

Research Article

Corridor development: A comprehensive examination of socioeconomic outcomes and community involvement in Bahir Dar City, Ethiopia

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Abstract: *This study examines community involvement and the socioeconomic outcomes of corridor development in Bahir Dar City, Ethiopia. The research draws on in-depth interviews with 25 participants and a survey of 394 residents to capture diverse perspectives on the development process. Thematic analysis was used for the qualitative data and descriptive statistics for the quantitative data. The findings reveal a wide range of experiences and perceptions regarding the corridor development. On the positive side, many participants highlighted infrastructure improvements, job creation, enhanced livelihoods, increased business opportunities, and better market access. However, the study also identifies significant negative impacts, including displacement, rising housing costs, and unequal distribution of benefits. A large proportion of respondents expressed dissatisfaction with the compensation process, citing*

insufficient payments and lack of transparency. Overall, while the corridor development demonstrates strong potential to stimulate economic growth, it has also exacerbated existing social inequalities. Vulnerable communities face the greatest risks, particularly concerning housing affordability and equitable access to economic opportunities. The study concludes that for corridor development to be inclusive and sustainable, more equitable planning processes and transparent, fair compensation mechanisms are essential. Without these measures, the project risks further marginalizing the very communities it seeks to benefit.

Keywords: Corridor, urban development, socioeconomic, outcome, involvement

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1. Introduction

Corridor development has emerged as a pivotal strategy in urban and regional planning, particularly concerning economic growth and social integration (Rodrigue, 2020; World Bank, 2021). This approach facilitates transportation and connectivity, fosters trade, enhances accessibility to services, and encourages sustainable urban development. As urbanization accelerates globally, cities increasingly turn to corridor development to effectively manage growth and improve residents' quality of life (United Nations, 2019; Asian Development Bank, 2020). Numerous studies underline the importance of corridor development in enhancing urban mobility and economic vitality. For instance, Zhang (2018) found that urban corridors significantly increase economic activities by providing an efficient framework for transportation and logistics. Similarly, Wang et al. (2019) demonstrated that well-planned corridor systems can reduce traffic congestion and improve air quality, contributing to healthier urban environments.

In the African context, Oduro et al. (2020) highlight that corridor development initiatives can catalyze regional trade and investment by linking remote areas to major economic hubs. Akinyemi (2021) further revealed that implementing transport corridors in urban settings enhances social equity, providing marginalized communities with improved access to essential services. Despite these potential benefits, corridor development can simultaneously produce unintended socio economic consequences, including displacement of low income households, disruption of livelihoods, and deterioration of social cohesion. Hobbs and Bignoli's (2021) edited a volume on development corridors which highlights that without strong social and environmental safeguards, corridor projects risk exacerbating inequality, weakening community networks, and undermining long term sustainability and resilience. Similarly, Cristóvão's (2025) comprehensive analysis of corridor development demonstrates that while transport corridors can drive regional integration and economic efficiency, local socioeconomic benefits are not automatic and often depend on governance effectiveness, inclusive planning, and equitable distribution of opportunities.

Focusing on Ethiopia, research indicates that areas adjacent to transport corridors often experience increased property values and economic opportunities, contributing to the overall economic vitality of the city (Zewudu, 2014). Abebe and Teshome (2022) indicate that

integrating corridor development within urban planning frameworks can stimulate local economies and create job opportunities in urban areas. Their findings suggest that such developments are crucial for addressing the challenges posed by rapid urbanization and population growth.

Bahir Dar City, with an estimated population of 455,901 in 2022 (City Population, 2023), exemplifies rapid urban expansion and the ensuing infrastructure demands. To manage this growth and support vibrant urban economies, corridor projects have been initiated to improve transport links and spatial accessibility (Gashu & Gebregziabher, 2018). While some literature notes the potential for corridors to enhance equity by expanding access to services (Johnson, 2021), others warn that rapid infrastructure development can disrupt community networks, displace low income residents, and exacerbate socioeconomic exclusion (Smith, 2019; Miller, 2018). This conflicting evidence highlights a substantive gap in understanding how corridor development affects community participation in planning processes, employment outcomes for displaced and local residents, and the sustainability of livelihood strategies in rapidly urbanizing cities like Bahir Dar.

Existing studies tend to emphasize macroeconomic outcomes or general infrastructure benefits, while overlooking the lived experiences of affected communities, particularly regarding community participation, employment sustainability, job creation for vulnerable groups, and changes in social networks. Belachew's (2016) study on development induced displacement in Addis Ababa documents significant livelihood losses and weakened social cohesion among relocated households but does not explore how communities adapt or sustain new employment opportunities over time. Tesfaye (2024) identifies challenges faced by small scale businesses during corridor construction but focuses narrowly on economic disruption without examining broader social consequences or long term employment sustainability. These limitations are compounded by a lack of integrated research that simultaneously addresses economic, social, and participatory dimensions in corridor development contexts.

Specifically, there is insufficient evidence on the extent of community participation in corridor planning and decision making, the sustainability of employment and income opportunities for displaced households, and the long term effects on social cohesion and livelihood resilience.

