Entrepreneurship in Tanzania

How local SMEs deal with the socio-cultural and economic context of the Tanzanian business environment

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How local SMEs deal with the socio-cultural and economic context of the Tanzanian business environment

By

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Acknowledgements

This report marks the end of my time at the Delft University of Technology and the last step towards the completion of my Master of Science degree in Management of Technology. After finalising my Bachelor's degree in Molecular Science and Technology, I decided to start this particular program, as it provided the possibility to understand the role of technology in management, society and ethics. These interests led to the development of this research project and I am proud to have taken the opportunity to travel to Tanzania to conduct the field research. It turned out to be a incredible adventure, in which I submerged myself into a completely different culture and to see theory come to life in every-day Tanzanian business practices by visiting various companies and other organisations. Along the way, there were some struggles, especially in Tanzania, where the way of living vastly differs from the way of living in the Netherlands or even other parts of the world. Nevertheless, I would not have wanted to miss this endeavour. And even though these struggles have led to a delay of the project, I am proud to have gained the experiences and of the final result in the form of this thesis. Nonetheless, this result would not have been accomplished without the help of various people that contributed throughout the duration of the project.

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Executive summary

Poverty elevation is on the agenda of many governments and aid organisations. Yet, it remains widespread across the globe and particularly persistent on the African continent. Entrepreneurship is often seen as one of the main measures to combat poverty SSA, as it generates revenue, effective resource allocation and employment. Yet, even though various steps have been taken to increase entrepreneurial activity and private sector development, these efforts still have not led to sustainable economic development.

In the recent years, criticism on policies developed and executed by these governments and aid organisations has increased, often arguing that their policies are in sharp contrast with the socio-cultural and economic values and institutions of developing countries in SSA, including Tanzania. As a result, some scholars are arguing that new policies should be developed that build forth on existing values and institutions, instead of working against it. At the same time, the contemporary values and institutions in every-day business practices is significantly underreported in the current literature, with in particular qualitative research that captures the behaviours and strategies exerted by local entrepreneurs.

For these reasons, the ambition for this research was to develop a qualitative research project that investigates the behaviours and strategies exercised by local entrepreneurs in Tanzania in light of the socio-cultural and economic context. It will therefore answer the research question:

How are SMEs operating in the technology industries dealing with the socio-cultural and economic demands originating from the Tanzanian business environment?

As Tanzania is a developing country, it is transforming from a traditional system that includes traditional socio-cultural and economic values and institutions, towards a modern system including more modern values and institutions. A clear distinction between the two systems has thus been proposed, where each system encompasses a different set of socio-cultural and economic values and institutions articulated as ideal-typical descriptions. These ideal-typical descriptions form two extremes of a continuum, between which Tanzanian businesses are moving. Various companies have been analysed as to what extent they conform to each system, looking at the levels of the internal business management, the civil society and markets, and the Tanzanian state.

During the field research over a period of two months, 16 cases were developed by interviewing managing directors and senior managers, as well as making observations. The scope of the research includes SMEs operating in the technology industries in Tanzania. Cases were consequently cross-analysed to unveil commonalities and differences among the entrepreneurs and their companies in light of the value and institutional systems. The findings were consequently used to adjust the theoretical framework by an iterative process into a theoretical model that captures the socio-cultural and economic context of the Tanzanian business environment.

The first findings include behaviours and strategies found at the internal business management. Many businesses in Tanzania tend to have a hierarchical management style, where coercion and

paternalism is common. This often goes hand in hand with a workforce that requires guidance and showing little professionalism and initiative. Some companies showed a more egalitarian management style, which generally led to a more professional workforce, although this required a shift in attitude and thus a significant amount of effort. Informal ties and social networks remain to play a key role to obtain resources, capital, labour and business contact. This is usually met with reciprocities such as providing loans and school fees through the company. Yet, some entrepreneurs are becoming aware of the drawbacks of having strong family ties, such as employing unproductive family members, and are thus reluctant to do so. Furthermore, companies tend to have a fatalistic attitude to production controls and rules, as these were generally not present other than instigated by regulatory organisations. Lastly, synchronic time management is commonly found at the SMEs, such as a loose attitude to punctuality, basic bookkeeping and limited to no planning and forecasts.

The nature of the supply chain is generally compartmentalised with solely buy-sell relationship and with little cooperation, coordination, information sharing and suggestions for innovations. This negligence towards coordination and a lack of internal business planning makes demand forecasts difficult. This often results in ad hoc ordering behaviour of small quantities and inefficient batch production, making inventory management and obtaining economies of scale problematic. In addition, companies are hesitant to switch to other suppliers irrespective of the quality of the supplies, as entrepreneurs are bounded by personalised relationships and subjected to underdeveloped markets. Both the lack of cooperation and the reluctance to switch seems to impede obtaining an efficient supply chain. Furthermore, due to the prevailing copying behaviour of many entrepreneurs, markets are characterised as either being very competitive with little to no product differentiation, or as being severely underdeveloped. In the latter case, foreign competitors, governmental agencies or NGOs are filling these gaps, although the effectiveness of their efforts remain questionable.

The role of the state in shaping the Tanzanian business environment has been changing in the recent years. A business environment characterised by heavy regulation and parastatals is currently transforming into liberalised markets and private sector development. Nonetheless, the institutional environment remains unfavourable, where regulatory compliance is often time-consuming and expensive due to the bureaucratic systems. Organisations such as SIDO and NGOs provide assistance in these matters, but are mainly accessible in the urban areas. In addition, a combination of bureaucracy, weak law enforcement and a lack of transparency generates an unequal playing field, with unfair competition, privileges and corruption. Entrepreneurs often face a dilemma, where not participating in these practices leads to losing business opportunities. Fortunately, the new President that took office in 2015 is severely enforcing laws now, creating more business opportunities for many Tanzanians.

Some deviations from these general results have been found. While most companies showed traditional business practices, others adopted more modern business practices. These include the ICT companies in this research, indicating sectoral differences in Tanzania. On top of that, most modern companies were managed by individuals who attended university in Tanzania or abroad. In general, the companies that adopted modern business practices tended to be more successful in enhancing corporate effectiveness.

