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Turcan, Romeo V.; Kwayu, Aikande; Tossy, Titus; Fraser, Norman; Nandonde , Felix

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## Creating New Actors and Partnerships: Case of Tanzania

Romeo V. Turcan, Professor, Aalborg University<sup>1</sup>

Aikande Kwayu, Senior Research Consultant, Bumaco Ltd

Titus M. Tossy, Professor, Mzumbe University

Norman M. Fraser, Visiting Professor, Aalborg University

Felix A. Nandonde, Sokoine University of Agriculture

### Abstract:

The purpose of this working paper is to highlight issues and challenges of starting up new sectors in emerging economies and of identifying and channeling appropriate support from development organizations. Although being addressed within the context of Tanzania, these issues and challenges are generic and ubiquitous throughout emerging economies and troublesome for development organizations. Hence another aim is to share these with a wider audience and stimulate a discussion among researchers, policy makers and support providers. This working paper is an *excerpt* from a project application developed by Aalborg University in cooperation with academic and business partners from Tanzania and submitted for funding to a development organization. This jointly-developed project aims to investigate how new actors – SECTOR NGOs and NEW business-policy partnerships - are created, legitimated and institutionalized. Realizing that priority sectors such as education, health, and agriculture yielded no sufficient effect, with levels of poverty and inequality still high, Tanzanian Government is seeking contribution from existing and new business sectors to further boost growth and prosperity. This is a plausible strategy. But, two essential ingredients are missing at the moment to make it successful: SECTOR NGOs and non-corrupt, apolitical, transparent, frank sharing of experiences and knowledge partnerships between SECTOR NGOs and policy makers (NEW business-policy partnerships). SECTOR NGOs are a driving force in business sectors. Compared to CAUSE NGOs that provide public services, such as health, education, and environment, SECTOR NGOs advocate for business needs of private companies located in a sector of an economy. Through their members who have first-hand knowledge and expertise about complex and constantly changing environments, SECTOR NGOs are able to inform judgments on policy and legislation for the benefit of the country. For this to be effective, a NEW business-policy partnership needs to be developed, implemented and nurtured.

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<sup>1</sup> Address all correspondence about this paper, including about the rights to use its content and/or the project framework in future publications and/or project applications to Romeo V. Turcan via [rvt@business.aau.dk](mailto:rvt@business.aau.dk)

## **STATE OF THE ART**

The state of the art lies in the combined theoretical and practical focus on a phenomenon that has received scant attention in academic research and policy debates—legitimation of new ventures, sectors, business-policy partnerships (herein as NEW ACTOR) in emerging economies (Turcan et al 2012; Turcan & Fraser 2016). The project investigates the hypothesis that creation of NEW ACTORS needs to be underpinned by legitimacy building in order for them to become institutionalized in an economy. The key question asked is how to cross the gulf between no ACTOR and a NEW ACTOR (Turcan & Fraser 2015)? The standard response from development institutions and national governments is capacity building: if we build it, they will come and development will happen. However, without legitimacy building initiatives, capacity building alone is not enough to contribute to growth and prosperity.

In the process of creating not only research capacity but also research that is truly rooted in local needs and priorities, there is a need to raise concern that many billions of dollars a year are spent worldwide on capacity building: knowledge and skills training, programs to strengthen institutions, and grant aid for infrastructure. Scientific observations (Turcan & Fraser 2015; 2016) are backed up by international development institutions (Dvorak 2013) that there is little discernible correlation between amounts invested in capacity building and emergence of NEW ACTORS (Turcan & Fraser 2015). For example, training intended to generate talent pool from which sector innovation emerges ends up driving emigration as people are being skilled for non-existent jobs. Ironically, capacity building for non-existing sectors drives brain drain, emigration, reducing a nation's capacity (Turcan & Fraser 2015). Capacity building is a blunt instrument without the missing ingredient: legitimacy building (Turcan & Fraser 2015), i.e., deliberately articulating and promoting understanding of why a new ACTOR makes sense (cognitive legitimacy), as well as how it adds value to community