Studies such as those by Belachew (2016) and Tesfaye (2024) illustrate that displacement and business disruption occur in corridor or urban renewal contexts, yet they inadequately explore how communities cope, adapt, or recover over time. Moreover, the literature lacks a holistic analysis that combines economic, social, and participatory dimensions leaving significant gaps in understanding how corridor development affects vulnerable populations' quality of life. Therefore, this research aims to investigate the community involvement and socioeconomic outcomes of the corridor development in Bahir Dar City, Ethiopia.

1.1.Theoretical Framework

This study is grounded in the theoretical perspectives of The Right to the City and Urban Political Economy, which together provide a critical lens to understand the socioeconomic impacts of corridor development in Bahir Dar City. Henri Lefebvre's concept of the Right to the City emphasizes that all urban residents, particularly marginalized groups, have a fundamental right to participate in and benefit from urban development processes, including equitable access to housing, employment, and public resources (Lefebvre, 1996; Harvey, 2008). This theory highlights the social justice dimensions of urban development, especially regarding displacement and exclusion caused by large infrastructure projects.

Complementing this, Urban Political Economy theory examines how economic and political structures shape urban spaces, often privileging capital interests over vulnerable communities, thereby perpetuating inequalities (Logan & Molotch, 1987). Together, these frameworks elucidate how corridor development can stimulate economic growth while simultaneously exacerbating social inequalities through processes like displacement, rising housing costs, and unequal access to compensation. They show the importance of inclusive planning and transparent governance to ensure development benefits are fairly distributed across all segments of society.

2. Research methods and materials

2.1. Description of the study area

Bahir Dar City, the capital of the Amhara Region in northwestern Ethiopia, is located on the southern shore of Lake Tana, the source of the Blue Nile River. It lies about 563 km northwest of Addis Ababa at approximately 11°35'30" N and 37°23'30" E (Oy, 1999). The city is situated at an elevation of 1,600–2,000 meters above sea level, characterized by relatively flat to gently undulating terrain within the northwestern Ethiopian highlands. Owing to its altitude and lakeside location, Bahir Dar experiences a moderate climate, with mean maximum temperatures ranging from 23.3°C to 29.7°C and average annual rainfall of about 1,224 mm (FUPI, 2006).

Bahir Dar has an estimated population of about 455,901 and is one of Ethiopia's rapidly growing urban centers (City Population, 2023). The population is predominantly Amhara, and Orthodox Christianity and Islam are the major religions shaping the city's socio-cultural life. Socioeconomically, Bahir Dar has experienced rapid urbanization driven by rural–urban migration, expanding educational institutions, and growing public and private investments. The city's economy is largely based on trade, small and micro enterprises, informal sector activities, public administration, and tourism. However, this growth is accompanied by rising urban poverty, unemployment, housing shortages, and the expansion of informal settlements. Income inequality and limited social protection mechanisms contribute to vulnerability. Recently, corridor development initiatives have been widely implemented with the aim to modernize infrastructure, stimulate investment, and promote inclusive urban growth within the city (Ethiopian News Agency, 2025).

2.2. Research methods

This study employed a mixed-methods research approach, integrating both qualitative and quantitative data to provide a comprehensive understanding of the impacts of corridor development in Bahir Dar City. The research design was cross-sectional concurrent, meaning that qualitative and quantitative data were collected during the same period to capture a snapshot of the current conditions, experiences, and perceptions of residents affected by the corridor development.

For the qualitative component, data were collected through in-depth interviews, key informant interviews, and observation. A total of 25 participants were selected using purposive sampling to ensure diversity in perspectives, gender balance, and relevance to the study objectives. Participants included local leaders, residents living adjacent to the corridor, corridor workers, youth representatives, business owners, community activists, and city planning officials. These participants provided detailed insights into governance processes, livelihood changes, social impacts, and community engagement. The qualitative data were analyzed using thematic analysis, which involved coding, categorizing, and identifying key themes that emerged from participants' narratives and field observations.

For the quantitative component, data were gathered through a structured survey questionnaire administered to residents directly affected by the corridor development. The target population consisted of approximately 2,500 residents living adjacent to the corridor (Amhara National Regional State Plan Commission Bureau, 2024). Using Yamane's (1967) formula for sample size determination with a 5% margin of error ($e = 0.05$), the required sample size was calculated as follows: $n = N / (1 + N(e^2))$

Margin of error ($e = 0.05$) (5%)

$N = \text{total population} = 2,500$

$n = \text{required sample size} = 2500 / (1 + 2500 * 0.0025)$

$n = 394$ (approx.).

Accordingly, 394 respondents were selected using a simple random sampling technique, ensuring that each affected resident had an equal chance of being included in the study. The quantitative data were analyzed using descriptive statistical methods, including frequencies, percentages, and summary statistics, to identify patterns in demographic characteristics, economic activities, and perceptions of the corridor development.

Ethical considerations were rigorously upheld throughout the research process. Informed consent was obtained from all participants, who were made aware of the study's purpose and the voluntary nature of their involvement. Confidentiality and anonymity were carefully maintained. Clear communication and transparency fostered trust, encouraging meaningful participation and

safeguarding the rights and dignity of the communities involved. To ensure the trustworthiness and validity of the data, triangulation methods were employed, and research tools were pretested.

