

# Determinants and Dimensions of Private Investment in Fitch Town, Oromia Regional State, Ethiopia

Shankar Raman R<sup>1</sup>, Venkatesh Andavar<sup>2</sup>

<sup>1</sup>Assistant professor, Data analytics, Lead College (autonomous)

<sup>2</sup>Associate professor, Marketing, Lead college (autonomous)

## Abstract

Private investment plays a central role in stimulating economic growth, employment generation, and structural transformation in developing countries. Despite possessing considerable natural and human resources, Fitch town in Oromia regional state has experienced relatively low levels of private investment. This study aimed to identify the determinants and dimensions of private investment and examine the major obstacles affecting investment activities in Fitch Town, Ethiopia. Methodology: The study employed a descriptive research design using both primary and secondary data sources. Data were collected through structured questionnaires and key informant interviews involving 30 private investors and 20 experts from investment-related institutions. Descriptive analysis and qualitative interpretation were utilized to examine the major investment sectors and the factors affecting investment activities. The study focused on economic, institutional, socio-cultural, political, and geographical determinants of investment. Findings: The results indicate that agriculture, manufacturing, agro-processing, hotel and tourism, education, and health services constitute the major areas of private investment in Fitch town. The development of these sectors is influenced by several factors, including inadequate infrastructure, limited access to bank credit, bureaucratic procedures, weak promotional mechanisms, shortage of skilled labour, and institutional inefficiencies. Infrastructure deficiency and limited financial accessibility emerged as the most serious constraints affecting investment expansion. Conclusion: The study concludes that improving infrastructure, simplifying administrative procedures, strengthening investment promotion, expanding access to finance, and enhancing institutional efficiency are essential to creating a favourable investment climate in Fitch Town. Policy interventions aimed at addressing these constraints can contribute significantly to employment creation and sustainable economic development.

**Keywords:** Private investment, Investment determinants, Investment climate, Infrastructure, Ethiopia, Fitch Town.

## 1. Introduction

Private investment has long been recognized as one of the most important drivers of

Published: 30 June 2026

DOI: <https://doi.org/10.70558/IJSSR.2026.v3.i3.301177>

Copyright © 2026 The Author(s). This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0).

economic growth and structural transformation in both developed and developing countries. Investment facilitates capital accumulation, expands productive capacity, promotes technological advancement, creates employment opportunities, impacts on tax revenue for governance and contributes to poverty reduction. In developing economies, where public resources are often inadequate to support rapid industrialization, the private sector plays a significant role in mobilizing resources and stimulating sustainable economic development. Private investment can be referred as the expenditures that are made to increase or maintain the stock of productive capital such as factories, machinery, and business facilities. Through expansion of productive activities, investment contributes directly to increased output and improved standards of living in the region of its active contribution and utilization. The effectiveness of investment activities, however, depends on the availability of suitable economic, institutional, political, and infrastructural conditions in the region. Across many African countries, private investment has remained below its potential because of inadequate infrastructure, financial constraints, weak institutions, policy uncertainty, and limited market opportunities. Although governments have introduced various reforms to encourage private sector participation, many regions continue to experience uneven investment distribution. However, it can be found that investment activities are often concentrated in areas where infrastructure, access to finance, skilled labour, and market opportunities are relatively more developed.

Ethiopia has implemented several economic reforms aimed at promoting private sector development and attracting domestic and foreign investment. Following the introduction of market-oriented reforms in the early 1990s, the government established investment policies, incentive mechanisms, and institutional arrangements designed to facilitate private investment. The Ethiopian Investment Commission and various investment proclamations have attempted to improve the investment climate and expand opportunities across different sectors. These reforms have contributed to the growth of manufacturing, agriculture, service industries, and agro-processing sectors. Despite these efforts, private investment development remains uneven across regions and towns due to various reasons. Several areas with abundant natural and human resources have not fully utilized their economic potential. Fitch Town, located in North Shewa Zone of Oromia Regional State, possesses considerable opportunities for investment in agriculture, agro-processing, manufacturing, education, tourism, health services, trade and commercial activities. Nevertheless, investment growth in the town has been constrained by numerous challenges, including inadequate infrastructure, limited access to credit, bureaucratic procedures, weak institutional support, shortage of skilled manpower, social security concerns and insufficient investment promotion mechanisms. And, the corruption related issues for the invest attraction also cannot be ignored, (Tafa and Worku, 2021). Understanding the factors that determine investment decisions and identifying the major constraints affecting investors are therefore essential for policymakers and development planners. A comprehensive assessment of these determinants provides valuable insights into improving the investment climate and promoting balanced regional development.