The Tanzanian business environment is transforming and is becoming more favourable for private sector development and SMEs. Even though the environment remains challenging and often unfavourable, the alterations in favour of entrepreneurship are countless. Yet, four transitions stood out from the rest in the contemporary business environment. First, some companies are becoming more egalitarian, which often results in an increase in professionalism and corporate effectiveness. Entrepreneurs are becoming aware of the many benefits of egalitarian management, but also the required investments needed in time and effort to switch the mind-set of employees from a hierarchical socio-cultural norm to egalitarian business practices. Second, the role of tribalism in businesses is almost absent, in contrast to companies in other SSA countries, and the solidarity ties towards tribes and family are diminishing. Instead, new networks are developed that include friends, colleagues and business partners, irrespective or ethnicity. This shows that the vertical networks are slowly being pushing back, albeit limited, to allow free movement between associations. Third, corruption and particularism remains common in Tanzania, but the fight against corruption has been strongly amplified since the new government took office. This starts to create a fair and inclusive playing field for entrepreneurs, such as equal access to resources and land, a fair taxation system and business opportunities for more Tanzanians instead of the privileged few. Lastly, markets are being liberalised and various entrepreneurs have taken advantage of the generated business opportunities. Nonetheless, some markets remain underdeveloped and supply chains inefficient and uncompetitive.

There are several drivers for these transitions. First, the institutional environment is improving due to stronger law enforcement and a switch from compliance and control to trade facilitation. Second, urbanisation is disrupting family and communal ties and creating network and new community developments. Advances in infrastructures and technology are creating new ways of communication, allowing entrepreneurs to expand their markets and to reduce the operational costs. Lastly, education is a strong driver for effective business management, as it offers the entrepreneurs the knowledge of overcoming any barriers that they encounter.

Following the findings among the companies and the transitions happening in Tanzania, various recommendations are proposed for effective business management that build forth on the existing socio-cultural and economic context. These include:

- *Teamwork and remuneration*. Companies should experiment with incorporating remuneration and teamwork in their current business practices to stimulate performance. It is expected this requires a shift in attitude among the workforce, and thus extra effort, towards egalitarian management, due to the socio-culturally entrenched hierarchical Tanzanian society.
- *Family, friends and other informal ties*. Social ties and informal networks are expected to play an important role in Tanzanian businesses. It will be beneficial for entrepreneurs to manage these ties adequately in a way that it increases the positive reciprocities, while limiting any negative reciprocities.

- *Production improvements*. Companies would benefit from improvements in production controls to enhance product qualities, diminishing product deviations and lowering costs. Procedures should be codified into documents and steps could be visualised using pictures.
- *Job rotation*. The workforce will become more productive if production employees are rotated over various stations. It stimulates professionalism, creates understanding of quality requirements at various stations, reduces boredom and diminishes risks of not having skilled labour after an employee is sick or has left the company.
- *Basic SCM principle*. Companies would benefit from increasing cooperation and information sharing between the entities of the supply chain. It will instigate improvements in quality, increase the efficiency and competitiveness of the supply chain, and make demand forecasts easier.
- *Paying allowance fees*. Somewhat controversially, entrepreneurs should not refrain themselves from paying an allowance fee to obtain new business opportunities or to speed up a bureaucratic process. Even though these practices are considered to be morally wrong and on many occasions illegal, the contemporary institutional environment makes occasionally participating in these practices necessary to manage some business operations.
- *Support organisations*. In light of the weak markets, little market information and prevailing bureaucracy, companies should consider joining support organisations like SIDO and other associations. More than often, these organisations provide education, access to scarce resources and assistance in dealing with regulatory procedures.
- *An open debate*. Lastly, topics that are more controversial should be openly discussed. Tanzanians are generally reluctant to express their commitment to the traditional system, while individuals and organisation often neglect the importance and unavoidability of the traditional system in the Tanzanian business environment. An open debate should create a shared understand and make business practices go with the grain of Tanzania.

The model that was developed in this research acknowledges of the rapidly evolving Tanzanian business environment. For this reason, it will be interesting for future research to investigate the Tanzanian business practices in another point in time to complement this research and to become a longitudinal study. In addition, it will be interesting to understand the applicability of the developed model onto different contexts, such as other industries, geographical locations, countries or even ethnical groups within a country. Lastly, many companies are struggling with time management, such as punctuality, bookkeeping, planning and forecast. Yet, these aspects of Tanzanian or African business management are severely underrepresented in the current literature and the field of research would thus benefit from mores studies on time management within SSA enterprises.

Key words: entrepreneurship, socio-cultural transition, business management, SMEs, Tanzania

Table of Contents

List of figures

List of tables

List of abbreviations

ABBIVATIONS	EXPLANATION
CBO	Community-Based Organisations
CCM	Chama Cha Mapinduzi
CEO	Chief Executive Officer
CRM	Customer Relationship Management
EU	European Union
GDP	Gross Domestic Product
ICT	Information and Communication Technology
IMF	International Monetary Fund
IS	Innovation System
ISP	Internet Service Provider
KPI	Key Performance Indicator
MD	Managing Director
MIT	Ministry of Industry and Trade
MNC	Multi-National Companies
MNO	Mobile Network Operators
MSME	Micro-, Small- and Medium Enterprises
NGO	Non-Governmental Organisation
NSIC	National Small Industries Cooperation
PVOC	Pre-shipment Verification of Conformity
SCM	Supply Chain Management
SIDO	Small Industries Development Organisation
SME	Small- and Medium Enterprises

SSA	Sub-Saharan Africa
TBS	Tanzanian Bureau of Standards
TFDA	Tanzanian Food and Drugs Authority
TOAM	Tanzanian Organic Agriculture Movement
TPSF	Tanzanian Private Sector Foundation
TRA	Tanzanian Revenue Authority
UNIDO	United Nations Industrial Development Organization
USA	United States of America
YEP	Young Entrepreneurship Program

1. Introduction

''As long as poverty, injustice and gross inequality persists in our world, none of us can truly rest.'' Words that were spoken by Nelson Mandela in 2005 at a concert in Johannesburg, South Africa. Unfortunately, poverty, injustice and gross inequality still exists, with nearly 400 million people living in extreme poverty in countries below the African Sahara, also known as sub-Saharan Africa (SSA) (The World Bank, 2016). Throughout the last decades, these numbers have dropped fortunately, partly due to financial aid, governmental reforms and efforts from Non-Governmental Organisations (NGOs) (Collier, 2007; OECD, 2016). However, SSA countries remain to be among the poorest in the world (CIA Factbook, 2017).