(socio-political legitimacy) (Aldrich and Fiol, 1994). Capacity building is necessary, but not sufficient to cross the gulf between no ACTOR and a new ACTOR unless augmented by legitimacy building (Turcan & Fraser 2015). The project main objectives are to study the phenomenon of creation, legitimation and institutionalization (herein as Emergence) of SECTOR NGOs and PUBLIC-PRIVATE PARTNERSHIPs seen as NEW ACTORS in the context of Tanzanian economy and create a RESEARCH CENTER at Mzumbe University to mitigate the NEW PARTNERSHIPs and facilitate NEW dialogue between business community and policy makers.

The project is explicitly aligned to the needs, priorities and demands in Tanzania's private business sector, the United Republic of Tanzania Government (URT) as per the National Five Year Development Plan (2016), the National Strategy for Growth and Reduction of Poverty II (NSGRP II, 2010), Tanzania Development Vision 2025 (TDV, 1995), and Denmark's Development Activities in Tanzania within good governance and business sector. These documents reflect that URT's focus on "priority sectors" such as "industrialization" "education, health, water, agriculture, rural roads, judiciary, land" yielded insufficient effect, "with levels of poverty and inequality still high" (NSGRP). To further contribute to "growth, improved quality of life, good governance and equity", URT and Tanzanian Parliament called for a contribution from all actors, including business sectors, existing and new.

The project involves stakeholders from private, public, sector and cause NGOs and university sectors to build on and extend, hence, adding significant scientific value to, existing public-private initiatives. To achieve synergy in implementing its activities, the project cooperates closely with on-going projects such as BEST-Dialogue.

