

Addis Ababa: City research brief

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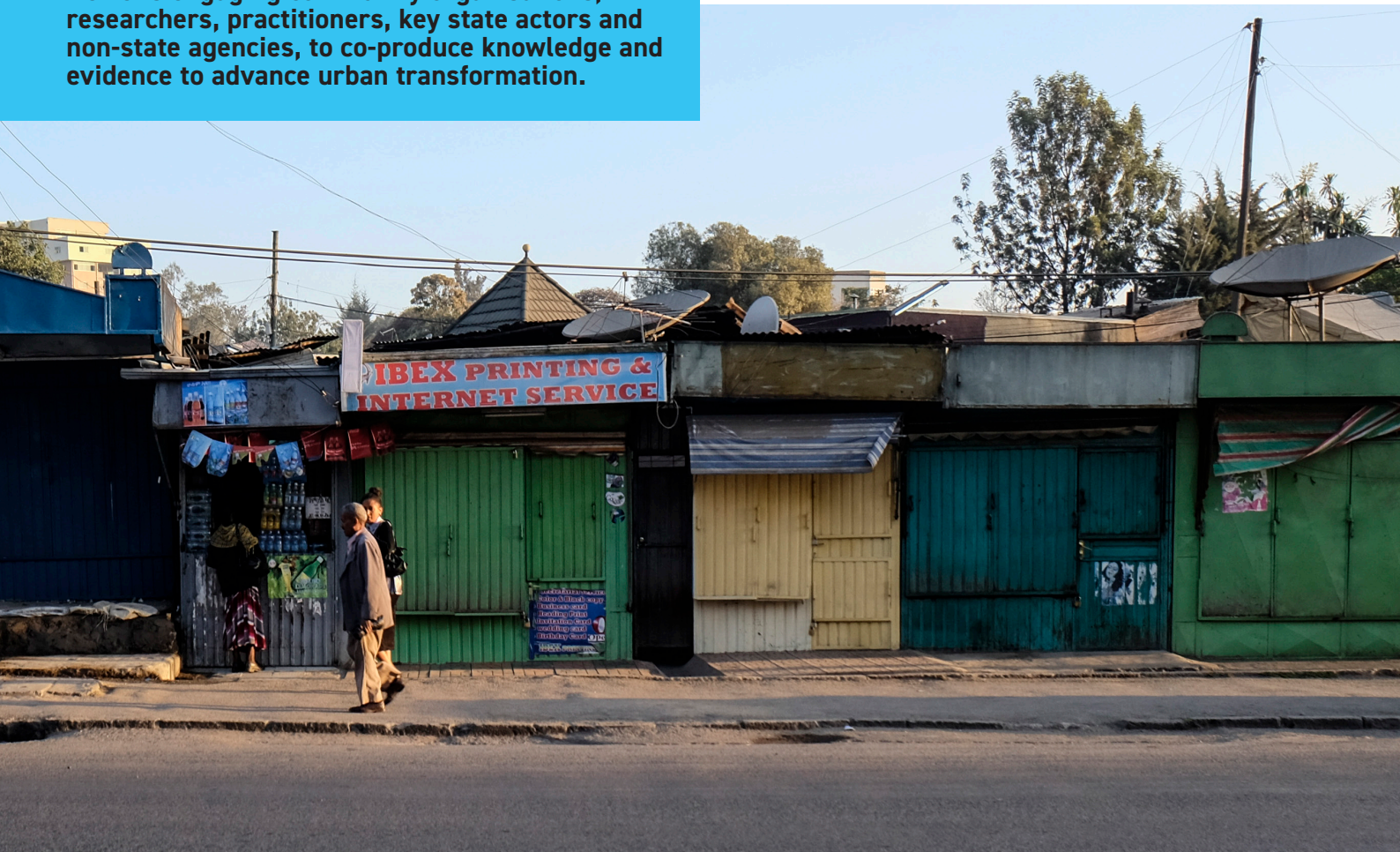
The African Cities Research Consortium (ACRC) is a collaborative research programme, seeking to tackle complex urban development challenges in the continent's rapidly changing cities. ACRC aims to generate robust insights and evidence that will help improve the living conditions and urban services for all city residents, especially disadvantaged communities.

ACRC's research integrates political settlements thinking with city systems analysis, to understand the dynamics underpinning infrastructure and service challenges in cities. Targeted analysis of specific urban development domains provides deeper insights into how sectoral shortcomings can be overcome and residents' needs addressed.

Addis Ababa is one of 12 African cities in which ACRC is engaging community organisations, researchers, practitioners, key state actors and non-state agencies, to co-produce knowledge and evidence to advance urban transformation.

Research highlights

- > Young people in Addis Ababa face extensive labour exploitation and inadequate health-related services. There is a growing need for versatile institutional and policy frameworks to support emerging actors operating within the domain.
- > Most enterprises – of varying sizes and operating within different sectors – display limited growth and struggle to access quality inputs.
- > The city's housing provision strategy is shifting towards multi-actor scenarios, such as cooperative-based and public-private partnership models.



Research summaries

City of systems

With a population of 3.8 million, Addis has a huge demand for physical and social services. However, the inadequacy of the city's current service provision can be discerned across multiple systems, including water, sanitation, energy, solid waste management, transportation, education, healthcare, food distribution, finance, and law and order. These systems are fragmented, in terms of regulatory institutions, services, actors and ownership regimes. Inter-system coordination and integration are also found wanting.

