dimensions. The migration of people can be explained in terms of impacts on both sending and host countries, the infrastructure of transportation and communication, and institutions that regulate migratory trends and maintain labor markets. Moreover, the social class of migrants (living standards and educational level) characterizes the nature of global migration.

2.1.6.1 Types of Migration

Migration can be broadly divided into local and global (international). Local migration takes place within a defined geographical boundary of a given country. For instance, the movement of people from Northern Ethiopia to Southern Ethiopia or the reverse can be seen as local migration or local mobility of people. International migration, however, is distinct in that people move across the geographic locations of one country, entering another country either legally or illegally. An international migration involves places of departure, route, settlement, resettlement, and places of return (Bruneau 2010). In fact, international migration can take different forms: labor migration, social migration (family reunification), and political migration (for asylum seekers).

The concept of transnational migration depicts that immigrants live outside of their country of origin and maintain relations with their home communities. This signifies the shift in defining the notion of immigrant from images of complete rupture and abandonment of the home society

to a migrant population having networks, activities, and patterns of life [encompassing] both the host and home societies. Trans-migrants develop and maintain relations across borders that also include familial and organizational aspects (Schiller et al., 1992). A recent report on global migration indicates that each year, 180 million people move from one part of the world to another. Of these migrants, women seeking employment constitute a considerable proportion (Isaksen et al. 2008). Several studies show that there are various categories of migrants constituting postmodern migration, including permanent settlers, seasonal and temporary workers, refugees and asylum seekers, legal and illegal migrants, and skilled and unskilled persons. It is assumed that the trend of international migration will persist in the future with changes in the socio-economic structure and political realities in both sending and receiving countries. In short, international migration will remain a function of changes in the growing global economy (Shuval, 2001).

2.1.6.2 Form of Migration

According to Jemal (2015), there are different types of people's movement or migration; it could be between continents, intercontinental (between countries on a given continent), interregional (within countries), or moving people to another place within a country. Another type of migration, "chain migration," usually takes place when one member of the family, friend, blood relative, neighbor, and so on sends money (remittance) to bring another person to the place where he or she lives legally or illegally. As many studies show for the last three decades on illegal migration (moving of people without appropriate passports and/or necessary travel documents), it could be international (between continents has been dramatically increasing). As cited by Jemal, (2009), Ethiopia has known many types of migration over the years. It has been an origin and/or a destination for either voluntary or involuntary migrants. And many migrants have also used it as a transit area. According to these authors, Ethiopia has also been known for internal migration flows.

International migration: Defining international migration is not an easy task for scholars as there are different types of migrations, which results in terminological complexities. In line with the International Labour Organization (ILO) Country Office for East Africans (2018, IOM,

2014), international migration is defined as regular if the movement of people follows formal processes recognized and registered by the authorities.

Irregular migration: As stated in the IOM (2004) explanation, irregular migration is the movement that takes place outside the regulatory norms of the sending, transit, and receiving countries. From the perspective of destination countries, irregular migration is illegal entry, stay, or work in a country, meaning that the migrant does not have the necessary authorization or documents required under immigration regulations to enter, reside in, or work in a given country. From the perspective of the source country, the irregularity is seen, for example, in cases in which a person crosses an international boundary without a valid passport or travel document or does not fulfill the administrative requirements for leaving the country (UN, 2000). In addition, show that someone is crossing a border without proper authority or violating conditions for entering another country.

Remittances: Grieco (2004) argues that remittances are the resources exchanged between the migrant and non-migrant members of migrant social networks. They occur through migrant's social participation in those networks and represent their efforts to build and maintain social capital. That means affairs come first, and the spur to remit comes after, not the other way around (Zewudu, 2014).

Therefore, though the above concepts are common in previous research with regard to migration, for the sake of this study, the concept "irregular or unauthorized migration would be employed in order to easily identify it from the formal and authorized migration that is carried out through the issuance of visas from concerned embassies and government institutions.

2.1.6.3 Causes of Migration: Push versus Pull Factors

Migration may be voluntary or forced, and it is attributed to both push and pull factors. The push factors for migration generally include economic hardships, political instabilities, famine, environmental degradation, religious and ethnic conflicts, and other situations that make people dissatisfied with their existing place of residence. The pull factors, on the other hand, refer to the attributes of distant places in terms of employment opportunities, hopes for a better life, political and religious freedom, and so forth (Dorigo & Tobler; Datta 2004). Put another way, migration results from interacting macro- and microstructures. Macrostructures denote large-scale

institutional factors, while microstructures refer to the networks, practices, and beliefs of the migrant population to overcome the challenges of migration and settlement (Castles & Miller 1993; Shuval 2001). Factors that accelerate or constrain the migration process constitute intervening factors in transnational migration. These include networks of migration, transportation, and the availability of supportive organizations (Lewellen 2002).

2.1.7 Rural-Urban Nexus Approach to Development

Whereas a number of people recognize and appreciate the wisdom and strategic role of urban centers, rapid urban growth has often frightened policymakers. The synergy between simultaneous urban and rural development is not well recognized among development practitioners (Assefa, 2006). Assefa also indicated that such opposition to urban growth comes from the fear that large urban centers of unmanageable size would aggravate poverty and be sources of overwhelming social hitches even for their hinterland. Therefore, the argument with respect to RUL should not be the question of priority; rather, it should be the achievement of mutual development on both spatial units (Assefa, 2006). A spatial system theory has coupled the development process with a set of dynamic nodal regions. Hence, to cultivate all the benefits associated with urban centers, the development of strong links between urban and rural areas is a prerequisite (Ndegwa, 2005). Therefore, the importance of RUL is acknowledged as one of the key approaches towards sustainable economic and social development (Lynch, 2005). In explaining positive RULs within the context of sustainable development, Okpala (2003) notes that the RUL development approach is increasingly becoming the most appealing scheme in national development processes. Okpala, on behalf of the UN Habitat, indicated that rural-urban interdependence would be a key entry point to execute programs meshed to alleviate poverty and inequality, given the strong synergy between urban and rural areas.

Tacoli (2005), while outlining the importance of RUL from a policy point of view, argued that such an approach could contribute to poverty reduction by enabling households and individuals to diversify their alternatives for income-generating activities. Tacoli also, however, argued that most processes of social transformation give rise to the peril of increasing social polarization by further marginalizing the poor and vulnerable. Hence, the best remedy suggested by the researcher is that the rural-urban approach to development needs to pay special attention to the impacts of the intensification of RUL on the poor and support the formulation and execution of

policies that are planned to curtail negative impacts while enhancing positive ones (Tacoli, 1999).

Tacoli (2003), in a study entitled *Rural-Urban Transformations*, underlined that the rural-urban migration approach to development is one of the various ways that should be used to realize the Millennium Development Goals (MDGs). Tacoli and Satterthwaite (2003), while investigating the urban part of rural development, emphasized the role of small and medium urban centers for economic growth and poverty reduction. They also indicated that these small and medium urban centers have sought the attention of policymakers and researchers in regional development and poverty reduction due to the growing recognition of the importance of exchanges between rural and urban households, enterprises, and economies.

Current political and economic reforms in developing regions and countries, coupled with new interest in decentralized development, have opened prerequisites for local government to steer local economic development (Mwangi, 2005). In line with this, Mwangi pointed out that local economic development is predicted by strong regional and RUL development strategies. Totemeyer (1993) has also noted that regionalization and capacity for designing effective urban and rural planning and management systems are key to successful local economic development.

Braun (2007), while explaining the role of RULs for growth, employment, and poverty reduction, highlights the need for new attention to the spatial dimension of development through the RULs approach for inclusive growth that amalgamates rural areas and the poor. Gete et al. (2006) pointed out that the rural-urban approach to development would provide the basis for actions using cities as engines for rural development through better incentives for environmental stewardship. The research team further indicated that the model offers a clear supportive role for research in development at defined benchmark sites where MDG impacts can be measured. In general, a rural-urban approach to development can be perceived through various dimensions of interdependence between the two spatial units that are briefly discussed in the coming section.

2.1.8 Urban Social Services and Infrastructure

Access to serviced land, safe drinking water, energy, and sanitation can be mentioned as some of the services required of a town to at least support a healthy and decent life. Population growth results in migrants having to cope with insufficient infrastructure and cities having to manage the lack of urban planning to meet the needs of all people. According to the survey data reports, lack of housing (42%), shortage in water supply (25%), inadequacy of electricity (21%), put pressure on schools and health centers (12%), and others were the problems that the dwellers encountered in the study area, as their reports revealed. Rural urban migration puts pressure on social services and amenities such as schools, health services, and food items, causing prices to rise. The rapid rural urban migration can, in principle, contribute to infrastructure, housing, and service shortages and create financial and delivery problems for responsible local governments and national agencies.

2.2 Theoretical Literature of Migration

Arguments on the differences in migration-causing factors exist not only among researchers from different disciplines but also among researchers within one discipline. Here, I have divided the theoretical discussion on migration into three different models: dual economy models, Harris-Todaro models, and microeconomic models, which are called new economies of labor migration.

a) Lewis Dual Economy Models of Rural-urban Migration

The first theoretical explanation of rural-urban migration is the Lewis (1954) model of development, which tries to explain the transition from a stagnating economy based on a traditional rural sector to a growing economy driven by the development of a modern urban sector (Lall, Selod, et al., 2006). They further add that, according to Lewis theory, subsistence areas refer to rural areas—the agricultural sector, where the labor forces are suffering from unemployment and underemployment and modernized areas the industrial sector, where many employment opportunities are being generated and are also suffering from a labor shortage.

