

Institutional Barriers to Formalization of the Informal Economy of Addis Ababa

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Abstract

The informal economy remains a cornerstone of urban livelihoods in Addis Ababa, being a source of the 40% of the employment opportunities, yet formalization efforts have yielded minimal success despite policy initiatives such as Regulation No. 88/2017. This mixed-methods study investigates the institutional barriers shaping informal traders' decisions to formalize, drawing on survey data from 384 traders, 18 key informant interviews, three focus group discussions, and document analysis. Findings reveal that while 96.9% of respondents recognize potential benefits, including access to finance (65%) and business opportunities (60.6%), only 8.6% intend to formalize, due to pervasive institutional distrust, complex bureaucratic procedures, high compliance costs, and inconsistent enforcement. Gender disparities are pronounced, with women facing lower awareness and heightened exposure to arbitrary evictions. The study demonstrates that formalization is mediated by regulative, normative, and cognitive dimensions, where parallel informal institutions often function more reliably than formal ones. Institutional failure is not merely administrative but deeply normative: state actions are perceived as predatory rather than protective, eroding legitimacy and fostering reliance on informal networks for survival. The study concluded that sustainable formalization requires a paradigm shift, from top-down regulation to co-governance that centers trust, equity, and participatory design.

Keywords: *informal economy, formalization, institutional barriers, Addis Ababa, Ethiopia, gender, governance*

1. INTRODUCTION

The informal economy remains a cornerstone of urban livelihoods in Ethiopia, particularly in Addis Ababa, where it sustains a significant proportion of the population through unregulated yet legitimate economic activities such as street vending, small-scale manufacturing, domestic services, and informal transport (ILO, 2020; World Bank, 2021). According to the Ethiopian Statistical Enterprise (2022), over 21.8% of urban workers in Ethiopia are engaged in informal employment, with Addis Ababa serving as the epicenter of this phenomenon, hosting an

estimated 40% of its labor force within informal sectors. Despite repeated policy interventions, including Addis Ababa's Informal Trade Regulation No. 88/2017, which explicitly aims to facilitate the transition of informal enterprises into the formal economy, formalization rates remain persistently low (Firew, 2023). Informal traders frequently operate under conditions of insecurity, facing arbitrary evictions, asset confiscation, harassment by enforcement agents, and exclusion from financial services, legal protections, and social safety nets (Roever & Skinner, 2016). These experiences suggest that barriers to formalization extend far beyond economic or logistical constraints, pointing instead to deeper institutional dynamics that shape how informal actors perceive, engage with, or resist state-led formalization efforts. While much literature focuses on the economic aspects of informality, less attention has been paid to the institutional environments, comprising formal regulations, bureaucratic practices and governance fragmentation. In Ethiopia fragmented governance and procedural complexity significantly shapes formalization as a socially embedded process (World Bank, 2023).

Formalization is not merely a technical procedure but a socially embedded process shaped by mistrust, procedural complexity, and perceived marginalization (North, 1990; Scott, 2008). Informal actors may rationally choose to remain outside formal systems not because they lack awareness or desire for legitimacy, but because institutional structures actively discourage engagement through inconsistent enforcement, impervious procedures, and a history of corrective rather than supportive state interactions (La Porta & Shleifer, 2014; Tschirley & Reardon, 2021). This study therefore investigates how institutional arrangements at the city level, specifically regulatory design, administrative behavior, and institutional trust, constrain the formalization of informal enterprises in Addis Ababa. It moves beyond economic cost-benefit analyses to examine the lived experiences of informal traders and the perceptions of institutional actors, arguing that formalization failures stem less from individual reluctance and more from systemic institutional dysfunction. By integrating survey data, key informant interviews, focus group discussions, and document analysis, this research provides a clear understanding of how institutional environments shape decision-making among informal actors, offering critical insights for policymakers seeking to design inclusive, effective, and context-sensitive formalization strategies in urban Africa.

2. LITERATURE REVIEW

2.1. Understanding the Informal Economy

The informal economy consists of unregistered economic activities operating outside formal state regulation but not necessarily illegal (Chen, 2012). It includes microenterprises, home-based work, casual labor, and self-employment ventures that lack access to state protections and resources. In many low-income urban settings, it is a default livelihood strategy for populations excluded from formal employment (Meagher, 2020).

