

PERFORMANCE GAPS IN URBAN SERVICED LAND ALLOCATION FOR MSEs: EVIDENCE FROM MUNICIPAL AND ZONAL LEVELS IN GEDEO ZONE, ETHIOPIA

Kibru Alemu GEDECHO^{1,2}

¹Hungarian University of Agricultural and Life Sciences, Doctoral School of Economic and Regional Sciences, 2100 Gödöllő, Péter Károly utca 1, Hungary

²Department of Land Administration and Surveying, Dilla University, 419, Dilla, Ethiopia

ABSTRACT

Access to urban serviced land is essential for the establishment and growth of micro and small enterprises (MSEs), yet gaps often exist between land allocation plans and actual implementation. This study examines performance gaps in urban serviced land allocation for MSEs using evidence from municipal and zonal levels in Gedeo Zone, Ethiopia. The analysis is based on secondary administrative data obtained from Dilla Municipality (2020/21–2024/25) and the Gedeo Zone Urban Development and Infrastructure Department (2015/16–2019/20). A descriptive and comparative approach was employed to assess discrepancies between planned targets and actual performance in serviced land allocation, land preparation, and land supply. The findings reveal persistent performance gaps at both governance levels. In Dilla Municipality, actual serviced land allocation for MSEs remained consistently below planned targets despite increasing plans over time. At the zonal level, both land preparation and land supply for MSEs achieved only a small share of planned targets, with particularly severe bottlenecks in the transfer of prepared land to final users. These results highlight systemic implementation challenges and underscore the need to strengthen coordination, implementation capacity, and monitoring mechanisms to improve access to serviced land for MSEs and support inclusive urban development.

Keywords: urban serviced land, Micro and Small Enterprises (MSEs), land allocation performance, municipal–zonal coordination

JEL code: R14

INTRODUCTION

Micro and Small Enterprises (MSEs) play a central role in employment creation, income generation, and poverty reduction in developing economies, particularly in Sub-Saharan Africa. In Ethiopia, microenterprises alone account for the overwhelming majority of manufacturing employment, underscoring their importance in achieving inclusive economic growth and sustainable development goals (Endris & Kassegn, 2022; Weldelessie, 2019). National surveys and policy documents consistently emphasize the strategic contribution of MSEs to urban livelihoods, industrial development, and structural transformation (MoUDH, 2016;

Gebrehinot & Wolday, 2006). However, despite their recognized role, the growth and continuity of MSEs remain constrained by multiple structural and institutional challenges, limiting their ability to contribute fully to urban economic development.

Among the various constraints facing MSEs, access to serviced land and adequate working premises has been repeatedly identified as one of the most critical barriers to enterprise start-up, survival, and growth. Empirical studies across Ethiopian cities show that a substantial proportion of MSEs operators lack their own premises and face high rental costs, insecure tenure, and poorly located workspaces (*Dereje et al.*, 2019; *MoUDC*, 2013; *Tadesse*, 2020). Similar findings are reported in regional and international contexts, where location and access to appropriate premises strongly influence enterprise performance and productivity (*McPherson*, 1996; *Sefiani et al.*, 2016). Insufficient access to serviced land not only raises operating costs but also discourages fixed asset investment and increases business instability, particularly for enterprises with limited capital (*Abdu & Marisennayya*, 2026; *Singh & Singh*, 2023).

Beyond physical scarcity, the literature highlights governance-related challenges in urban land allocation systems. Bureaucratic procedures, lack of transparency, and weak institutional coordination frequently undermine the equitable and efficient distribution of land for productive uses, including MSEs development (*Muranda et al.*, 2014; *Woldemariam*, 2021). Furthermore, broader local economic development constraints, such as poor infrastructure, weak urban-rural connectivity, and restricted access to services, can further reduce employment opportunities and the effective usage of land resources (*Ritter*, 2014). Studies document cases where land and working premises intended for MSEs are subject to rent-seeking behavior, third-party transfers, and political or social bias, disadvantaging intended beneficiaries such as youth and women (*Dereje et al.*, 2019; *Muranda et al.*, 2014). Weak implementation of existing policies and regulations further exacerbates these challenges, creating a persistent gap between stated policy objectives and actual outcomes on the ground (*Gebrehinot & Wolday*, 2006; *MoUDH*, 2016).

