

The Economic Contribution of Shoe Shine Industry in Dessie Town of Ethiopia



Economics

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ABSTRACT

In the cities and towns around the world, shoe shine is one of the long term service delivery activities. This is one of the income generating sector in the towns and cities of Ethiopia. This is the self employment sector which is practiced since long time in Ethiopia. This study is focused on identifying the major problems and the job opportunities in shoe shine sector with the objective to assess the problems and economic contribution of shoe shine sector by using simple random sampling method. Sector workers are facing many problems like rain, cold, sun light, irregular income, traffic humiliation and lack of support from the concerned bodies, because it is being practiced in streets. Support is needed by the stakeholders for the dignity of labour to sector workers.

Introduction

In the cities and towns around the world, shoe shine is one of the long term service delivery activities. This is one of the income generating sector in the towns and cities of Ethiopia. Shoe shiners themselves are providing employment and contributing their service to the Nation. Hence it is required to develop policy document about the major constraints and the relationship between this sector with the town governmental and non-governmental organization. Shoe shine activity is practiced since long time in Ethiopia. The profession became difficult because it has been done on streets. So, the shoeshine expose for various problems like rain, cold, sun light, irregular income, traffic humiliation etc. The society has very low attention due to the absence of information about the contribution of shoeshine to country's economy in general and town's economy in particular. This study is focused to identify the major problems and the job opportunities in shoe shine sector.

General objective

- To assess the problems and economic contribution of shoe shine sector in Dessie town

Specific objectives

- To identify and show the role played by the sector on employment creation and income generation.
- To evaluate the problems of the sector.
- To evaluate role of government and nongovernmental organization to shoe shine sector.

Methods

Data was collected from 30 shoe shiners in the month of May 2012 with simple random sampling by using structured questionnaire. Official authorities of micro finance and micro and small enterprise officers are interviewed with another semi structured questionnaire.

Results and discussion

All the shoe shiners in the town are male. 90% of them are between the age group 16-25 years and only 10% are below the age of 15 years. 13.4% are with primary, 26.6% are with elementary and 60% are with secondary school level background. Though the majority of the respondents are with secondary level education, their poor performance with lower grades did not allow them to go for higher studies.

Main reasons to participate in Shoe Shine activity

53.33% of the respondents entered in to this sector in order to generate income. 33.33% of them join the sector for the sake of the sector needs low starting cost. While the remaining 13.33% of the respondents engage them selves because of absence of other opportunity to operate and generate income.

Table-1: Daily income by respondents.

Daily minimum	Number of respondents	Percentage (%)
10 – 15 Birr	12	40
15 – 20 Birr	18	60
Total	30	100
Daily maximum		
20 – 30 Birr	19	63.33
30 – 40 Birr	11	36.66
Total	30	100

60% and 40% of the respondents generate 15–20 Birr and 10–15 Birr minimum daily income respectively In other case 63.33% and 36.66% the sector workers generate 20–30 Birr and 30–40 Birr maximum daily income respectively (Table-1). When it is converted in to monthly income, they are getting 300 – 450 Birr (40%) and 450 – 600 Birr (60%) minimum monthly income respectively. While other 63.33% and 36.33% of the shoe – shine workers are getting 600 – 900 Birr and 900 – 1600 Birr maximum monthly income respectively. The range between the two extremes i.e. maximum and minimum monthly income (1600-300) is 1300 Birr. The reason behind for the great income level difference is that accessibility of suitable place for work, high density of population in the area, working hours etc. are attributed

Table -2: Monthly savings by respondents

Saving rate	Number of respondents	Percentage (%)
100 – 250	4	13.33
250 – 400	12	40
400 – 600	8	26.66
≥ 600	6	20
Total	30	100

As indicated in Table -2, 20% of the Shoe – shiners are saving more than 600, 26.66% are saving 400-600, 40% are saving 250-400 and 13.33% are saving 100-250 birr per month from their income. Some of the reasons for the variation of saving rates are attributed to payment of house rent, absence of initial capital and their income level.

Table -3: Factors affecting shoe – shine activity

Factors	Number of respondents	Percentage (%)
Place	15	50
Capital	8	26.66
Lack of institutional encouragement	4	13.33
The towns municipality barrier	3	10
Total	30	100

50% of the respondents are affected by place problem, 26.66% of the sector workers suffered with lack of capital, 13.33% are

influenced by absence of institutional support and 10% of shoe shiners are affected by the town's municipality barriers due to absence of recognition. In general most of the sector workers dominantly affected by place problems i.e. absence of suitable place.