3. Results

3.1 Demographic information of the participants

The study involved a diverse group of participants categorized into three main groups: In-depth interviewees, key informant interviewees and survey respondents. The in-depth interviewees included corridor workers and community members, comprising 19 individuals aged between 19 and 65 years. This group consisted of 10 males and 9 females, predominantly adhering to Orthodox and Muslim faiths, all identifying themselves as Amharas. Notably, every participant reported being displaced due to corridor development, emphasizing the significant impact of infrastructure projects on local communities.

In addition, the key informant interviewees included six officials, aged 38 to 57 years, with a gender distribution of 4 males and 2 females. This group also reflected a mix of Orthodox and Muslim beliefs, with all participants identifying themselves as Amharas. The inclusion of both community members and officials provides a comprehensive perspective on the implications of corridor development, capturing the experiences of those directly affected as well as insights from decision-makers involved in the process.

Table 1. Demographic information of respondents

	Category	Male	Female	Total
1	Sex	220	174	394
2	Age group			
	18-24	50	30	80
	25-34	60	40	100
	35-44	40	30	70
	45-54	30	25	55
	55-60	20	15	35
	above 60	20	34	54
	Total	220	174	394
3	Educational level			
	Elementary	32	18	50
	12 complete	44	26	70
	TVT diploma	50	30	80
	Degree	68	52	120
	MA Above	30	24	54
	Total	220	174	394

Source: Survey, 2025

Table 1 reveals a predominantly male population, with 220 males (55.8%) compared to 174 females (44.2%), and the age distribution shows a diverse range, with the largest group being young adults aged 25-34 (25.4%), followed by those aged 18-24 (20.3%). Older age groups, specifically those 55 and above, represent a smaller segment of the sample. The analysis of the educational level data from the 394 respondents reveals a diverse range of educational backgrounds. The largest group consists of those with a degree, comprising 30.5% of the respondents (120 individuals), indicating a strong presence of higher educational attainment within the sample. Following this, TVT diploma holders account for 20.3% (80 individuals), suggesting a notable interest in vocational training and technical education. The category of respondents graduating from high school represents 17.8% (70 individuals), while those with an elementary education make up 12.7% (50 individuals). Lastly, the respondents with MA and above constitute 13.7% (54 individuals) of the participants of the study.

3.2. Community level awareness about the objectives of corridor development in Bahir Dar

Table 2: Level of awareness about corridor development

Response	Frequency	Percentage
Very High	25	6.3%
High	54	13.7%
Moderate	158	40.1%
Low	98	24.9%
Very Low	59	15.0%
Total	394	100%

Source: Survey, 2025

The data in Table 2 indicates the participants' various levels of awareness (Table 2) of the significance of corridor development. Of the five levels of awareness, the most significant category is "Moderate level" awareness which accounts for 40.1% of the respondents, indicating that they possess some knowledge about the corridor development project objectives. On the other hand, 6.3% of the respondents reported a "Very High" awareness level, and 13.7% replied they had "High" awareness. Together, these categories represent just 20% of the community, suggesting that a small segment of the population is well-informed about the project's objectives. In contrast, the "Low" (24.9%) and "Very Low" (15.0%) awareness categories combined account for 39.9% of the responses, nearly 40% of the population has limited or no awareness regarding

the corridor development project's benefits and positive impacts. This distribution suggests that a substantial portion of the community approximately 64.9% either lacks awareness or has only a moderate understanding of the benefits associated with corridor development. It highlights a critical gap in communication and engagement, emphasizing the need for improved informational outreach from government officials.

The understandings from the participants also reveal a significant gap in community awareness regarding the objectives and implications of corridor development in the city. While construction is visibly underway, many residents remain uncertain about its purpose and long term benefits. In support of it, informants stated that they did not have knowledge and information about corridor development. As witnessed by the participants, it is a new phenomenon in Ethiopia and most of the community members devalue it considering its drawbacks. Informant 8 stated;

I have heard about new roads and buildings being constructed, but until recent times, I didn't realize it is called corridor development. As a community, we only learn about the construction when it begins, and at times, it comes as a surprise (18)¹.

The insights and statistical data indicated that the project lacks meaningful community engagement and consultation prior to the implementation of development projects. Decisions were mostly made at higher levels without local input or grassroots communication which create lack of sense of ownership of the project. Residents confused corridor development with general road construction or house destruction.

This confusion likely stems from inadequate communication and engagement by local authorities and project stakeholders. An informant states:

I notice the construction happening around me, but I'm not sure why it's taking place. Is the purpose solely to build new roads, or is there more to it? It feels like there's something I'm missing in this situation. I am not comfortable about it. They are building something big, but I don't know the long-term goal or how it helps us...I even believe it is not the time (16)².

This suggests that many perceive the project as merely infrastructural, without understanding its broader goals such as improved mobility, economic development, or urban planning. Similarly, it

¹ Interview with informant 8, 2025

² Interview with informant 6, 2025

highlights a disconnection between the scale of the project and the community's understanding of its intended impact and its timeliness.

Likewise, a youth representative expressed his frustration: "They began digging near our neighbor's property, but no one informed us about the purpose. I only heard and saw what corridor project was on TV and social media" (I4)³. This secondhand source of information and communication highlights a reactive approach to public communication rather than a proactive approach, which creates confusion and grievance with victims of the development project.