Urban land allocation inefficiencies also have broader spatial and economic implications. Evidence from Ethiopian cities indicates that land consumption often outpaces population growth, with substantial inefficiencies in the allocation of industrial and commercial land uses (*Koroso et al.*, 2021). Such inefficiencies contribute to urban sprawl, underutilized serviced land, and missed opportunities for employment-intensive activities such as MSEs. Spatial studies further demonstrate that planned land use patterns, residential expansion, and large-scale developments can unintentionally crowd out small businesses by reducing access to suitable locations and increasing competition for serviced land (*Fanta & Megento*, 2020; *Widita & Lechner*, 2024). These dynamics underscore the importance of aligning urban land planning with the locational and operational needs of MSEs.

Ethiopia's national development frameworks, including the Micro and Small Enterprise Development Policy and Strategy, Growth and Transformation Plan II, and the Ten-Year Development Plan, explicitly recognize the need to provide serviced land, production clusters, and market facilities for MSEs (*MoUDH*, 2016; *NPC*, 2016). These policies emphasize coordinated implementation, institutional capacity building, and anti-rent-seeking measures to improve urban land governance.

Such spatial strategies often rely on identifying local resource clusters to drive regional growth (Horváthné Kovács *et al.*, 2022). Nevertheless, empirical evidence suggests that implementation capacity at municipal and local government levels remains weak, resulting in significant discrepancies between planned targets and actual land delivery for MSEs (Gebrehivot & Wolday, 2006; Woldemariam, 2021). The persistence of these gaps highlights the need for performance-based assessments that go beyond policy intent to examine actual outcomes.

While existing studies highlight the importance of land access for micro and small enterprises (MSEs), the literature remains fragmented between enterprise-level constraints and broader urban land-use dynamics, with limited attention to how land allocation systems perform in practice (Duranton & Puga, 2020; Fox & Sobnesen, 2012). In particular, there is a lack of empirical evidence on the performance gap between planned and actual serviced land allocation for MSEs across governance levels. Moreover, planning-implementation discrepancies, weak institutional performance, and limited public participation further constrain effective land delivery (Watson, 2009; Rosmala *et al.*, 2023; Jakar *et al.*, 2021), especially in rapidly urbanizing and secondary city contexts (Angel *et al.*, 2011; UN-Habitat, 2020). Consequently, how municipal-level land allocation outcomes align with zonal-level targets and the actual spatial needs of MSEs remains insufficiently understood.

Hence, the objective of the study was to examine the performance of service land allocation micro and small enterprises (MSEs) at municipal and zonal level in Gedeo Zone. The specific objectives of the study were to analyze trend and performance gaps between planned and actual serviced land allocation for MSEs in Dilla Municipality, to assess land preparation and land supply performance for other multiple land use categories, and to draw implementation for improving service land allocation mechanisms to support MSEs growth and urban development.

MATERIALS AND METHOD

Study Area: The study was conducted in Dilla Municipality which is administrative and economic for Gedeo Zone recently reclassified as a Regiopolis, a designation used by Bureau of South Ethiopia Urban and Infrastructure Development for a select group of primary cities that serve as significant regional hubs. Accordingly, Regiopolis city is a city that serves as a regional or development center, next to the capital city, Addis Ababa. Regiopolis is a city that is less defined by its local economic, social, and cultural impact than a metropolitan city. Driven by coffee production and its strategic location, Dilla Regiopolis functions as a major market and commercial hub on the main transport corridor linking Addis Ababa, Ethiopia, and Nairobi, Kenya. In addition, the Regiopolis provides various urban function such critical commercial, social, and transportation functions for the surrounding regions. The fast-growing population of the Regiopolis together various economic activities make a suitable place for doing business. Dilla Municipality is the administrative centre of Gedeo Zone and one of the major urban centres in the region. The municipality plays a key role in the allocation of serviced urban land for various uses, including micro and small enterprises (MSEs) production and market activities. Gedeo Zone Urban

and Infrastructure Development Department comprises multiple municipalities, with zonal authorities responsible for coordinating urban development, land preparation, and land supply across these urban centres. Examining both municipal and zonal levels allow for a multi-level assessment of serviced land allocation performance within the same administrative and spatial context.