Along the development course, the industrial sector is expanding and requiring more and more labor, while the agricultural sector is stagnant with a labor surplus. In this model, Lewis assumes that rural economies initially present a specific context in which there is surplus labor in the

agricultural sector. On this consideration, the agricultural sector is able to supply a labor force to the modern industrial sector, which can grow by accumulating capital and steaming labor from the traditional agricultural sector. The transfer of labor between two economic sectors involves the reallocation of the labor force across space through migration from low-population rural areas to high-population urban areas. Lewis adds that migration occurs until surplus labor is absorbed by the modern sector (Lall, Selod, et al., 2006). However, this model is criticized by some scholars, and they emphasize that the assumption of zero marginal productivity and remuneration at the average product in the agricultural sector is more debatable. It appeared to inadequately describe the urbanization process in many developing countries. In the late 1960s, urban areas experienced high levels of unemployment; hence, this model might not tell the right story about rural-urban migration.

b) *Todaro and Harris-Todaro Model of Rural-urban Migration*

During the 1970s, Michael Todaro published a number of papers on migration-related issues, and his papers have contributed greatly to the understanding of migration. The argument on the causes of rural-urban migration is based on his observation that throughout the developing world, rates of rural-urban migration continue to exceed the rates of job creation and to surpass greatly the capacity of both industry and urban social services to absorb this labor effectively (Todaro, 1976). The Todaro (1969) and Harris-Todaro (1970) models also consider the role of internal migration in a dual economy in which the urban sector draws labor from the rural sector (Lall, Selod, et al., 2006). In the Lewis model, internal migration removed surplus labor forces from rural areas and enabled the transition to a modern economy. In Todarian models, the focus is on explaining the existence of unemployment in urban areas and its link with internal migration. According to Todaro, individual migration decisions are based on the difference between the discounted expected income streams in urban and rural areas, net of migration costs.

Furthermore, according to the model by Todaro (1976), high levels of rural-urban migration can continue even when urban unemployment rates are high and are known to potential migrants. He suggests that a migrant will move even if he ends up being unemployed or receives a lower urban wage than the rural wage. This happens because the migrants expect that they will end up with some kind of job that gives them good compensation, and therefore they are willing to be

unemployed or underpaid and to wait for a better job opportunity in the future. This argument explains the high flow of migrants from rural to urban areas who end up unemployed. However, this model is also criticized by many authors. The message they have provided is that internal migration can be harmful, which is exacerbated. This model only explains the static, but migration is a dynamic phenomenon by nature. Other important aspects are missing, including the heterogeneity of migrants, which is not accounted for, the possibility of return migration, the existence of rural unemployment, etc. It is almost silent about what happens in rural areas.

c) New Economies Models of Rural-urban Migration

Recent models of internal migration, called New Economies of Migration, adopt a complete change in perspective as they do not pretend to explain urban employment. According to this model, migration takes place in a world of imperfect information that can account for the sorting of migrants according to their skills. The key assumption is that information about skills does not flow freely across labor markets. Sometimes, the employer in the origin can have better information on worker productivity than employers in the destination. In this situation, skilled Workers may not find it beneficial to migrate. This is because skilled workers would be paid a lower wage in the destination than in the origin, where their skills are recognized.

Others have focused on alternative motivations to migrate, which can contradict the view that the Expected income differentials between rural and urban areas necessarily have to be positive in order to induce migration. This paradox can be explained when migration entails a small chance of reaping a very high reward. For example, when utility is assumed to increase with comparative wealth or with the ranking of the individual in the income distribution of his or her group of reference, he or she can still choose to migrate to the city in the hope of possible increase his or her social status among rural residents and migrants. Thus, this model predicts that rural individuals whose income position is upward-sloping can decide to migrate in the hope to increase his or her social status, even with only a small chance of a monetary gain. Furthermore, rural-urban migration is job-related in nature. Therefore, it is natural to study Migration as a job-search framework.

According to Vishwanathan (Selod et al., 2006), the Models have three options involving different information flows and searches: i) stay in the rural areas, ii) engage in a rural-based search for an urban job, iii) move to the city and engage in urban based search. This model also provides another explanation of income differential paradox, because when viewed in the context of a continuous programmer of job search, the dispersion in the distribution of job offered increases the value from urban-based search and migration. Bhattacharya (1998) in this regard adds that workers have to move to a particular location in order to be able to observe the quality of jobs offered at that location, which intends to repeat and return migration that can be obtained with job-search and incomplete information.

Singh (2005) argues that the urban labor market is being segmented and distinguishes between the urban formal sector and the urban informal sector, but does not see the informal sector as a stagnant and unproductive sector. In their view, it is economically rational for a low-skilled worker to migrate to the informal sector without giving much attention to neither formal sector employment opportunities nor the relatively higher formal sector wages. They argue that these rural-urban migrants are not blinded by formal sector amenities because they are fully aware of their potential and the limited opportunities in the formal sector.

2.3 Empirical Literature

The empirical evidence only partly supports the theory. On the factors motivating migration, it confirms that wealth and education levels play a major role. Agesa (2001) used data from Kenya to show that skilled workers are more likely to migrate to urban areas. Another study from Kenya pointed out that migration's effect on labor markets depends on the skills of migrants and existing workers and the characteristics of the destination economy. Migration could affect the overall economy of the receiving city through remittances (Shera & Meyer, 2013).

There are also educational institutions in urban areas that provide courses and training. Poor living conditions and a lack of employment opportunities in rural areas are driving factors for migration. Employment opportunities and high wages in urban areas are among the key factors driving rural to urban migration. Industries are located in cities and offer opportunities to earn high wages. (Alarima, 2018).

Youth unemployment presents a pressing challenge for Ethiopia. The country faces increasing landlessness in rural areas and insignificant rural job creation, leading to a surge in migration to urban areas. Lack of employment opportunities in rural areas is among the main motives for rural-urban migration (Atnafu et al., 2014). A survey done by Ethiopia's Central Statistical Agency (CSA) in 2015 showed that, among recent migrants, finding a job was the main reason for migration, followed by living with family members, marriage, and education (CSA, 2015).

2.4 Conceptual Framework

In the acceptance of informal economic activities, the world faced many challenges. There are many factors surrounding the informal economy. Firstly, demographic factors, particularly age, sex, migration status, and marital status, are independent factors expected to affect the informal economy in the area. Secondly, institutional factors, specifically credit access and network, market availability and distance, infrastructure, technology, and livestock ownership, are independent factors expected to affect the informal economy in the area. Thirdly, pulling factors such as employment opportunity, hope for a better life, political freedom, and religious freedom are similarly expected to affect the water provision in the area. Finally, pushing factors such as economic hardship, political instability, famine, environmental degradation, and religious and ethnic conflict are again the major factors expected to affect the informal economy.