In Addis Ababa, the informal sector plays a substantial role in employment creation, particularly in trade, transport, and service delivery. Recent studies estimate that informal activities account for up to 40% of the city's labor force (ESE, 2022). While government narratives often portray informality as disruptive, others emphasize its contribution to economic resilience and social stability (Lindell, 2019; Williams & Horodnic, 2019).

2.2. Theoretical Perspectives

Multiple theoretical frameworks explain the persistence of informality and the challenges of formalization. Dualist theory, originating from early ILO studies (1972), viewed the informal sector as a separate residual category for the unemployed. Structuralist perspectives, such as those advanced by Castells and Portes (1989), argue that informal activities are deeply intertwined with formal economies, often subcontracted by formal firms to avoid labor and tax costs. More contemporary thinking is shaped by institutional theory, particularly the work of Douglass North (1990) and Scott (2008), who identify the formal (regulative), informal (normative), and cultural-cognitive dimensions of institutions. From this perspective, formalization is not just a legal process but a function of institutional legitimacy, trust, and procedural accessibility. In contexts of institutional weakness or fragmentation, informal actors may rationally opt to remain outside formal structures (Beck et al., 2020; La Porta & Shleifer, 2014).

Furthermore, relational governance approaches emphasize that informal actors do not merely respond to policies—they interpret, resist, and negotiate them based on their lived experiences with public institutions (Lindell, 2019). This aligns with empirical studies suggesting that state-informal sector relationships are often shaped by mistrust, coercion, or neglect (Brown et al., 2022; Meagher & Lindell, 2021).

2.3. Empirical Evidence on Institutional Barriers

Empirical studies across Sub-Saharan Africa identify several institutional barriers to formalization. These include complex administrative procedures, overlapping mandates between government agencies, unpredictable enforcement, and limited awareness of rights and responsibilities (Roever & Skinner, 2016; Williams et al., 2019). In Ethiopia, Firew (2023) reports that informal traders face challenges in renewing permits, and many never receive promised training or market space. Trust in institutions also plays a critical role. When informal traders perceive formalization as an avenue for surveillance or exploitation—rather than empowerment—they tend to disengage from official processes (Tschirley & Reardon, 2021).

2.4. Research Gap

While the literature has extensively documented the nature and scope of the informal economy in Ethiopia, few studies have empirically examined how institutional relationships—particularly at the city and sub-city levels—affect formalization outcomes. Most existing work focuses on macro-level indicators or economic constraints without unpacking the daily interactions, perceptions, and procedural challenges faced by informal actors when engaging with state systems.

Moreover, existing research does not sufficiently integrate perspectives from both informal traders and institutional actors. This leaves a gap in understanding the relational and systemic dimensions of formalization. This study addresses this gap by using mixed methods—including survey, FGD, KII, and document review—to analyze both sides of the institutional equation in Addis Ababa.

3. MATERIALS AND METHODS

3.1. Research Design

A convergent parallel mixed-methods design was employed, integrating quantitative and qualitative data collected simultaneously and analyzed separately before interpretation (Creswell & Clark, 2018).

3.2. Description of the Study Area

Addis Ababa, the capital of Ethiopia, is located in the central highlands within the Ethiopian Rift Valley at an altitude of about 2,355 meters and covers 527 square kilometers (Britannica,

2024; ESS, 2019). With a population exceeding 5 million, it is the country’s most populous city and serves as a political, economic, and cultural hub (ESS, 2019; World Population Review, 2024). Its geographic position (9°00’N 38°48’E) and mix of modern infrastructure with vibrant informal markets make it an ideal setting for analyzing the informal economy (Google Maps, n.d.). Administratively, Addis is a chartered city divided into 11 sub-cities, including the newly created Lemi Kura.

