



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF PROJECT MANAGEMENT

**Assessment On Benefits and Challenges of Corridor Development Project:
In Case of Small-Scale Business**

By: Melat Getachew Tesfaye

A Project Submitted to School of commerce in Partial Fulfillment of Requirements for the
Degree of Masters of Art In project management

Advisor: Dr. Mahir J

June, 2024GC

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DECLARATION

I, the undersigned, declare this thesis is my original work, prepared under the guidance of my advisor Dr. Mahir J. All sources of materials used for the thesis have been duly acknowledged. This is my first work and has never been presented at Addis Ababa university, school of commerce, department of project management

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Addis Ababa University

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CERTIFICATION

This is to certify that MELAT GETACHEW has carried out this research work on the topic entitled “ASSESSMENT ON BENEFITS AND CHALLENGES OF CORRIDOR DEVELOPMENT PROJECT: IN CASE OF SMALL-SCALE BUSINESS” under my supervision. This work is original in nature and it is sufficient for submission for the partial fulfilment for the award of Degree of Masters of Arts in PROJECT MANAGEMENT.

By: Dr. Mahir J

Signature

Date

Addis Ababa, Ethiopia`

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ABSTRACT

The primary objective of this study is to investigate the effects of the Addis Ababa Corridor Development Project on small-scale businesses operating within its project area. To achieve this, a combination of primary data was utilized. Interviews with business owners provided valuable insights, complemented by an extensive review of relevant literature from books, research papers, and journals. The data collected underwent rigorous analysis using appropriate research instruments. Qualitative research methods were employed, emphasizing an explanatory approach. By delving into the experiences and perspectives of business owners, the study uncovers both positive and negative effects resulting from the corridor development project. Positive effects:(Enhanced Business Environment and Employment Opportunities). Negative effects:(Disruptions Due to Construction, displacement, rent increase. Given the significance of small companies for the city's economic stability, the study recommends targeted policies. These policies should address challenges faced by small enterprises while maximizing the benefits of large-scale urban development initiatives. By fostering resilience and inclusivity, policymakers can ensure a balanced approach that supports both economic growth and the survival of small businesses.

Key words: Business disruption, displacement, improved infrastructure, high competition, new job opportunities

CHAPTER 1: INTRODUCTION

1.1 Background of the study

Corridor development plan is a pattern of urban systems that gradually developed along transport routes which supplied linkages among the primary city hubs and resulted within the increase of the city peripheral areas. Corridor development is always linear based on main transport routes and residential development at the back of the transport route. The transformation of the Corridor may even spur on investment, improving its rising financial belongings and providing greater access to a variety of jobs. South lake Blvd. (FM 1709) and Davis Blvd./Randol Mill Ave. (FM 1938) collectively traverse approximately 15 miles of the city, passing through a number of different visual conditions. The corridor is characterized by 1. Town center 2. Commercial path way 3. Estate of residence Corridors link Nodes and important areas of activity within the city and are intended to be key locations for residential intensification. Corridors may also shape the bounds of residential.

Addis Ababa, the vibrant capital of Ethiopia, is undergoing a transformative phase of urban renewal. As construction cranes dot the skyline and streets evolve, small-scale businesses find themselves at the crossroads of change. Urban development projects, such as transportation infrastructure upgrades, have become a widespread phenomenon across rapidly growing cities in the developing world, including Addis Ababa, the capital of Ethiopia.

The Addis Ababa Corridor Development Project is a prime example of such a large-scale urban intervention aimed at enhancing connectivity, accessibility, and economic growth within the city (Addis Ababa City Administration, 2016). The project, which commenced in 2017, involves the construction of a 34-kilometer light rail transit (LRT) system, the expansion and upgrade of major roads, and the redevelopment of commercial and residential areas along the corridor (Addis Ababa City Administration, 2016).

The project is positioned as a crucial component of the city's broader urban development strategy, which seeks to transform Addis Ababa into a vibrant, livable, and economically prosperous metropolis (Seyoum & Afework, 2020). While such large-scale urban development projects have the potential to drive economic growth and modernization, their impact on small-scale businesses operating within the project's vicinity is a critical concern that warrants closer examination (Eshetu & Beshir, 2017). Small-scale businesses, often referred to as micro and small enterprises (MSEs), play a crucial role in the local economic landscape, contributing to employment generation, income distribution, and the provision of essential goods and services (Beyene, 2002).

Previous studies have highlighted the vulnerability of small-scale businesses to the disruptive effects of urban development projects, which can include temporary or permanent displacement, loss of customer base, and increased competition from larger enterprises (Abebe & Heshmati, 2013; Tefera et al., 2013). In the context of the Addis Ababa Corridor Development Project, small businesses operating along the project area are likely to face significant challenges that could threaten their economic viability and the livelihoods of their owners and employees.

Existing research on the impact of urban development projects on small businesses in Ethiopia has provided valuable insights. A study by Abebe and Heshmati (2013) examined the effects of the Dire Dawa urban redevelopment project on micro and small enterprises, revealing that the project led to the displacement and relocation of many small businesses, resulting in reduced sales and profitability. Similarly, Tefera et al. (2013) investigated the impact of the Addis Ababa ring road project on small-scale enterprises, finding that the project disrupted business operations and resulted in the loss of customer base and income for affected small firms.

These prior studies highlight the importance of understanding the complex relationship between large-scale urban development initiatives and the local small business ecosystem. However, the specific impacts of the Addis Ababa Corridor Development Project on small-scale businesses operating along the project area remain largely unexplored, creating a gap in the existing knowledge.

Against this backdrop, this study aims to investigate the impact of the Addis Ababa Corridor Development Project on small-scale businesses and to explore the strategies adopted by these enterprises to adapt to the changing business environment. The findings of this research will contribute to a better understanding of the complex relationship between large-scale urban

development initiatives and the local small business ecosystem, providing valuable insights for policymakers, urban planners, and development practitioners.

In this study, we delve into the dynamic interplay between city renovation efforts and the survival, growth, and challenges faced by local entrepreneurs. From bustling markets to cozy cafes, we explore how ongoing renovations shape the fabric of business life in Addis Ababa.

1.2 Statement of the problem

The Addis Ababa Corridor Development Project, a large-scale urban infrastructure initiative, has the potential to significantly impact the local small business ecosystem in the city. Small-scale enterprises, often referred to as micro and small enterprises (MSEs), play a crucial role in the economic landscape of Addis Ababa, contributing to employment generation, income distribution, and the provision of essential goods and services (Beyene, 2002). However, previous studies have highlighted the vulnerability of small-scale businesses to the disruptive effects of urban development projects (Abebe & Heshmati, 2013; Tefera et al., 2017). The construction of new transportation infrastructure, the redevelopment of commercial and residential areas, and the influx of larger enterprises can pose substantial challenges for small businesses, potentially leading to temporary or permanent displacement, loss of customer base, and increased competition (Eshetu & Beshir, 2017).

The construction of new transportation infrastructure, the redevelopment of commercial and residential areas, and the influx of larger enterprises are expected to disrupt the operations and economic viability of small-scale businesses. Previous studies on urban development projects in Ethiopia, such as the Dire Dawa urban redevelopment project (Abebe & Heshmati, 2013) and the Addis Ababa ring road project (Tefera et al., 2017), have found that small businesses faced challenges like temporary or permanent displacement, loss of customer base, and increased competition, leading to reduced sales and profitability.

In the context of the Addis Ababa Corridor Development Project, small businesses operating along the project area are likely to face significant disruptions to their operations and economic viability. A study by Abebe and Heshmati (2013) on the Dire Dawa urban redevelopment project in Ethiopia found that the project led to the displacement and relocation of many small businesses, resulting in reduced sales and profitability. Similarly, Tefera et al. (2017) investigated the effects of the

Addis Ababa ring road project on small scale enterprises, revealing that the project disrupted business operations and resulted in the loss of customer base and income for affected small firms.

The effect these continuous corridor developments will have on small enterprises, however, is still a major worry. As development, renovation, and urban revitalization take place, the following queries come up:

- **Business Disruption:** What effects do ongoing corridor construction have on small enterprises' ability to survive and generate revenue?
- **Accessibility:** Are companies having trouble keeping up with changes in foot traffic, consumer reach, or accessibility?
- **Financial Resilience:** Are small businesses able to weather the financial upheavals brought on by building and development?
- **Equity & Inclusion:** Are there differences in the ways that various company categories (such as retail, services, and hospitality) are affected?

These previous findings suggest that the Addis Ababa Corridor Development Project may have similar, if not more substantial, impacts on small-scale businesses in the city. The construction of the light rail transit system, the expansion and upgrade of major roads, and the redevelopment of commercial and residential areas along the corridor are likely to significantly alter the local business environment, potentially posing significant threats to the survival and growth of small enterprises.