This lack of clarity leads to public disengagement and even resistance. When residents do not grasp the rationale behind large scale urban projects, they may experience anxiety, face displacement, loss of property, or disruption to their daily lives. Without clear and honest explanations of the benefits of corridor development project, community members feel alienated and powerless.

In contrast, the participants working in the public sector demonstrated a clearer understanding of the project's goals although this may not be reflected at the grassroots level. A key city planner informant explains:

The primary objective focuses on improving accessibility and efficiency in Bahir Dar by establishing better connections between different city areas and reducing traffic congestion. This involves thoughtful urban planning and infrastructure development. Unfortunately, the importance and benefits of this vision are not clearly communicated to the general public, which may create some confusion (K11)⁴.

The participants' understandings indicated that disconnection exists between officials and community members. This suggests a need for better outreach and engagement strategies from city planners needed to actively inform the community about the benefits and goals of the project, and foster greater public support and participation that can lead to more successful implementation of urban initiatives.

³ Interview with informant 4, 2025

⁴ Interview with key informant 1, 2025

In general, the gap in awareness between community members and government officials reveals a significant disconnect in communication. Community members often feel uninformed, as demonstrated by the participants and in contrast, government officials possess knowledge about ongoing initiatives. This disparity implies a lack of engagement and transparency from officials, which can lead to mistrust and confusion among residents. When information is not shared openly, community members may feel excluded from the decision-making process, fostering a sense of frustration and helplessness.

3.3. Community participation in the decision-making process regarding the corridor development project

Table 3: Respondents' participation in the decision-making process regarding corridor development

Response	Frequency	Percentage
Yes	72	18.3%
No	322	81.7%
Total	394	100%

Source: Survey, 2025

The data on community participation in the decision-making process regarding the corridor development project in the city reveals significant gaps in the participation of community members in the project. Out of a total of 394 respondents, only 72 (18.3%) reported having participated in the decision-making process, while a substantial majority of 322 respondents (81.7%) indicated that they had not been involved. Such low participation suggests that the voices of most residents are not being heard, they are not informed early about the possible demolition of their houses so that they could be psychologically ready for it. This also indicates that community members are not involved in the decision making process regarding compensation for their displacement. This lack of participation not only contributes to feelings of alienation but also undermines trust in the authorities managing the development. By excluding residents from discussions about compensation, officials miss an opportunity to ensure that the community's needs and concerns are adequately addressed, further exacerbating the sense of disconnection between the public and decision-makers.

The qualitative data also illustrate this reality. An informant owning a shop in Bahir Dar city complained:

We only see the work starting. No one came to ask for our opinion or inform us. I live close to one of the new roads for trade, yet I am not included in any discussions or meetings about it. I only see the construction beginning, and no one has reached out to gather my opinion or inform me about the plans (I11)⁵.

This complaint reflects a deep sense of disconnection and frustration regarding the development project. For community members, the onset of construction signifies not just physical changes in their environment but also a lack of inclusion in the decision making process. It creates feelings of alienation, as residents feel their opinions and needs are disregarded. This situation suggests that the projects are perceived as top-down initiatives imposed by authorities, rather than collaborative efforts that consider the community's voice.

In the eyes of the community, such developments may evoke skepticism and mistrust, as they witness changes that directly impact their lives without being part of the dialogue. This perception hinders community support for the project, as residents view it as a disruption, changing history and loss of identity/inheritance rather than an improvement. A youth interviewee supported this idea:

Our kebele leader mentioned that something was coming, but we didn't have any real input. We filled out some forms once, yet we received no feedback or saw our contributions reflected in the plans. This lack of engagement undermines our trust and discourages participation (I13)⁶.

This discontent highlights a significant concern about the lack of genuine engagement in the planning process. Although there was some initial communication from the *kebele* leader, it was superficial and did not allow for meaningful input from the community. The absence of feedback on the forms filled out further exacerbates feelings of exclusion and frustration. This situation reflects a broader issue of ineffective communication that undermines trust and discourages active participation from young community members, ultimately hindering the potential for collaborative development.

⁵ Interview with Informant 11, 2025

⁶ Interview with informant 13, 2025

Similarly, informants involved in urban planning acknowledged this gap. An urban development officer explained, “The discussions usually happen at the bureau level. There’s a gap in linking the public to the actual planning” (KI 2)⁷. This highlights how consultations often focus on technical experts and officials, sidelining the people most impacted by the developments.

Feelings of exclusion were particularly strong among those directly affected by the project. A women participant states:

We would be happy to participate if they included us from the beginning and listened to our ideas. Yet, they made all the decisions, closing their doors, and expect us to adjust. We don’t feel included at all. It is very painful, and some individuals have been so shocked by the decision of displacement that they have committed suicide (I7)⁸.

The statement from Informant 7 reveals a profound sense of alienation and distress within the community. The desire for participation underscores a need for inclusion and respect for residents’ voices in the decision-making processes. The mention of individuals committing suicide in response to displacement decisions highlights the severe emotional and psychological toll that this exclusion can take on vulnerable community members.

This tragic outcome emphasizes the urgent need for authorities to engage with the community in a meaningful way, recognizing the deep impact of their decisions on people's lives. The fear and pain associated with feeling powerless can lead to dire consequences, reinforcing the importance of transparent communication and genuine involvement in development initiatives.