3.3. Study Population and Sampling

The study targeted informal business operators in three high-density informal trade zones, Arada, Gulele, and Akaki Kality sub-cities, selected for their concentration of informal enterprises and prior exposure to formalization initiatives under Addis Ababa Regulation No. 88/2017. Stratified random sampling method was used to ensure diversity in gender, business type, and sub-city representation. The quantitative sample included 384 respondents. For the qualitative component, three focus group discussions (FGDs) were conducted, each with 5–10 participants, selected in collaboration with informal business associations and woreda-level trade coordinators.

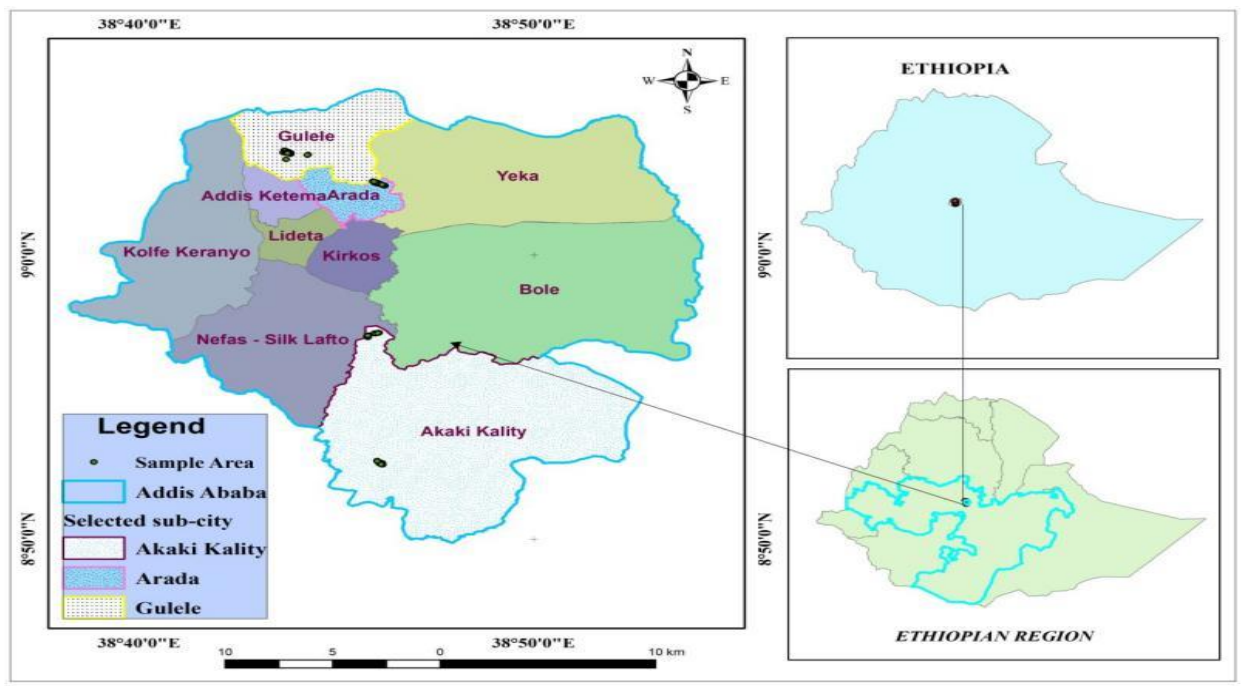


Figure 1:

Map of Study area

3.4. Data Collection Tools and Procedures

Quantitative data: a structured questionnaire was administered to 384 informal traders, stratified by sub-city, gender, and business type to ensure representative sampling; 58% of the respondents were female, reflecting the gendered composition of the sector. Data were collected over a two-week period in January 2025 using KoboToolbox, covering awareness of formalization policies, perceived regulatory challenges, interactions with enforcement agencies, coping mechanisms, and intentions to register formally.