Despite the potential significance of this issue, the specific effects of the Addis Ababa Corridor Development Project on small-scale businesses operating along the project area remain largely unexplored. The investigation of the effects of the Addis Ababa Corridor Development Project on small-scale businesses is critical for several reasons:

The findings of this study can contribute to the broader academic discourse on the complex relationship between large-scale urban development initiatives and the local small business ecosystem. This knowledge can inform similar urban development projects in other rapidly growing cities in the developing world, where the balance between modernization and supporting the informal economy remains a critical challenge.

The investigation of the effects of the Addis Ababa Corridor Development Project on small-scale businesses is crucial for understanding the vulnerabilities and adaptation strategies of the local entrepreneurial ecosystem, informing inclusive urban planning and development policies, and contributing to the broader academic knowledge on the intersection of largescale urban interventions and small business resilience.

1.3 Research Question

Based on the problem statement and the existing literature on the impact of large-scale urban development projects on small-scale businesses, the following research questions are proposed for this study:

1. What are the benefits and challenges of the Addis Ababa Corridor Development Project on small-scale businesses?
2. Perception of Business Owners Over the Development Project?
3. How can the corridor development project be improved to support small businesses in Impact city?

1.4 Research objectives – General and Specific

1.4.1 General Objective

The primary objective of this study is to investigate the effect of the Addis Ababa Corridor Development Project on small-scale businesses located within the project area. The study aims to provide a comprehensive understanding of the challenges faced by these enterprises and the strategies they have adopted to adapt to the changes and disruptions caused by the large-scale urban development initiative.

1.4.2 Specific Objectives

The specific objectives of this study are as follows:

1. To assess benefits of the Addis Ababa Corridor Development Project for small-scale businesses: This objective will examine how positively the Corridor Development Project has affected the performance of small enterprises in the project area, including changes in their sales, profitability, and overall operational efficiency.

1. To identify the challenges employed by Addis Ababa Corridor Development Project over small-scale businesses: This objective will examine how negatively the Corridor Development Project has affected the performance of small enterprises in the project area, including changes in their sales, profitability, and overall operational efficiency.
2. To provide recommendations for policymakers and urban planners to develop more inclusive and supportive strategies for small-scale businesses within the context of large-scale urban development initiatives: The findings of this study can inform the development of policies and urban planning approaches that better consider the needs and vulnerabilities of small-scale businesses, thereby fostering a more inclusive and sustainable ecosystem for entrepreneurship in Addis Ababa.

By addressing these specific objectives, this study aims to contribute to the understanding of the complex relationship between large-scale urban development projects and the local small business ecosystem, particularly in the context of rapidly growing cities in the developing world.

1.5 Significance of the study

The significance of this study lies in its potential to contribute to both academic knowledge and practical policy considerations:

1. **Academic Contribution:** This study will add to the limited body of research on the impacts of large-scale urban development projects on small-scale businesses in the context of rapidly growing cities in developing countries. By examining the Addis Ababa Corridor Development Project, the study will provide insights into the complex dynamics between urban transformation and the local entrepreneurial ecosystem.
2. **Informing Policymaking and Urban Planning:** The findings of this study can inform policymakers and urban planners in Addis Ababa and other developing cities on the need to develop more inclusive and supportive strategies for small-scale businesses within the context of large-scale urban development initiatives. This can lead to the formulation of policies and planning approaches that better address the vulnerabilities and needs of small enterprises, fostering a more sustainable and equitable urban development process.

3. **Enhancing Resilience of Small Businesses:** By identifying the adaptation strategies employed by small-scale businesses to mitigate the negative impacts of the Corridor Development Project, this study can provide insights that can help other small enterprises in similar situations to enhance their resilience and adaptability in the face of disruptive urban transformations.
4. **Informing Stakeholder Engagement:** The study's findings can inform the engagement of various stakeholders, such as local authorities, project developers, and small business associations, in the planning and implementation of large-scale urban development projects. This can lead to more inclusive and collaborative approaches that better address the concerns and needs of small-scale businesses.

By exploring the complexities and nuances of the relationship between the Addis Ababa Corridor Development Project and the small-scale business ecosystem, this study aims to contribute to a deeper understanding of the challenges and opportunities faced by small enterprises in the context of rapid urbanization and large-scale infrastructure development projects in developing countries.

1.6 Scope of the study

This study is focused on examining the impact of the Addis Ababa Corridor Development Project on small-scale businesses located within the project area. The scope of the study is delimited as follows:

Geographical Scope: The study will be conducted in the areas directly affected by the Addis Ababa Corridor Development Project, which includes the districts (woredas) of Arada, Lideta, Kirkos, and Nifas Silk-Lafto in the city of Addis Ababa, Ethiopia.

Sectoral Scope: The study will focus on small-scale businesses operating in various sectors, such as retail, services, and light manufacturing, within the Corridor Development Project area. The study will not include large-scale enterprises or businesses located outside the project's immediate vicinity.

Temporal Scope: The study will analyze the performance and adaptation strategies of small-scale businesses before the implementation of the Corridor Development Project (baseline period) and during the project's ongoing implementation (current period).

1.7 Limitations of the study

While this study aims to provide a comprehensive understanding of the impact of the Addis Ababa Corridor Development Project on small-scale businesses, there are several limitations that should be acknowledged:

1. **Sampling and Generalizability:** The study will employ a sample-Based approach to collect data from small-scale businesses within the Corridor Development Project area. While efforts were made to ensure a representative sample, the findings may not be fully generalizable to the entire population of small enterprises in the project area or other similar urban development contexts.
2. **Subjective Perceptions and Recall Bias:** The study relies on the perspectives and experiences of small business owners, which may be influenced by subjective perceptions and recall bias, particularly when comparing pre-project and current conditions.
3. **Scope Limitations:** The study is focused on the Addis Ababa Corridor Development Project and small-scale businesses within the project area. The findings may not be directly applicable to other urban development projects or small enterprises in different geographical or sectoral contexts.

Despite these limitations, the researcher makes every effort to mitigate their impact and ensure the reliability and validity of the study's findings. Appropriate methodological approaches, triangulation of data sources, and careful interpretation of results are employed to enhance the overall quality and credibility of the research.

1.8 Organization of the study

This research is organized into the following chapters:

Chapter 1: Introduction

This chapter provides an overview of the study, including the background, objectives, scope, and significance of the research. It also outlines the limitations of the study and the organization of the thesis.

Chapter 2: Literature Review

This chapter presents a comprehensive review of the existing literature on the impact of large-scale urban development projects on small-scale businesses, with a focus on the challenges and adaptation strategies employed by small enterprises in similar contexts.

Chapter 3: Methodology

This chapter describes the research design, data collection methods, and analytical techniques used in the study. It explains the rationale behind the chosen methodological approach and the steps taken to ensure the validity and reliability of the findings.

Chapter 4: Findings, Analysis, Discussion and Implications

Findings and Analysis

This chapter presents the key findings of the study, including the operational and financial performance of small-scale businesses before and after the implementation of the Addis Ababa Corridor Development Project, and the adaptation strategies employed by small enterprises.

Discussion and Implications

Discusses the study's findings in the context of the existing literature and the theoretical and practical implications of the research. It highlights the key insights and lessons learned from the study.

Chapter 5: Conclusion and Recommendations

The final chapter summarizes the main conclusions of the study and provides recommendations for policymakers, urban planners, and small business support organizations to develop more inclusive and supportive strategies for small-scale enterprises within the context of large-scale urban development initiatives.

1.9 Definition of key terms

In the context of the Addis Ababa Corridor Development Project and its impact on small-scale businesses, it is essential to define the following key terms:

Transit-oriented development (TOD)

TOD is an urban planning and design approach that focuses on creating compact, mixed-use communities around public transportation nodes, such as bus terminals or train stations. The primary goal of TOD is to promote sustainable urban development by encouraging the use of public transportation, reducing reliance on private vehicles, and fostering a pedestrian-friendly environment. TOD aims to integrate land use and transportation planning to create vibrant, livable communities that are accessible to all. By concentrating development around transit hubs, TOD can increase ridership, reduce traffic congestion, and improve air quality.

Small-scale businesses

Small-scale businesses, also known as micro and small enterprises (MSEs), are crucial contributors to economic growth and employment in developing countries like Ethiopia. These enterprises typically have a small number of employees, limited capital, and operate in various sectors, including retail, services, and manufacturing. Small-scale businesses face numerous challenges, such as limited access to finance, markets, technology, and an unfavorable regulatory environment, which can hinder their growth and development. Despite these challenges, MSEs play a vital role in providing income and employment opportunities for a significant portion of the population.

Micro enterprises

Micro enterprises are the smallest category of small-scale businesses, typically employing fewer than 5 people and having a low capital base. These enterprises often operate in the informal sector and face significant barriers to growth, such as limited access to resources and markets. Micro enterprises are particularly vulnerable to economic shocks and often lack the resources to invest in innovation and expansion. However, micro enterprises can serve as important entry points for entrepreneurs and provide a means of livelihood for those with limited skills and resources.