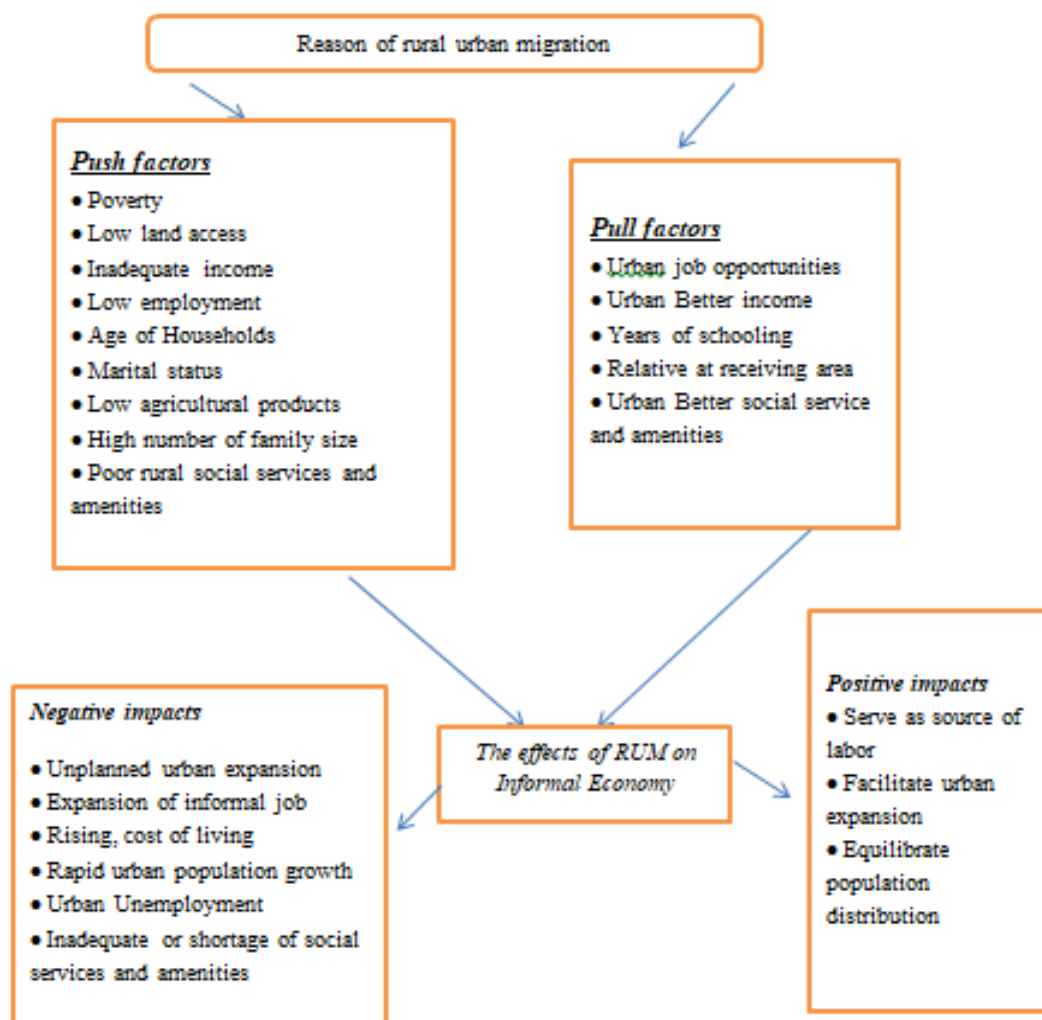


Figure1. Conceptual Framework (Researchers, 2023)

Chapter Three

Research Methodology

3.1 Description of the Study Area

3.1.1 Location and Size

Woliso Town is located in Oromia Region, in the south-west Shewa Zone. Woliso Town was founded in the south-western part of Addis Ababa and is located 114 kilometers away. Woliso is the Reform Town in Oromia Region and has a city administration and municipality. The town is easily accessible from Addis Ababa through the main asphalt road to Jima. There is also an all-weather gravel road connecting Woliso to Ambo. Woliso Town is the capital town for South West Shewa Zone and Woliso Woreda. Geographical coordinates bound the current Functional Town's Development Master Plan Prepared in 2008 between 386000E to 391000E longitude and 939500N to 947200N latitudes of P37UTM/Adindan Grid Zone Designation.

The Oromia Urban Planning Institute is currently conducting surveying work to prepare the revised basic structural plan for future town development through inclusion of these five nearby rural kebeles into town administration. The town currently extends to the neighboring five rural kebeles, covering a total area of 2,515.25ha. Genda Bedesa Koricha in the west and west north, Fodu Gora in the south, Lemen Ayitu and Tonbe Achebe in the east, and the currently annexed Obi Koji in the north, form the town's borders. Bacho Woreda borders Woliso Town in the north, Wonchi woreda in the west, SNNPR (especially Gurage zone) in the south west, Goro woreda in the south, and sadden Soddo woreda in the south.



Waliso

Map of study area (source: Adopted from Waliso town Administration)

3.1.2 Demographics

According to Waliso Town Municipality (2015), there are presently 118,725 residents, of which 56,108 are men and 62,617 are women. The populations of the Oromo, Amhara, and Gurage ethnic groups are respectively 67.7%, 15.4%, and 14.1% in these places. The majority of the population, 63.29%, identified as Ethiopian Orthodox Christians, with the next highest percentages being Protestants (19.06%), Muslims (15.6%), and Others (1.30%).

3.1.3 Topography and Climate

Waliso Town Municipality (2015) reports that there are currently 118,725 people living there, 56,108 of whom are men and 62,617 of whom are women. Oromo, Amhara, and Gurage towns are home to 67.7%, 15.4%, and 14.1% of the population, respectively, of these ethnic groups. 63.29% of the population said that they were Ethiopian Orthodox Christians, followed by 19.06% Protestants, 15.6% Muslims, and 1.30% others, with the bulk of the population identifying as Ethiopian Orthodox Christians.

3.2 Research Approach

This study employed a mixed approach, which means it used both qualitative and quantitative research methods. This approach was selected with the assumption that it helps to disclose the effect of rural urban migration on informal economies in Woliso Town by collecting diverse types of data. To this end, questionnaires and interviews were used as the major techniques to collect data. To carry out this study, a sequential explanatory design was found to be a more useful design. According to Creswell (2003), the significance of explanatory research is to help qualitative data be explained or built up on initial quantitative results. The assumption of this writer indicates that quantitative and qualitative data are collected sequentially by first applying quantitative data collection, followed by qualitative data collection involving detailed exploration with a few cases or individuals about the issues.

3.3 Data Sources

All the essential data required to answer the researcher's research question were obtained from both primary and secondary sources. The major source of secondary data were from government and non-government publications, annual and inventory reports, previous studies, and books, whereas the primary data was collected from sample rural-urban migrants who work on informal sectors and communication service officers of the town administrations.

3.4 Sample and Sampling Techniques Including Target Populations and Procedures

3.4.1 Sampling Techniques

The researcher applied both probability and non-probability sampling methods in this investigation. Multistage sampling technique was employed in order to get the target population at the grassroots level. Because simple random sample is the most often utilized technique, stratified sampling techniques as well as simple random sampling techniques were used. By using random sampling procedures, every component of the population had an equal and independent chance of being chosen, and by using stratified sampling techniques, certain components were chosen in accordance to their performance and the number of clients in each chosen informal economy.

Woliso town was selected purposively because rural urban migration problems highly existed in this town. secondly there are about four kebeles in the town, to select sample kebele cluster sample technique was employed to eliminate biases due to different level of migrants in the town kebeles and next to that simple random sampling were undertaken to select sample kebeles and two kebeles were selected. Among selected kebeles one is kebele with better level of migrants and the other one is with fewer in number. In addition to this researcher's was used purposive sampling technique to select key informants for depth interview for study from Woliso town urban administration office. From the office, four key informants were selected. One was Woliso Town urban administration office, youth and females enterprise Office Head, the second one was vice head, and the other two are senior experts in that office.

3.4.2 Sampling Size

Meanwhile this study focused the effect of rural-urban migration on informal economy in the Woliso town. According to Woliso Town Municipality (2015 E.C) the population for this study was the total household in the two kebeles are 6260. In addition, in order to determine the representative sample size, the study was planned to use a sample size determination formula, which is provided by (Yemene Taro, 1967) as cited in Meron (2007).

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

n= is representative sample size

N= the number of migrants

e= is level of precision error/ confidence level/

Depending on this formula:

N=6260

e=0.05

$$n = \frac{6260}{1 + 6260(0.05^2)}$$

$$n = \frac{6260}{16.6525}$$

$$n = \underline{375}$$

Because of time and budget constraints, it became difficult to take and administer the questionnaire with this sample. Therefore, accordingly, the study participants used a confidence level of 0.05 to get the sample, and a total of four key informants were selected. One is the Woliso Town Urban Administration Office Head; the second is vice head; and the other two are senior experts in that office.

3.5 Data Collection Method

The methods of data collection depend on the nature, the objective, the method of data analysis, and the scope of the study. The availability of data, finance, time, personal, and other facilities also influence the selection of the method used for the study. The main instruments of primary data collection were a questionnaire, key informant interviews, and observation. Secondary data such as project reports, seminar papers, reports and information at the town level, and institutional and official documents recorded on the effect of migration on informal economy of the sample Kebeles were reviewed and collected.

A. Questionnaire.

A questionnaire is a quite popular method of data collection tool to obtain primary information from a large sample within a limited amount of time and cost (Kothari, 2004). Thus, a questionnaire was used in order to obtain primary data from the sample group concerning the effects of migration. The researcher prepared questionnaires as the main data gathering tool because questionnaires are believed to be a better way to get a large amount of data from respondents in a relatively short period of time with the least amount of expenditure. Structured questions, which included both closed-ended and open-ended types of questions, were prepared; the closed-ended questionnaire was prepared in the form of a Likert-scale (1-strongly disagree; 2-disagree; 3-agree; and 4-strongly agree) model for the sample household, and an open-ended

questionnaire was added to capture the opinion of the respondents on points that sought further clarification.

Questionnaires for the sample survey were prepared based on the objectives, related literature reviews, and conceptual frameworks developed for this study. Questionnaires for sample respondents were prepared in English, but for easy communication, they were translated into the local language (Amharic and or affan oromiffa), and the information was collected from respondents with the help of enumerators. The questionnaires were more structured, and semi-structured questions were incorporated. Prior to the conduct of the study, the prepared questionnaire was implemented for pilot testing. After the pilot study, the questionnaire was refined and finalized based on the inputs from the pilot survey, which were administered to 30 randomly selected participants who were not included in the actual study.

B. Key Informants' In-depth Interview

An in-depth interview with key informants was conducted regarding the effect of rural-urban migration on the informal economy that encountered the town administration, municipal office, in Woliso town. The positive and negative effects, challenges of migration and their effect on the informal economy would be the main part of the interview. The main key interviewees of the study were purposefully selected, and an attempt was made to have knowledgeable respondents from various sectors who were supposed to give answers on governance issues. Accordingly, two from the urban administration office, one from the municipal office, two from the administrative office, one from the migration office, two from the communication office, one from the youth association, and one from the trade unions, totaling ten in number, were selected. Their number in each institution was determined depending on the importance and relevance of the information they provided.