3.4. Economic impacts of corridor development

Local livelihood and income opportunities: The findings reveal both positive and negative economic impacts of corridor development in Bahir Dar, reflecting an uneven distribution of benefits and challenges across the community. Some participants, particularly those with businesses along the new corridors, reported significant improvements. Informant 3, a small shop owner, noted;

Since the road was constructed near my shop, more people pass by, and my sales have improved. In addition to this, the corridor development made transportation easier, so now our customers can buy and sell goods faster and more efficiently (I3)⁹.

⁷ Interview with key informant 2, 2025

⁸ Interview with informant 7, 2025

⁹ Interview with I3, 2025

This statement highlights how improved infrastructure can enhance accessibility, customer flow, and trade efficiency, leading to increased income and business growth.

The participants also expressed optimism about future opportunities. For example, Informant 2 said, “When the road opens, more people would pass by. I believe it would bring more customers to my shop” (I2)¹⁰. Informant 11 also shared plans for expansion, stating, “If things go well, I might even open a new branch near the new road” (I11)¹¹. These responses show that many local entrepreneurs view corridor development as a driver for growth and modernization, particularly in the retail and hospitality sectors.

However, the development has also brought negative consequences, particularly for vulnerable groups. Another informant shared his feeling as:

My house and small food stall were demolished for the road expansion. They gave me some compensation, but it was not enough to restart. We lost our place of work. We used to sell on the roadside, but now it's gone, and no one helped us relocate. In general, big investors are getting richer from the new buildings, but we are being pushed further out (I10)¹².

This testimony reflects the hardship caused by displacement, inadequate compensation, and the lack of relocation support for informal vendors. It also pointed to rising inequality and limited long-term opportunities. This highlights the growing economic divide, as large investors benefit while lower-income residents face marginalization.

Informant 7 added, “I worked on the road construction for a few months, but after that, there was nothing” (I7)¹³. This indicates the short-term nature of employment opportunities linked to infrastructure projects.

Rising costs were also a concern. Informant 13 explained, “After the development, house rent increased. Now, it's hard to afford both housing and running my small business” (I13)¹⁴. This

¹⁰ Interview with I2, 2025

¹¹ Interview with I11, 2025

¹² Interview with I10, 2025

¹³ Interview with I7, 2025

sentiment reflects the fear that corridor development, while bringing more customers, also drives up operational expenses, threatening the sustainability of small enterprises.

Many informal operators expressed fear of eviction. Informant 5 said:

I'm afraid we'll be pushed out. When the area develops, the government might say we can't stay here anymore. We don't have a license. Once development starts, they might remove us. We need legal recognition to survive (I5)¹⁵.

Despite the challenges, many participants hoped for supportive policies. As Informant 6 suggested, “If we are given loans or space to rent at a fair price, then the development would be good for us.”

Residents businesses and economic opportunities

Table 4: Participants responses on effects of corridor development on their businesses

No.	Background	Response	Frequency	Percentage
1.	Displaced due to corridor development and started business in new location	Significantly improved	15	7
		Slightly improved	25	12
		No change	35	17
		Slightly decreased	50	24
		Significantly decreased	45	22
2.	Not displaced and come to the main road due to corridor development	Significantly improved	29	14
		Slightly improved	61	30
		No change	41	20
		Slightly decreased	9	4
3.	Originally along the main road for business and still there	Significantly decreased	11	5
		Significantly improved	24	12
		Slightly improved	53	26
		No change	27	13
		Slightly decreased	0	0
		Significantly decreased	0	0
TOTAL			394	100

Source: Survey, 2025

The above table on the effects of corridor development on businesses reveals significant disparities among respondents with different backgrounds. Among displaced individuals who relocated their businesses, 46% report a decrease in their conditions, with only 19% perceiving any improvement. This indicates that displacement has severely impacted their ability to reestablish livelihoods. In contrast, non-displaced individuals now positioned along a main road experience a generally positive impact, with 44% noting improvements due to increased

¹⁴ Interview with I13, 2025

¹⁵ Interview with I5, 2025

visibility and foot traffic. Similarly, 38% of those previously owning business along a main road report significant or slight improvements, suggesting that their new locations have retained or enhanced business viability.

These findings indicate a complex landscape shaped by corridor development. While corridor development has created opportunities for some, it has also posed substantial challenges for displaced individuals. The contrasting experiences emphasize the necessity for inclusive planning that considers the needs of all community members. A key informant states:

To overcome the challenge of displaced individuals, it is crucial to engage stakeholders in community consultations and implement tailored support programs, ensuring that equitable benefits are derived from urban development initiatives. Ultimately, addressing these disparities can foster a more cohesive community and promote sustainable economic growth for all residents (KI2)¹⁶.

This statement highlights the negative effects of corridor development on the livelihood of displaced people and the necessity of special intervention in addressing adverse effects.