Small enterprises

Small enterprises are larger than micro enterprises, employing between 6 and 30 people and having a higher capital base. These enterprises are more likely to operate in the formal sector and have better access to resources and markets compared to micro enterprises. Small enterprises often serve as important suppliers and service providers to larger businesses and can play a significant role in local economic development. Small enterprises have the potential to grow and create more employment opportunities, contributing to the overall economic prosperity of the region.

Informal Sector

The informal sector refers to economic activities that are not regulated or taxed by the government. Small-scale businesses, particularly micro enterprises, often operate in the informal sector due to barriers to entry in the formal sector, such as complex registration procedures and high taxes. While the informal sector provides income opportunities for many, it also limits access to resources, markets, and legal protections for businesses.

Understanding these definitions is crucial for analyzing the impact of the Addis Ababa Corridor Development Project on small-scale businesses, as it provides a framework for assessing the project's influence on different types of enterprises and their unique challenges. The project's success in fostering an enabling environment for small-scale businesses will depend on its ability to address the specific needs and constraints faced by micro and small enterprises in the region, while also considering the role of the informal sector in the local economy.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this section the researcher first presents the definition of related terms specific to in the context of the Addis Ababa Corridor Development Project, theoretical framework and it's followed by the empirical investigation that are most relevant and specific to this area of study.

2.3. Theoretical framework

2.3.1. Concept of urban development projects and their impact on businesses

The theoretical framework explores urban development projects and their impact on small-scale businesses, with a focus on the Addis Ababa Corridor Development Project. Urban development projects aim to enhance a city's economic, social, and environmental aspects. These projects involve large-scale infrastructure development, including roads, public transportation, and buildings. The primary objective is to create an environment conducive to business growth, stimulating economic activity and job creation. (World Bank, n.d.).

The urban development project framework suggests that such projects can have both direct and indirect impacts on businesses. Direct impacts include the provision of infrastructure, which can enhance the business environment, while indirect impacts include the creation of jobs and stimulation of economic growth.

Small-scale businesses play a crucial role in the local economic landscape of Addis Ababa and other African cities. They contribute significantly to job creation, poverty alleviation, and economic growth. According to the 2013 survey on Micro and Small Enterprises (MSEs) in Selected Major Cities of Ethiopia by the Ministry of Finance, MSEs contribute 40% of African GDP and provide a livelihood for 60% of the population.

However, MSEs in Addis Ababa face numerous challenges that hinder their growth and development. These challenges include lack of access to finance, inadequate business skills, limited access to markets, and poor infrastructure. The Addis Ababa Corridor Development Project aims to address some of these challenges by improving infrastructure and promoting regional integration.

The literature suggests that social networks can help entrepreneurs overcome obstacles related to transaction costs, contract enforcement, and regulation. It was hypothesized that social networks increase the probability of MSE participation in Business Development Services (BDS). The national MSE strategy prioritizes the support of cooperatives, and there are privileges that trade regulations give them, making cooperatives more likely to participate in BDS compared to other types of MSEs.

The inadequacy of physical infrastructure is a principal cause of low levels of investment and unsatisfactory performance of small and micro enterprises in Addis Ababa. The economic recovery strategy paper of 2003 identified poor infrastructure as a critical factor constraining profitable business. The infrastructure problem includes poor state of roads, inaccessibility to land, work space, electricity, and utility. Lack of allocation of suitable land to SMEs in most urban and rural areas is a major impediment to growth and development. Small-scale businesses (micro and small enterprises) play a vital role in developing economies like Ethiopia. They contribute significantly to employment, income, and poverty reduction. However, they face challenges such as limited access to finance, inadequate infrastructure, and skilled labor shortages. (Gizachew, 2007; Alemu, 2017).

The literature also highlights the importance of government support for MSEs. Governments can play a crucial role in promoting MSEs by providing financial, technical, and marketing assistance (Alemu, 2017). In the context of the Addis Ababa Corridor Development Project, the government can ensure that MSEs are involved in the project's implementation, thereby generating income and employment opportunities.

The literature suggests that urban renewal and redevelopment projects in Addis Ababa have grown in volume and scale, transforming into a new form of urban development. The construction of a "new" Addis Ababa as a City-within a-City on top of the existing urban fabric is a type of New City development that seeks to re-make and re-model the city alongside Global and World City (GaWC) standards. However, it is unclear how this transformation will impact small-scale businesses and the local economy.

Small-scale businesses play a crucial role in the local economic landscape of Addis Ababa, but face numerous challenges that hinder their growth and development. The Addis Ababa Corridor Development Project aims to address some of these challenges by improving infrastructure and promoting regional integration. However, the project has also led to large-scale displacement and the demolition of informal settlements, raising concerns about its impact on small-scale businesses and the local economy. Further research is needed to understand the impact of the project on small-scale businesses and the local economic landscape.

The Addis Ababa Corridor Development Project is a significant urban development initiative that is expected to have both positive and negative impacts on small-scale businesses. The project's success will depend on the government's ability to balance the needs of different stakeholders, including MSEs, and ensure that the project's benefits are equitably distributed.

The Addis Ababa Corridor Development Project is a large-scale urban development initiative that aims to transform the city's infrastructure and economic landscape. The project involves the construction of roads, public transportation systems, and commercial and residential buildings. The Project aims to address these challenges by improving infrastructure and promoting regional integration. The project is part of a larger effort to transform Addis Ababa into a "global city" and a hub for economic activity in Africa. However, the project has also led to large-scale displacement of residents and the demolition of informal settlements. This raises concerns about the impact of the project on small-scale businesses and the local economy.

The primary objective of the project is to create a conducive environment for businesses to thrive, thereby stimulating economic growth and job creation (World Bank, n.d.). The Addis Ababa Corridor Development Project is expected to have both positive and negative impacts on small-scale businesses. On the positive side, the project is likely to improve the business environment by providing better infrastructure, increasing accessibility, and enhancing the overall attractiveness of the city. This, in turn, can lead to increased investment, job creation, and economic growth (World Bank, n.d.). The project may also provide opportunities for MSEs to participate in the construction and service sectors, thereby generating income and employment opportunities.

The Addis Ababa Corridor Development Project is expected to have both positive and negative impacts on small-scale businesses. On the positive side, the project is likely to improve the business environment by providing better infrastructure, increasing accessibility, and enhancing

the overall attractiveness of the city. This, in turn, can lead to increased investment, job creation, and economic growth. The project may also provide opportunities for MSEs to participate in the construction and service sectors, thereby generating income and employment opportunities. On the negative side, the project may displace existing businesses, particularly those operating in informal settings. The displacement of businesses can lead to job losses, income reduction, and social unrest. Furthermore, the project may attract larger businesses, which can lead to increased competition for MSEs, potentially threatening their survival. (World Bank, n.d.).

2.4 Empirical studies

2.4.1 Introduction

This section reviews empirical studies on challenges of small-scale businesses during development projects, with a focus on the Addis Ababa corridor development project. The literature highlights the challenges faced by small businesses and the importance of government support in overcoming these obstacles.

2.4.2 Effects of similar corridor development projects on small-scale businesses world-wide

Corridor development projects have been implemented in various cities around the world to improve transportation infrastructure and promote economic growth. However, the impact of these projects on small-scale businesses has been a subject of concern. Several studies have investigated the effects of similar corridor development projects on small enterprises in different contexts.

The impact of urban renovation on small scale businesses in Addis Ababa is a complex issue. While government support has led to positive results in terms of employment creation and enterprise growth (Abagissa, 2020), the process of urban development has also led to the displacement of low-income households, disrupting their businesses and causing significant income decline (Yntiso, 2008). The role of micro and small-scale businesses in urban poverty alleviation is crucial (Menda, 2015), but the sustainability of urban renewal projects, particularly in terms of livelihood, affordability, and social network, needs to be carefully assessed (Zewdie, 2021).

Studies conducted in other contexts have shown mixed results regarding the impact of corridor development projects on small enterprises. Some studies have found that these projects can lead to increased economic opportunities and improved business performance for small firms. For instance, a study by Edmiston (2007) on the role of small and large businesses in economic development found that infrastructure improvements, such as those made through corridor development projects, can enhance the competitiveness of small enterprises by reducing transportation costs and improving access to markets.

Similarly, a study by Simeon and Lara (2005) on understanding micro and small enterprise growth found that access to infrastructure and public services is a key factor in the growth and development of small businesses. The authors argue that corridor development projects that improve infrastructure and accessibility can create favorable conditions for small enterprises to thrive.