Data Sources: The study relied solely on secondary administrative data obtained from official government sources. Municipal-level data on serviced land allocation for MSEs were collected from *Dilla Municipality* (2025), covering a five-year period from 2020/21 to 2024/25. These data include annual planned targets and actual performance in terms of serviced land allocated to MSEs. Zonal-level data were obtained from the *Gedeo Zone Urban Development and Infrastructure Department* (2025), covering the period 2015/16 to 2019/20. The zonal dataset includes planned and actual figures for land preparation and land supply (transfer to final users) across multiple land-use categories, including MSE production and market uses. Zonal data represent aggregated performance across all municipalities within the zone, including Dilla Municipality.

The use of secondary data is appropriate given the study's focus on assessing discrepancies between planned and actual serviced land allocation, which are formally recorded in official planning and implementation documents. Administrative data enable consistent comparison across multiple years and governance levels. However, such data may not capture informal land access practices or enterprise-level experiences, such as operating from residential premises or renting workspaces. Differences in reporting periods between municipal and zonal datasets may also limit direct comparability. These limitations were addressed by emphasizing performance ratios and trends within an institutional performance assessment framework.

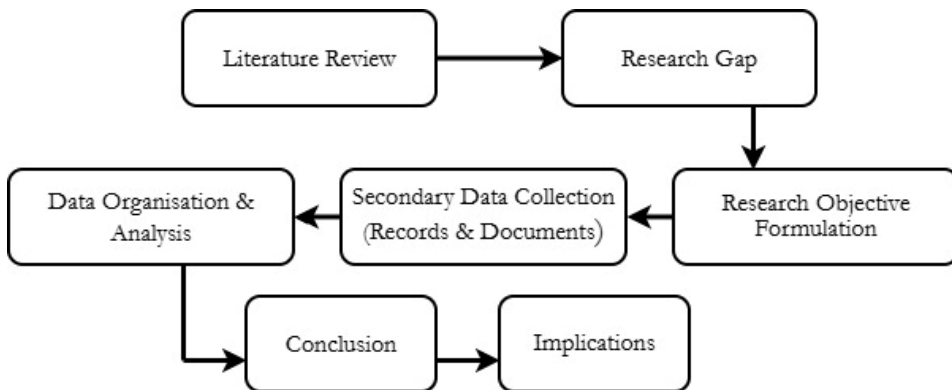
Definition: According to the *South African Housing & Infrastructure Fund* (2020), serviced land is essentially land that is prepared or developed with all necessary utility connections and is ready for immediate use (*SAHIF*, 2020, *Urban Lands Lease Holding Proclamation*, 2011).

Units of Analysis and Variables: The primary unit of analysis is serviced urban land allocated for micro and small enterprises. At the municipal level, land allocation is measured in square meters (m²), while at the zonal level, land preparation and land supply are measured in hectares (ha). To ensure analytical consistency, the study focuses on performance ratios and percentages rather than absolute quantities. The key variables analyzed include planned serviced land allocation or preparation, actual serviced land allocation or supply, and performance ratio (actual performance as a percentage of planned targets).

Data Analysis: The study employed a descriptive and comparative analytical approach. First, a trend analysis was conducted to examine changes in planned and actual serviced land allocation for MSEs in Dilla Municipality over the study period. Second, a performance gap analysis was undertaken by comparing planned targets with actual performance at both municipal and zonal levels. At the zonal level, land preparation and land supply performance for MSEs were analyzed alongside other land-use categories to contextualize MSEs allocation within broader urban land management practices. Finally, municipal-level findings were compared with zonal

aggregates to identify institutional and implementation gaps between planning and execution across governance levels. Results are presented using tables and percentages to clearly illustrate discrepancies between plans and outcomes. Furthermore, the diagram (*Figure 1*) below briefly illustrates the Material and Method section of the study.