At the moment, no one has the silver bullet for the poverty in SSA. While development aid has improved many aspects in SSA, it has failed to lift SSA out of poverty through sustainable economic development. In order to reach this goal of economic prosperity, entrepreneurship is often advocated to accomplish it through market innovation (The African development bank, 2011). This requires a fertile business environment created by the state apparatus and the society, as well as entrepreneurial activities from the bottom up. Many policies, both foreign and domestic, have tried to stimulate entrepreneurial activities, with mixed results. These policy changes tended to have Western value and institutions entrenched, such as a separation of power, pluralistic civil society, rule of law, free press, independent judiciary and multi-party elections (Kelsall, 2008), partly due to the economic reformed that were imposed through financial aid programs by the International Monetary Fund (IMF) and World bank.

However, cultural values and institutions have proven to be extremely durable through time in the various SSA societies, which are often discrepant with the values and institutions that come with these policy changes (Kelsall, 2008; Kroesen, 2015). Results have on many occasions been disappointing, such as the prevailing poverty, dysfunctional institutions, weak infrastructures and corruption. Some scholars argue that a different approach should be taken that build forth on SSA cultural values and institution. Kelsall (2008) calls this 'going with the social grain of Africa,' in which development should be built upon the African patterns, thoughts, organisation and accountability, rather than working against it. In order to reach this, it is indispensably important to understand the cultural embeddedness and institutional dynamics between entrepreneurs and the business environment. As Devine and Kiggundu (2016) emphasize, ''entrepreneurs should be given voice to tell their stories and then use them as a basis for more theoretical or quantitative analyses'' (p. 19).

This thesis aims to go with the social grain of SSA and to let the Tanzanian voice be heard. It investigates the cultural and institutional influences on modern-day Tanzanian entrepreneurship that enable or hinder entrepreneurial activities. The goal is to develop a model in order to explore the behaviours and strategies, which are value- and institutional-laden, commonly shown by various entrepreneur and their small- and medium enterprises (SME) in Tanzania and to understand the socio-cultural and economic transitions happening in these companies and business environment.

Focussing on this chapter, the first paragraph provides background information about Tanzania. Second, some practical insights will be provided that forms some of the root-causes of impeding entrepreneurial activities in SSA. Next, the theoretical significance will be discussed that this thesis will address. This will be followed by the research objective and scope, the research questions, and the conceptual framework. Lastly, the thesis outline will be discussed.

1.1 Background of Tanzania

Located on the Eastern coastline of Africa, Tanzania is surrounded by the Indian Ocean and eight neighbouring countries. It gained independence in the early 60's from colonial rule as two separate countries Tanganyika and Zanzibar, only to be merged in 1964 to form the United Republic of Tanzania. The population counts 54.28 million citizens and thus is one of the larger countries in Africa. The current capital is the centrally located city Dodoma, but the previous capital Dar es Salaam located near the ocean houses most citizens and acts as the main economic centre.

Tanzania is one of the poorest countries in the world, with a nominal gross domestic product (GDP) per capita of $880,- in 2016 (World Bank, 2016). However, GDP growth rates are among the highest in the world, with annual rates reaching up to 6% or 7% in the last decade. The country harbours various natural resources, such as gold, diamond, tanzanite, gemstones, iron and tin, but also creates revenue through agriculture and tourism (CIA Factbook, 2017). Unemployment rates are high, especially among the youth, and most employed Tanzanians work in agriculture (Msigwa & Kipesha, 2013).

Tanzania counts more than 130 ethnical groups (CIA Factbook, 2017) and is considered to be the second most ethnically diverse country in the world (Fearon, 2003). Around 150 different tribal languages are spoken, where tribal languages represent solidarity with people's ethnical background. However, almost all of the population speaks the national language Swahili, which is strongly promoted by the national government and forms the backbone of unity in Tanzania. In addition, some Tanzanians speak English, which is the common language in higher education, foreign trade diplomacy and higher courts. Hence, most Tanzanians are bilingual or even trilingual (Petzell, 2012).

Ethnic diversity in SSA has often resulted in compartmentalisation of the societies. Often citizens vote for representatives having the same ethnical backgrounds during elections and cooperation between members of different ethnical groups is often limited (Hyden, 2006; Vlieger, 2013). In addition, it is seen as one of the causes of civil wars that are prone in many countries in SSA (Collier, 2007). Other causes of the civil wars in SSA include the high levels of poverty, failed political institutions and economic dependence on natural resources (Elbadawi & Sambanis, 2000), which are also commonly seen in Tanzania. However Tanzania managed to refrain itself form internal violent conflicts between ethnic groups (Scruggs, 2016), partly due to anti-tribal policies of the influential first President Nyerere (Wordpress, 2014).

Entrepreneurship in Tanzania is promoted by various organisations, ranging from state run initiatives such as the Small Industries Development Organisations (SIDO) (MIT, 2003), the establishment of the University of Dar es Salaam Entrepreneurship Centre to foreign NGOs such as

Stichting Sengerema and its Young Entrepreneurships Program (YEP) (Stichting Sengerema, 2017). However, various cultural, economic and institutional constraints are hampering entrepreneurial activities in Tanzania. Literature on these constraints in Tanzania (Mashenene & Rumanyika, 2014) and SSA in general (Beck & Cull, 2014; Devine & Kiggundu, 2016; Trulsson, 2002) is extensive and usually include a lack of training and education, an anti-entrepreneurial culture, lack of capital, high taxes, competition, lack of technological support systems, lack of trust, poorly developed infrastructures, corruption and excessive bureaucracy. However, literature on how entrepreneurs are coping with these constraints is lacking.

1.2   Practical significance

Often private companies in SSA have a hard time with scaling up their production capacity and growing their companies. Socio-cultural factors play a significant role in this, where entrepreneurs often shown copying behaviour instead of innovating behaviour and social entrepreneurship by providing for family members or the community is often preferred over profit-based entrepreneurship (Devine & Kiggundu, 2016). Also, SSA societies are compartmentalized based on their ethnic backgrounds and inter-group trust and cooperation is often limited (Hyden, 2006). In additions several economic and institutional constrains are hampering MSMEs to grow, some of which will be discussed below.