Service provision is characterised by discontinuity and interruption (energy, water), service unavailability (transport, sanitation) and low capacity (solid waste management, health, education). In addition, systems in the city are found to be exclusionary, due to poverty, spatial (geographic) location and technical reasons. Low-income residents can hardly afford individual or collective motorised transport and instead resort to walking. They also have difficulties affording private health services. In many informal settlement areas, the system for solid waste management (mainly the disposal system) is inadequate and a huge amount of waste is disposed of in open spaces and drainage channels. Newly settled areas suffer from a shortage of water for drinking and construction, forcing residents to rely on mobile water providers.



Domains

> Youth and capability development

The youth and capability development domain study in Addis Ababa focused on three topics: young people in the informal labour market; young labour forces in Bole-Lemi Industrial Park, the city's largest industrial park; and the provision of adolescent-focused sexual and reproductive health services. Policy and implementation fragmentation was the common thread connecting the three case studies.

Generally, young people in the informal labour market are not adequately supported by policy and legal frameworks. The young and significantly female labour force in the industrial park suffers from the absence of a decent living wage and ineffective implementation of existing labour laws to safeguard their wellbeing. For adolescents in the city, lack of coordination between the education and health bureaus – that provide young people with culturally sensitive and context-relevant sexual and reproductive health lessons as part of their formal education – is a glaring concern.

Potential youth and capability development interventions

We propose two projects involving action research and policy advocacy activities. The first focuses on **advocating for decent and dignified work for the youth labour force in Addis Ababa**. This project aims to identify the political processes that can facilitate a living wage proclamation and ways of advocating for the effective implementation of labour laws.

The second intervention seeks to **address the disconnect between the education and health bureaus**, by designing educational content within the school curriculum for adolescents to avoid the prevalence of risky sexual behaviour.





> Structural transformation

Our quantitative analysis reveals a lack of structural transformation in Addis Ababa. The city's enterprises face a dual challenge of stagnant growth and high exit rates negatively affecting their ability to generate sufficient jobs. Micro, small and medium-sized enterprises grapple primarily with access to finance, while medium and large manufacturing industries struggle to access quality inputs. Challenges related to inadequate working premises and market issues, such as a shortage of product demand, impact enterprises of all sizes and across various sectors. Privately rented working premises are expensive and often difficult to get a long-term lease agreement. Publicly provided production shades (working spaces) such as those in economic zones remain limited.

Considering the complex nature of economic policy implementation in Addis Ababa, our study underscores the importance of streamlined coordination and supportive mechanisms to facilitate business growth. As the city contends with challenges – such as limited access to finance, scarce operational premises, low availability of inputs, and uncertainties surrounding geographic expansion – collaborative efforts between the city administration and the surrounding Oromia regional state are imperative for fostering sustainable economic development.

Potential structural transformation intervention

We propose developing a support pathway within the existing medium and small enterprises (MSE) development programme, to **provide targeted support to growth-oriented single-entrepreneur-led firms that are on the verge of maturing into medium-sized manufacturing firms**, removing barriers to graduation.

This approach aligns well with existing reform initiatives that the government is already undertaking. It capitalises on the extensive investment already made on the MSE development programme, as well as the business experience accumulated by an existing mass of growth-oriented enterprises that are on the verge of maturing into medium-sized manufacturing firms. By addressing the disincentives to the graduation of firms in the MSE programme, our proposed approach aims to unlock radical change through minimal yet targeted coordination measures.

> Housing

Our study revealed that Addis Ababa has been the hub of housing policy interventions in Ethiopia. A socialist housing policy (1976-1991) left a legacy of mismanaged public housing stock and institutions geared towards nationalised houses and cooperatives. In 1991, a market-based macroeconomic policy was adopted, but housing was beset by a policy lacuna up until the launch of the Integrated Housing Development Programme in 2005.

This government-designed, funded and managed condominium programme made significant contributions to issues such as housing supply, employment generation, lifestyle changes and new construction technologies. Although it promoted owner occupation by low-income groups, it also fuelled informal housing arrangements by crowding out non-state actors. Current initiatives focus on public-private partnerships, voluntarism, cooperatives and rental market regulation. The study underscored the imperative of facilitating access to land, finance and infrastructure to achieve sustainable housing outcomes.

Potential housing intervention

We propose an **action research intervention focused on a voluntary housing renovation and upgrading programme that is being undertaken by the Addis Ababa city administration and other stakeholders**. Key challenges of the existing programme include inadequate resources, lack of clear mandate for various stakeholders, poor coordination, implementation delays (caused in part by the high turnover of officials), lack of clarity around objectives relating to beneficiaries' tenure status, and questions about beneficiary selection.

Our proposed research seeks to **co-generate knowledge to provide actionable recommendations/guidelines that can enhance the programme's overall effectiveness and inclusivity**.

About this brief

This brief was produced by ACRC's Addis Ababa team to outline research findings and potential interventions, in preparation for the final city uptake workshop in the programme's Foundation Phase (2022-23).

Photo credits: Tim Kelsall



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✉ bit.ly/ACRCnews

📧 AfricanCities@manchester.ac.uk