Figure 1: Study Design



RESULTS AND DISCUSSION

Performance of Urban Serviced Land Allocation for MSEs in Dilla Municipality

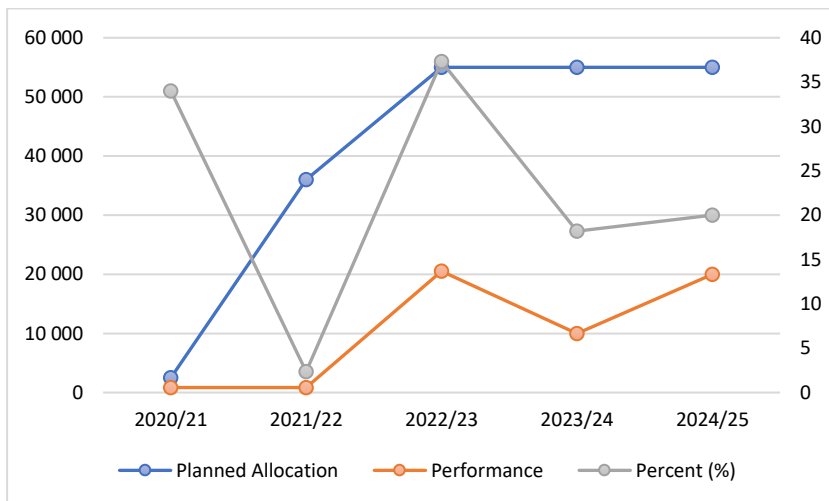
Figure 2 presents trends in planned and actual serviced land allocation for micro and small enterprises (MSEs) in Dilla Municipality over the period 2020/21–2024/25. The results reveal substantial discrepancies between planned targets and actual performance throughout the study period. Although planned serviced land allocation increased markedly over time, actual allocation remained consistently below targets, resulting in wide performance gaps.

In 2020/21, only 34% of the planned serviced land for MSEs was allocated. Performance declined sharply in 2021/22, when actual allocation accounted for merely 2.36% of the planned target, despite a significant increase in planned land. This sharp decline, as reports highlights, reflect implementation capacity limitations, broader institutional disruption due to unstable municipal leader recurrent turnover, Dilla Regiopolis local government unmatched commitment to finance, support, and follow-up the plan execution related to land servicing and transfer of the target users. Although some improvement was observed in 2022/23, with performance reaching 37.31%, subsequent years again recorded low achievement levels of 18.18% and 20.00%, respectively. These findings indicate that increases in planned targets did not translate into proportional improvements in actual serviced land delivery.

The observed pattern suggests persistent implementation challenges in municipal land management. Similar discrepancies between planning and execution have been

documented in other Ethiopian cities, where ambitious urban land allocation plans are undermined by limited institutional capacity, administrative inefficiencies, and infrastructure-related constraints. A recent perception study in Addis Ababa indicates a significant gap between urban land policy objectives and their implementation on the ground (*Aytenew et al., 2025*). Empirical evidence from major Ethiopian cities shows that weaknesses in urban land administration, procedural delays, and gaps between policy intentions and operational practices continue to constrain effective land delivery for productive uses, including micro and small enterprises (*MoUDC, 2013; Aytenew et al., 2025*). For MSEs, such inconsistencies constrain access to secure and serviced working premises, limiting enterprise expansion and productivity.

Figure 2: Summary of Gap for Serviced Land Allocation (m²) for MSEs in Dilla Municipality



Source: Based on data from *Dilla Municipality (2025)*.

Zonal-Level Performance of Serviced Land Preparation and Supply in Gedeo Zone

Table 1 summarizes land preparation and land supply performance across major land-use categories in Gedeo Zone for the period 2015/16–2019/20. At the zonal level, overall land preparation achieved 30.66% of planned targets, while land supply or transfer to final users reached only 5.30%, indicating a significant bottleneck between preparation and actual allocation.