1.2.1   The missing middle

SMEs are significantly underrepresented in the SSA business environment, which is partly due to the difficulties of obtaining loans and investments, which is also known as the 'missing middle'. Investing in SMEs in SSA is considered risky and loans are mostly provided with high interest rates under the condition of having collateral. At the same time, the financial markets aimed at SMEs remain underdeveloped due to a general lack of these companies and banks are focussed on large firms. In the recent decades, both formal and informal micro-companies have been able to obtain micro-credits through various NGOs. Nevertheless, SMEs are often too big and require high loans that micro-credit organisations are unable to provide. Hence, micro-companies are financed through micro-credit, large firms obtain financial capital through banks, while SMEs are usually unable to obtain capital and are unable to grow (Fjose, Grunfeld, & Green, 2010).

1.2.2   Institutions, bureaucracy and corruption

SSA business environments are characterized by extreme bureaucracy, a lack of transparency, double standards and red tape. This cocktail of formal institutions forms a breeding ground for corruption. As a result, many SMEs operate in the informal economy, to evade difficult these regulations, corruption and heavy taxation (Fjose et al., 2010). At the same time, it limits the companies' access to financial capital, markets and information.

In addition, the nature of institutions in SSA have a strong moderating effect on the successful allocation of the firm's resources and performance (Barasa, Knoben, Vermeulen, Kimuyu, & Kinyanjui, 2017), as well as a country's natural resources. Contemporary developed nations already had strong

and well-functioning institutions that were able to leverage the vast amount of natural resources into economic development. In contrast, due to the weak institutions present in contemporary SSA, most resource-rich SSA countries have been unable to leverage these in sustainable economic development and poverty remains to prevail (Collier, 2007).

1.2.3   Lack of education and transferability of management tools

Only since the recent decades, entrepreneurial courses have gained more attention in Tanzania at the universities and other organisations like SIDO and NGOs. Still, a large portion of the entrepreneurs lack general management skills. Education on entrepreneurship often fails to provide practical tools to tackle every-day problems (Obeng & Blundel, 2015) and do not take local socio-cultural and economic values and institutions into account (Devine & Kiggundu, 2016). In addition, the Tanzanian labour force is largely uneducated (UNICEF, 2013) and SMEs have a difficult time to hire educated employees or fail to see the usefulness of adequate training. In addition, various scholars already showed that the knowledge and general management tools are not readily applicable in the SSA (Beugré & Offodile, 2001; Hansen, Langevang, Rutashobya, & Urassa, 2015; Jackson, 2011).

1.3   Theoretical significance

After some practical insight in the contemporary SSA business environment, this section will deal with the theoretical perspective that will be addressed in this research project. First the incentive for using a multi-level approach for entrepreneurship over a singular approach will be given. In the second part the recognition of the transition many SSA countries will be dealt with, as well as the need for a systemic analysis of the consequences of this transition on entrepreneurship.

1.3.1   A multi-level approach to entrepreneurship and innovation

Research on entrepreneurship in Tanzania and SSA has gained more attention in the past few decades (Devine & Kiggundu, 2016; Kiggundu, 2002). Many of these studies focus on particular fields, such as characteristics of the entrepreneurs (Escher, et al., 2002), family and informal businesses (Khavul, Bruton, & Wood, 2009), growth barriers (Mashenene & Rumanyika, 2014; Trulsson, 2002), socio-cultural influences (Khayeshi & George, 2011), financial considerations (Boermans, Willebrands, & Lammers, 2011), training (Ladzani & van Vuuren, 2002), institutions (Barasa et al., 2017) and corruption (Sardan, 1999). However, multi-level and multi-disciplinary approaches remain underexplored and research would benefit from a case study approach that involves 'the voice' of the African entrepreneur, over the generally existing quantitative approaches (Devine & Kiggundu, 2016).

This thesis aims to take this multi-level and multi-disciplinary approach. Entrepreneurial activity solely is not sufficient to stimulate innovation and economic development. To be successful and sustainable, a business also requires a developed business environment such as developed markets, suppliers and infrastructures, as well as a universal and fair institutional context, such as law enforcement and equal access to resources (Kroesen, Forthcoming). Innovation System (IS) theory takes such a multi-level and multi-disciplinary approach to innovation. Rather than assuming innovation takes the linear path of technology-push or market-pull, IS theory emphasises that the key

to innovation and technological development, is the flow of knowledge and technology among the various actors within the institutional domains of the IS in order to generate interactive learning (Etzkowitz & Leydesdorff, 2000; Lundvall, Jospeh, Chaminade, & Vang, 2009; Oyelaran-Oyeyinka & McCormik, 2007). Various IS have been proposed, including the institutional domains of the government, the industries, the universities (Etzkowitz & Leydesdorff, 2000), the civil society (Carayannis & Campbell, 2009) and the natural environment (Carayannis, Barth, & Campbell, 2012). The actors within the institutional domains of the IS are interacting with each other, according to the institutional rules of the system, rule-enforcement mechanism and norms of behaviour that structure repeated interaction (North, 1989). These could be formal institutions such as laws, standards, regulations and contracts, as well as informal institutions such as customs, traditions and routines. Generally, they include accountability structures and feedback loops that adjust individual behaviour to the rules-sets and societal norms (Pesch, 2014). One has to bear in mind though that these models are aimed at analysing innovation rather than entrepreneurial behaviour, which is the purpose of this thesis. In addition, they also seem to structurally neglect the socio-cultural influences that, form a major factor in cooperation and interactive learning often advocated in IS theory.

1.3.2 Tanzania in transition: caught between two sets of values and institutions

As well as many other SSA countries, Tanzanian governmental policies are making a shift from an authoritarian government and state run markets towards a separation of power and liberated markets (Hamisi, 2011; Kelsall, 2008). These policies will continue to play a role in the economic transformations of SSA countries, but cultural, social and economic conditions limit their effectiveness in many SSA societies (Dana & Anderson, 2007). Change does not happen overnight and changing the governmental and socio-cultural institutions, both formal and informal, also requires a change in the value sets, which is often neglected in research on entrepreneurship in developing countries. As Hofstede, Hofstede, and Minkov (2010) point out, ''institutions cannot be understood without considering culture, and understanding culture presumes insights into institutions'' (p. 24). As institutions coordinate social behaviour that enable or constrain activities and decisions, they are considered in this thesis as the manifestation and the visible part of cultural values.