This study examines the determinants and dimensions of private investment in Fitch Town, Oromia Regional State, Ethiopia. Specifically, it investigates the major investment activities

undertaken in the town, identifies the factors influencing private investment, and analyses the obstacles that hinder investment expansion. The findings are expected to provide useful information for policymakers, investment authorities, and development stakeholders in designing strategies that promote sustainable economic growth and enhance private sector participation.

### **1.1 Problem Statement**

Private investment constitutes one of the major pillars of economic growth and development through employment generation, technological advancement, and expansion of productive capacity. In developing economies, private sector participation is increasingly regarded as an essential instrument for accelerating industrialization, improving competitiveness, and reducing poverty. Consequently, governments have introduced various policies and incentive mechanisms aimed at creating favourable conditions for investors. Despite these efforts, many regions continue to experience relatively low levels of private investment due to economic, institutional, infrastructural, and administrative challenges.

In Ethiopia, private investment has been recognized as a key driver of economic transformation. Over the past three decades, several policy reforms have been introduced to liberalize the economy and encourage private sector participation. Nevertheless, investment performance remains uneven across regions and sectors. Many urban centres with substantial resource potential continue to experience limited investment growth, thereby restricting their contribution to local economic development and employment creation.

Fitche Town is one of the emerging towns in the Oromia Regional State with considerable opportunities for investment in agriculture, manufacturing, agro-processing, education, health services, hotel and tourism industries. However, despite the availability of these opportunities, investment activities in the town have not expanded at the desired level. Investors encounter numerous challenges, including inadequate infrastructure, limited access to finance, bureaucratic procedures, shortage of skilled labour, weak investment promotion mechanisms, and insufficient institutional support. These constraints have negatively affected the establishment, operation, and expansion of private enterprises.

Previous studies conducted in Ethiopia have primarily focused on macroeconomic determinants of private investment at the national or regional levels, while limited empirical attention has been devoted to local investment environments and specific challenges faced by investors in emerging towns. In addition, there is a lack of comprehensive studies examining the dimensions of private investment activities and the obstacles influencing their growth in Fitche Town. Consequently, policymakers and investment authorities have insufficient information regarding the specific factors affecting investment development in the area.

Therefore, this study seeks to examine the determinants and dimensions of private investment in Fitche Town, Oromia Regional State, Ethiopia. Specifically, the study investigates the major investment activities existing in the town, identifies the factors influencing investment decisions, and assesses the principal constraints hindering investment development. The findings are expected to provide practical insights for policymakers and investment

stakeholders to formulate appropriate strategies aimed at improving the investment climate and promoting sustainable economic growth.

## **2. Literature Review**

### **2.1 Theoretical Perspective of Private Investment**

Investment occupies a central position in economic theory because it serves as a catalyst for economic growth and structural transformation. Theories of investment have evolved over time, giving rise to several approaches, including the accelerator theory, neoclassical theory, Tobin's q theory, and profit-based investment models.

The accelerator theory argues that investment depends primarily on changes in output demand. An increase in output generates the need for additional productive capacity, thereby stimulating investment activities. The neoclassical model emphasizes the importance of interest rates, capital costs, and expected profitability in determining investment decisions. Tobin's q theory suggests that firms invest when the market value of capital exceeds its replacement cost. These theories collectively imply that investment behaviour is influenced by both macroeconomic and institutional conditions.

### **2.2 Private Investment in Africa**

Private investment remains one of the most important determinants of economic growth across African countries. However, many economies on the continent continue to experience low levels of domestic investment due to inadequate infrastructure, financial constraints, policy instability, and weak institutions.

Agu (2015), in a study conducted in Nigeria, found that income growth and savings positively influence private investment, while high lending rates and macroeconomic instability discourage investment expansion. Similarly, Mlambo and Oshikoya (2001) concluded that fiscal deficits, exchange rate instability, and limited access to domestic credit explain the weak investment performance observed in many African countries.

Anyanwu (2006) identified several factors constraining investment in Africa, including underdeveloped financial markets, corruption, weak governance, political uncertainty, inadequate infrastructure, and poor institutional quality. These factors increase transaction costs and discourage both domestic and foreign investors.