Business relocation or change

Table 5: Activities of businesses since the start of the corridor project

Response Category	Frequency	Percentage
Businesses relocated	152	38.6%
Some businesses closed permanently	84	21.3%
No major changes observed	98	24.9%
Not sure / No response	60	15.2%
Total	394	100%

Source: Survey, 2025

¹⁶ Interview with key informant 2, 2025

The data in Table 5 indicate that the commencement of the corridor project caused a significant impact on local businesses to be relocated (38.6%) as a direct consequence of the corridor development. This suggests that the project has prompted many business centers to adapt to new conditions, potentially in search of better opportunities or to avoid disruption caused by construction activities. Additionally, 21.3% of the respondents indicated that some businesses have closed permanently, reflecting a concerning trend that underscores the challenges faced by certain businesses. This closure rate points to the potential negative repercussions of corridor development, which may have rendered some locations unsustainable. On the other hand, 24.9% of the participants observed no major changes in the activities of businesses, suggesting that a segment of the community remains unaffected by the project, at least in the short term. However, the 15.2% of the respondents who were unsure or provided no response indicates a lack of clarity or information about the project's impacts.

Generally, the data present a mixed picture of the corridor project's effects on businesses. While some businesses are actively relocating and adapting, others face permanent closure, highlighting the need for supportive measures to assist affected businesses and ensure a smoother transition during the development process. Engaging with the community to provide resources and information can help mitigate negative impacts and foster resilience among local enterprises.

Qualitative data provided deeper insights into these trends. Some business owners experienced positive outcomes following relocation. Informant 3, a shop owner, said, “My shop was moved from the old place to the new market area. It’s better for my business because more people pass by,” indicating improved customer access in the new location.

However, other participants reported negative consequences. Informant 8 stated,

Businesses such as street coffee vendors and shoeshiners around the construction site have been forced to relocate to make way for the new road. Old vendors had to close down because they couldn't afford the new rent or didn't have a place to move to (I8)¹⁷.

This statement highlights the economic strain caused by displacement and inadequate support. Disruption during construction also impacted business activities. Participant 4 noted, “Smaller shops closed for good because the construction drove customers away.” Even after relocation,

¹⁷ Interview with informant 2, 2025

not all businesses thrived. Participant 10 explained, “The new area has fewer customers. It’s hard to keep up,” and Participant 12 also confirmed that not all relocated businesses were doing well.

3.6. Corridor development and community’s perception of job opportunities

Table 6: Corridor development and job opportunities

Response Category	Frequency	Percentage
Increase employment opportunities	160	40.6%
Support self-employment	78	19.8%
Make no difference	90	22.8%
Cause job displacement	42	10.7%
Have no idea / Uncertain	24	6.1%
Total	394	100%

Source: Survey, 2025

The data in Table 6 show community perceptions of corridor development and its impact on job opportunities and reveals a predominantly positive outlook. A significant proportion of the respondents, 40.6%, believe that corridor development will increase employment opportunities, indicating optimism about potential job creation. Additionally, 19.8% support the notion that it could foster self-employment, suggesting that residents see possibilities for entrepreneurial ventures in the newly developed areas. However, there is a noteworthy proportion of the community (22.8%) who feel that the corridor development will make no difference to their employment situation. These mixed responses highlight a degree of skepticism among some residents regarding the potential benefits of the development.

Conversely, concerns about negative outcomes are also present, with 10.7% of respondents fearing job displacement due to the changes caused by corridor development. Furthermore, 6.1% of individuals expressed uncertainty or lack of knowledge about the project's implications for employment.

These findings illustrate that while many community members are hopeful for increased job opportunities, there is a clear need for ongoing communication and engagement to address

concerns and uncertainties. To maximize the benefits of corridor development, it is essential to implement strategies that not only create jobs but also mitigate potential negative impacts on existing employment, ensuring that all community members can benefit from the changes.

3.7. Community perceptions of corridor development, its sustainability and benefits

Table 7: Agreement about corridor development, its sustainability and benefits

Responses	Frequency	Percentage
Strongly Agree	58	14.7%
Agree	142	36.0%
Neutral	96	24.4%
Disagree	68	17.3%
Strongly Disagree	30	7.6%

Source: Survey, 2025

Table 7 reveals varied community perceptions regarding the sustainability and long-term benefits of corridor development. The findings reveal mixed perceptions about the sustainability of the corridor development projects in Bahir Dar. A majority (50.7%) of the respondents expressed positive views, with 14.7% "strongly agreeing" and 36.0% "agreeing" that the project is beneficial and sustainable. This optimism is largely tied to expectations of improved infrastructure and increased business opportunities. Meanwhile, 24.4% were "neutral," indicating uncertainty or limited awareness of the projects' long-term benefits.

However, 24.9% held negative views, with 17.3% "disagreeing" and 7.6% "strongly disagreeing" that the development will be beneficial. Concerns around displacement, rising costs, and lack of community involvement appear to fuel this skepticism.

Qualitative insights deepen this understanding. Some participants were hopeful about the projects' long-term impact. Key Informant 4¹⁸, a civil servant, believed the development could benefit future generations if managed properly. He believed that the corridor development has potential in attracting investment and jobs.

¹⁸ Interview with key informant 4, 2025

However, others expressed concern over poor planning and exclusion. Key Informant 3¹⁹, a youth representative, was worried about the lack of attention to maintenance and environmental planning. He highlighted the absence of relocation plans for low-income groups. He also criticized the neglect of green infrastructure, the projects’ inclusivity and transparency, stating, they haven’t told us the full plan. Yet, key Informant 5, an urban planner, emphasized that with proper governance and public engagement, the projects could succeed. In general, sustainability hinges on transparency, equity, and community participation (KI5)²⁰.