The creation of a new, highly visible, and gentrified commercial sector in East London was seen to need the eviction of small businesses, as reported in Raco and Tunney's (2010) study. Raco and Tunney (2010) discovered that the London City Council "actively transferred" and forcibly bought 201 small businesses from the region where the Olympic Park was to be constructed between Sport in Society 9892007 and 2008. Since the sites to which they were transferred caused access issues for suppliers, employees, and customers, the transfers constituted financial losses for the relocated enterprises. For example, a small printing company owner confirmed that eighty percent of their clientele resided within a two-mile radius. As a result, shifting to a remote site would likely result in access issues for their clients, which might eventually lead to client loss. There were others who disputed the clearance. A number of small enterprises implemented a reflexive approach by increasing their visibility in order to draw attention to the unjust treatment they were subjected to. Nonetheless, Raco and Tunney (2010) came to the conclusion that their lives were extremely difficult due to the Olympic Games' widespread popularity, which provided a "public-interest" defense for their eviction. The research demonstrated how small company owners during the 2012 London Olympic-led urban renewal had no legal claim to the city.

Urban development projects can also lead to the displacement of small-scale businesses, which can result in significant economic and social impacts (Bartlett, 2017). Displacement can lead to the loss of livelihoods, as well as the erosion of community networks and social capital (Bartlett, 2017).

Furthermore, the displacement of small-scale businesses can also lead to the loss of local character and cultural heritage, as unique and traditional businesses are replaced by larger, more generic establishments (Bartlett, 2017).

In addition to displacement, small-scale businesses may also face increased competition from larger businesses that are attracted to the area by the urban development project (Glaeser, 2011). This can lead to a decline in the market share of small-scale businesses, as well as a reduction in their profitability (Glaeser, 2011).

Furthermore, the increased competition can also lead to a decline in the quality of services and products offered by small-scale businesses, as they struggle to compete with larger, more established businesses (Glaeser, 2011).

Urban development projects can also lead to changes in the local business environment, which can be challenging for small-scale businesses to adapt to (Florida, 2014). These changes can include changes in the local customer base, as well as changes in the availability of resources and services (Florida, 2014). Furthermore, the changes in the local business environment can also lead to a decline in the innovation and entrepreneurship of small-scale businesses, as they struggle to adapt to the new conditions (Florida, 2014).

The main impacts of urban regeneration on small businesses include increased rent costs, displacement or relocation leading to difficulties in replicating customer and supplier networks, and a negative effect on competitiveness. Rocha, C. M., & Cao, G. (2023). Impacts of urban regeneration on small business in preparation to host the Beijing 2022 winter Olympic games. *Sport in Society*

The level of community engagement and the effectiveness of mitigation measures can also influence the impacts of urban development projects on small-scale businesses (Bartlett, 2017). Community engagement can help to ensure that the needs and concerns of small-scale businesses are taken into account during the planning and implementation of the project (Bartlett, 2017).

Furthermore, effective mitigation measures can help to minimize the negative impacts of the project on small-scale businesses, such as displacement and increased competition (Bartlett, 2017).

However, other studies have highlighted the potential negative impacts of corridor development projects on small businesses. A study by the United Nations Development Programme (UNDP) on the impact of disasters on small businesses found that infrastructure development projects can lead to increased rents, displacement of businesses, and disruption of operations, particularly for small enterprises. The study emphasizes the importance of considering the vulnerability of small businesses and their capacity to adapt to changes brought about by infrastructure development projects.

2.4.3 Challenges faced by small-scale businesses during urban development projects, in Ethiopia context

Urban development projects, such as the Addis Ababa Corridor Development Project, can have significant impacts on small-scale businesses operating within the affected areas. These impacts can be both positive and negative, and are influenced by various factors, including the nature of the project, the level of community engagement, and the effectiveness of mitigation measures.

In the context of Ethiopia, studies have also examined the challenges faced by micro and small enterprises (MSEs) in the country. A study by Gizachew (2007) on factors affecting the growth of MSEs in Gulelle Sub-city, Addis Ababa found that lack of access to finance, inadequate infrastructure, and limited market access are among the key challenges hindering the growth of small businesses. Similarly, a study by Kaleleoul (2017) on factors influencing the performance of MSEs in Bole Sub-city, Addis Ababa identified lack of working premises, limited access to finance, and inadequate business development services as major constraints for small enterprises.

These studies highlight the importance of considering the specific challenges and vulnerabilities of small businesses when implementing infrastructure development projects, such as the Addis Ababa corridor development project.

While these projects have the potential to create economic opportunities for small enterprises, they can also lead to unintended negative consequences if not properly managed. To mitigate the potential negative impacts and maximize the benefits of the Addis Ababa corridor development project for small businesses, it is crucial to understand the specific challenges and needs of small

enterprises operating along the corridor. This includes assessing their access to finance, infrastructure, markets, and business development services, as well as their vulnerability to potential disruptions caused by the project.

Moreover, it is important to involve small business owners in the planning and implementation of the corridor development project to ensure that their concerns and needs are addressed. This can be achieved through stakeholder engagement processes and the provision of targeted support measures, such as access to affordable working premises, financial assistance, and business development services.

While corridor development projects have the potential to stimulate economic growth and create opportunities for small businesses, their impact on small enterprises is complex and context-dependent. The Addis Ababa corridor development project presents both opportunities and challenges for small businesses operating along the corridor. To ensure that the project benefits small enterprises and minimizes potential negative impacts, it is crucial to understand the specific needs and vulnerabilities of small businesses and to involve them in the planning and implementation process. This requires a comprehensive approach that addresses the multifaceted challenges faced by small enterprises in the context of infrastructure development projects.

Several empirical studies have investigated the challenges faced by small-scale businesses during urban development projects. For instance, a study conducted in Gulelle Sub-City, Addis Ababa, identified a range of challenges faced by micro and small enterprises (MSEs) in the area, including a shortage of capital, lack of raw materials, absence of government support, lack of market, lack of credit facilities, and high interest rates (Gizachew, 2007). These challenges can be exacerbated by urban development projects, which can lead to displacement, increased competition, and changes in the local business environment.

Another study, which assessed the performance of MSEs in Oromia Regional State, found that the sector faces numerous challenges, including a lack of access to finance, inadequate infrastructure, and unfavorable business policies (Alemu, 2017). These challenges can be particularly pronounced for small-scale businesses operating in areas affected by urban development projects, where the pace and scale of change can be rapid and unpredictable.

A dissertation submitted to Addis Ababa University's College of Business and Economics highlighted the challenges faced by new small businesses in Ethiopia, including scarcity of financial resources and hostility from the community around the workplace (Demeke, 2020). These challenges can be intensified by urban development projects, which can lead to changes in the local business environment and increased competition.

Furthermore, a study on transit-oriented development (TOD) along the LRT corridor in Addis Ababa, Ethiopia, aimed to create a livable urban environment by improving the integration between land-use and transportation (Teklemariam, 2020). While TOD can bring numerous benefits, including increased accessibility and economic growth, it can also lead to challenges for small-scale businesses, such as displacement, increased rents, and changes in the local customer base.

In the case of Addis Ababa, the Light Rail Transit (LRT) corridor development project has been implemented to enhance the city's transportation system and stimulate economic activities along the corridor. The project aims to promote transit-oriented development (TOD) by encouraging mixed-use development and improving accessibility to public transportation. However, the impact of this project on small-scale businesses operating along the corridor remains to be studied.

Urban development projects, such as the Addis Ababa Corridor Development Project, can have significant impacts on small-scale businesses operating within the affected areas. These impacts can be both positive and negative, and are influenced by various factors, including the nature of the project, the level of community engagement, and the effectiveness of mitigation measures. Small-scale businesses may face a range of challenges, including displacement, increased competition, and changes in the local business environment. Therefore, it is essential to ensure that the needs and concerns of small-scale businesses are taken into account during the planning and implementation of urban development projects, and that effective mitigation measures are put in place to minimize the negative impacts.

In the context of the Addis Ababa Corridor Development Project, small-scale businesses may face a range of challenges, including displacement, increased competition, and changes in the local business environment. These challenges can be exacerbated by the project's scale and pace, as well as the level of community engagement and the effectiveness of mitigation measures.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used to carry out the study; it provides a discussion of the research methodology that is used in the study. It discusses the research design, the population of the study, data collection methods as well as data analysis and data presentation methods to be used in the research study.