Bigsten and Söderbom (2006) observed that uncertainty and lack of market opportunities represent more significant constraints than access to credit in many African economies. Their findings indicate that small enterprises are particularly affected by financial limitations and weak export opportunities.

### **2.3 Private Investment in Ethiopia**

Since the introduction of market-oriented reforms during the early 1990s, Ethiopia has implemented numerous policy measures aimed at promoting private investment. Investment proclamations and institutional reforms have facilitated the participation of domestic and foreign investors in various sectors of the economy.

Workie (2001) reported that lack of infrastructure, bureaucratic procedures, inadequate power supply, and limited access to finance are among the major constraints affecting private investment in Ethiopia. Similarly, Dawit (2010) identified managerial capacity, accounting systems, and government support as factors contributing to business success, while inflation, shortage of skilled labor, and infrastructure deficiencies were found to hinder investment growth.

Ambaye, Berhanu, and Abera (2014) showed that exchange rate appreciation and inefficient allocation of credit negatively affect private investment. Their findings emphasize the importance of maintaining favorable macroeconomic conditions to stimulate investment activities.

Tigist Waktole and Mekonnen Bogale (2018) investigated the determinants of private investment growth in Jimma City and found that access to finance, infrastructure availability, market opportunities, and institutional support significantly influence investment performance.

## **2.4 Empirical Review**

Several empirical studies have examined the determinants of private investment in developing economies. Kironji (2006) found that GDP growth positively influences private investment in Kenya, while infrastructure deficiencies and financial repression negatively affect investment performance.

Tesfaye Eresso Gofe (2018) emphasized that investment plays a critical role in increasing productive capacity, generating employment, and improving standards of living. The study concluded that countries with high investment rates tend to achieve faster economic growth than countries with low investment rates.

Olga Kosma (2015) argued that investment contributes significantly to economic development through expansion of productive assets and technological progress. The study further noted that fluctuations in investment expenditure strongly affect employment and national income.

Overall, previous studies indicate that economic factors, institutional efficiency, infrastructure availability, access to finance, government support, and political stability are among the most important determinants of private investment. However, the specific influence of these factors varies across countries and localities, thereby necessitating location-specific studies such as the present investigation in Fitch Town.

## **2.5 Conceptual Framework**

Private investment decisions are influenced by a combination of economic, institutional, socio-cultural, political, and geographical factors. These factors collectively determine the establishment, operation, and expansion of investment activities. Based on the theoretical and empirical literature, the conceptual framework of this study assumes that private investment activities in Fitch Town are dependent upon the quality of infrastructure, access to finance, institutional efficiency, political stability, market opportunities, and socio-cultural conditions.

## **Independent Variables**

- Economic factors
  - Access to credit
  - Interest rates
  - Market opportunities
  - Inflation
- Institutional factors
  - Government support
  - Bureaucratic procedures
  - Investment promotion mechanisms
- Political factors
  - Policy stability
  - Regulatory environment
- Socio-cultural factors
  - Entrepreneurial culture
  - Skilled labor availability
- Geographical factors
  - Infrastructure
  - Transportation facilities
  - Accessibility to markets

## **Dependent Variable**

- Private investment development and expansion

The study assumes that favourable conditions in these dimensions contribute positively to investment growth, while deficiencies hinder investment performance.

## **3. Objectives of the Study**

### **3.1 General Objective**

The general objective of this study is to assess the determinants and dimensions of private investment in Fitch Town, Oromia Regional State, Ethiopia.

### **3.2 Specific Objectives**

The specific objectives of the study are:

1. To identify the major types of investment activities operating in Fitch Town.
2. To examine the major factors determining private investment activities.
3. To investigate the principal obstacles affecting the establishment and expansion of private investment in the town.

## **4. Research Methodology**

### **4.1 Research Design**

The study employed a descriptive research design. Descriptive research is appropriate because it enables the researcher to examine existing conditions and describe the factors affecting private investment activities. The design provides opportunities to collect quantitative and qualitative information concerning investors' experiences and perceptions.

### **4.2 Sources of Data**

Both primary and secondary data sources were utilized. Primary data were collected through structured questionnaires and interviews, while secondary information was obtained from government reports, investment offices, published journals, books, and official documents.