With specific regard to MSEs production and market uses, land preparation performance stood at 12.41%, while land supply to final users was limited to 5.92% of the planned target. Compared with other land-use categories, MSE-related land uses consistently exhibited lower performance, particularly in land supply. This pattern highlights the vulnerability of MSEs within the urban land allocation system, where priority may be given to other land uses such as industrial development or institutional purposes.

Table 1: Land Preparation and Supply Performance for Various Uses in Gedeo Zone, 2015/16-2019/20.

Various Land Uses	Land Preparation (ha)			Land Supply or transfer to final users (ha)		
	Plan	Performance	Percent	Plan	Performance	Percent
Cooperative Residential	379.5	52.9	13.94	350	9.7	2.77
Residential Private	253	59.4	23.48	233	13.8	5.92
Commercial and Investment	428	63.4	14.81	394.1	23.3	5.91
MSEs production and market	303.8	37.7	12.41	310.9	18.4	5.92
Government and NGO institutions	372	195.6	52.58	342.5	12.7	3.71
Service Sectors institutions	580	173.4	29.90	533.2	31.6	5.93
Industrial Development	821.8	379.6	46.19	840.65	49.76	5.92
Total	3138.1	962	30.66	3004.35	159.26	5.30

Source: Based on data from *Gedeo Zone Urban Development and Infrastructure Department* (2025)

The sharp decline from land preparation to land supply suggests that challenges extend beyond physical land development to administrative and procedural processes involved in transferring land to end users. Such inefficiencies reduce the effectiveness of land policies aimed at supporting enterprise development and contribute to unmet demand for serviced land among MSEs operators.

Municipal-Zonal Performance Gaps and Governance Implications

Comparing municipal-level evidence from Dilla Municipality with zonal-level performance in Gedeo Zone reveals a consistent pattern of performance gaps across governance levels. While Dilla Municipality exhibited highly variable and often low achievement rates in serviced land allocation for MSEs, zonal data show that similar gaps exist in land preparation and supply across the zone as a whole. This indicates that municipal underperformance is not an isolated phenomenon but rather reflects broader zonal-level institutional and implementation constraints.

The findings suggest that weaknesses in coordination between municipal and zonal authorities, limited implementation capacity, and procedural inefficiencies collectively undermine the effective delivery of serviced land for MSEs. Even where land preparation targets are partially met, the failure to translate prepared land into actual allocation constrains enterprise development. These results reinforce the argument that improving access to serviced land for MSEs requires not only

improved planning but also stronger implementation mechanisms and accountability across governance levels.

Furthermore, while this study provides empirical evidence on performance gaps in serviced land allocation for MSEs using secondary administrative data, it is limited in its ability to directly explain the underlying causal mechanisms. To address this, the findings are interpreted considering existing literature on urban land governance and institutional performance. Previous studies have shown that constraints such as limited implementation capacity, weak institutional coordination, and inadequate political commitment can significantly affect land delivery outcomes (*Watson, 2009*). In addition, context-specific evidence from Dilla Municipality indicates that factors such as high compensation costs associated with coffee-based agroforestry systems, limited land preparation capacity, and insufficient attention to municipal land development functions further constrain the effective supply of serviced land (*Gedecho & Horváthné Kovács, 2024*). These challenges are likely to contribute to the observed discrepancies between planned and actual land allocation performance. However, such explanations should be interpreted with caution, as they are not directly derived from the dataset used in this study. Future research could build on these findings by incorporating qualitative methods, such as interviews with municipal officials and MSEs operators, to provide deeper insights into the institutional and procedural drivers of land allocation performance.

Implications for Urban Development and MSEs Growth

The persistent performance gaps identified in both municipal and zonal analyses have important implications for urban economic development. MSEs rely heavily on access to affordable, well-located, and serviced land for production and market activities. Inadequate land allocation limits their capacity to formalize, expand, and generate employment, thereby weakening their contribution to inclusive urban growth.

Moreover, the mismatch between planned and actual serviced land allocation undermines the credibility of urban land use plans and reduces the effectiveness of policy interventions targeting MSEs development. Addressing these challenges requires improved coordination between planning and implementation, prioritization of MSEs land needs within urban development strategies, and strengthened monitoring of land allocation performance.