3.2 Research Design

The research design was the conceptual arrangement in which research is conducted. There three types of research designs; exploratory, descriptive, and explanatory. Descriptive research studies are concerned with describing the characteristics of a particular individual or group. Whereas, explanatory studies clarify the relationship between two aspects of a situation. Thus, Descriptive research design was used to describe the demographic and general information of the respondents, and examine the impact of the ongoing Addis Ababa corridor development project on small-scale businesses. This research design was chosen as it allowed the researchers to collect data from a representative sample of small-scale businesses at a specific point in time, providing a snapshot of the current situation and

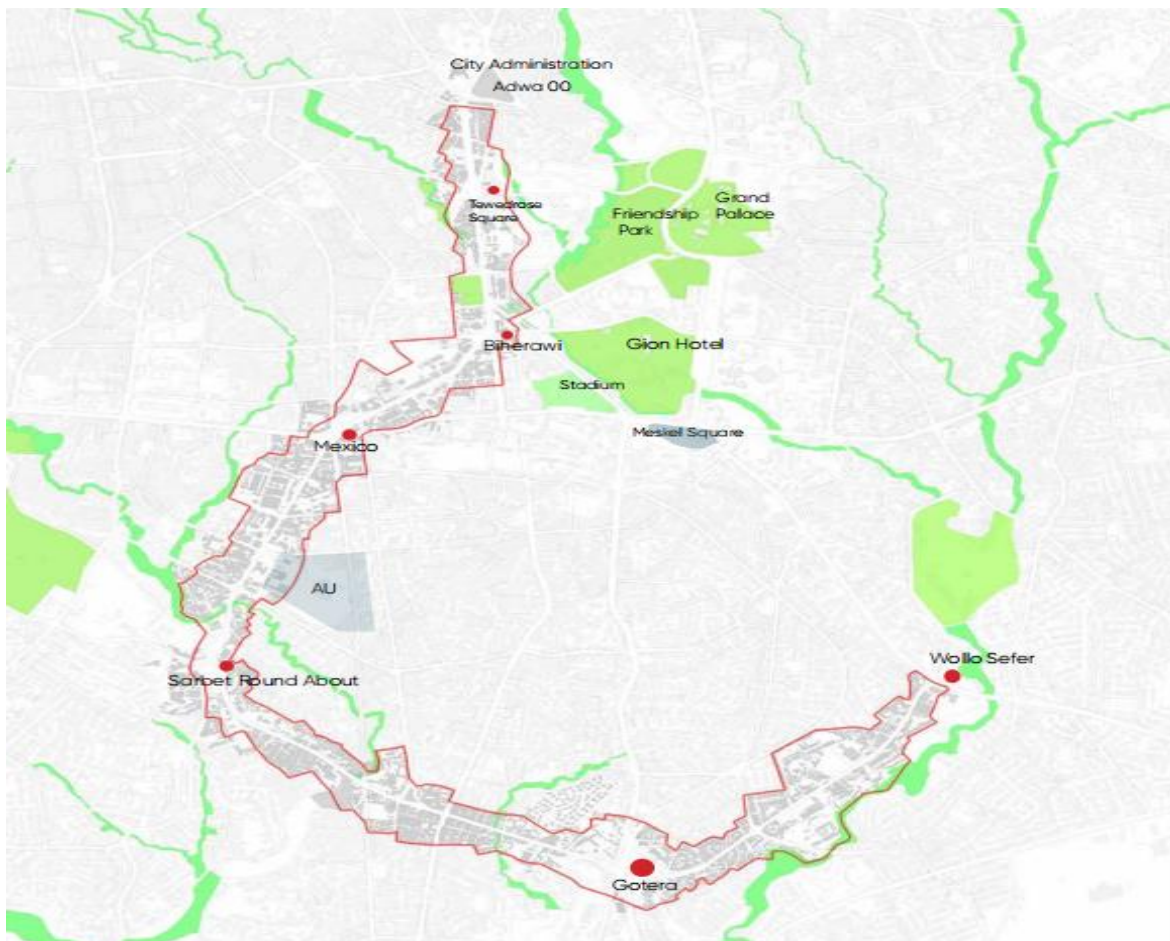
3.3 Research Approach

There are three basic types of research approaches; quantitative, qualitative, and mixed approach. Qualitative research approach was used in this study because this approach allows researcher for flexibility in data collection and analysis while getting deeply into participants' perspectives, contexts, and lived experiences. Qualitative research approach aims to understand the research questions by exploring meaning and significance of social experiences using non- numerical data (such as text, video or audio).

3.4 Description of Study Area and Target Population

The study was conducted within the Addis Ababa corridor development project area, specifically between the Piasa and Wollo Sefer neighborhoods. This corridor is undergoing significant infrastructure improvements, urban redevelopment, and accessibility changes as part of the ongoing development initiative.

The target population for the study includes 2,650 small-scale business owners and managers operating within the Piassa to Wollo Sefer corridor. These businesses represent a diverse range of economic activities, such as retail shops, service providers, and food establishments. The small-scale nature of these businesses is defined by the number of employees, with the majority having less than 10 workers. The researcher conducted face-to-face interviews with the respondents to ensure a high response rate and to provide clarification on the interview questions as needed. The researcher used the theoretical saturation principle, which states that data is considered saturated when no further information can be discerned from it, to determine the appropriate number of interviews.



Source: comprehensive master plan from piassa to wollo sefer

Figure 3. 1: Area of study

3.5 Data Sources and Types

The study was used primary source of data. The data was collected through a semi-structured interview administered to the selected small-scale business owners and managers. Although interviews may have the downside of potentially influencing participants' replies due to context, they also have the benefit of being flexible and obtaining rich information (Qu and Dumay 2011). The researcher addressed this potential flaw by examining plausible competing explanations. The researcher conducted face-to-face interviews with the respondents to ensure a high response rate and to provide clarification on the interview questions as needed. The researcher used the theoretical saturation principle, which states that data is considered saturated when no further information can be discerned from it (Guest, Bunce, and Johnson 2006), to determine the appropriate number of interviews. Interviews were done with twenty-eight local business owners in the project area. A few open-ended questions from the interview scripts allowed participants to share their own thoughts on urban renewal in the vicinity of their places of work. Some examples of inquiries are: Could you tell me more about your company? What was the state of your company prior to the initiation of this development project? And after that? Was there an impact on your business when the government began constructing additional facilities (like on foot traffic, displacement or any disruption on your business)? How? Were you aware of Addis Ababa City Corridor Development Project through offerings such as a public hearing or discussion, business council, education, or seminar during the planning and redevelopment period? What are your thoughts on the long-term impacts of the corridor development project on the community?

On the other hand, the secondary source of the data was gathered from different books, articles and journals related to the subject.

3.5 Data Analysis Method and Procedure

3.5.1 Data Analysis Method

The data analysis for the study involved qualitative data analysis techniques, which enabled the researchers to develop a comprehensive understanding of the impact of the Addis Ababa corridor development project on the small-scale businesses within the study area.

Thematic analysis: is a process by which the researchers, before, during or after their data gathering procedure, analyze repeating patterns in all available qualitative data in line with the research questions or statement of problems. The researcher conducted a thematic analysis of interview

transcripts to identify emerging themes and patterns related to the perceived impact of the corridor development project on the small-scale businesses.

3.5.2 Data Analysis Procedure

The interviews were audio recorded, completely produced in Amharic, and then translated into English. Key topics were identified through an iterative coding exercise conducted by the researcher using Microsoft Excel. In order to find patterns in the data that would help to understand how the Addis Ababa corridor development project affected small businesses, the researcher used inductive theme analysis to analyze the data referring to Braun and Clarke's (2006) six-step theme analysis protocol. Prior to creating any first programs, the researcher immersed themselves in the data by reading a great deal. Numerous beginning codes were present. The most prevalent codes include things like population declines in the area, construction-related disruptions, obstacles to business access, challenges with sustainability and displacement, responses to changes in the community, and future expectations. Steps one and two were completed independently by the author. Next, consider themes that could emerge from the shared codes in the transcripts. Lastly, the data array's themes were determined and overall representativeness assessed, along with the initial code's consistency. The following chart shows the whole steps of data transcription.