Qualitative data: eighteen key informant interviews (KIIs) were conducted with officials from the Addis Ababa City Administration Trade Bureau, sub-city and woreda trade offices, and the Office of Code Enforcement Service to explore institutional perspectives on policy implementation, administrative constraints, and enforcement practices. Three focus group discussions (FGDs), each comprising seven to ten informal traders selected for diversity in gender, age, and sectoral affiliation, were held in the same sub-cities to elicit collective narratives on lived experiences with formalization processes, perceptions of state legitimacy, and informal survival strategies. Concurrently, a document review was conducted to contextualize empirical findings within the legal-administrative framework, analyzing primary sources including Regulation No. 88/2017, official progress reports from the Trade Bureau, and internal policy memos to assess alignment between legislative intent and ground-level implementation, and to identify systemic inconsistencies or institutional fragmentation

3.5. Data Analysis

Quantitative data were analyzed using SPSS version 27, employing descriptive statistics, including frequencies, percentages, and cross-tabulations, to identify patterns in awareness levels, barriers, and behavioral responses and all qualitative sessions were audio-recorded with consent, transcribed verbatim, translated from Amharic to English and analyzed thematically using NVivo 12 software; initial coding was informed by the study's conceptual framework grounded in institutional theory (North, 1990; Scott, 2008), while emergent themes were identified inductively to capture refined insights not anticipated a priori. Concurrently, regulation No. 88/2017, official progress reports from the Trade Bureau, and internal policy memos reviewed to assess alignment between legislative intent and ground-level implementation, and to identify systemic inconsistencies or institutional fragmentation.

3.6. Ethical Considerations

Ethical clearance was obtained from the Institutional Review Board of Addis Ababa University, College of Development Studies. A support letter was also secured from the Addis Ababa City Administration Trade Bureau. All participants provided informed consent. Data were anonymized and stored securely. Participation was voluntary, with the right to withdraw at any time.

4. Results and Discussion

The demographic profile of informal business owners in Addis Ababa demonstrates notable diversity across gender, education, marital status, age and family size. Women constitute a majority of business owners (58.1%), indicating significant female participation in the informal sector. Educational backgrounds are varied, with most respondents having completed upper primary (30.7%) or secondary (26.0%) schooling, while 20.8% reported not being able to read or write. The majority of owners are married (77.1%), and clothing retail (61.7%) dominates as the primary business type, followed by fruits and vegetables retail (20.1%) and dried food items retail (13.8%). The average age of business owners is 39 years ($SD = 8.82$), and the typical family size is about 4.5 members ($SD = 1.74$). These findings highlight the broad demographic engagement and typology of businesses operating informally in Addis Ababa. These attributes align with broader national trends indicating the feminization and youth-centric nature of urban informality in Ethiopia. Research shows that women and youth represent significant portions of informal entrepreneurs, largely due to constrained opportunities in the formal labor market (World Bank, 2023). Informal work thus acts as a critical economic survival strategy, deeply embedded within family support systems and community networks (Addis Ababa City Scoping Study, 2021; Moges, 2024). These patterns illustrate that informal sector participation is not only an economic necessity but also deeply embedded in the social and familial fabric of urban life in Addis Ababa.

A critical barrier to formalization lies in the pervasive lack of awareness regarding legal requirements. Only 42.7% of respondents reported being aware of formalization procedures, with a stark gender disparity: 49.0% of men versus 38.1% of women had knowledge of these processes (Table 2).

Table 1:

Demographic Profile of Informal Business Owners in Addis Ababa (N = 384)

Variable	Category	Frequency/Value	Percent/ Mean (SD)
Gender	Male	161	41.9
	Female	223	58.1
Educational status	Not read and write	80	20.8
	Read and write	14	3.6
	Lower Primary (1–4)	52	13.5
	Upper Primary (5–8)	118	30.7
	Secondary (9–12)	100	26.0
	Vocational school	13	3.4
	University education	7	1.8
Marital status	Single	42	10.9
	Married	296	77.1
	Separated	7	1.8
	Divorced	20	5.2
	Widowed	19	4.9
Age of the business owner (years)	—	—	39.03 (8.82)
Family size	—	—	4.49 (1.74)

Source: Survey Data, 2025.