Kroesen (Forthcoming) acknowledges this transition and argues that a clear distinction could be made between the institutional and value systems, i.e. System I and System II, which could be considered as either more traditional in contrast to more modern business management in SSA countries respectively. He discusses that entrepreneurs are caught between these two systems of institutions and values, which he designates as the traditional system of vertical networks and life-long solidarity compared to the modern system of free associations in an open civil society under the umbrella of a universalistic state. These systems structure the behaviour of many entrepreneurs that are explored in this research project.

Performing research on culture and institutions can become a complex endeavour. Socio-cultural factors are constantly changing and a universally applicable paradigm is close to impossible to develop due to vast differences between and complexities within cultural groups. Hofstede et al. (2010) and

Trompenaars and Hampden-Turner (2012) attempt to capture these differences within six and seven cultural dimensions respectively. Even though the researcher acknowledges these paradigms remain powerful for cultural analysis, especially for comparative studies, it shows shortcomings in analysing the behaviour of and dynamics between individuals or organisations among cultural groups, as they are generalised to a level which makes is difficult to capture its entrenched complexities and interdependencies (Jackson, 2011). Nonetheless, these cultural dimensions form a useful entry point for further development of the theoretical framework and to consequently assess SMEs from a cultural and institutional perspective.

1.4   Research objective and scope

The objective of this research is threefold. Primarily, it aims to analyse the behaviours of entrepreneurs and organisations in the Tanzanian business environment, taking a cultural and institutional perspective. Second, it explores the manifestations of the cultural dimensions in the Tanzanian business context, by developing a model that can be used to analyse the institutions and cultural values present at a company, as well as identifying necessary institutional and values changes to enhance corporate effectiveness. Third, the usefulness and applicability of the developed model will be assessed by analysing the case studies to determine commonalities among clusters of companies, as well as socio-cultural and economic transitions that are taking place in the Tanzanian business environment. In order to reach these objectives, an explorative multiple case study approach is used, which involves interviewing entrepreneurs and participatory observations at their companies, case developments and multiple cross-case analyses.

The scope of the research will be limited to SMEs operating in the technology industries in Tanzania, i.e. the food-processing industry, the manufacturing industry and the information- and communication technology (ICT) industry. The reason for this is that these industries require the use of technologies and professional, i.e. responsible and independent, labour, as well as professional management. In addition, it is expected that the differences between traditionalism and modernism will be more evident in SMEs compared to multinational companies (MNCs). Hence, the unit of analysis for this research project are the individual SMEs in these tech-industries.

The nature of the research project is tentative and explorative and it is aimed to incorporate the internal business practices, as well as the effects of the institutional and economic Tanzanian business environment. Institutions and values, both traditional and modern, are identified at the three levels of

- The internal business management
- The civil society and the markets
- The state and governance

The reason for this is that these levels play a predominant role for entrepreneurial behaviour in developing countries (Kroesen, Forthcoming). It is important to note that in this thesis, culture is not considered as an independent variable. Rather it is seen as a contextual factor that is entrenched in

the socio-cultural norms and institutions that become manifested in the entrepreneurial activities, corporate management and the Tanzanian business environment.

This thesis is written for the partial fulfilment of the Master of Science program Management of Technology at the faculty of Technology, Policy and Management of the Delft University of Technology. The subject and scope for of this thesis ensures that the criteria according to the program are met. These specifically met criteria include:

- the research field of entrepreneurship
- the research focusses on technology-based SMEs
- the research focusses on corporate business processes and takes into account the cultural, institutional and economic aspects of these processes
- the research is developed using a multiple cross case analysis

1.5   Research questions

As previously discussed, the Tanzanian society and economy is evolving, resulting in a change of values and institutions among entrepreneurs in Tanzania. This thesis aims to understand the link between the socio-cultural and economic changes and commonly found Tanzanian business practices. In order to understand these links and changes, the following main research question will be answered:

How are SMEs operating in the technology industries dealing with the socio-cultural and economic demands originating from the Tanzanian business environment?

In order to answer this question, multiple cases of various companies in the Tanzanian tech-industries will be developed, followed by a multiple cross-case analysis. This will lead to clear distinction between traditional Tanzanian business practices and modern Tanzanian business practices, of which a model will be developed containing ideal-typical descriptions of these business practices, taking a cultural, institutional and economic perspective. This model will then be used to identify the most common transitions occurring among Tanzanian businesses and the business environment.

Following these steps, the following sub-research questions have been developed:

a) What are the ideal-typical descriptions of the traditional Tanzanian and the modern Tanzanian value- and institutional systems that characterize the socio-cultural and economic context of entrepreneurship in Tanzania?

b) What behaviours and strategies can be identified by entrepreneurs and their staff within Tanzanian enterprises, in the context of the existing value- and institutional systems?

c) How is the status of the civil society in Tanzania affecting the relationships and dynamics between SMEs and their suppliers, distributors, customers, competitors and supporting organisations, in the context of the existing value- and institutional systems?

d) How is the governance of the state affecting the Tanzanian SMEs in the context of the existing value- and institutional systems?

e) Which socio-cultural and economic transitions are happening in Tanzania that are affecting the business practices?

f) Which beneficial drivers to stimulate entrepreneurship and corporate effectiveness can be identified in Tanzania?