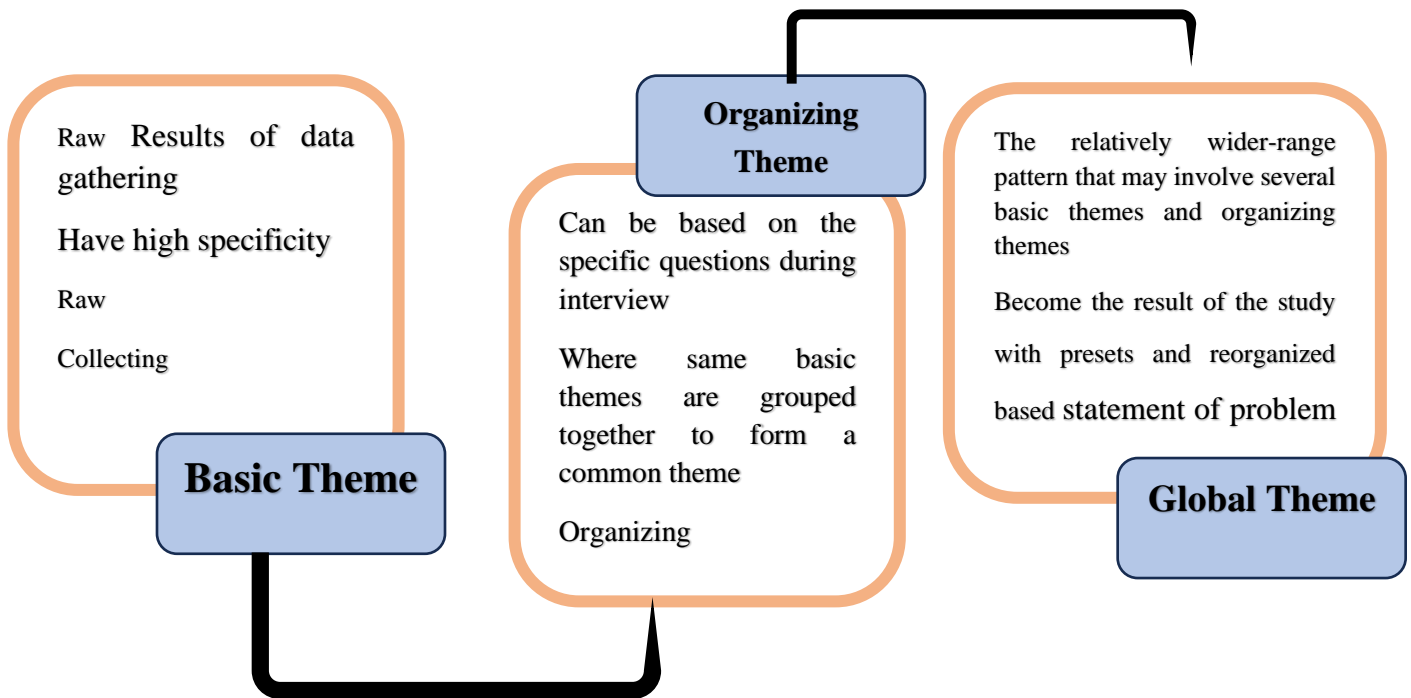


Figure 4. 1: Thematic analysis Procedure

3.6 Ethical Considerations

Strict ethical guidelines were adhered throughout the study to protect the rights and well-being of the participants.

Informed Consent: All small-scale business owners and managers participating in the survey were provided with a detailed explanation of the study's purpose, procedures, and their voluntary participation.

Confidentiality and Anonymity: The researchers ensured the confidentiality of the data collected and the anonymity of the participants. All personal and sensitive information was kept secure and accessible only to the researcher.

Minimization of Harm: The study design and data collection methods were carefully planned to minimize any potential harm or discomfort to the participants. The researcher were attentive to the time and resource constraints of the small-scale business owners and adjusted the survey protocols accordingly.

Ethical Approval: The research protocol, including the data collection instruments and procedures, was reviewed and approved by the advisor.

Feedback and Dissemination: The researchers committed to providing feedback on the study findings to the participating small-scale businesses and the local government authorities.

By adhering to these ethical principles, the integrity and trustworthiness of the study is ensured, while respecting the rights and well-being of the small-scale business owners who contributed to the research.

CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION

4.1. Introduction

This study sought to determine how the current Addis Ababa corridor construction project affected small enterprises. As a result, in order to address the study questions posed in the first chapter (What effect does the corridor development project have on small businesses in Impact city? How do business owners feel about the development project? What improvements may be made to the corridor development project to help Impact City's small businesses), this chapter analyzes and discusses the data gathered from interviews. Utilize the data analysis methods discussed in Chapter 3 to assess and understand the effects of the ongoing Addis Ababa corridor development project on small enterprises in this chapter. In essence, this chapter offers the data analysis and discussion.

4.2 Descriptive statics of Respondents

	Chr _x	R1	R2	R3	R4	R5	R6	R7	R8	R9
Retail	Sex	F	M	M	M	M	M	M	M	F
	Employee No	1	4	2	3	1	1	5	7	2
	Operation Year	15	4	2	1	3	9	8	14	13
Food establishment	Sex	M	F	M	M	F	M	F	M	M
	Employee No	4	5	5	3	2	1	1	4	5
	Operation Year	2	4	1	6 Months	7	2	6	8	7
Service	Sex	M	F	F	M	F				
	Employee No	1	6	4	5	2				
	Operation Year	2	7	4 months	3	4				
Informal Sectors	Sex	M	M	M	M					
	Employee No	-	-	-	-					
	Operation Year	2	6	4	5					

Table 4. 1: Characteristics of respondents

In our research, we interviewed a total of 28 participants, comprising 8 females and 20 males. These individuals represented diverse business areas, including retail, food establishments, services, and the informal sector. The number of employees in their businesses ranged from 1 to 7, and their operational experience spanned a minimum of 4 months to a maximum of 15 years.

4.3 Result and Discussions

This section of the study delves into the findings and discussions surrounding the impact of the “Addis Ababa Corridor Development Project” on small-scale businesses. The project, a significant urban development initiative, has brought about substantial changes in the business environment of Addis Ababa. While it promises long-term benefits such as improved infrastructure and increased accessibility, it also poses immediate challenges for small-scale businesses operating in and around the development corridor.

This research aims to shed light on these challenges, particularly during the construction phase, and explore strategies that businesses have employed to mitigate disruptions. The researcher also examines the broader effects of the project on the business environment, including potential opportunities for growth and expansion. The findings presented in this section are based on a combination of primary data collected through interviews with business owners, and secondary data from relevant literature and studies. Discussion of these findings is aimed at providing a nuanced understanding of the complex interplay between urban development projects and small-scale businesses.

The Addis Ababa corridor development project has both good and negative effects on small companies in the vicinity, according to interviews conducted. While the proprietors of restaurants, coffee shops, and other informal sectors were the ones to perceive the limited quantity and extent of the positive benefits, all research participants were more likely to report the negative consequences of the corridor development project.

4.3.1 Positive Impacts of Addis Ababa Corridor Development Project

The Addis Ababa Corridor Development Project has elicited a spectrum of responses from the small business community, reflecting both the opportunities and challenges presented by such a large-scale urban renewal effort.

4.3.1.1 Increase in Customer Foot Traffic Due to Improved Infrastructure

On one hand, business owners, particularly those in informal sectors or operating mobile businesses, have reported a positive uptick in customer traffic and sales, attributed to the improved accessibility and infrastructure brought about by the project. This has been especially beneficial for retail shops and eateries that have seen an increase in patronage from the influx of workers and visitors to the area. The aesthetic enhancements and modernization efforts have also contributed to the area's increased appeal, potentially attracting a more affluent clientele and encouraging higher-end businesses to establish a presence.

Looking ahead, the project is expected to lay the groundwork for sustainable business growth, with the modern infrastructure serving as a catalyst for future economic activities.

The project is expected to enhance the business environment by improving accessibility, enhancing the overall attractiveness of the area, and providing better infrastructure. The respondents generally felt that the corridor development project improved their business area by increasing foot traffic and accessibility. But only proprietors of unofficial or mobile firms and those located in the locations where the project has already been completed are eligible for this.

One of the respondents (retail, male) noted

"Yes, since people involved in the construction start using my services, I get more customers after this project development project starts. There is also less competition because formal small business sectors are being removed."

A different responder who works in the food service industry stated,

"I initially turned down the project because I was concerned about business disruption from construction, but there is improvement in my sales because of improved infrastructure and gentrification of the area which attracts more customer."

Textile Shop Owner (Female):

"Before the project, our textile shop struggled due to limited visibility and accessibility. However, since the corridor development, foot traffic has increased significantly. Customers find it easier to locate us, and our sales have improved."

This response highlights how improved accessibility positively affected a business that heavily relies on customer footfall.

Mobile Phone Repair Vendor (Male):

“As a mobile phone repair vendor, I was initially worried about the construction disrupting my business. Surprisingly, the project led to more customers seeking repairs. Perhaps the modernization of the area attracted tech-savvy individuals.”

This perspective emphasizes the unexpected benefits for a niche business like mobile phone repair.

Beauty Salon Owner (Female):

“The project brought better roads and lighting to our area. As a beauty salon owner, this has been a game-changer. More clients feel comfortable visiting, especially in the evenings. Our salon now feels safer and more appealing.”

Here, infrastructure improvements directly impacted the attractiveness and safety of the business.

Street Food Vendor (Male):

“Initially, I worried about losing my spot due to construction. But the project team worked with us to find alternative locations during the work. Now, with wider sidewalks and better drainage, my street food business thrives.”

This response highlights the importance of collaboration between project developers and local businesses.

Clothing Boutique Owner (Female):

“The gentrification of the area attracted a different clientele. Our boutique now caters to a mix of locals and tourists. The project’s aesthetic improvements made our storefront more inviting.”

The owner’s experience underscores the impact of aesthetics on attracting diverse customers.

Results from the interview corroborate reports from the literature. Small company growth and development are significantly influenced by the availability of public services and infrastructure (Simeon and Lara, 2005; Claudio M. Rocha & Guxi Cao, 2023). However, certain effects could fade once the project is completed.