This gap suggests that institutional outreach is neither equitable nor effective, particularly for women who form the majority of traders yet receive less targeted information. Qualitative data from focus group discussions (FGDs) corroborated this finding. Participants frequently expressed confusion about where to begin, what documents were needed, and whether registration would bring relief or risk. One trader from Arada stated, “*We have faced challenges in obtaining the directive from the government office.*” Another from Gulele noted, “*There is no written information shared with our association... we are aware there is a structure from the woreda to city level, but we don’t know how to access it.*” This resonates with existing literature indicating lower awareness and participation among women entrepreneurs in Ethiopia, who face distinct administrative, bureaucratic, and network challenges compared to men (Ahmed & Kar, 2019).

The sources through which information on formalization is obtained further illuminate institutional failure. As presented in Table 3, the vast majority of the business owners rely on informal networks rather than official channels. Only 27.3% learned about formalization from friends, 26.8% from trade offices, and a mere 4.7% from media.

Table 2:

Awareness Formalization Legal Requirements among Informal business in Addis Ababa by Gender (N = 384)

Variable	Response	Frequency	Percent
Awareness of formalization legal requirements(Total respondents)	No	220	57.3
	Yes	164	42.7
Male respondents	Yes	79	49%
Female respondents	Yes	85	38.1%

Source: Survey Data, 2025.

A striking 95.3% reported never receiving information through mass media, and 97.1% said they did not learn from Eqube (cultural saving in which members get their savings in rotating way turn by turn) groups—a key social institution in Ethiopian communities. These figures confirm that public institutions are not fulfilling their role as information providers. KIIs with sub-city officials corroborated this, revealing that outreach programs are under-resourced, sporadic, and often limited to symbolic events rather than sustained engagement. This institutional failure is documented in research showing Ethiopian public institutions often under-resource formalization outreach, resulting in sporadic, symbolic engagements rather than continuous information flow (Fransen, 2008; Woldarmarian, n.d.).

Table 3:

Sources of Information on Formalization Legal Requirements among Informal Business Owners in Addis Ababa (N = 384)

Variable (Source)	Response	Frequency	Percent
Friends	No	279	72.7
	Yes	105	27.3
Family members	No	344	89.6
	Yes	40	10.4
Media	No	366	95.3
	Yes	18	4.7
Trade offices	No	281	73.2
	Yes	103	26.8
Neighborhoods	No	365	95.1
	Yes	19	4.9
Equb (rotating savings) members	No	373	97.1
	Yes	11	2.9

Source: Survey Data, 2025.

Among those who attempted formalization (n = 68, or 17.7% of total sample), procedural barriers were found to be critical. As shown in Table 4, 58.8% of the respondents cited high

bureaucratic costs, including fees, repeated visits, and lost income due to delays, as the most significant obstacle. An additional 44.1% of the respondents described procedures as complex and non-transparent, with unclear documentation requirements and inconsistent enforcement across agencies. FGD participants from Akaki Kaliti sub-city recounted applications rejected due to missing residence confirmations or Tax Identification Number (TIN) which they were never instructed to obtain. The participant remarked, “After three trips and two rejections, I gave up. They never told me what was wrong.”

The procedural barriers to formalization are consistent with findings in existing research on business registration challenges in Ethiopia. A World Bank report on Ethiopia's business registration system found that compliance costs, such as documentation requirements, repeated visits, and time delays, far exceed the nominal fees, creating a significant barrier to formalization (World Bank, 2016). These costs are often burdensome for marginalized groups such as women and youth, who have less time, financial resources, and mobility to navigate multi-step bureaucratic processes.

Table 4:

Perceived Barriers among Informal Business Owners Who Attempted Formalization

Barrier Type	Percentage of Affected Respondents (%) N=68
High bureaucratic costs (fees, delays, repeated visits)	58.8
Complex and non-transparent procedures	44.1

Source: Survey Data, 2025.