CONCLUSIONS

This study examined performance gaps in urban serviced land allocation for micro and small enterprises (MSEs) using evidence from Dilla Municipality and the broader Gedeo Zone in Ethiopia. By comparing planned targets with actual performance at municipal and zonal levels, the study identified persistent discrepancies between land allocation plans and their implementation. The findings show that, despite increasing planned targets, actual delivery of serviced land for MSEs remained consistently below expectations, particularly at the municipal level. Zonal-level analysis further revealed substantial bottlenecks between land preparation and land supply to final users, indicating systemic implementation challenges across governance levels.

The results suggest that municipal-level underperformance in serviced land allocation for MSEs is embedded within broader zonal institutional and procedural constraints. Even where land preparation targets were partially achieved, inefficiencies in land transfer and allocation processes significantly limited access to serviced land for MSEs. These performance gaps constrain enterprise establishment and growth, thereby weakening the potential contribution of MSEs to employment creation and sustainable urban development.

Addressing these challenges requires moving beyond ambitious planning targets toward strengthening implementation capacity and coordination between municipal and zonal authorities. Policy efforts should prioritize serviced land provision for MSEs production and market activities, improve monitoring of planned versus actual performance, and streamline administrative procedures related to land transfer and allocation. Enhancing transparency and accountability in urban land management systems is also essential to ensure that serviced land reaches intended beneficiaries. To address the persistent challenges of serviced land supply for Micro and Small Enterprises (MSEs), the following strategic directions are proposed to facilitate effective implementation. Realizing MSEs growth requires a coordinated effort from all stakeholders, necessitating harmonized policies that provide immediate solutions to structural bottlenecks. The critical performance gaps in serviced land allocation can be mitigated through the following targeted institutional measures:

- *Decentralized Administration:* Changing from a centralized municipal model of serviced land allocation Dilla Municipality to a decentralized "One-Stop-Shop" system at the sub-city or local level. This streamlines land transfer and permitting processes, reducing bureaucratic delays.
- *Dedicated Land Banking:* Establishing a specific land inventory ("land bank") reserved exclusively for MSEs development to prevent competition with large-scale developers.
- *Performance-Oriented Monitoring:* Implementing a rigorous "Planned vs. Actual" tracking system to enhance accountability and ensure that land (working space, shade, production clusters) reaches the intended beneficiaries, MSEs.

Achieving these goals requires the integrated coordination of the following key stakeholders:

- *Regional and Zonal Level:* South Ethiopia Regional Bureaus (Urban & Infrastructure Development; Job Creation & Enterprise Development) together with similar zonal counter parts to supervise proper implementation of their respective policy frameworks.
- *Local Government:* Dilla Regiopolis Local Government and Municipality management to oversee site preparation and utility connectivity.
- *Legislative Oversight:* Zonal and Dilla Regiopolis Councils to ensure adequate budget allocation and conduct regular impact evaluations.
- *Sectoral Departments:* Zonal and Regiopolis-level departments focused on Job Creation and Enterprise Development to verify beneficiary eligibility.

While the study relied on secondary administrative data, which may not capture informal land access mechanisms, it provides important empirical insights into multi-

level performance gaps in urban serviced land allocation. Future research could complement these findings with enterprise-level surveys and comparative studies across additional municipalities to further inform land policy and urban development strategies.

ACKNOWLEDGEMENT

Gedeo Zone Urban and Infrastructure Development Department and Dilla Municipality experts contributed to data collection and made recent land administration and development data available, as well as providing support during data organization.