1.6   Conceptual framework

In figure 1, the conceptual framework that was developed prior to the research is shown. This forms the backbone of the project and shows the various steps that were taken. First, a literature review is conducted. This started with a description of the cultural dimensions of Hofstede and Trompenaars. These dimensions were then used as an entry point to uncover and structure the more complex manifestations of these dimensions such as socio-cultural institutions, strategies and behaviour that are applicable in the SSA and Tanzanian business context. These findings lead to the development of the theoretical framework that is used for the multiple cross-case analysis on the levels of the state, the civil society and the company. Second, a multiple cross-case analysis is developed, which is consequently compared to the theoretical framework. Third, after combining both the theoretical framework and the analysis that follows from the empirical date, a new model is developed that encompass the socio-cultural and economic systems pronounced by the ideal-typical descriptions of entrepreneurship in Tanzania. This is then used for a discussion of the transitions occurring in the Tanzanian business environment and the possibilities to enhance these transitions.
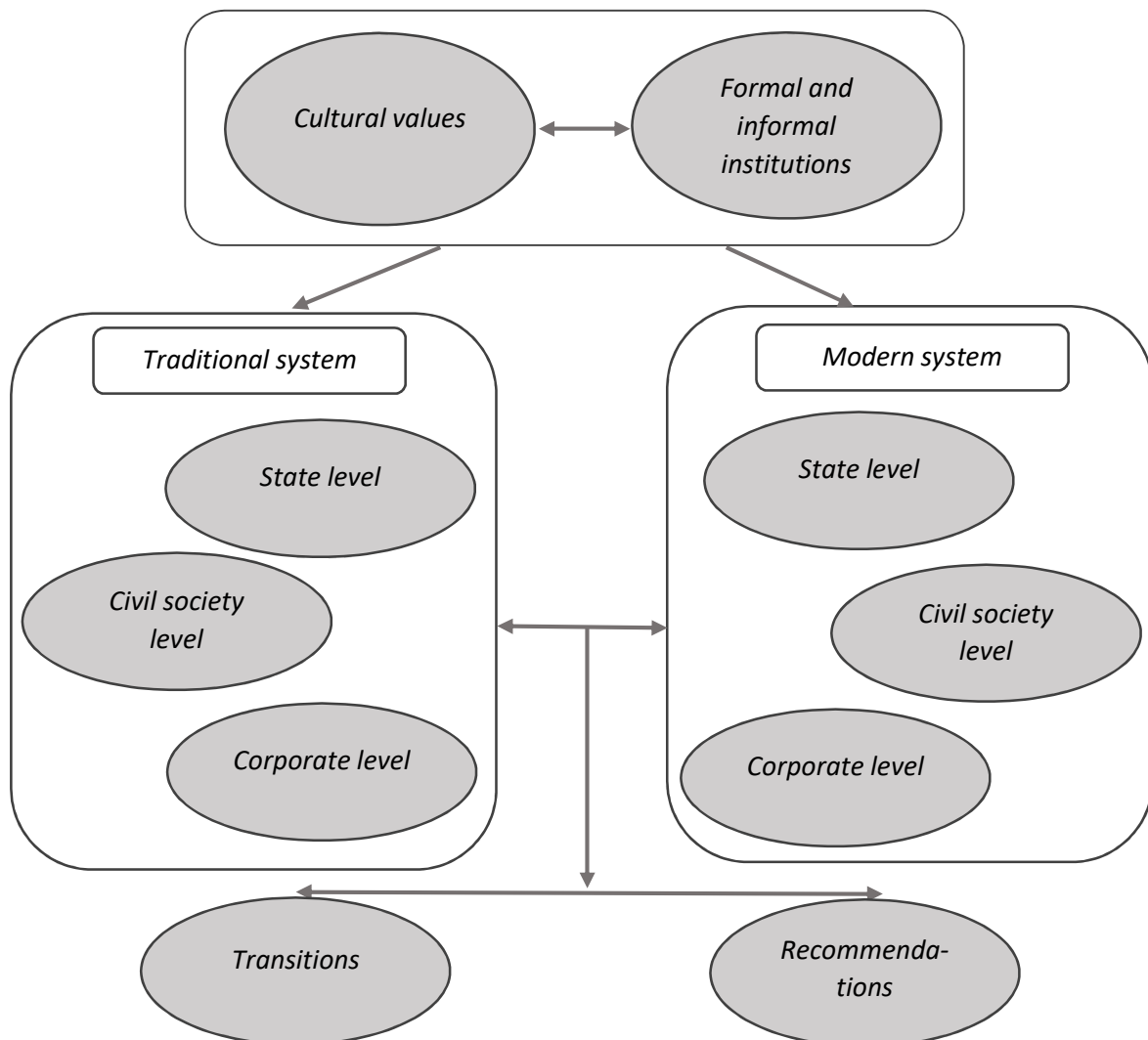

Figure 1. Conceptual framework of the research.

1.7   Thesis outline

The first chapter of this report will end by providing a clear description of the thesis outline. In this first chapter, i.e. the introduction, the practical and theoretical significance was discussed, followed by the research objective and scope, the research questions and the conceptual framework.

In the next chapter, the literature review will be provided. This includes the descriptions of the cultural dimensions of Hofstede and Trompenaars, followed by an extensive literature review of the internal business management, the civil society and the markets, and the state and governance in various SSA countries. In the third chapter. The research methodology will be provided. This includes a description of the sources, the case study design and the method for the case study analysis.

The fourth chapter will include the multiple cross case analysis. The first paragraph will start with two individual case descriptions that show a traditional and a modern company, which are consequently dual cross analysed. This is followed by the multiple cross-case analysis. The purpose of the dual cross case analysis prior to the multiple cross case analysis is to provide the reader with insights and a clear understanding on the method used for the multiple cross-case analysis and the development of the theoretical model. Hence, from these analyses and the theoretical framework, a theoretical model will be developed to evaluate enterprises' practices and transitions found in the Tanzanian business environment.

The fifth chapter will start with an evaluation of the individual companies using the theoretical model, followed by an assessment of clusters of companies that show similar behaviour and strategies. Next, the main transitions occurring in the Tanzanian business environment will be discussed and compared to findings in the literature. This chapter will end with a discussion on the aspects that are inducing these shifts.

The last chapter will draw the conclusions for this research project. It will firstly answer the research questions proposed in this chapter. Next, a reflection on the research and the outcomes will be provided. Lastly, recommendations for future research will be discussed.

2. Literature review

Following the conceptual framework discussed in paragraph 1.6, this chapter will present a review of the literature that is relevant to the conceptual framework and necessary as a prerequisite for the analysis that leads to answering the research questions presented in paragraph 1.5. This literature review will also be used as the foundation for developing the interview questions and for discussing the findings of this research with the results found in the literature.

First, entrepreneurship in SSA will be discussed. Second, the cultural dimensions of Hofstede et al. (2010) and Trompenaars and Hampden-Turner (2012) will be presented. These cultural values are regarded to be entrenched in the socio-cultural institutions and will form the basis for the review of more complex theories and findings. Third, findings in the literature on the topics concerning the internal business management in SSA will be discussed. This is followed by a review on civil society and the SSA markets. Lastly, findings on the state and governance in various SSA countries will be presented.