4.3.1.2 Establish Job Opportunities

The Addis Ababa Corridor Development Project not only benefits established firms but also creates employment opportunities for recently established small enterprises that participate as subcontractors. These subcontractors play essential roles in various aspects of the project, contributing to its success and positively impacting the local economy. By engaging with these smaller businesses, the project fosters growth, innovation, and community development.

Construction Worker (Male):

“I’ve been working as a subcontractor on this project for the past six months. It’s been a lifeline for me and my family. The steady income has allowed me to cover basic necessities.”

Local Artisan (Female):

“As a small-scale artisan, I was struggling to find consistent work. When I got the opportunity to work on the project as a subcontractor, it was a game-changer. I’ve been able to showcase my craft and earn a living.”

Transport Service Provider (Male):

“My minivan taxi business was hit hard during the pandemic. Joining the project as a subcontractor driver has been a blessing. I transport workers and materials, and it’s helped stabilize my income.”

Security Guard (Female):

“Before this project, I was doing odd jobs to make ends meet. Now, I’m employed as a subcontractor security guard. It’s not just about the paycheck; it’s about feeling a sense of purpose and contributing to the community.”

4.3.2 Negative Impacts of Addis Ababa Corridor Development Project

While the Addis Ababa Corridor Development Project promises to transform the business district into a more vibrant and accessible hub of economic activity, the transition period presents its own set of challenges.

4.3.2.1 Displacement

The construction phase has led to the displacement of some established businesses, particularly those located directly in the development's path. This has raised concerns about the equitable distribution of the project's benefits, as not all businesses have felt the positive impacts immediately, and there are questions about the sustainability of these benefits once the project is completed.

“After the start of this development project I relocate my business two times and this cost me lots of money and time while losing lots of my loyal customers. This leads me to income and profitability reduction.” Respondent (retail, male).

“I heard that my many small businesses got closed and some are dislocated from this province. A person I know here even join military when the area got demolished and loss everything he had.” Respondent (service, female)

Tailor Shop Owner (Female):

“My tailor shop was thriving until the construction began. I had regular customers who appreciated my craftsmanship. But when I had to relocate twice, I lost many loyal clients. The disruption cost me not only money but also valuable relationships.”

Local Café Owner (Male):

“Running a café was my passion. However, the project forced me to move my business. The new location doesn't have the same foot traffic, and my regulars haven't followed me. My income has plummeted, and I worry about the long-term viability.”

Bookstore Owner (Female):

“Books were my life. When my bookstore was displaced, I felt like I lost a part of myself. The new spot lacks the cozy ambiance my old store had. Customers haven’t found me, and my profits have dwindled.”

Auto Repair Workshop Owner (Male):

“My auto repair business was established for years. The forced relocation disrupted our workflow. We lost tools, equipment, and loyal clients. Now, we’re struggling to regain our reputation.”

Hair Salon Owner (Female):

“I moved my salon twice during the project. My regulars scattered, and new clients are hesitant to visit. The stress has affected my health, and the financial strain is unbearable.”

Local Grocery Store Owner (Male):

“My grocery store was a community hub. Now, it’s tucked away in an unfamiliar corner. Regulars struggle to find us, and sales have plummeted. I fear we won’t survive once the project is complete.”

These responses highlight the emotional and financial toll on business owners due to displacement. The project’s benefits must be balanced with the well-being of those affected.

Displacement of businesses were one of the negative impacts of the corridor project. The above response Aline with literature finding of pervious projects, the project may displace existing businesses, particularly those operating in informal settings. The displacement of businesses can lead to job losses, income reduction, and social unrest (Gizachew, 2007).

4.3.2.2 Business Disruption Due to Construction

Supporting this, owners of some retail and catering shops mentioned some of the negative sides of the corridor project owners experience disruption in their business due to the construction work near to the working environment. As a result, customer traffic decreased due to noise, dust and crowded traffic. owners agree that the development project created a big disruption to their business implying in financial loss. One of the respondents replied that

“I am supporting the business from my own saving it is getting hard to survive due to disruption of my business I start losing lots of customers”

And one of the owners of informal business said

“Due to the construction, I get displaced from the area and now I become job less working anything I get”

Stationery Shop Owner (Male):

“My stationery shop was a neighborhood staple. The construction noise and dust drove away regular customers. I’ve had to dip into my savings just to keep the business afloat. It’s a struggle.”

Local Hardware Store Owner (Female):

“The project disrupted our hardware store. Customers avoided the area due to the chaos. Our sales plummeted, and we had to lay off employees. It’s heartbreaking.”

Street Vendor (Male):

“I used to sell snacks by the roadside. Now, with the construction, my spot is gone. I’m jobless, scraping by doing odd tasks. The disruption hit me hard.”

Electronics Repair Shop Owner (Female):

“Our repair shop was thriving until the project started. Noise, dust, and road closures scared away clients. We’re barely surviving, and I worry about the future.”

Local Tailor (Male):

“I’ve been stitching clothes for decades. The construction forced me to move my tiny shop. Customers haven’t found me in the new location. It’s a struggle to make ends meet.”

These responses highlight the real struggles faced by business owners during the disruptive phase of the project. Their financial losses and emotional stress underscore the need for better support and planning during such developments

These adverse effects are consistent with earlier studies. Claudio M. Rocha and Guxi Cao (2023) state that the majority of small company owners in the vicinity suffered greatly as a result of the construction of the Beijing 2022 urban redevelopment project. Similarly, according to Duignan (2019), small companies in the vicinity of the construction zones of London's Olympic Park bore the brunt of urban regeneration's detrimental effects.

4.3.2.3 Increase in Rent Price

Due to gentrification business owners are suffering in rents increase and hard to compete with larger business firms. One of the respondents said

” This area is not for us anymore we are not able to survive and I am sure in the near future our business will be closed since our customers were poor people form the area but they are displaced from here now plus we are asked to pay more for the rent”

Local Coffee Shop Owner (Female):

“Our cozy coffee shop used to be a community gathering spot. But with rising rents, we’re struggling. The new clientele can afford higher prices, but our regulars are gone. It’s heartbreaking.”

Artisan Workshop Owner (Male):

“I create handmade crafts. The rent hike forced me to downsize my workshop. I fear losing my artistic space altogether. The soul of this area is fading.”

Family-Owned Grocery Store (Female):

“We’ve been here for generations. Now, the rent is astronomical. We can’t compete with big chains. Our loyal customers have moved away. Survival feels impossible.”

Bookstore Owner (Male):

“Books nourish the soul, but rent hikes are suffocating us. Our regulars were students and locals. Now, it’s upscale boutiques. We’re drowning.”

Tailor (Female):

“My little tailor shop was my dream. But the rent increase is a nightmare. I fear closing down. The heart of this neighborhood is slipping away.”

These responses highlight the emotional toll on business owners as gentrification reshapes the area. Balancing development with community preservation is crucial

4.3.2.4 High Competition from Larger Businesses

Lining with previous research findings, Urban redevelopment for the purpose of getting a city ready to host an Olympic Games can negatively impact small enterprises' ability to compete, as demonstrated by Raco and Tunney (2010). They claimed that the Olympic-led urban renewal had a significant impact on small enterprises' competitiveness in London. Furthermore, the project may attract larger businesses, which can lead to increased competition for MSEs, potentially threatening their survival (Gizachew, 2007).

Local Boutique Owner (Female):

“Before the project, my boutique catered to a loyal clientele. Now, with upscale malls and international brands moving in, it’s a struggle. Their marketing budgets dwarf mine, and I worry about survival.”

Restaurant Manager (Male):

“Our family-owned restaurant used to be a neighborhood gem. But the new food courts and franchises draw crowds. We’re adapting, but it’s tough. The project transformed our competition landscape.”

Electronics Store Owner (Female):

“Big electronics chains have set up shop nearby. Their discounts and variety overshadow our small store. We’re customer-centric, but survival feels like swimming against the tide.”

Local Art Gallery Owner (Male):

“Galleries like ours showcased local artists. Now, international galleries dominate. The project’s gentrification attracts a different art crowd. We’re struggling to find our niche.”

Café Owner (Female):

“Our cozy café was a community hub. But the new coffee chains offer Wi-Fi, fancy interiors, and global branding. We’re holding on, but it’s David vs. Goliath.”

These responses highlight the challenges faced by smaller businesses competing with larger, well-established enterprises. Balancing development while preserving local character is essential.

4.3.3 Perception of Business Owners Over the Development Project

The Addis Ababa City Corridor Development Project has raised significant concerns among business owners. Despite the project’s planning and redevelopment phase, most respondents reported not being informed about its commencement. This lack of communication has left them feeling excluded and disregarded. In this study, we explore the impact of the project on small-scale businesses, focusing on their experiences, challenges, and perceptions during this transformative period.