### **4.3 Population and Sampling Techniques**

The study involved private investors operating in different sectors of Fitch Town and experts from relevant governmental institutions. A total of fifty respondents participated in the study, comprising thirty investors and twenty officials from investment-related organizations.

Stratified sampling was employed to categorize investors according to their sectors, while purposive sampling was used to select knowledgeable experts for key informant interviews.

### **4.4 Methods of Data Collection**

Structured questionnaires and interviews constituted the major data collection instruments. These methods enabled the researcher to obtain information concerning investment activities, institutional challenges, and factors affecting investment decisions.

### **4.5 Methods of Data Analysis**

The collected data were analysed using descriptive statistical techniques. Frequencies, percentages, tables, and narrative descriptions were employed to interpret the findings. Qualitative information obtained through interviews was analysed thematically and integrated with quantitative results.

## **5. Results and Discussion**

### **5.1 Distribution of Major Investment Activities**

Table 1 presents the major sectors in which private investors operate in Fitch Town.

**Table 1. Major Investment Sectors in Fitch Town**

S. No	Sector	Percentage (%)
1	Agriculture	28
2	Manufacturing	24
3	Agro-processing	16
4	Hotel and Tourism	14
5	Education	10
6	Health Services	8
7	Total	100

The findings indicate that agriculture and manufacturing represent the dominant investment activities. Agriculture accounts for 28% of the total investment activities, followed by manufacturing (24%). Hotel and tourism activities constitute 14%, while education and health sectors account for relatively smaller proportions. This distribution demonstrates that private investment in Fitch Town remains concentrated in productive sectors capable of generating employment opportunities and promoting local economic development.

## 5.2 Major Determinants of Private Investment

Table 2 summarizes the major factors influencing private investment activities.

**Table 2. Major Determinants of Private Investment**

S. No	Determinants	Percentage (%)
1	Infrastructure availability	30
2	Access to finance	25
3	Market opportunities	18
4	Government support	12
5	Political stability	8
6	Skilled labor availability	7
7	Total	100

Infrastructure availability emerged as the most influential determinant, accounting for 30% of responses. Access to finance constituted the second most important factor, representing 25% of responses. Investors emphasized that transportation facilities, electricity supply, and communication infrastructure significantly affect business operations and expansion decisions.

### 5.3 Major Obstacles Affecting Investment Activities

**Table 3. Major Constraints Faced by Investors**

S. No	Constraints	Percentage (%)
1	Lack of infrastructure	32
2	Limited access to bank loans	25
3	Bureaucratic procedures	16
4	Shortage of skilled manpower	12
5	Weak promotional support	9
6	Market uncertainties	6
7	Total	100

The findings reveal that inadequate infrastructure is the most serious challenge affecting private investment. Limited access to finance and bureaucratic procedures also represent significant barriers to business expansion. Similar observations have been reported in previous studies conducted in Ethiopia and other African countries.

### 5.4 Institutional Support and Investment Promotion

**Table 4. Investors' Perception of Institutional Support**

S. No	Response	Frequency	Percentage (%)
1	Satisfactory	9	18
2	Moderate	17	34
3	Unsatisfactory	24	48
4	Total	50	100

Nearly half of the respondents expressed dissatisfaction regarding institutional support and investment promotion mechanisms. The findings suggest that administrative inefficiencies and inadequate promotional activities discourage potential investors and limit expansion opportunities.

## 6. Discussion of Findings

The findings indicate that private investment in Fitch Town is largely concentrated in agriculture and manufacturing sectors. These sectors contribute significantly to employment

generation and economic development. However, their growth potential is constrained by inadequate infrastructure and financial limitations.

The importance of infrastructure identified in this study supports the findings of Workie (2001), who reported that transportation facilities, electricity supply, and communication networks are essential prerequisites for investment development. Similarly, the significance of access to finance corresponds with the studies of Bigsten (2003) and Tigist Waktole and Mekonnen Bogale (2018), which emphasized the role of financial accessibility in promoting business growth.

Institutional inefficiencies and bureaucratic procedures continue to affect investment activities negatively. Investors experience delays in obtaining licenses and accessing support services. Such conditions increase transaction costs and reduce competitiveness.

Overall, the study demonstrates that the development of private investment depends upon the interaction of economic, institutional, and infrastructural factors. Improving these conditions would significantly enhance the investment climate and stimulate sustainable economic growth in Fitch Town.