C. Direct Personal Observation

This instrument of data collection was employed because it was important to consolidate the data and information that were gathered through the above three methods. It supported the whole information through personal contact with the events. To this end, the researcher personally observed some administrative activities and municipal services that were carried out by the administration and other institutions. In relation to this, the researcher has experience in

the area since it is their workplace. The researcher conducted direct personal observation through informal contact with the service user and in some offices by being presented in the office, for instance, because it allowed the researcher to be presented by following the cases.

Secondary Sources

Secondary sources like data and information from various published and unpublished materials, official documents such as the constitution, and legal instruments were referred to. Moreover, reports and statistical documents were also used in this study.

3.6 Data Analysis Techniques

Descriptive statistics provided a clear picture of the characteristics of the sample units. Quantitative data would be analyzed using descriptive statistics such as mean, percentage, standard deviation, tabulation, ratio, and frequency distribution. Inferential statistics takes data from a sample and makes inferences about the larger population from which the sample was drawn. Because the goal of inferential statistics is to draw conclusions from a sample and generalize them to a population, we need to have confidence that our sample accurately reflects the population. The presentations of descriptive statistics were through charts, graphs, tables, tabulations and distribution of frequencies among other things. In the study area using percentage, mean standard deviation and so forth. This, descriptive analyses was performed by using statically SPSS version 24. The qualitative data was collected using interviews and personal observation and examined through description, narrating the situation contextually so that the town road facilities situation had been properly exposed.

3.7 Validity and Reliability Issues

Validity and reliability are pivotal to enhancing the trustworthiness of the study. Validity and reliability measure the accuracy of the measurement tool and its consistency (Muller, 2011). Both types of measures are important tools to reach valid research results. To maintain the reliability and validity of the study, the researcher has standardized all the procedures, experiments, and measurements to tabulate and get a dependable, reputable, and consistent result. Since the researcher had used multiple data sources, both qualitative and quantitative,

such as interviews, observation, or questionnaires, the probability of personal judgment in the study would be limited (Lavrakas, 2008).

3.8 Ethical Considerations

Taking the severity of the ethical considerations into account, this study was done with the highest importance placed on ethics, confidentiality, and secrecy. The confidentiality and secrecy of the respondents would be emphasized to protect their privacy and dignity. Moreover, permission to administer questionnaires and conduct interviews for research purposes would be obtained from the relevant authorities. A respondent has been informed of privacy and confidentiality. Thus, the researcher clearly presented the purpose of the study and how the confidentiality and anonymity of the participants were protected, informing them that their involvement in the study was voluntary and free from any intended risk and that their names and the names of their places would be kept anonymous.

Chapter Four

Results and Discussion

4. Data Analysis and Interpretation

4.1 Presentation and Analysis of data collected from the informal Economy

4.1.1 Respondent Data

This part of the data analysis used to describe majorly demographic variables such as sex, age, marital status, and education level religion of the informal operators. Some of the descriptive statistics (frequency, and percent) have been used to explain demographic variables and their relationship with rural-urban migration in the informal economy sector.

<i>Table - 4.1: Summary of Respondents demographic data</i>			
Respondent Data	Category	Frequency	Percentage
Sex	Male	242	65.5
	Female	125	34.5
	Total	368	100
Age	18-24	183	49.7
	25-35	159	43.2
	36-50	26	7.1
	>50	0	0.0
	Total	368	100
Marital status	Single	222	60.3
	Married	98	26.6
	Divorce	25	6.8
	Widowed	23	6.3
	Total	368	100
Religions	Orthodox	134	36.4
	Muslim	118	32.1
	Protestants	76	20.7

Education level	Others	40	10.9
	Total	368	100
Illiterate	21	5.7	
Primary	139	37.8	
High school	75	20.4	
TVET	4	1.1	
Diploma	53	14.4	
Degree	73	19.8	
Master and Above	3	0.8	
Total	368	100	

Source: Survey (2023)

As shown in Table 4.1, out of the total respondents about 242 (65.5%) were males and the remaining 125 (34.5%) were females; meaning the majority of migrants in the Woliso town are males. Out of the total participants, 183 (49.7%) of migrants are between 18-25 year old, 159 (43.2%) are between 26-35 year old, 26 (7.1%) are age between 36-50 years. Hence, it can be argued that the majority of migrants are young age. This infers that the majority of migrants are young. Therefore, as the result indicated that as the business is not reliable they don't need to take more risk by having a more dependent family.

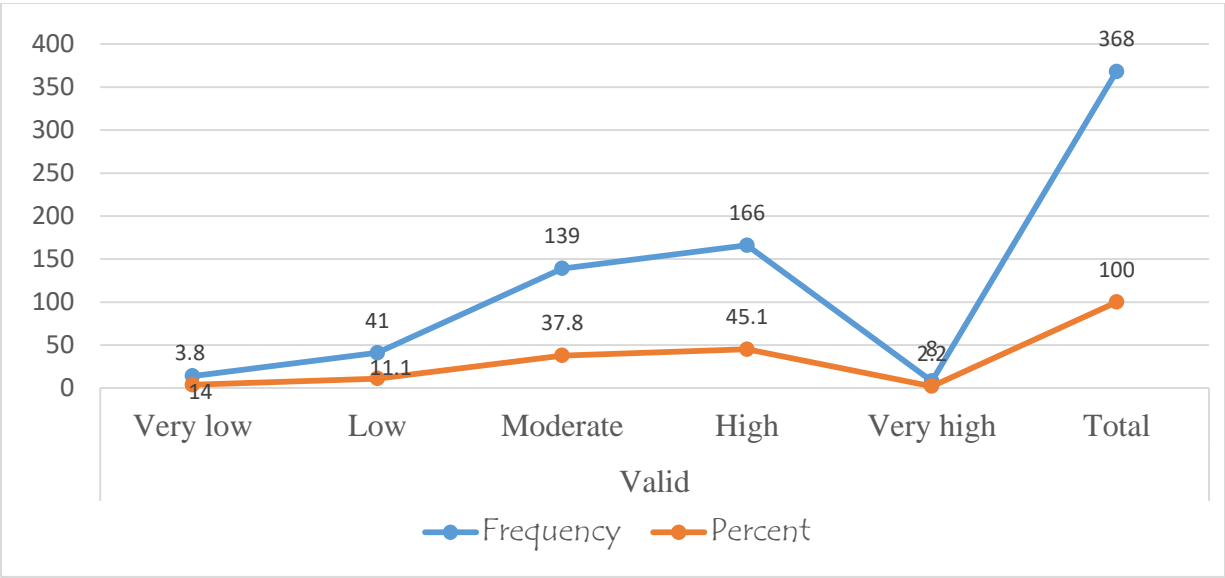
Regarding marital status, out of the total respondents about 222 (60.3%) were single, 98 (26.6%) were married, 25 (6.8%) were divorced, and 23 (6.3%) were widowed. The majority of migrants in the Woliso town were single. Therefore, as the result indicated that as the business is not reliable they don't need to take more risk by having a more dependent family.

Education has a direct relationship with the success of the business because through business operators exposure new information and opportunities which help them in the production and distribution of goods and services. The above (Table 4.1) reveals that the majority of informal economy operators in the urban informal sector are literate Only 21 (5.7%) were illiterate, 139

(37.8%) were primary's, 75 (20.84%) were high school, 53 (14.4%) were diploma holders, 73 (19.8%) were have a degree and 3 (0.8%) were master holders . This implies that informal street trade operator's educational level is literate

Primary which constitutes more than 94% of the total population. This is associated with financial problems to continue further education and lack of industry or manufacturing sector to accommodate them, or severity of the living condition they did not continue their education.

The researcher asked that in which degree you categorized the problems of rural urban migration on informal economy of in the Town.



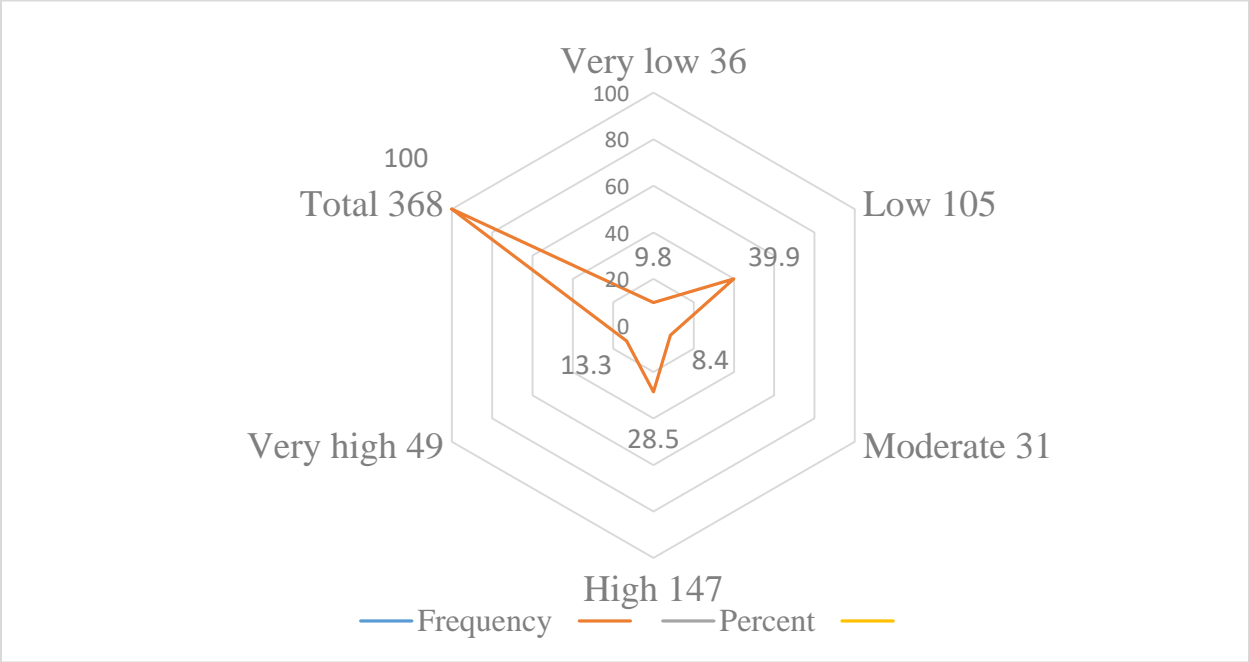
Source: Survey (2023)