Table 8: Level of satisfaction on corridor development compensation systems

Response	Frequency	Percentage
Very Satisfied	32	8.1%
Satisfied	64	16.2%
Neutral	78	19.8%
Dissatisfied	116	29.4%
Very Dissatisfied	104	26.4%
Total	394	100%

Source: Survey, 2025

The findings reveal widespread dissatisfaction with the compensation system related to the corridor development in Bahir Dar. A significant majority (55.8%) of the respondents reported dissatisfaction or very high dissatisfaction, while only 24.3% expressed some level of satisfaction. This suggests that the compensation process has been a major point of contention. A small number of participants shared positive experiences, highlighting timely responses and fair compensation. Informant 2²¹, said, “The process was clear, and they provided enough to move my shop to a new location.” Similarly, Informant 4 noted, the following;

Although there were some delays, the compensation helped me start again. The process had both strengths and weaknesses. The government gave us something, but it wasn’t enough to make me feel fully satisfied. Delays were a common concern even among those who didn’t express strong dissatisfaction (I4)²².

However, the majority voiced significant frustration. Informant 10 stated:

¹⁹ Interview with key informant 3, 2025

²⁰ Interview with key informant 5, 2025

²¹ Interview with informant 2, 2025

²² Interview with informant 4, 2025

The compensation was not enough to cover my losses. The process took too long, and I'm still struggling. More extreme dissatisfaction is linked to perceived broken promises and lack of transparency. Thus, I had to relocate my business at my own expense and didn't receive a penny (I10)²³.

While a few residents were content with the process, most found it inadequate citing unfair amounts, delays, and lack of support. These issues have deepened mistrust and dissatisfaction with the development projects.

3.8. Social impacts of corridor development in Bahir Dar City

The analysis of the social impacts of corridor development reveals a complex mix of benefits and challenges. On one hand, some participants noted that the new infrastructure enhances social interaction. Open corridors have created workable spaces that promote networking, community engagement, and informal gatherings, which were previously limited.

However, many respondents expressed serious concerns about the loss of established social ties due to displacement. Informant 14²⁴ said, "We are displaced from our social capitals, associations, *iddirs*, and *equibs*," reflecting how relocation disrupted cultural social safety nets. Others described feeling isolated and disconnected after being moved away from familiar neighbors and communal structures.

The emotional and psychological toll of this disruption is significant. Some respondents linked the loss of social and economic stability to increased stress and anxiety. Informant 2²⁵ shared a particularly distressing account: "Not only did we lose our social capitals, but we also lost our economic bases... at least three persons committed suicide."

These contrasting experiences highlight the dual impact of corridor development, while it can foster new forms of connection; it also risks eroding deeply rooted social fabrics.

²³ Interview with informant 10, 2025

²⁴ Interview with informant 14, 2025

²⁵ Interview with informant 2, 2025

4. Discussion

The findings of this study on corridor development in Bahir Dar city reveal a multidimensional pattern of transformation, wherein infrastructural modernization intersects with social restructuring and differentiated economic outcomes. These results align with previous research by confirming and extending established debates in urban development literature. It is consistent with broader scholarship on infrastructure-led urban renewal, such as that by Schindler (2021), the corridor project functions as an engine of spatial integration and economic dynamism while simultaneously generating social disruption and distributive tensions.

A critical finding of this study is the limited awareness and participation of residents in both the planning and implementation phases of urban development initiatives. The participants reported inadequate consultation and minimal involvement in decision-making, suggesting that the community's voice is not sufficiently integrated into the development framework. This disconnect undermines the effectiveness and sustainability of such initiatives, as strategies that do not align with community needs may exacerbate feelings of disenfranchisement and marginalization. This pattern resonates with Arnstein's (1969) conceptualization of participation as a ladder ranging from manipulation to citizen control. The experiences in Bahir Dar reflect forms of participation that are largely consultative rather than empowering, reinforcing the argument that meaningful participation is foundational to socially sustainable urban transformation.

In comparison with the literature on development-induced displacement, the social consequences observed in Bahir Dar resonate strongly with Cernea's (1997) Impoverishment Risks and Reconstruction model. The participants' concern about disrupted neighborhood ties and weakened mutual support systems echo Cernea's identification of social disarticulation as a core risk of infrastructural development. Similar findings documented in urban corridor projects highlight how physical upgrades can alter community configurations, leading to fragmented social networks (Gashu & Gebre-Egziabher, 2018). Yet, this study also reveals a nuanced dimension: while some residents experienced loss and fragmentation, others reported improved connectivity and expanded social interactions due to enhanced mobility. This duality suggests that corridor development produces differentiated social outcomes influenced by pre-existing social capital, residential stability, and economic positioning.

The findings of the present study align with Baker's (2012) critique that the social dimension of sustainable development is often underemphasized in urban planning practice. Like Baker's systematic review, this study shows that planning discourse tends to prioritize physical infrastructure, traffic flow, and economic performance, while everyday lived experiences receive limited attention. Bahir Dar residents' narratives about community disruption, affordability pressures, and adaptation challenges demonstrate that sustainability must be evaluated not only through structural improvements but also through lived realities. Thus, the study reinforces the necessity for socially grounded sustainability assessments.