2.1   Entrepreneurship in Sub-Saharan Africa

The benefits of entrepreneurship for sustainable economic development of developing countries is becoming widely recognised, where especially SMEs are expected to play a key role. It is thus not surprising that development policies are shifting their focus towards small business development (Fjose et al., 2010; Ladzani & van Vuuren, 2002). In general, SMEs tend to be labour-intensive, which leads to employment and a fair distribution of income over the population. In addition, SMEs are more suitable to thrive compared to MNCs in the rural areas, which are often the poorest regions in SSA. SMEs increase productivity capacities, stimulate efficient resource distribution, enhance growth and contribute to poverty alleviation (Abor & Quartey, 2010; UNIDO, 1999).

This paragraph will explore the benefits of entrepreneurs in SSA. It will start with the link between entrepreneurs and innovation. Next, the characteristics of entrepreneurship in Tanzania will be provided. Lastly, the scope of SMEs will be discussed, as consensus on the defining characteristics of an SME is currently lacking.

2.1.1   Entrepreneurship and innovation

Many definitions and views on entrepreneurship exist. Yet, perhaps one of the most used views on entrepreneurship was written down by Joseph Schumpeter. In his view, the entrepreneur is an innovator that breaks the existing state of equilibrium to create change and progress in the markets. This could be manifested as an introduction of a new good, a new method of production, the opening of a new market, the exploitation of a new source or supply, and the restructuring of and organisation for business improvements (Schumpeter, 1934). These innovations are generally incentivized to gain a competitive advantage in the markets, which leads to continuity of the company and profits. The dynamics between the enterprises and markets are characterized by creative destruction. According to this concept, enterprises form the *variation* side by developing products that are expected to meet the market demands, while at the same time the markets contain the *selection* side by either consuming the products or ignoring it.

Throughout the years, the views on entrepreneurship and innovation have shifted and only recently, the field of Innovation Systems (IS) has emerged. As mentioned earlier, IS theory emphasizes a multi-actor endeavour of innovation and technological development, where the collaboration and sharing of knowledge between the relevant individuals and organizations generates interactive learning. Lundvall et al. (2009) define the national innovation system as ''an open, evolving and complex system that encompasses relationships within and between organizations, institutions and socio-economic structures which determine the rate and direction of innovation and competence-building emanating from processes of science-based and experience-based learning'' (p. 6). Hekkert, Suurs, Negro, Kuhlmann, and Smits (2007) describe the concept of innovation systems as ''a heuristic attempt, developed to analyse all societal subsystems, actors, and institutions contributing in one way or the other, directly or indirectly, intentionally or not, to the emergence or production of innovation'' (p. 414).

Yet, a consensus about the actors involved in an IS has not been reached. Considering the different scopes taken by various scholars, it seems to be depended on the context. For instance, Etzkowitz and Leydesdorff (2000) argue that the individuals and organisations all fall under the institutional domains of 1) the government, 2) the industries and 3) the universities. These domains collectively form the Triple-Helix model, where the boundaries have blurred and entities within and between these domains have gained more dynamic interactions and interdependencies throughout the years. The civil society as an institutional domain was added later to encompass the voice of public debate and opposition groups (Carayannis & Campbell, 2009). The IS could stretch even further to the institutional domain of the natural environment, when the scope requires to integrate sustainable development and social ecology in the unit of analysis (Carayannis et al., 2012). These domains could also be differentiated over national, regional, local, technological and sectoral IS (Etzkowitz & Leydesdorff, 2000; Lundvall et al., 2009; Oyelaran-Oyeyinka & McCormik, 2007). All of these domains encompass certain formal and informal institutions that include accountability and feedback mechanisms, which adjust the individual behaviour to the norms of these domains (North, 1989; Pesch, 2014).

Hekkert et al. (2007) recognize the usefulness of IS theory, but also argue there are two main drawbacks to it. Firstly, using these frameworks lead to quasi-static analyses of the performances of the actors, while there is less emphasis on the dynamics within the innovation systems. Secondly, the explanatory power of these frameworks are mainly aimed at the institutions at the macro-level, giving little attention to the entrepreneurial activities at the micro-level. He proposes a more dynamic system of 'functions of innovation systems' that include entrepreneurial activities, knowledge development, knowledge diffusion through networks, guidance of search, market formation, resource mobilization and creation of legitimacy, which are dynamically linked with both positive and negative feedback loops. In addition, Geels (2002) takes a more dynamic perspective, in which new technological transitions are subjected to three distinctive levels. These include 1) technological niches which form the breeding ground for radical innovations, 2) the socio-technical regimes including technology, markets, policy, knowledge, networks, infrastructure and culture that influence the trajectories of the technological path and 3) the landscape which consists of slow changing external factors that provide gradients to the trajectories. According to this model, unsuccessful technologies fail, because they are

unable to move through the socio-technical regimes. Successful technologies, on the other hand, are able to move through the sociotechnical regimes and the technological path of an innovation is influenced by these regimes, while it is at the same time influencing the sociotechnical regimes. This model however is merely focussed on technological transitions, rather than entrepreneurial activities.

Similar to IS theory, Kroesen (Forthcoming) recognizes that research on entrepreneurship and innovation should include the external environment as well, but argues that IS often fails to integrate socio-cultural values and institution. He therefore proposes a model that encompass three levels of social space, i.e. 1) the company, 2) the civil society and markets and 3) the state, that are both socio-cultural and economically value-laden. In addition, he stresses that economic development can only transpire when entrepreneurial activity originates from the bottom up, while societal and governmental policy changes are required from the top.

Considering these models, it becomes clear that companies are not singular operating entities, but are in fact dependent on environmental factors such as the markets and the government as well. IS theory shows that the domains should be determined based on the relevant context and it is the believe of the researcher that in Tanzania, this should include the internal business management, the civil society and the markets, and the state, similar to the model of (Kroesen, Forthcoming). At the same time, IS theory stresses the importance of the dynamic nature within and between the domains. This research thus also aims to uncover the dynamics between several entities by looking at the behaviours and strategies of the entrepreneurs and their companies.