Figure 4.1 above shows respondents' degree of categorized the problems of rural urban migration on informal economy of in the Town. Out of the total respondents, about 166 (45.1 %) respondents replied that there is very high problems of rural urban migration on informal economy in the Town.

This indicates that the majority of street trader's from neighboring five rural kebeles. This could be linked with the fact that there is a high population density (concentration), shortage of land, and lack of job opportunities are the push factors for the migrants. This finding revealed that there is a direct relationship between rural-urban migration and informal economic activities. Similarly, Chakraborty (2014), Huang, *et al.*, (2020), and Timalsina (2007), the findings

revealed that urban informal economic activities are one of the motivational factors for the growth of rural-urban migration.

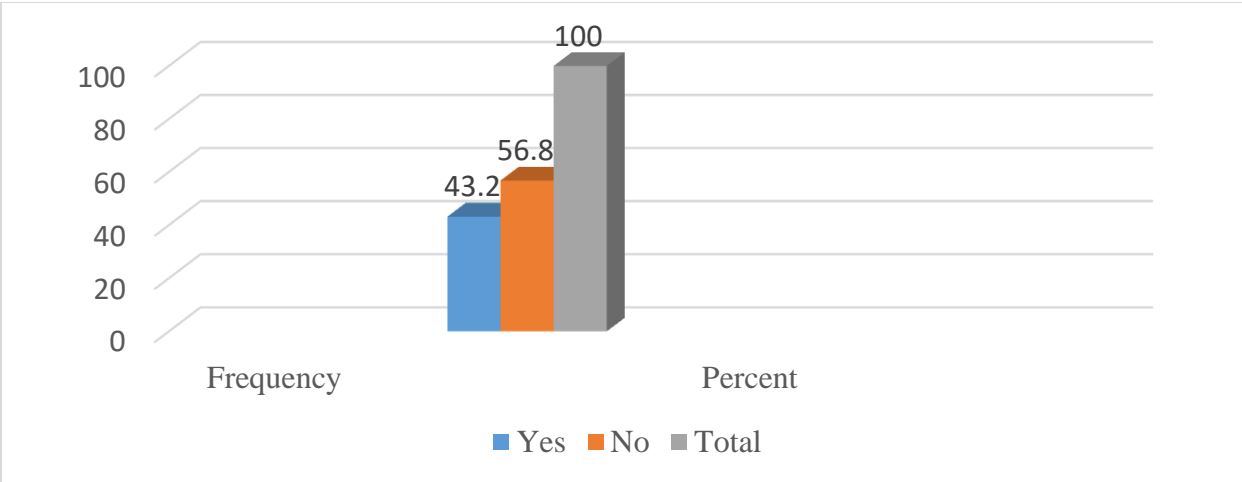
How much the presence of migrate affects the informal economy is in this Town?



Source: Survey (2003)

As Figure, 4.2 above revealed that respondents migrate affects the informal economy is in this Woliso Town? Out of the total respondents, about 147 (45.1 %) respondents replied that there is very high problems. In most towns, street vending is regarded as an illegal activity. In my view it shows that there are municipal and police laws that impose restrictions on the street trading. Urban authorities do not take street vending as a profession. They impose restrictions on the use of urban space for street vending. Respondents are asked to describe their main challenges while vending the street business to the public before starting and after starting the business. Respondents were thinking the following challenges to happen. Major challenge facing street and informal traders is with site of operation and right to trading space, environmental condition, security, transport, municipal services, and finance described by respondents.

In your outlook the effort of responsible bodies in order to solve rural urban migration effect on informal economy?



Source: Survey (2023)

As Figure, 4.3 above revealed that out of all respondents, effort of responsible bodies in order to solve rural urban migration effect on informal economy. Out of the total respondents about 209 (56.8 %) of the respondents were not agreed on the effort of responsible bodies in order to solve rural urban migration effect on informal economy. The finding reveals that people who engaged in informal economic activities migrated to Woliso town no responsible bodies in order to solve rural urban migration.

4.2 Which is the major factor for the effect rural urban migration informal economy in the town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Financial factor	24	6.5	6.5	6.5
political instabilities,	162	44.0	44.0	50.5
famine,	32	8.7	8.7	59.2
Valid environmental degradation,	112	30.4	30.4	89.7
religious and ethnic conflicts	38	10.3	10.3	100.0
Total	368	100.0	100.0	

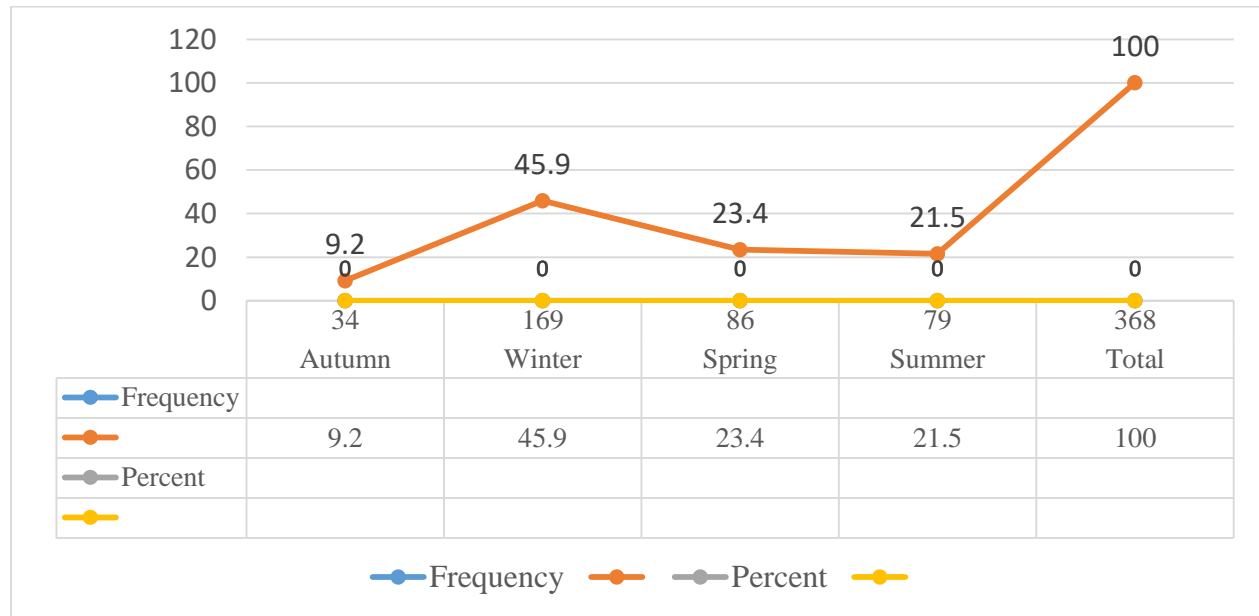
Source: Survey (2023)

The above table 4.2 shows the respondent's reason for choosing Woliso Town. Respondents asked to describe their Major reason for migrating to the study area from their place of origin.

162 (44%) of the respondents mentioned that they left their place of origin for Woliso due to the political instabilities reason and 112 (30.4%) environmental degradation also other pushed factors where the respondents forced to migrate to the study area.

The finding reveals that people who engaged in informal economic activities reason for choosing Woliso Town in hoping to find a better job opportunity. Due to such case, both of them (neighborhood both in birthplace and work area) left their place of birth to Woliso town. Regarding their major challenge in working area, they are not happy with the government police as they beat them. Their property also confiscated by police officers. Currently they are working with desperate manner as they are having low return from their business.

In which season rural urban migration mainly happen in this town



Source: Survey (2023)

As Figure, 4.3 above revealed the main season rural urban migration. Out of all respondent’s 169 (45.0 %) of the respondents were in the winter seasons, 86 (23.4 %) of the respondents were in the spring seasons, This indicates that most of the respondents rural urban migration season that most of them are forced to engage in the informal sector to fulfill their basic wants and in search of a better life.