## **7. Conclusion**

Private investment represents one of the principal mechanisms through which economic growth, employment generation, and structural transformation can be achieved in developing countries. The present study examined the determinants and dimensions of private investment in Fitch Town, Oromia Regional State, Ethiopia. The findings indicate that agriculture, manufacturing, agro-processing, hotel and tourism, education, and health services constitute the major sectors attracting private investors in the town.

The study further revealed that investment activities are influenced by several interrelated factors, including infrastructure availability, access to finance, market opportunities, government support, political stability, and the availability of skilled labor. Among these factors, infrastructure development and financial accessibility were found to have the greatest influence on investment decisions.

Despite the availability of investment opportunities, investors continue to encounter numerous challenges. Inadequate infrastructure, limited access to credit facilities, bureaucratic procedures, shortage of skilled manpower, and weak investment promotion mechanisms were identified as the major obstacles affecting investment expansion. Institutional inefficiencies and administrative delays further discourage investors and increase the cost of doing business.

Overall, the study concludes that improving the investment climate through enhanced infrastructure development, efficient institutional support, and better access to financial resources is essential for promoting sustainable private sector growth and accelerating economic development in Fitch Town.

## **8. Recommendations**

Based on the findings of the study, the following recommendations are proposed:

### **8.1 Infrastructure Development**

The government should prioritize the development of basic infrastructure, including road networks, electricity supply, telecommunications, and water facilities. Improved infrastructure will reduce production costs and enhance the attractiveness of Fitch Town to investors.

### **8.2 Improving Access to Finance**

Financial institutions should expand credit facilities and introduce flexible lending mechanisms to encourage private investment. Access to affordable loans will enable entrepreneurs to establish and expand businesses.

### **8.3 Strengthening Institutional Efficiency**

Government agencies responsible for investment administration should simplify bureaucratic procedures and provide efficient services. Reducing delays and administrative barriers can significantly improve investor confidence.

### **8.4 Enhancing Investment Promotion**

Investment offices should strengthen promotional activities through information dissemination, awareness programs, and regular engagement with investors. Providing updated information regarding investment opportunities and incentives can attract additional investments.

### **8.5 Human Capital Development**

The government and educational institutions should collaborate to improve technical and managerial skills among the labor force. Availability of skilled manpower is essential for increasing productivity and enhancing competitiveness.

### **8.6 Policy Stability**

Stable and transparent policies should be maintained to create a predictable business environment. Policy consistency encourages both domestic and foreign investors to undertake long-term investments.

### **Practical Implications**

The findings of this study provide useful insights for policymakers, development planners, and investment authorities. Addressing infrastructural deficiencies, improving institutional effectiveness, and facilitating access to financial resources can enhance private sector participation and contribute to sustainable economic development in emerging urban centers.

### **Future Research Directions**

Future studies should employ econometric models and larger samples to investigate the relative importance of macroeconomic and institutional variables affecting private investment in Ethiopia. Comparative studies involving different towns and regions may also provide broader insights into investment dynamics and regional disparities.