Economically, the study's findings partially affirm the growth-oriented arguments presented by McKinsey and Company (2014), which link infrastructure expansion to enhanced productivity and market growth. In Bahir Dar, improved accessibility has increased customer circulation and enhanced business visibility for certain enterprises, corroborating observations from other corridor development initiatives (Rodrigue, 2020). However, this study also highlights a familiar pattern of uneven distribution; while formal businesses and capital-rich investors gain from improved infrastructure, informal traders and small-scale operators encounter rising rents, displacement pressures, and intensified competition (Zewudu, 2014).

This inequity is consistent with the analysis of African urban transformation by Parnell and Pieterse (2010), who argue that modernization projects frequently exacerbate socio-spatial inequality. The findings in Bahir Dar illustrate how corridor development facilitates capital concentration while marginalizing vulnerable groups. The trend wherein larger investors benefit economically while lower-income residents face insecurity reflects broader structural patterns identified in comparative urban studies. Thus, this research substantiates earlier findings that infrastructure-led development can exacerbate inequality when not accompanied by protective and redistributive policies.

The equity implications of these findings align with the principles articulated in United Nations (2016) frameworks on inclusive urban development, which emphasize that sustainable cities require equitable access to opportunities and protections against displacement. The case of Bahir Dar illustrates the inherent tension between urban competitiveness and social inclusion, reinforcing the need for distributive justice mechanisms in planning. Comparatively, contexts

where equity safeguards were embedded in redevelopment strategies demonstrate more favorable outcomes, unlike the limited mitigation measures reported by the respondents in this study.

Regarding long-term sustainability, the study reveals ambivalent perceptions among residents. While optimism exists regarding improved infrastructure and potential economic growth, there are persistent concerns about affordability, social cohesion, and equitable distribution of benefits. This mirrors broader theoretical arguments advanced by Satterthwaite (2010), who emphasizes that sustainable urban development necessitates balancing economic growth with social equity and environmental responsibility. The mixed perceptions observed in Bahir Dar are consistent with findings from other rapidly transforming cities, where residents acknowledge infrastructural benefits but question their durability and inclusiveness (Hobbs & Bignoli, 2021).

In a comparative perspective, the Bahir Dar corridor project embodies patterns extensively documented in the urban development literature, demonstrating limited public participation, displacement-related social restructuring, growth accompanied by inequality, and contested sustainability outcomes. However, this study contributes valuable context-specific insights by illustrating how these dynamics manifest in a rapidly expanding secondary city in Ethiopia, where informal economies and tightly-knit community networks are central.

In general, while corridor development in Bahir Dar presents opportunities for economic growth and infrastructure improvement, it concurrently reinforces social inequalities and disrupts established community networks. Addressing these challenges necessitates inclusive planning, transparent communication, and equitable compensation mechanisms to ensure that the benefits of development reach all sections of society. A balanced approach focusing on social equity and community engagement will be essential for the sustainable urban development of Bahir Dar city.

5. Conclusions

The corridor development project in Bahir Dar city has brought both opportunities and challenges to the local community, economy, and housing conditions. While the initiative has led to new opportunities for business and better market access, many residents have not experienced

meaningful economic improvement. Many of the research participants experienced hardship due to displacement and loss of income, leading to unevenly distributed benefits.

In terms of employment, the participants expected job growth from the projects. However, concerns persist about job losses, especially among individuals whose businesses were closed or relocated. This contrast highlights the need for inclusive planning that considers the varying impacts across different socio-economic groups.

Housing has also been significantly affected. While some residents welcomed improved infrastructure, others faced rising rents, displacement, and property damage. Lower-income households have been particularly vulnerable, often losing access to affordable housing and facing the threat of gentrification. The compensation process has also been a major concern. Though a few participants were satisfied, the majority expressed dissatisfaction due to insufficient compensation, delays, and lack of transparency. This shows an urgent need for a fair, timely, and accessible compensation system.

In conclusion, the corridor development has produced mixed outcomes enhancing infrastructure and opportunities for some, while causing economic and social strain for others. For future success, policymakers must prioritize equitable benefit distribution by strengthening community engagement, improving compensation mechanisms, and ensuring access to affordable housing. A balanced, inclusive approach will be vital for sustainable urban development in Bahir Dar city.

Based on the findings of the study, several key recommendations are proposed to maximize the positive impacts of corridor development in Bahir Dar city while minimizing its negative effects. First, the government should implement a transparent and fair compensation system. This must include timely, adequate compensation for property loss, relocation, and income disruption. Clear guidelines and communication are essential to ensure all affected individuals are informed and supported.

Meaningful community engagement is also crucial. Regular consultations, public forums, and surveys should be conducted to include residents in planning and decision-making. This fosters trust, ownership, and better project outcomes. Affordable housing must be prioritized to prevent displacement. Policies such as rent control, subsidized housing, and incentives for affordable

development will help low-income residents stay in their communities.

Inclusive livelihood strategies are also needed, including job creation, fair wages, and skills training programs tailored to emerging opportunities. Partnerships with educational institutions and NGOs can support this. In addition, targeted support for vulnerable groups such as women, youth, and informal workers should be a priority. This includes financial aid, relocation assistance, and business recovery programs.

Finally, ongoing monitoring, transparent communication, and collaboration between stakeholders are essential. A multi-stakeholder taskforce can help ensure social equity and sustained development outcomes for all community members.

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