REFERENCES

- Abdu, A., & Marisennayya, S. (2026). Factors affecting the performance of micro and small enterprises with the mediating role of institutional support: Evidence from Samara-Logia city administration, Afar region, Ethiopia. *European Journal of Business and Management*, 18(4), 112–125. <https://doi.org/10.5923/j.mm.2026>
- Angel, S., Parent, J., Civco, D. L., & Blei, A. M. (2011). Making room for a planet of cities. *Urban Studies*, 48(11), 2273–2299. <https://doi.org/10.1177/0042098011407312>
- Aytenew, A., Gebre-Egziabher, T., & Woldetensae, B. (2025). Urban land policy and its administration in Addis Ababa: a perception study. *Frontiers in Sustainable Cities*, 7, 1555773.
- Dereje, M. L., Amsalu, B., Adugna, H., & Abebe, S. (2019). Assessment of factors affecting performance of micro and small scale enterprises: A case study of Assosa town. *Reviewed Journal International of Business Management*, 1(1), 20–41. <https://doi.org/10.61426/business.v1i1.2>
- Dilla Municipality. (2025). [Planned and actual serviced land allocation data for micro and small enterprises, 2020/21–2024/25] [Unpublished raw data]
- Duranton, G., & Puga, D. (2020). Urban growth and its aggregate implications (NBER Working Paper No. 26549). National Bureau of Economic Research. <https://doi.org/10.3386/w26549>
- Endris, E., & Kassegn, A. (2022). The role of micro, small and medium enterprises (MSMEs) to the sustainable development of sub-Saharan Africa and its challenges: a systematic review of evidence from Ethiopia. *Journal of Innovation and Entrepreneurship*, 11(20). <https://doi.org/10.1186/s13731-022-00221-8>
- Fanta, T., & Megento, T. (2020). Spatio-temporal land use/land cover changes induced flat housing expansion pattern: implications for microenterprises' growth opportunity in Shashemene City, Ethiopia. *GeoJournal*, 85, 471–486. <https://doi.org/10.1007/s10708-019-09968-2>
- Fox, L., & Sohnesen, T. P. (2012). Household enterprises in Sub-Saharan Africa: Why they matter for growth, jobs, and livelihoods (Policy Research Working Paper No. 6184). World Bank. <https://doi.org/10.1596/1813-9450-6184>
- Gebrehiwot, A., & Wolday, A. (2006). Micro and Small Enterprises (MSE) Development in Ethiopia: Strategy, Regulatory Changes, and Remaining Constraints. *Ethiopian Journal of Economics*, 10(2), 103–103. <https://doi.org/10.22004/AG.ECON.249856>