The relation between the times spent on shoe shining work and income

26.66% of the individuals spend 2 – 4 hours per a day with 300 – 450 Birr monthly income and 20% of the individuals spend 4 – 6 hours per a day with 450 – 600 Birr monthly income. The rest 20% and 33.33% of individuals spend from 4 – 6 hours and greater than 10 hours with 600 – 900 Birr and 900 – 1600 Birr per month respectively.

Generally the amount of time that the individuals spend on the activity is one of the determinant factors that influence the income level of individuals. The higher they spent their time on the activity, the higher they got the monthly income from the activity.

The attitude of the community towards the shoe shines workers. There is positive attitude for the reason that they will be self employed and contributing economically to the Nation in general and to their families in particular. But there are problems limit the economic contribution of the sector such as:

i. Place –there is no permanent and suitable place to perform the activity.

ii. Security problem- the working conditions of the sector doesn't have any means of security. There is no respected body that assesses the effectiveness of the job security.

iii. Container (shelter) problem – Most of the sector workers has no shelter, as a result they exposed for natural hazards like sun heat, cold, rain and especially during summer season it is difficult to perform the activity. The sector needs much support from the town's municipality micro finance institution with their material and financial support.

Service delivery of micro finance institution

The main aim of the institution is service delivery to the town's society. In Dessie town shoe shine is one part of the society. To deliver the institution's service, it needs certain criteria's. For obtaining the loans, it needs collaterals security, formally organized groups, and local residential, free from any crime.

Service delivery of micro and small enterprises institution

Firstly, the institution's aim is to organize lower level of the society to the betterment of their life thorough creating suitable environment for investment. But the concept of the institution still does not completely understood by the society. As a result it hinders the institutions objective. The institution deliver services like creating awareness about the concepts of micro and small enterprises and also provide short time training over cash controls. The institution believed that trainings are important to be effective management system of investment of the user. The institutions try to accomplish its mission by using different methods like kebele's(village level) meetings in order to create awareness about the purpose of the institution. The main aim of the institution is to deliver service to all societies. Shoe shine workers could not get the service because there is no close relationship between micro finance and micro and small enterprises institutions with the sector.

Economic contribution of shoe – shining

Shoe – shining is one of the economic sectors that generate income to the sector workers. It helps to lead their life by fulfilling their basic needs like food, shelter, clothes etc. It helps to absorb unemployment of individuals who reside around the town. If better conditions available, the sector expand its contribution through economic, social and other related issues for the town growth. The sector workers know the importance of cooperation that helps them for better performance, sharing common knowledge as well as strengthening the sector, but there is neither formal nor informal Association by the sector workers.

Conclusion

Shoe shine workers participate in this sector for the sake of income generation in the absence of other opportunities and the sector also needs low starting cost. Individuals can generate 300 – 1600 Birr monthly income with in the low extremes minimum and maximum respectively. Though the sector workers intended to generate income, there are factors that hinder the activity like place, capital, absence of institutional encouragement and barriers from the town municipality. Individuals can also save from their monthly income 100 Birr and up to or greater than 600 Birr within the two extremes minimum and maximum respectively.

The time that individuals spend on the activity is deviated from 2 hours up to 10 hours, which causes to generate different income level. There is high communication gap between the shoe shine workers and the micro finance and small enterprises institution. There is no governmental and non governmental institution that encourages the sector workers for the better performance.

Recommendation

- All the shoeshine workers in Dessie town should form an association which become more beneficial to them and helps them for effective performance in the sector
- Local government and non-governmental organizations should focus in providing suitable and permanent place with shelter like containers, so that the sector workers can improve their efficiency in this profession by utilizing these preeminent shoe shine places with shelter.
- Any urban municipality tries to solve the problem of urban societies. The Dessie municipality has to consider the shoe shine workers problems by facilitating for loan provisions from concerned bodies to the needy workers in this sector. And also there must be a protection from sun, heat, rain etc. which helps them for better performance.
- Since it is a limited research and focused on only young workers, further research is needed by including all age groups in another towns of Ethiopia and for total Ethiopia as well, which is supported by in depth qualitative analytical procedures for quantitative study.

Limitations of the study

Since this is the undergraduate research thesis for fulfilling in partial fulfilment of the course, the researchers constrained by time and money limitation. Qualitative part of the research is not analyzed and presented only with simple description.

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