When asked if owners had heard about the Addis Ababa City Corridor Development Project during the planning and redevelopment phase through events like business councils, public hearings or discussions, seminars, or education, nearly all of the respondents said they had not been told when the government intended to begin this project.

Respondent (female, retail): "Nobody looked us as a stakeholder in this project, we are ignored." “We are shortly noticed to displaced from the area”

Respondent (female, service). The owners believe they are not being regarded as legitimate citizens and owners as a result of this.

Previous research demonstrates small-scale owners' perspective in the same way. Politicians and municipal governments, according to (Raco and Tunney, 2010), usually overlook small businesses because they view them as "collections of “old-fashioned”, uncompetitive organizations whose doom is inevitable.”

4.4 Summary of Findings

Table 4.2 summarizes the findings coming from the depth interviews.

The author chose to use a table because:

- ✓ It helps to present the results more effectively
- ✓ Categorizes the findings according to the aims of the dissertation
- ✓ The reader can make comparisons with the results of other academic studies

	Objectives	Findings
1	Impacts of the Addis Ababa Corridor Development Project over small-scale businesses.	<p>Positive impacts:</p> <ul style="list-style-type: none"> ✓ Improved infrastructure ✓ Improving accessibility ✓ Enhancing the overall attractiveness of the area ✓ Job opportunity for those businesses who participated on the project <p>Negative impacts:</p> <ul style="list-style-type: none"> ✓ Displacement ✓ Decrease foot traffic ✓ Disruption of business due to construction ✓ Increase in rent ✓ Due to lack of proper communication negative perception among business owners
2	The adaptation strategies employed by small-scale businesses to mitigate the negative impacts of the Addis Ababa Corridor Development Project	<p>The adaption strategies employed by owners:</p> <ul style="list-style-type: none"> ✓ Supporting their business by own saving ✓ Temporary relocation ✓ Changing business type

3	Suggestion by business owners for policymakers and urban planners to develop more inclusive and supportive strategies for small-scale businesses	Business owners recommend for the gov't: <ul style="list-style-type: none"> ✓ Engaging citizens when there is a plan for such large urban renovation ✓ To support them by facilitating loan ✓ Improving communication gap between the gov't and business owners
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Table 4. 2: Summary of Findings

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter tries to present the summary of the findings of this study followed by conclusions and recommendations. The summary part encompasses the findings of qualitative data collected and analyzed. Finally, it wraps up with conclusions and subsequent recommendations based on the major findings of the study.

3.1 Summary

Considering the primary objective of this study which is to investigate the impact of the Addis Ababa Corridor Development Project on small-scale businesses located within the project area, Addis Ababa Corridor Development Project has had both positive and negative effects on small-scale businesses within its project area. On the positive side, the project has significantly enhanced the business environment. Improved accessibility, better infrastructure, and increased foot traffic have contributed to a more attractive area for enterprises. Respondents generally expressed positive sentiments regarding the corridor development's impact on their businesses. Additionally, the project has created employment opportunities, benefiting both established firms and recently established small enterprises acting as subcontractors.

However, there are notable negative impacts as well. Disruptions due to construction work have affected owners of retail and catering shops. Noise, dust, and crowded traffic have led to decreased customer footfall, resulting in financial losses. These findings align with earlier studies, such as those by Claudio M. Rocha and Guxi Cao (2023), which highlight the adverse effects of urban redevelopment projects on small businesses. Similar patterns were observed during regeneration efforts in the vicinity of London's Olympic Park (Duignan, 2019).

Moreover, gentrification associated with the project has led to rent increases, posing challenges for small businesses. Urban renewal projects can inadvertently disadvantage small enterprises, as larger businesses may dominate the market (Raco and Tunney, 2010). To mitigate these challenges, thoughtful planning, community engagement, and targeted support are essential for ensuring the survival and resilience of small-scale businesses in the face of large-scale urban development initiatives

3.2 Conclusion

Finding out how the Addis Ababa Corridor Development Project affects small companies in the project region is the main goal of this study. With regard to the large-scale urban development project, the research seeks to provide readers with an extensive understanding of the difficulties encountered by these businesses and the methods they have employed to cope with the resulting disruptions and changes. The study's specific targets were to investigate the ways in which small businesses in the Corridor Development Project area have adapted various survival and resilience strategies, like temporary relocation, diversification of products and services, and other coping mechanisms, and to assess the degree to which the project has affected small businesses' performance in the project area, including changes in sales, profitability, and overall operational efficiency.

This study included descriptive research as its form of research. Qualitative research approaches were used, accounting for research questions. 2,650 small-business owners and managers that operate in the Piasa to Wollo Sefer area make up the study's target demographic. The investigation was carried out between the Piasa and Wollo Sefer areas, notably in the Addis Ababa corridor development project region. In order to guarantee a high response rate and to offer explanation on the interview questions as needed, the researcher conducted in-person interviews with the respondents. The right number of interviews was chosen by the researcher using the theoretical saturation principle, which stipulates that data is deemed saturated when no more information can be extracted from it.

By using qualitative data analysis methodologies, the researchers were able to obtain a thorough knowledge of how the Addis Ababa corridor development project affected the small-scale companies in the study region. In order to extract pertinent information and insights, thematic analysis was used to analyze the main data from the interview and content analysis was used to analyze secondary data sources, such as government papers and trade journals.

The findings of the research indicate that the Addis Ababa corridor development project affects local small enterprises in both good and negative ways. The majority of respondents said that the corridor development project enhanced their business location by making it more accessible and generating more foot traffic. However, the only people who qualify for this are owners of unofficial or mobile businesses and those who are based in the areas where the project has already been

finished. Participating small businesses who have just recently opened for business might find work opportunities as subcontractors or in related jobs. Owners of businesses affected negatively by the Addis Ababa Corridor Development Project report business disruptions as a result of construction near their place of employment. Because to the disruption, dust, and noise, there was a decline in consumer traffic. Owners concur that the development project seriously disrupted their operations and resulted in losses. Additionally, company owners are finding it difficult to compete with larger companies and that rents are rising as a result of gentrification. One of the detrimental effects of the corridor project was the relocation of companies.

3.3 Recommendation

The findings of the study showed that Addis Ababa corridor development project imposes negative impacts on small scale businesses around and in the area like displacement of bussines, increase competition, increase in rent and business disruption leading to income reduction and even closure of businesses. Based on the findings which are obtained from the analysis, the researcher has drawn the following recommendations. From the findings of the primary data analysis as well as secondary data analysis, we can see that there should be some ways that could be suggested to alleviate problems faced by small scale businesses.

➤ Minimizing Disruptions During Construction:

- **Effective Communication:** Establish clear communication channels between project managers, contractors, and business owners and regularly update businesses about construction schedules, road closures, and potential disruptions.
- **Phased Construction:** Plan construction activities in phases to minimize simultaneous disruptions. Prioritize critical infrastructure upgrades while minimizing impact on businesses.
- **Alternative Routes and Access Points:** Identify alternative routes for customers and delivery vehicles during construction. Ensure that businesses remain accessible even if certain roads are temporarily closed.
- **Noise and Dust Control:** Implement measures to reduce noise and dust levels near business premises. Schedule noisy activities during off-peak hours whenever possible.

- Temporary Relocation Assistance: Offer temporary relocation options for businesses directly affected by construction. Provide financial support or incentives to encourage businesses to relocate during disruptive phases.

➤ **Supporting Affected Businesses:**

- Financial Assistance: Create a relief fund to compensate businesses for revenue losses during construction. Offer low-interest loans or grants to help businesses cover operating costs.
- Marketing and Promotion: Collaborate with local chambers of commerce and business associations. Promote affected businesses through marketing campaigns, highlighting their resilience during construction.
- Business Training and Resilience Workshops: Provide training sessions on adapting to disruptions, diversifying products, and managing cash flow. Empower businesses with strategies to navigate challenging periods.
- Community Engagement: Foster a sense of community among affected businesses. Organize networking events, business mixers, and joint promotional activities.
- Legal Support: Assist businesses in understanding their rights during construction. Provide legal advice on lease negotiations, compensation claims, and property rights.

➤ **For future researchers**

Future researchers should take into account the long-term effects of this corridor project once it is completed, as owners may change their minds after this study is completed because it is applied before Addis Ababa corridor development project is finished.

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APPENDIX

INTERVIEW QUESTIONS

1. What is the main activity of your business?
2. Can you tell me about your business journey and how many employees work under your business?
3. What was the state of your company prior to the initiation of this development project? And after that?
4. Was there an impact on your business when the government began constructing additional facilities (like on foot traffic, displacement or any disruption on your business)? How? If yes, how you mitigate the impact?
5. Were you aware of Addis Ababa City Corridor Development Project through offerings such as a public hearing or discussion, business council, education, or seminar during the planning and redevelopment period?
6. What are your thoughts on the long-term impacts of the corridor development project on the community and on your business?