- Gedecho, K. A., & Horváthné Kovács, B. (2024). Informal land buyers' perspectives in Dilla City, Southern Ethiopia. *Regional and Business Studies*, 16(1), 27–38. <https://doi.org/10.33568/rbs.5209>
- Gedeo Zone Urban Development and Infrastructure Department. (2025). [*Planned and actual land preparation and land supply data across land-use categories for Gedeo Zone, 2015/16–2019/20*] [Unpublished raw data].
- Horváthné Kovács, B., Varjú, V., Nagy, B., Szabó, K., Koponicsné Györke, D., & Barna, R. (2022). The Effects of Spatial Dependence and Resource Availability on Rural Development Planning Projects in the Heterogeneous Micro-Regions of the Southern Transdanubian Region, Hungary. *Journal of Urban and Regional Analysis*, 14(2), 159–186. <https://doi.org/10.37043/jura.2022.14.2.1>
- Jakar, G. S., Razin, E., & Rosen, G. (2021). Local government going offside? The gap between planning and implementation of sport development projects. *Land Use Policy*, 103, 105311. <https://doi.org/10.1016/j.landusepol.2021.105311>
- Koroso, N. H., Lengoiboni, M., & Zevenbergen, J. A. (2021). Urbanization and urban land use efficiency: Evidence from regional and Addis Ababa satellite cities, Ethiopia. *Habitat International*, 117, 102437. <https://doi.org/10.1016/j.habitatint.2021.102437>
- McPherson, M. A. (1996). Growth of micro and small enterprises in southern Africa. *Journal of development economics*, 48(2), 253–277. [https://doi.org/10.1016/0304-3878\(95\)00027-5](https://doi.org/10.1016/0304-3878(95)00027-5)
- MoUDH (Ministry of Urban Development and Housing). (2016). *Micro and Small Enterprise Development Policy and Strategy*. Federal Democratic Republic of Ethiopia. <https://www.cmpethiopia.org/content/download/2366/10048/file/MoUDH%20MSE%20Development%20Policy%20%26%20%20Strategy%20280416.pdf>
- MoUDC (Ministry of Urban Development and Construction). (2013). *Urban land lease implementation and management manual*. Federal Democratic Republic of Ethiopia.
- Muranda, Z., Frank, R., & Saruchera, F. (2014). Land as the nexus in youth, female unemployment and poverty reduction. In C. G. Mararike (Ed.), *Land: An empowerment asset for Africa: The human factor perspective* (pp. 96–117). University of Zimbabwe Publications.
- NPC (National Planning Commission). (2016). Growth and Transformation Plan II (GTP II). Addis Ababa, Ethiopia. <https://ethiopia.un.org/sites/default/files/2019-08/GTPII%20%20English%20Translation%20%20Final%20%20June%2021%202016.pdf>
- Ritter K. (2014): Possibilities of local economic development (LED) in lagging rural areas. *Acta Carolus Robertus* 4(1) 101–108. <https://doi.org/10.22004/ag.econ.171185>
- Rosmala, F., Bambang, A. N., & Purnaweni, H. (2023). Design of Land Resource Management Strategy Based on Public Involvement. *Sustainability and Climate Change*, 16(5), 394–405. <https://doi.org/10.1089/scc.2023.0037>
- Sefiani, Y., Davies, B., & Bown, R. (2016). The perceptual effects of location on the performance of small businesses. MPRA Paper No. 74768. https://mpa.ub.uni-muenchen.de/74768/1/MPra_paper_74768.pdf
- Singh, P., & Singh, A. (2023). The impact of resource management practices on the performance of micro and small enterprises in Werabe Town, Ethiopia. *Frontiers in Sustainability*, 4, 13132. <https://doi.org/10.3389/frsus.2023.13132>
- SAHIF (South African Housing & Infrastructure Fund) (2020). *Servicing land: Thought paper*. sahif.co.za
- Tadesse, M. C. (2020). Factor Affecting the Growth and Continuity of Micro and Small Enterprise in Robe Town. *European Journal of Business and Management*, 12(16), 21–31. <https://doi.org/10.7176/EJBM/12-16-03>
- UN-Habitat (United Nations Human Settlements Programme). (2020). *World cities report 2020: The value of sustainable urbanization*. United Nations. <https://doi.org/10.18356/c4185b28-en>

- Urban Lands Lease Holding Proclamation No. 721/2011*, Fed. Negarit Gazeta 18th Year No. 4 (Federal Democratic Republic of Ethiopia, 2011). <https://chilot.wordpress.com/wp-content/uploads/2012/02/proclamation-no-721-2011-urban-land-lease-proclamation.pdf>
- Watson, V. (2009). Seeing from the South: Refocusing urban planning on the globe's central urban issues. *Urban Studies*, 46(11), 2259–2275. <https://doi.org/10.1177/0042098009342598>
- Weldeslassie, H. A. (2019). Contributions of micro, small and medium enterprises (MSMEs) to income generation, employment and GDP: Case study Ethiopia. *Journal of Sustainable Development*, 12(3), 46–69. <https://doi.org/10.5539/jsd.v12n3p46>
- Widita, A. A., & Lechner, A. M. (2024). Spatial interactions between planned settlements and small businesses: Evidence from the Jakarta Metropolitan Area, Indonesia. *Land*, 13(2), 203. <https://doi.org/10.3390/land13020203>
- Woldemariam, A. S. (2021). Urban Land Use Analysis and Policy Review of Ethiopia with Special Reference to Micro and Small Enterprise Development Initiative of Hawassa City. *American Journal of Civil Engineering*, 9(4), 99–117. <https://doi.org/10.11648/j.ajce.20210904.12>

Corresponding author:

Kibru Alemu GEDECHO

Hungarian University of Agriculture and Life Sciences

Doctoral School of Economic and Regional Sciences

2100 Gödöllő, Páter Károly u. 1, Hungary

email: gedecho.kibru.alemu@phd.uni-mate.hu

© Copyright 2026 by the authors.

This is an open access article under the terms and conditions of the Creative Commons attribution (CC-BY-NC-ND) license 4.0.