Despite recognizing the tangible benefits of formalization—such as access to credit (65.0%), business growth opportunities (60.6%), customer trust (30.7%), legal protection (54.2%), and better working space (53.6%)—and a notably high intention to formalize (86.7%), none of the respondents have formalized their businesses to date (Table 5). This suggests that while informal business owners acknowledge the advantages of formalization, substantial barriers and perceived risks prevent actual formalization. These perceptions are shaped by lived experiences: FGD participants described arbitrary evictions, confiscation of goods without notice, and refusal to renew permits based on undocumented criteria. KIIs confirmed that staff turnover, poor training, and lack of accountability mechanisms eroded institutional credibility. As one officer admitted, “We don’t have a system to track compliance. We just react when someone complains.”. Low formalization rate reveals a disconnect between aspirations and

action, often due to perceived state predation and lack of legitimacy (Webb, et al., 2017). The finding that only 30.7% of business owners believed formalization would increase customer trust aligns with research emphasizing the normative dimension of institutions. Assenova and Sorenson (2017) argue that legitimacy—a key aspect of formalization benefits—is socially constructed and highly dependent on trust in the state as a protective, rather than predatory, entity. Without such trust, formalization loses symbolic value, and market legitimacy remains rooted in personal reputation and social networks. This normative perspective explains why formal registration alone does not directly result in increased customer trust within informal business contexts. Informal entrepreneurs’ decisions to formalize depend not only on tangible benefits but also on the broader social acceptance and perceived legitimacy of formal institutions (Assenova & Sorenson, 2017).

Table 5:

Perceived Benefits of Formalization and decision to formalize (N = 384)

Variable	Response	Frequency	Percent	Valid Percent
Formalization has benefits	Yes	372	96.9	96.9
	No	12	3.1	3.1
Improves access to financing	Yes	241	62.8	65.0*
	No	130	33.9	35.0*
Increases customer trust	Yes	114	29.7	30.7*
	No	257	66.9	69.3*
Creates better business opportunities	Yes	225	58.6	60.6*
	No	146	38.0	39.4*
Provides legal protection	Yes	201	52.3	54.2*
	No	170	44.3	45.8*
Has made decision to formalize	Yes	333	86.7	86.7
	No	51	13.3	13.3

Source: Survey Data, 2025

In response to institutional hostility, informal actors have developed adaptive coping mechanisms (Table 6). Nearly half (48.5%) relied on social networks, associations, peers, or family for support, while only 29.4% engaged directly with government institutions. A substantial 20.6% abandoned formalization attempts altogether. Focus group narratives illustrated how informal systems substitute for state failure: pooled savings enabled collective rental of private kiosks; peer pressure ensured fair pricing; and informal landlords provided shelter when markets were cleared. These practices reflect what Meagher (2013) terms “institutional bricolage”, the creative recombination of available resources to survive

exclusion. They are not signs of disorder but of resilience, operating parallel to, and often more reliably than, the formal system.

Table 6:

Coping Mechanisms Adopted by Informal Actors Facing Institutional Challenges

Coping Mechanism	Percentage of Respondents (%) N=384
Relied on social networks (associations, peers, family)	48.5%
Engaged with government institutions	29.4%
Abandoned attempts to formalize	20.6%

Source: Survey Data, 2025.

Awareness of government support programs among informal traders in Addis Ababa remains critically low. Only 21.1% of respondents reported knowing about any formal support initiative. Among those aware (n = 81), simplified registration procedures (88.9%), tax incentives (66.7%), training (65.4%), and access to finance schemes (63.0%) were the most recognized programs (Table 7). However, even widely known programs were perceived as inaccessible by many. Female FGD participants in Akaki Kality Sub-City, for example, reported being discouraged from applying due to fears of discrimination and bureaucratic indifference. Key informant interviews with sub-city and woreda level government officials further confirmed that program implementation was inconsistent across sub-cities, hindered by overlapping mandates within sectors, budget shortfalls, and political favoritism. These challenges illustrate that while policy design may be progressive, weak governance structures and fragmented institutional coordination significantly undermine effective policy rollout (World Bank, 2016).

Table 7:

Types of Government Support Known among Aware Respondents

Type of Support Program	Percentage of Aware Respondents (%) N=81
Simplified registration procedures	88.9%
Tax incentives	66.7%
Training programs	65.4%
Access to finance schemes	63.0%

Source: Survey Data, 2025.