Table 4.3 The levels of community participation in order to solve effect of rural-urban migration on informal economy in the town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	227	61.7	61.7	61.7
No	141	38.3	38.3	100.0
Total	368	100.0	100.0	

Source: Survey (2023)

As depicted table 4.3 above shows that positive effect of rural-urban migration on informal economy in Woliso town. Accordingly among total respondents 227 (61.7 %) answered agreed on that positive effect of rural-urban migration on informal economy, 141 (38.3 %) of the respondents were no agreed. This indicates that the majority of street traders answered comparing with the previous job they are very happy in engaging in the street trader. In my view, it shows that this could most likely linked with getting relatively better money than previously, and also they pass any decision without any intervention independently (self-esteem).

In my view, it shows that this could most likely be linked with the existence of job opportunities in Woliso town is center of the economy for the country. Many businesses are operating in Woliso town, which is why migrants choose Woliso town. The finding reveals that people who engaged in informal economic activities reason for choosing Woliso Town in hoping to find a better job opportunity. The finding is consistent with Hayat (2000) and Mc Catty (2004) argue that the reason migrants choosing the urban center is that the existence of job opportunities, and in search of a better life in the cities and the inability of agriculture economy sector to accommodate the youth in the rural area.

Table 4.4 The levels of community participation in order to solve effect of rural-urban migration on informal economy in the town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very low	166	45.1	45.1	45.1
Low	185	50.3	50.3	95.4
Moderate	17	4.6	4.6	100.0
Total	368	100.0	100.0	

Source: Survey (2023)

The above table 4.3 shows that respondents asked about community participation in order to solve effect of rural-urban migration. Accordingly among total respondents 185 (50.93%)

answered it is very low participation of community to solve effects of rural –urban migrations. This indicates that one of the majorities of serious difficulties faced when they operate street trading was inadequate communication skills and no help from community to mitigate effect of rural –urban migration. In my view, it shows that this could most likely be linked with most of the operators come from poor families they do not have any kinds of additional capital to transit to formal business. The formal business needs relatively capital. Most of them face communication difficulties this most likely with language barriers because they came from rural areas. They do not know well the urban culture.

4.1.2 Social Effect of Rural To Urban Migration the Study Area

The study investigates the social effect of rural to urban migration the study area includes the increment of population size in the urban area. This will result in unbalanced proportion of the local population. The following table shows this concept.

Table 4.5 the demographic effect of rural to urban migration the study area

		Frequency	Percent	Valid Percent	Cumulative Percent
Population unbalance between urban and rural areas	Yes	196	53.3	53.3	53.3
	No	172	46.7	46.7	100.0
	Total	368	100.0	100.0	

Source: Survey Data from Area/2023

Table 4.4 shows that majority 196 (53.3%) of the respondents replied agreed that population unbalance between urban and rural areas is the major social effect of rural to urban migration in the study area. And 172 (46.7%) of them replied no for this question. this indicates there is a higher social effect of rural to urban migration in the area.

Migration has significant influence on the population size of both receiving and sending regions. According to the survey data about 95% of the surveyed non-migrants reported that urban problems they encountered with were caused by rapid increase in population in the sub-city. Concerning the cause for this rapid population growth in the urban and most of

respondents' state that rural-urban migration is responsible rise of population of the city. Similarly, CSA and World Bank, (2016) reported that the rate of population growth in the sub-city is very high. According to the report, number of migrants in the sub-city has grown from 85,372 people in to 156,314 in 2016. This indicates that the social effect of rural-urban migration problems face urban people are caused by the rapid population growth and this rapid increase in population size is highly aggravated by rural-urban migration.

Table 4.5 Environmental Effect of Rural To Urban Migration the Study Area

	Frequency	Percent	Valid Percent	Cumulative Percent
There is an increase environmental pollution	193	52.4	52.4	52.4
Urban squatters and unplanned expansion of towns and cities	175	47.6	47.6	100.0
Total	368	100.0	100.0	

Source: Survey (2023)

As depicted in table 4.6 above respondent that majority 193 (52.4%) of the respondents said that there is an increase environmental pollution in the area. The remaining 175 (47.6%) of the respondents replied that urban squatters and unplanned expansion of towns and cities is the main environmental effect of rural to urban migration the study area.

According to the data surveyed data, there are consequences of migration that the wider public faces. As indicated above Rural-urban migration increases the urban population and hence unplanned urban expansion with insufficient sewerage system, road networks and transportation system. In the absence of proper waste management system, environmental pollution is another area of concern for the wider public. This is evident from most part of the area where street dwellers perform all activities required for human survival in the roadside with the absence of proper environmental concern.

Most migrant respondents explain that, since they live in society, they were not allowed for toilet service so they used it under railway around main bus terminal of the city and on street. Respondents also state that, rural-urban migration can contribute to the growth of urban squatters and unplanned expansion of towns and cities, with improper environmental management.

4.1.3 Economic Effect of Rural To Urban Migration the Study Area

In order to analyze consequence of migration on the urban life of the city an attempt made to gather information about the problems faced by urban households or the non-migrants. As such, problems such as inadequacy of housing, inadequacy of social services like education, health care, and rise in the cost of living, in accessibility of job and competition for employment were used as instruments for assessing the impacts of migration on urban life.

Table 4.7: the economic effect of rural to urban migration the study area

	Frequency	Percent	Valid Percent	Cumulative Percent
There is an increase in unemployment rate in the urban area	196	53.3	53.3	53.3
Imbalance between production and basic demand of the population	172	46.7	46.7	100.0
Total	368	100.0	100.0	

Source: Survey Data from Area/2023

Table 4.7 shows that almost all of the respondents 196 (53.2%) of the respondents replied that there is an increase in unemployment rate in the urban area. In addition, majority 172 (46.7%) of them replied that the economic effect of rural-urban migration is the imbalance between production and basic demand of the population in the area. This shows that there is a significant the economic effect of rural to urban migration the study area.

According to information-surveyed data, there are consequences of migration that the wider public faces. Rural-urban migration increases the urban population. Rural-Urban Migration increases the urban population and hence unplanned urban expansion with insufficient supply of social services like education, health care proper sewerage system, road networks and transportation system. The inadequacies of social services were highly signaled on transport and health care services. Because of high influx of migrants in to the sub-city, transportation and health services become inaccessible in the area. Inadequacy of social service results from high

influx of migrant youths is the major problem in the area followed by urban congestion rural-urban migrant also contributed for expansion of crimes in the area . It also contributed for expansion informal urban sectors like commercial sex work.

The results of study have shown that this variable has a significant impact on rural economic growth rate in Ethiopia. Rural economic growth in Ethiopia with the evidence from the regression test can be interpreted that it significantly depends on the factor of rural-urban migration such that the growth of urban population and rural unemployment in the long run. In Ethiopia, the urban population became increasing because of rural-urban migration that affects to decrease rural economic growth.

Similarly, there are many studies similar with this paper such as Lipton (2008) depicted that migration is often observed among the most productive group of the population and leading to lack of labor that eventually reduce rural production. Rural unemployment has shown an increasing trend. This trend forced rural labors to migrate to urban then it increases the productivity of rural labor.

In line with this, McDowell, (2007) studied and found that support this trend are, to mention some, the pattern of migration, the length of time spent out of the farm activities, available assets and farm enhancing inputs and other institutional and socio-cultural setups that allow women to perform farm activities which have been reserved for men and household heads previously can be mentioned.

The study indicates that as capital accumulates in the urban region, the productivity of the urban labor increases, and wages in the urban region increase. Being the relatively labor-intensive sector, urban manufacturing decreases its demand for labor along the transition path and accommodates by increasing its demand for capital.

4.2 Analysis of data of the interview

Interviews with important respondents are a usual approach of collecting data in qualitative research. Key informants with knowledge of the study's subject region include local police, experts, government representatives, and code enforcers. The primary aim of conducting interviews with this group was to gather data regarding the correlation between informal

economic activity and rural-urban mobility within the research region. Ten highly knowledgeable key informant interviewers from various fields were used in this investigation. Of the fourteen (14) government officials who were interviewed, the researcher has spoken with ten (10) of them, or 71.5% of them. Out of them, two were experts, five were code enforcers, and three were officers and experts. Regarding the origin (come from) of the street traders, according to the survey finding the origin of informal economy operators are originated from outside Woliso Town especially from the southern regional state. The officials confirm that most of the informal economy (street vendor activities) is operated by youths who come from southern Ethiopia. Additionally, local officials argue that youths from the Amhara region also part of the street vendor activities. Other officials also added that most of the informal operators bring their relatives to Woliso Town to engage in informal activities. Most of them are they known each other and they come from the same villages. Similarly, other law enforcement official response to a question:

“I have been working as a law enforcement officer since 2016. I see that most of the street vendors come from the southern region. I do not know why the reason is, but I heard that it is due to poverty and a harsh living environment. Some of them have brought their brothers and sisters to Woliso Town.”

Regarding the reason for the increase in street traders, all respondents suspect that the increase in informal street trade is caused by rural-urban migration. Migrates from the rural areas of Ethiopia highly participated in informal street trading activities. The majority of rural-urban migrants are low-skilled labor force towards cities, which plays a significant role in the increase of informal economy operators. In response to a question, the code enforcer says: “Most of them are recent and come from different regions, especially the south. "Many of them are young and of working age. The reason, I guess, is poverty and the search for jobs. As the code enforcer, I am doing my job, but I have sympathy for them, especially for the women and mothers.”