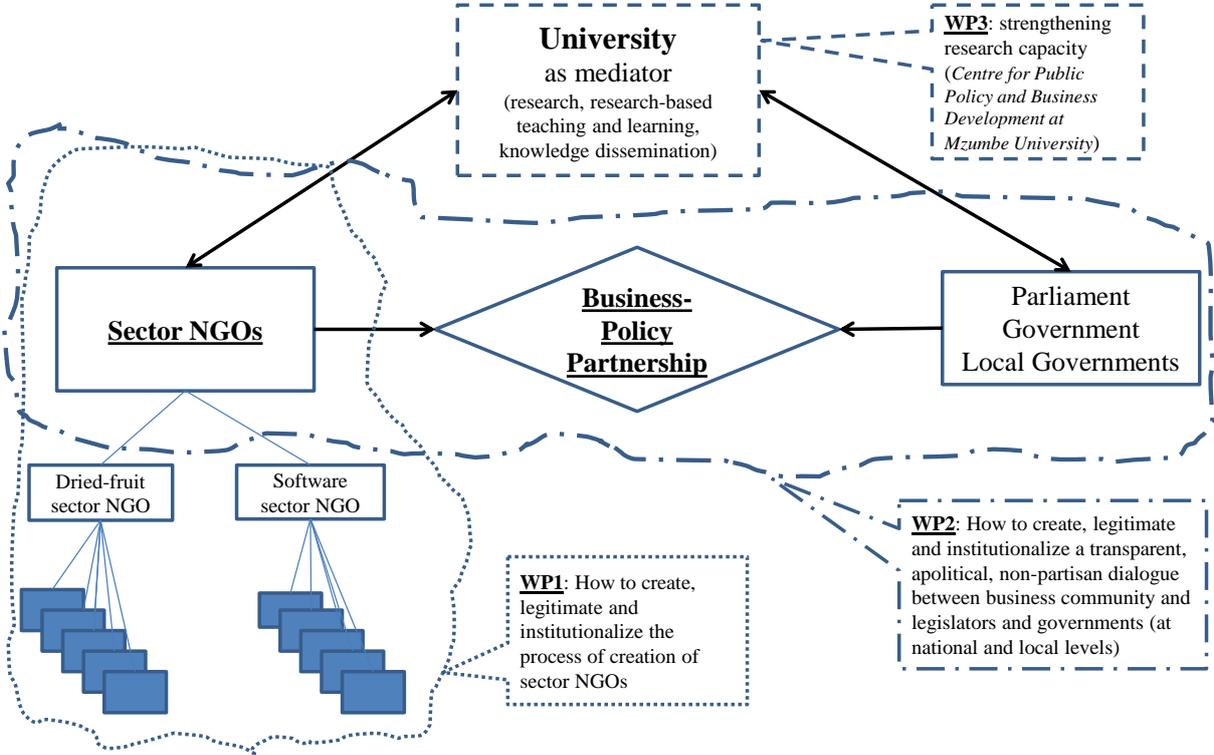
## **OBJECTIVES AND IMPACT**

Many developing countries found that a driving force in existing and new business sectors are SECTOR NGOs that, compared to CAUSE NGOs that provide public services, such as health, education, and environment, advocate for business needs of private companies located in a sector of an economy. Currently SECTOR NGOs are in an embryonic stage in Tanzania, although the extant NGO Law authorizes their activity. One of the reasons sector NGOs are ignored is that the Tanzanian Government is more comfortable with cause NGOs delivering public services such as health and education (Kwayu 2013), but not comfortable with sector NGOs advocating for policy changes and more business participation (Mercer 1999; Shivji 2004). The project investigates the proposition, already witnessed in other developing countries, that micro to multi-national enterprises have first-hand knowledge and expertise in complex and constantly changing environments and are able through their SECTOR NGOs to inform judgments on policy and legislation for the benefit of the country. A non-corrupt, transparent, apolitical, frank sharing of experiences and knowledge, and inclusive and wide participation partnership (herein as NEW PARTNERSHIP) between SECTOR NGOs and executives and legislators at national and local authority levels (herein as policy makers) has been found by many countries to be a highly effective way of informing judgments on policy and legislation. Such NEW PARTNERSHIP between SECTOR NGOs and policy makers in Tanzania is an embryonic stage, so is the knowledge about its emergence. Nurturing and safeguarding such NEW PARTNERSHIP is paramount for an efficient and effective dialogue between business community and policy makers.

The project investigates the emergence of SECTOR NGOs seen as NEW ACTORS in the context of Tanzanian economy. The emergence of SECTOR NGOs and NEW business-policy partnership is simultaneous, parallel process. Since both lack legitimacy at the beginning,

there is a need for a mediator to mitigate this NEW PARTNERSHIP and facilitate NEW dialogue between business community and policy makers (Figure 1).

Figure 1: The project research framework



This mediator is a RESEARCH CENTER to be created at Mzumbe University. The Center main purpose is to conduct research and research-based teaching on issues of public policy and NEW ACTOR development. It will also engage in mediation activities such as developing and implementing a coordinating council composed of policy makers and business people; legislative change and public hearings; company attachments for policy makers and legislative attachments for business people; code of conduct. The mediator role will serve as a sustainable and context rooted tool for research capacity building which will furthermore ensure that the Center is rooted in and aligned to the needs, priorities and challenges of Tanzania. The continuous contact between the Center, SECTOR NGOs, POLICY MAKERS, business community, national universities and other relevant stakeholders will be a stepping

stone for dissemination and implementation of local research capacity that is able to plan, create and use research-based knowledge to strengthen existing and create new business sectors in Tanzania, aiming to stimulate growth and prosperity, improve quality of life, good governance and equity, ensure non-discrimination, participation and inclusion, transparency and accountability.

A number of outcomes are envisaged during and after the project is completed: research, PhD supervision, and doctoral school organization capacity strengthened at partner university and other universities participating in the project activities; research collaboration between applicants and national universities and NEW partnerships between academia and business ensure that future research is grounded in national priorities and true problem based and context specific learning; business environment enhanced in at least 2 sectors of the economy; legitimated and institutionalized SECTOR NGOs contribute to growth and prosperity; legitimated and institutionalized model for NEW business-policy partnership informs policy and legislation decision making and inclusive participation, transparency, and accountability.