## References

- Acosta, P., & Loza, A. (2005). *Short and long run determinants of private investment in Argentina*. *Journal of Applied Economics*, 8(2), 389–406. <https://doi.org/10.1080/15140326.2005.12040634>
- Agu, C. (2015). *Determinants of private investment in Nigeria*. *African Development Review*, 27(2), 90–103. <https://doi.org/10.1111/1467-8268.12138>
- Alemu, K. (2022). *Ascertaining the determinants of private investment in Ethiopia*. *Research Journal of Finance and Accounting*, 13(9), 35–48. <https://doi.org/10.7176/RJFA/13-9-04>
- Ambaye, T., Berhanu, A., & Abera, M. (2014). *Determinants of domestic private investment in Ethiopia*. *Ethiopian Journal of Economics*, 23(1), 45–66.
- Anyanwu, J. C. (2006). *Promoting investment in Africa*. *African Development Review*, 18(1), 42–71.
- Arestis, P., & Demetriades, P. (1997). *Financial development and economic growth*. *Economic Journal*, 107(442), 783–799. <https://doi.org/10.1111/j.1468-0297.1997.tb00043.x>
- Babatunde, M. A. (2011). *A bound testing analysis of Wagner's law in Nigeria*. *Applied Economics*, 43(21), 2843–2850. <https://doi.org/10.1080/00036840903425012>
- Badawi, A. (2004). *Private capital formation and macroeconomic policies in Sudan*. University of Khartoum.
- Barro, R. J. (1991). *Economic growth in a cross-section of countries*. *Quarterly Journal of Economics*, 106(2), 407–443. <https://doi.org/10.2307/2937943>
- Bedhiye, F. M., & Singh, L. (2022). *Fiscal policy and private investment in developing economies: Evidence from Ethiopia*. *African Journal of Science, Technology, Innovation and Development*, 14(7), 1719–1733. <https://doi.org/10.1080/20421338.2021.1982664>
- Bigsten, A. (2003). *Credit constraints in manufacturing enterprises in Africa*. *Journal of African Economies*, 12(1), 104–125.
- Bigsten, A., & Söderbom, M. (2006). *What have we learned from a decade of manufacturing enterprise surveys in Africa?* *World Bank Research Observer*, 21(2), 241–265. <https://doi.org/10.1093/wbro/lk1003>
- Blomström, M., Lipsey, R., & Zejan, M. (1996). *Is fixed investment the key to economic growth?* *Quarterly Journal of Economics*, 111(1), 269–276. <https://doi.org/10.2307/2946665>
- Borensztein, E., De Gregorio, J., & Lee, J. W. (1998). *How does foreign direct investment affect economic growth?* *Journal of International Economics*, 45(1), 115–135. [https://doi.org/10.1016/S0022-1996\(97\)00033-0](https://doi.org/10.1016/S0022-1996(97)00033-0)

- Chirinko, R. S. (1993). *Business fixed investment spending: Modeling strategies and empirical results*. *Journal of Economic Literature*, 31(4), 1875–1911. <https://doi.org/10.2307/2728338>
- Dawit, A. (2010). *Factors affecting private investment in Mekelle City*. Addis Ababa University.
- De Long, J. B., & Summers, L. H. (1991). *Equipment investment and economic growth*. *Quarterly Journal of Economics*, 106(2), 445–502. <https://doi.org/10.2307/2937944>
- Easterly, W., & Levine, R. (2001). *It's not factor accumulation*. *World Bank Economic Review*, 15(2), 177–219. <https://doi.org/10.1093/wber/15.2.177>
- Feldstein, M., & Horioka, C. (1980). *Domestic saving and international capital flows*. *Economic Journal*, 90(358), 314–329. <https://doi.org/10.2307/2231790>
- Fisseha, F. L. (2023). *Does financial repression inhibit or facilitate private investment? The case of Ethiopia*. *Future Business Journal*, 9(51). <https://doi.org/10.1186/s43093-023-00229-w>
- Geddafa, T. (2023). *Trends and determinants of domestic private investment in Ethiopia: Time series analysis*. *Cogent Engineering*, 10(2), 2283293. <https://doi.org/10.1080/23311916.2023.2283293>
- Ghura, D., & Goodwin, B. (2000). *Determinants of private investment: A cross-regional empirical investigation*. *Applied Economics*, 32(14), 1819–1829. <https://doi.org/10.1080/000368400425044>
- Hussain, M. E., & Haque, M. (2016). *Foreign direct investment, trade and economic growth*. *Economies*, 4(2), 7. <https://doi.org/10.3390/economies4020007>
- Jobir, M. N. (2023). *Determinants of private investment performance in Ethiopia*. *International Journal of Accounting, Finance and Risk Management*, 8(3), 57–67. <https://doi.org/10.11648/j.ijafm.20230803.11>
- Jongwanich, J., & Kohpaiboon, A. (2008). *Private investment: Trends and determinants in Thailand*. *World Development*, 36(10), 1709–1724. <https://doi.org/10.1016/j.worlddev.2008.01.010>
- Jorgenson, D. W. (1971). *Econometric studies of investment behavior*. *Journal of Economic Literature*, 9(4), 1111–1147. <https://doi.org/10.2307/2721137>
- Kehinde, A., Felix, A., Kayode, A., & Adedamola, O. (2012). *Determinants of private investment in Nigeria*. *Journal of Economics and Sustainable Development*, 3(13), 150–160.
- Khan, M. S., & Reinhart, C. M. (1990). *Private investment and economic growth*. *World Development*, 18(1), 19–27. [https://doi.org/10.1016/0305-750X\(90\)90112-C](https://doi.org/10.1016/0305-750X(90)90112-C)
- Kironji, E. (2006). *Determinants of private investment in Kenya*. University of Nairobi.