Regarding the impact on the city, all respondents argue that the informal economic activities are affecting the physical, economic, social, and institutional phenomena in the study area. One of the main problems is that officials pointed out the closing of roads and public places, damaging of the public infrastructure, and blocking of public transport. Different kinds of garbage have

been spread on the physical environment of the area. According to the officer, especially during the festivals, street traders increase to more at that time there will be more blocking. The street especially, Hora, Burka Gudina, Ayyitu and Ejersa become full of street markets. It becomes very difficult to walk around those localities. Other also added in response to a question, official says:

“Concerning the impact of street trading, street trading has an impact on the public infrastructure, transportation corridors, and walking streets, all of which are occupied by street traders. Due to this, car accidents are happening, and people who are walking on the street are forced to walk on the main road. Regarding the public infrastructure damage, most of the street traders have thrown their garbage on the street, and public transport is facing difficulties operating in the transportation corridors.” The other main problem resulting from increased street trading is the economy, which leads to unfair competition with the formal economic operators. According to the officials, “the informal economic activities (street traders) do not pay tax to the local authority, and the local authority has the responsibility to collect income tax from any business activity. Due to the increase in informal economic activity, the local authority is losing a lot of revenues, and also, the operators of the formal economy are not willing to pay tax as a result of unfair competition from the informal operators.

Growing numbers of street vendors in the research region are also contributing to social issues. Growing street trade activity is associated with social issues like theft, crime, and criminality. Officials tasked with enforcing the law claim that the majority of victims in the study region are caused by unauthorized street vendors. There will also be more confrontations between street vendors and code enforcers. Because of the rise in street activities, the street is extremely constrained. People must travel since they will be suffering greatly during this time. The sub-city's street vendors are creating complicated and challenging-to-solve political, social, and economic issues, according to the city government. Using the current mechanisms to tackle it is challenging.

In terms of handling the issue, the key informant interviewees contend that the study area's informal economy sector is expanding as a result of rising rural-urban migration. Particularly in the Burka Gudina area, things are becoming worse. The people's social, physical, and economic circumstances are being impacted by the operations of the informal economy. Code enforcers

were hired by the city authority to control the street's informal economy activity. Law enforcement agencies are having difficulties as a result of the rise of non-formal activity. Although the law enforcement agencies are formally exerting great effort to control the situation, their administration is complicated by the nature of the crisis. Owing to the concentration of law enforcement in the Burka Gudina and Ejersa areas, the office assigned the law enforcement bodies.

4.3 Discussion

The majority of street merchants and other informal sector operators are from outside Woliso Town, according to survey and interview results. According to the poll results, almost 88% of them are immigrants. Additionally, key informants contend that individuals from outside Woliso City are the ones who run the informal economy. This result is consistent with McCatty's (2004) research, which found that a sizable portion of workers moving from rural to urban informal economies are recent migrants. Because there are few employment options in rural areas, migrants are compelled to leave their place of birth. Similarly, Benjamin et al. (2014) also confirmed that rural-urban migration is one of the most important determinants of the rise of the informal labor force in the developing world. Another interesting finding of Chakraborty (2014) is that the study on migration and the urban informal sector shows that the extent of rural-urban migration is observed to have a direct association with the spreading of the urban informal sector. The greater scope of informal activities in urban centers induces people to migrate from rural-urban areas. Similarly, Huang et al. (2020) also confirmed that the growth of the urban informal economy sector in China is linked with economic development, unemployment, rural-to-urban migration, and the globalization of urban economies. Rural-urban migration highly affects informal economic growth in an urban setting.

Regarding the reason for leaving their origin, the findings of the study concluded that the reason for the informal operators leaving the origin is in search of a job, lack of educational opportunities, and harsh living conditions (poverty) in the rural areas. Similarly, a study was done by Carr and Chen (2001) and UN-Habitat (2018), and Bell and Loukaitou-Sideris, 2014, who argue that the reason for the informant operators leaving their origin is due to poverty. Poverty is the main factor for the informal operators to leave and to engage in the informal

economy sector. Additionally, Erulkar *et al.*, (2006), argue that the primary causes of the youths leaving their original areas in Ethiopia are due to a lack of good educational opportunities in the rural area. Bhowmik, S. (2005) and Benjamin *et al.*, (2014) also confirmed that lack of job opportunities in rural areas has forced people to leave their villages in search of a better life in the cities. Lack of job opportunities in the rural area is one of the factors the people to leave their original place and to participate in the informal economy. Similarly, Mansour-Ille (2018), argues that the main factors for rural-urban migration are to search job opportunities in the formal sector due to scarce job opportunity in the rural area, due to the lack of formal sector job opportunities in the urban for the migrates they participate in the informal sector to earn income for their livelihood.

The study findings confirm that the main motivating factor behind rural-urban migration is informal economy sector activity. A study conducted by Timalsina (2007) similarly argues that rural-urban migration is a factor in increasing population pressure in the informal sectors in the study area. Similarly, other empirical evidence by Huang *et al.* (2020) confirmed that the growth of the urban informal economy sector in China is linked with economic development, unemployment, rural-to-urban migration, and the globalization of urban economies. Rural-urban migration is high and affects informal economy growth in urban settings. The findings are consistent with those shown by Doibale *et al.* (2019), who found that the majority of the people migrated or were planning to migrate from rural to urban areas to earn their livelihoods due to the greater variety of educational and recreational facilities and larger and more specialized healthcare facilities. The development of the informal sector attracts additional migrants to urban areas. (Getahun, 2015)

Chapter Five

Conclusion and Recommendation

5.1. Conclusion

This study aimed at examining the effect of rural to urban migration on the informal economy in Woliso town, Oromia regional state of Ethiopia. In this study, a total of 368 (100%) respondents participated in providing study information. Among the total population, 242 (65.5%) were male respondents, and 125 (34.5%) of them were female respondents. Academically, the status of respondents shows that 21 (5.7%) of them are illiterate, followed by 139 (37.8%) of them at the elementary level. The remaining 75 (20.4%) of them are high school level, 4 (1.1%) of them are TVET, and only 4 (0.8%) of them are qualified Master and above.

According to the findings of the study, the social effect of rural to urban migration the study area includes the increment of population size in the urban area. This will result in unbalanced proportion of the local population. The study found that rural-urban migration has significant influence on the population size of both receiving and sending regions. According to the survey data about 95% of the surveyed non-migrants reported that urban problems they encountered with were caused by rapid increase in population in the urban area.

The study reveals that there is an increase in unemployment rate in the urban area. The study also indicates that the economic effect of rural-urban migration is the imbalance between production and basic demand of the population in the area. This shows that there is a significant the economic effect of rural to urban migration the study area.

The study shown that there are effects of rural-urban migration that the study area. Rural-urban migration increases the urban population. The rural-urban migration increases the urban population and hence unplanned urban expansion with insufficient supply of social services like education, health care proper sewerage system, road networks and transportation system.

The study shows that there is an increase environmental pollution in the area. It revealed that urban squatters and unplanned expansion of towns and cities is the main environmental effect of rural to urban migration the study area. According to the findings of the study, rural-urban

migration increases the urban population and hence unplanned urban expansion with insufficient sewerage system, road networks and transportation system.

5.2. Recommendation

Depending on the major findings of the study, the researcher intended to forward valuable recommendations to make future amendments regarding policy making regarding the effect of rural-urban migration on the informal economy in the area. Thus, the researcher recommends that;

- The government should establish and set policies that benefit the society at rural level to minimize rural-urban migration.
- The stakeholders should work hand to hand in order to reduce the effect of rural to urban migration on the informal economy sector in the area.
- There should be a rural-livelihood monitoring policy that regulates the empowerment of societies who live in the rural areas as well as in urban areas socially and economically.
- To cope with rural-urban disparities, both communities should be linked to each other socially and economically. The strategy to achieve this is based on decreasing the existing rural- urban inequalities through integrated rural-urban development programs.
- The regional state government bodies have to create mass job opportunity for youths in the place of origin in order to balance the migrant's number.
- There should be a standard checklist in order to examine the effect of rural to urban migration on the informal economy in the area.
- There should be intensive studies to be carried out to deeply investigate the effect of rural to urban migration on the informal economy in the area as well as other settings of study.
- Lack of interest to work and high interest to migrate among migrant household members were discovered. The condition may lead them improper handling or managing the existing resources at places of origin that followed by social and economic dependency or over expectation their migrants. There is a need to teach and aware the rural people in general & migrant households in particular in proper hand ling and raising the existing resources at place of origin.

- Providing infrastructural facilities in rural areas, such as schools, health centers and roads so that the people's living condition will be improved.

6. Future Research

Finally, this study aimed at examining the effect of rural to urban migration on the informal economy in Woliso town, Oromia regional state of Ethiopia, to identify the challenges faced by migrant's as well as to explore the positive & negative effect of rural-urban migration on the informal economy, but there are further investigations in detail way. Therefore, the following topics needed to be studied and researchable in relation with migration to the Republic of South Africa.