Within the scope of the project, including project funding, the following outcomes are foreseen: 3 PhD theses; research center; 6 joint journal articles; jointly co-edited book; 3 international conferences per year; 4 paper development workshops; 4 PhD courses; 4 doctoral supervision training courses; 4 doctoral school enhancement programs; international conference organized in Tanzania; 1 MSc program; 4 SECTOR NGOs launched; 4 legislative initiatives facilitated; 10 company attachments organized for policy makers; 10 legislative attachments organized for businesses. At least 200 stakeholders are expected to take part in the project activities. A methodology and a road-map for Emergence of new SECTOR NGOs

will be developed to facilitate NEW business-policy partnership, contributing to a better informed, evidence based policy and legislative making process.

## **PROJECT METHODOLOGY**

The project is structured around 7 work packages (WPs). WP1 explores the Emergence of SECTOR NGOs within the context of software and dried-fruit sectors respectively. WP2 studies the Emergence of business-policy partnerships within the context of legislative and executive branches at national and local levels. These are research WPs that will employ three doctoral students to investigate these phenomena. WP3 deals with strengthening the research capacity, including the development and launch of the RESEARCH CENTER at Mzumbe University. The other WPs are: WP4 Communication and dissemination; WP5 Sustainability and use of research capacity strengthening; WP6 Ensuring quality control; WP7 Project management.

The project is founded on the gender-neutral, equal opportunity principle. It employs a wide variety of research approaches, methods of data collection, data analysis, data sources and data types, which allow methodological triangulation to enhance the validity and reliability of the results within and across research themes. All research activities will be conducted in compliance with fundamental ethical principles. A steering committee will be formed responsible for stakeholder collaboration, approving work plans and budgets, monitoring project activities as well as risk contingency plans. An external evaluation, advisory and quality assurance council (as part of WP6) will be formed that will act as external quality body to assess the implementation and contribute to the enhancement of relevance and outcomes of the project. The project collaborates with international scholars from US and UK.

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## Authors' Bios

Aikande Kwayu has rich experience in designing and carrying out policy research, political economy analysis, and the analysis of the relationship between cause NGOs and Tanzanian Government. Her PhD research explored the relationships between International Development NGOs registered in the UK and the UK government. As a Development Research Consultant at BUMACO, Aikande has done research and provided consulting services to various cause NGOs and research think tanks. She has evaluated and analyzed the relationship between cause NGOs and the Tanzanian government in the implementation of PPP.

Felix A. Nandonde has rich experience of working with private sector and SMEs in agrifood business. He has provided consultancy to AICAD, JICA, ANSAF, and participated in different teams that work for DANIDA, World Bank and Agrisol Energy. Before joining academia he worked with National Bank of Commerce, Tanzania Limited as Sales Consultant Business Banking.

Norman M. Fraser is an entrepreneur and academic. Educated at Edinburgh and London Universities, he has spent more than twenty years creating and leading successful businesses and has experience in creating ICT sectors in emerging markets. Norman has authored around 50 peer-reviewed publications and his current research interests include entrepreneurship, industry creation, and institutionalization. He has served on a number of technical and business expert committees of the British Government and the European Union.

Romeo V. Turcan has rich experience in managing international NGOs and facilitating the dialogue between policy makers and businesses in emerging markets; managing large EU projects, creating and managing research and PhD programs. His research interests relate to creation and legitimation of new sectors and new organizations; de-internationalization; international entrepreneurship; cross-disciplinary theory building; and organization studies.

Titus M. Tossy has over 21 years of experience working with NGOs and SMEs in Tanzania and over 14 years of experience in software development training, and research capacity building among African researchers and professionals.