The document review of Regulation No. 88/2017 reveals a critical disjunction between policy intent and ground-level reality. The regulation formally recognizes transitional permits, defines protected trading zones, and outlines phased compliance timelines, all progressive measures aimed at integrating informal trade into urban governance. However, field evidence demonstrates systematic non-implementation. Woreda offices lack digital recordkeeping, inter-agency coordination is absent between trade bureaus, land management units, sanitation departments, and code enforcement teams, resulting in contradictory actions: traders may hold valid IDs yet be evicted overnight. Sanitation services in designated zones are neglected, and security is nonexistent, exposing traders to theft and harassment. These gaps confirm North's (1990) concept of "institutional inefficiency," wherein formal rules exist but are rendered inert by informal norms of neglect, fragmentation, and administrative inertia. As one KII observed, *"We have the rulebook, but we don't have the capacity to make it work."*

5. CONCLUSION AND RECOMMENDATIONS

The study demonstrates that the formalization of the informal economy in Addis Ababa is not a technical or bureaucratic challenge to be solved through streamlined procedures alone, but a deeply institutional and sociopolitical process shaped by power, perception, and systemic integration between policy and practice. The convergence of quantitative, qualitative, and documentary evidence leads to a compelling conclusion: formalization in Addis Ababa is not failing because traders are unwilling or uninformed; it is failing because institutions are ineffective, inaccessible, and unresponsive.

The persistence of informality is not a sign of backwardness but of rational adaptation to systemic exclusion. Women, youth, and low-literacy populations bear the greatest burden, reinforcing intersectional inequalities. While policies like Regulation No. 88/2017 provide a necessary legal foundation, they cannot succeed without institutional reform that prioritizes transparency, accountability, participatory governance, and gender equity. Informal actors do not need more regulations, they need trustworthy institutions that treat them as partners, not problems. Without rebuilding legitimacy, no amount of technical innovation will bridge the gap between policy and practice. The existence of Regulation No. 88/2017, though progressive on paper, has failed to translate into meaningful change due to fragmented implementation, inconsistent enforcement, and a near-total absence of participatory communication.

The regulative barriers (complex registration, high fees), normative deficits (eroded trust, legitimacy crisis), & cognitive gaps (misinformation, low awareness) interact synergistically to sustain informality. Informal actors do not merely resist formalization; they have constructed resilient alternative institutional systems grounded in social capital, peer networks, and mutual aid, which function more reliably than state mechanisms. These systems, far from being pathological, represent rational adaptations to institutional failure and must be recognized not as obstacles to formalization, but as foundations upon which inclusive governance can be rebuilt. Ignoring them risks perpetuating top-down interventions that alienate the very populations they seek to empower.

Crucially, this study reveals that institutional barriers are not gender-neutral. Women, who constitute over half of informal traders, face compounded disadvantages: lower awareness of formalization pathways, greater exposure to arbitrary enforcement, and diminished access to support programs. Their marginalization reflects intersecting structures of gender and economic status that demand targeted equity-centered policy responses. Formalization strategies that fail to address these dynamics will continue to reproduce inequality under the guise of economic modernization.

Therefore, the path forward requires a paradigm shift, from viewing informality as a problem to be eradicated, to recognizing it as a dynamic, adaptive sector deserving of dignity, inclusion, and co-governance. Effective formalization must be reimagined as a collaborative process: one that engages informal actors as partners in designing regulatory frameworks; embeds community liaisons within trade bureaus to bridge the trust deficit; leverages existing informal institutions (e.g., Equb) as conduits for information and service delivery; and ensures transparent, accountable, and gender-responsive implementation across all sub-city jurisdictions. Without such structural reforms, policies like Regulation No. 88/2017 will remain symbolic gestures, well-intentioned, yet ultimately hollow.

Future interventions must move beyond top-down enforcement toward co-design: establishing community liaison roles within trade bureaus, creating feedback loops via trader associations, and embedding formalization within existing informal support systems.

Addis Ababa stands at a pivotal moment. As Africa's fastest-growing urban center and a hub of informal economic activity, it has the opportunity to pioneer a model of urban governance that is not only efficient but just, one where formality is not imposed, but earned through trust,

participation, and reciprocal accountability. The future of equitable urban development in Addis Ababa and beyond depends on whether institutions choose to govern with the informal economy, rather than against it.

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