- ❖ Migration and its impacts on the informal economic sectors
- ❖ Factors affect rural to urban migration on the informal economy
- ❖ The roles of migrant on determining urbanization

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Appendix 1: Survey Interview



WOLKITE UNIVERSITY

COLLEGE OF SOCIAL SCIENCE AND HUMANITIES

DEPARTMENT OF GOVERNANCE AND DEVELOPMENT STUDIES

This questionnaire is designed for partial fulfillment of MA degree in department of Development Studies (Specialization in Development Planning and Management). The aim of collecting this data is to assess the effect of rural urban migration on informal economy in Woliso town. Your cooperation to all the items in the questionnaire is highly appreciated. The information will collected for academic purpose only. You will not be identified by name and all information provided by you will be treated as strictly confidential. We thank you in advance for your contribution.

General Instruction

Make sure that this questionnaire contains two parts

Please a tick (✓ or x) for the answers you choose in the provided box.

- **Closed ended questions**

8. In which season rural urban migration mainly happen in this town? (Please rank in the priority)

No	Major Factor /determinants	Pease rank at according to their severity
1	Autumn	
2	Winter	
3	Spring	
4	Sumer	

9. Is there causes rural to urban migration in the town?

Yes No

10. Is there sufficient manpower to solve the existence of the effect rural urban migration informal economy problem?

Yes No

11. In your outlook the efforts of responsible body in order to solve the existence of migration?

Very good Good Moderate Low Very low

12. The levels of community participation in order to solve effect of rural-urban migration on informal economy in the town?

• Very high High Moderate Low Very low

13. Is there positive effect of rural-urban migration on informal economy in Woliso town?

Yes No

• **Open ended question**

14. What are the major challenges faced by migrants while they participate in the informal economy in the town?

.....
.....
.....

15. What are the positive effect of rural-urban migration on informal economy in town?

.....
.....
.....

16. What are the negative effect of rural-urban migration on informal economy in town?

.....
.....
.....

17. Identify the pushing factors for rural urban migration?

.....
.....
.....

18. List down that happening Identify the pulling factors for migration?

.....
.....
.....

19. In your view what are possible measurements in order to solve rural urban migration problem in the Town?

.....
.....
.....

Appendix: 2 Interview



WOLKITE UNIVERSITY

COLLEGE OF SOCIAL SCIENCE AND HUMANITIES

DEPARTMENT OF GOVERNANCE AND DEVELOPMENT STUDIES

Interview

1. What are the pushing and pulling factors of rural urban migration in this Town?
2. What are challenges that makes so as to existence of migration in the town?
3. What is the participation of the community in order to solve migration problem in this Town?
What about government?
4. How would you describe the level of the effect of rural to urban migration on the informal economy this Town?
5. Which types of measurement has taken by town administrators to solve the effect of rural to urban migration on the informal economy?
6. What are the effects of rural-urban migration on informal economy in town?
7. What are the challenges faced by migrants while they participate in the informal economy in the study area?
8. What are the possible recommendations in order to solve of the effect of rural to urban migration on the informal economy this Town?

ቃለ መጠይቅ

1. በዚህ አካባቢ ከገጠር ወደ ከተማ ፍልሰት የሚገፋፉ ዋና ዋና ነገሮች (ምክንያቶች) ምንድን ናቸው?

2. በአካባቢው ውስጥ ለገጠር ወደ ከተማ ለመፍለስ ወይም ለመሰደድ መንስኤዎቹ ምንድን ናቸው?

3. በዚህ ከተማ ያለውን የስደት ችግር ለመፍታት የህብረተሰቡ ተሳትፎ ምን ይመስላል? ስለ መንግስትስ?

4. በዚህ አካባቢ የገጠር ወደ ከተማ ፍልሰት ኢ-መደበኛ ኢኮኖሚ ላይ ያለውን ተጽእኖ እንዴት ይገልጻል?

5. ከገጠር ወደ ከተማ የሚደረገው ፍልሰት ኢ-መደበኛ ኢኮኖሚ ላይ የሚያደርሰውን ጉዳት ለመፍታት በከተማ አስተዳዳሪዎች የተወሰደው የመለኪያ ዓይነቶች የትኞቹ ናቸው?

6. የገጠር ወደ ከተማ ፍልሰት በአካባቢው ኢ-መደበኛ ኢኮኖሚ ላይ የሚያሳድረው ተጽዕኖ ምንድን ነው?

7. በዚህ አካባቢ ያሉ ፈላሽ (ስደተኞች) በአካባቢው ኢ-መደበኛ ኢኮኖሚ ውስጥ ሲሳተፉ የሚያጋጥሟቸው ችግሮች ምን ምን ናቸው?

8. በዚህ አካባቢ የገጠር ወደ ከተማ ፍልሰት በኢ-መደበኛ ኢኮኖሚ ላይ የሚያሳድረውን ተጽዕኖ ለመፍታት ምን ምክሮች ሊኖሩ ይችላሉ?

Appendix: 3 spss output

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	242	65.8	65.8	65.8
Valid female	126	34.2	34.2	100.0
Total	368	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-24	183	49.7	49.7	49.7
Valid 25-35	159	43.2	43.2	92.9
Valid 36-50	26	7.1	7.1	100.0
Total	368	100.0	100.0	

marital status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Single	222	60.3	60.3	60.3
Valid Married	98	26.6	26.6	87.0
Valid Divorced	25	6.8	6.8	93.8
Valid Widow	23	6.3	6.3	100.0
Total	368	100.0	100.0	

Religion

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Orthodox	134	36.4	36.4	36.4
Valid Muslim	118	32.1	32.1	68.5
Valid Protestants	76	20.7	20.7	89.1
Valid Others	40	10.9	10.9	100.0
Total	368	100.0	100.0	

education level of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Illiterate	21	5.7	5.7	5.7
Valid Primary	139	37.8	37.8	43.5

High school	75	20.4	20.4	63.9
TVET	4	1.1	1.1	64.9
Diploma	53	14.4	14.4	79.3
Doctorate degree	3	.8	.8	80.2
Master degree	73	19.8	19.8	100.0
Total	368	100.0	100.0	

The presence of rural urban migration on informal economy problem is high in the Town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	231	62.8	62.8	62.8
Valid no	137	37.2	37.2	100.0
Total	368	100.0	100.0	

In which degree you categorized the problems of rural urban migration on informal economy of in the Town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very low	14	3.8	3.8	3.8
Valid Low	41	11.1	11.1	14.9
Valid Moderate	139	37.8	37.8	52.7
Valid High	166	45.1	45.1	97.8
Valid Very high	8	2.2	2.2	100.0
Total	368	100.0	100.0	

How much the presence of migrate affects the informal economy is in this Town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very low	36	9.8	9.8	9.8
Valid Low	147	39.9	39.9	49.7

Moderate	31	8.4	8.4	58.2
High	105	28.5	28.5	86.7
Very high	49	13.3	13.3	100.0
Total	368	100.0	100.0	

In your outlook the effort of responsible bodies in order to solve rural urban migration effect on informal economy ?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	189	51.4	51.4	51.4
no	179	48.6	48.6	100.0
Total	368	100.0	100.0	

Which is the major factor for the effect rural urban migration informal economy in the town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Financial factor	24	6.5	6.5	6.5
political instabilities,	162	44.0	44.0	50.5
famine,	32	8.7	8.7	59.2
environmental degradation,	112	30.4	30.4	89.7
religious and ethnic conflicts	38	10.3	10.3	100.0
Total	368	100.0	100.0	

In which season rural urban migration mainly happen in this town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Autumn	34	9.2	9.2	9.2
Winter	169	45.9	45.9	55.2
Spring	86	23.4	23.4	78.5
Summer	79	21.5	21.5	100.0
Total	368	100.0	100.0	

the environmental effect of rural to urban migration the Town

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	193	52.4	52.4	52.4
Valid no	175	47.6	47.6	100.0
Total	368	100.0	100.0	

Is there sufficient manpower to solve the existence of the effect rural urban migration informal economy problem?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	223	60.6	60.6	60.6
Valid no	145	39.4	39.4	100.0
Total	368	100.0	100.0	

In your outlook the efforts of responsible body in order to solve the existence of migration?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very low	37	10.1	10.1	10.1
Valid Low	106	28.8	28.8	38.9
Valid Moderate	9	2.4	2.4	41.3
Valid High	152	41.3	41.3	82.6
Valid Very high	64	17.4	17.4	100.0
Total	368	100.0	100.0	

The levels of community participation in order to solve effect of rural-urban migration on informal economy in the town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very low	166	45.1	45.1	45.1
Valid Low	185	50.3	50.3	95.4

Moderate	17	4.6	4.6	100.0
Total	368	100.0	100.0	

the environmental effect of rural to urban migration the Town

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	193	52.4	52.4	52.4
Valid no	175	47.6	47.6	100.0
Total	368	100.0	100.0	

Economic Effect of Rural To Urban Migration the Study Area

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	196	53.3	53.3	53.3
Valid No	172	46.7	46.7	100.0
Total	368	100.0	100.0	

The Social Effect of Rural To Urban Migration the Town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	196	53.3	53.3	53.3
Valid No	172	46.7	46.7	100.0
Total	368	100.0	100.0	

Is there positive effect of rural-urban migration on informal economy in Woliso town?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	227	61.7	61.7	61.7
Valid no	141	38.3	38.3	100.0
Total	368	100.0	100.0	