- Kosma, O. (2015). *Investment and economic development*. International Journal of Economics and Finance, 7(3), 77–89.
- Levine, R. (1997). *Financial development and economic growth*. Journal of Economic Literature, 35(2), 688–726. <https://doi.org/10.2307/2729790>
- Lucas, R. E. (1988). *On the mechanics of economic development*. Journal of Monetary Economics, 22(1), 3–42. [https://doi.org/10.1016/0304-3932\(88\)90168-7](https://doi.org/10.1016/0304-3932(88)90168-7)
- Michael, I. M., & Aikaeli, J. (2014). *Determinants of private investment in Tanzania*. African Journal of Economic Review, 2(2), 39–52.
- Mlambo, K., & Oshikoya, T. (2001). *Macroeconomic factors and investment in Africa*. Journal of African Economies, 10(Supplement 2), 12–47. [https://doi.org/10.1093/jae/10.suppl\\_2.12](https://doi.org/10.1093/jae/10.suppl_2.12)
- North, D. C. (1991). *Institutions*. Journal of Economic Perspectives, 5(1), 97–112. <https://doi.org/10.1257/jep.5.1.97>
- Olga, K. (2015). *Investment expenditure and economic growth*. Journal of International Economics, 6(2), 110–126.
- Oshikoya, T. W. (1994). *Macroeconomic determinants of domestic private investment in Africa*. Economic Development and Cultural Change, 42(3), 573–596. <https://doi.org/10.1086/452103>
- Ouattara, B. (2004). *Foreign aid and fiscal behavior in developing countries*. University of Manchester.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). *SERVQUAL*. Journal of Retailing, 64(1), 12–40.
- Romer, P. M. (1990). *Endogenous technological change*. Journal of Political Economy, 98(5), S71–S102. <https://doi.org/10.1086/261725>
- Sachs, J. D. (2006). *The end of poverty*. Economic Journal, 116(508), F1–F4. <https://doi.org/10.1111/j.1468-0297.2006.01059.x>
- Sala-i-Martin, X. (1997). *I just ran two million regressions*. American Economic Review, 87(2), 178–183. <https://doi.org/10.1257/aer.87.2.178>
- Schumpeter, J. A. (1942). *Capitalism, socialism and democracy*. American Economic Review, 36(3), 437–444. <https://doi.org/10.2307/1809378>
- Solow, R. M. (1956). *A contribution to the theory of economic growth*. Quarterly Journal of Economics, 70(1), 65–94. <https://doi.org/10.2307/1884513>
- Tafa, M. D., & Worku, S. T. (2021). Opportunities and challenges of private investment activities in north Shewa zone of Oromia regional state, Ethiopia. *Innovations*, (66).

- Teklay, B. (2017). *The financial determinants of private sector investment: The case of Ethiopia*. *International Journal of Science, Technology and Society*, 5(3), 46–54. <https://doi.org/10.11648/j.ijsts.20170503.14>
- Temesgen Merga. (2022). *Effect of public investment on private investment: Evidence from Ethiopia*. *Applied Journal of Economics, Management and Social Sciences*, 3(1). <https://doi.org/10.53790/ajmss.v3i1.21>
- Tesfaye Eresso Gofe. (2018). *Determinants of private investment and economic growth*. *International Journal of Research-Granthaalayah*, 6(11), 366–383.
- Tigist Waktole, & Mekonnen Bogale. (2018). *Determinants of growth of private investment in Jimma City, Ethiopia*. *African Journal of Business Management*, 12(15), 475–485. <https://doi.org/10.5897/AJBM2018.8563>
- Tobin, J. (1969). *A general equilibrium approach to monetary theory*. *Journal of Money, Credit and Banking*, 1(1), 15–29. <https://doi.org/10.2307/1991374>
- Workie, G. (2001). *Constraints to entry, operation and expansion of private investment in Ethiopia*. Ethiopian Economic Association Working Paper.
- World Bank. (2020). *Doing Business Report 2020*. Washington, DC: World Bank.
- World Bank Group. (2013). *Global investment competitiveness report*. <https://doi.org/10.1596/978-1-4648-1175-3>
- Yizengew, H., & Mogess, Y. (2021). *Macroeconomic, political and institutional determinants of private investment in Ethiopia*. <https://doi.org/10.21203/rs.3.rs-952451/v1>