2.1.2 Characteristics of entrepreneurship in Sub-Saharan Africa

Entrepreneurship seems to be thriving in various countries across SSA. In fact, countries in SSA contained the highest ratio, i.e. 26%, of citizens engaged in early-stage entrepreneurship in 2014, compared to 7.8% in the European Union (E.U.) and 13.8% in the United State of America (U.S.A.). Many of these entrepreneurs run sole proprietorships like selling products on the streets and are often necessity driven due to unemployment. As a result, this continent also has the highest failure rate (14.0%), compared to the E.U. (2.6%) and the U.S.A. (4.0%) (Global entrepreneurship monitor, 2014).

Scholars often differentiate between necessity- and opportunity driven entrepreneurship, where it is believed that African entrepreneurs are commonly necessity driven (The African development bank, 2011). Langevang, Namatovu, and Dawa (2012) question this distinction, with in particular the notion of a lack of growth aspiration among necessity-driven entrepreneurs, and found that motivation among entrepreneurs in Uganda is largely socially embedded in the socio-economic environment, social networks, family relations and position in the life course.

In general, it is believed that the main driver for entrepreneurs is the pursuit of revenue and profit maximisation. Yet, Devine and Kiggundu (2016) found that social entrepreneurship plays an imperative role in SSA. According to Yujuico (2008), social entrepreneurs strive for the enhancement of social well-being by creatively overcoming constrains, while for-profit motivations play a less prominent role. Even though both regular entrepreneurs and social entrepreneurs pursue creative solutions to grasp opportunities and to meet the customer demand, the former measures success in profits, while the latter pursues improvements in social well-being.

Entrepreneurial activity is almost equal between men and women in SSA, although men usually work full-time, while women do it on the side next to their household tasks (Global entrepreneurship monitor, 2014). Yet, women are faced with a vast amount of challenges, both socially and legally (Devine & Kiggundu, 2016). For instance, Asiedu, Kalonda-Kanyama, Ndikumana, and Nti-Addae (2013) found that governmental policy, laws and access to finance are subjected to gender discrimination in SSA. In addition, female entrepreneurs generally have less property rights (Khavul et al., 2009). At the same time, women in SSA tend to be more innovative compared to their male counterparts and are better able to leverage their social networking skills to benefit their businesses (Devine & Kiggundu, 2016).

2.1.3 Micro-, small- and medium enterprises

Definitions and classification criteria of micro-, small- and medium enterprises (MSMEs) differ significantly among organisations. According to the European Commision (2017), micro-enterprises have 1 to 9 employees and an annual turnover of less than €2 million, small enterprises have 10 to 49 employees and an annual turnover of less than €10 million and medium enterprises have 50 to 249 employees and an annual turnover of less than €50 million. However, these numbers are not universally applicable, as they should be differentiated among industries and geographical locations (Abor & Quartey, 2010).

United Nations Industrial Development Organization (UNIDO) does make a distinction between MSMEs in industrialised countries and MSMEs in developing countries (Abor & Quartey, 2010). According to UNIDO, micro-, small- and medium enterprises in industrialised countries consist of less than 10, between 10 and 99 and between 100 and 499 employees respectively, while micro-, small- and medium enterprises in developing countries consist of less than 5, between 5 and 19 and between 20 and 99 employees respectively. The Tanzanian Ministry of Industry and Trade (MIT) classifies micro enterprises as having 1 to 4 employees, small enterprises as having 5 to 49 employees and medium enterprises as having between 50 and 99 employees (MIT, 2003). For this research, the classification of the Tanzanian MIT will be used. Nonetheless, research on a few companies with less than five employees were also conducted in this research, due to nature of their business practices and products. An overview of the different definitions can be found in table 1.

	European Commission	UNIDO		MIT
		Developed	Developing	
Micro	1 to 9 employees, < €2 mln	1 to 9 employees	1 to 4 employees	1 to 4 employees
Small	10 to 49 employees, < €10 mln	10 to 99 employees	5 to 19 employees	5 to 49 employees
Medium	50 to 249 employees, < €50 mln	100 to 999 employees	20 to 99 employees	50 to 99 employees

Table 1. Classification of SMEs according to several organisations.

2.2 Culture and cultural dimensions

Culture can be described as a mental program collectively situated in the minds of people, developed by the interactions between an individual and the social environment. It lies within the collection of the life-experiences of one person starting from family, followed by the neighbourhood,

school, youth groups, workplace and the community. As a result, it is passed on from generation to generation, it is at least partly shared by many other members of the social surrounding, it remains extremely durable through time and space, and it remains a powerful driver for behaviour (Hofstede et al., 2010; Kelsall, 2008).

Culture is involved in many fields of research, ranging from anthropology (Hofstede et al., 2010), political sciences (Hyden, 2006; Kelsall, 2008), organisational sciences (Hofstede et al., 2010; Robbins & Judge, 2013; Trompenaars & Hampden-Turner, 2012) and entrepreneurship (Kroesen, Forthcoming). Culture itself can also be analysed on multiple levels, e.g. the national levels, regional levels, per religion, gender-based and social classes (Hofstede et al., 2010). This large variety of possibilities generate great differences between views on culture, as well as methods to analyse it.

Cultural comparative studies operationalise culture to various cultural dimensions, which is then quantitatively examined and compared between the groups of interest. Hofstede et al. (2010) have developed perhaps the most well-known set of six different national cultural dimensions. Trompenaars and Hampden-Turner (2012) articulated seven national cultural dimensions, aimed at cross-cultural communication in business management. Both models show overlap with each other, but each models also brings forth their unique dimensions, which are applicable to the field of entrepreneurship. The cultural dimensions of both models will thus be analysed and compared, to generate a set of dimensions that are most applicable to the research field of entrepreneurship.

2.2.1   Hofstede's cultural dimensions

Hofstede et al. (2010) define culture as ''the collective programming of the mind that distinguishes the members of one group or category of people form others'' (p. 6). They see culture as a result of accumulated social interactions during the lifetime of a person and is therefore nurtured. According to them, culture is manifested as values and practices through four layers, which is depicted in figure 2. These layers are described as follow:

- *Symbols*: words, gestures, pictures and objects that have a certain meaning and are easily recognized by other members with the same cultural background.
- *Heroes*: people (who can be dead or alive and real or imaginary) which hold characteristics that are highly praised in a culture and therefore act a role model for behaviour.
- *Rituals*: collective activities, which are essential for the culture of a social group.
- *Values*: the core of a culture, which represents the preferences of certain values over others.
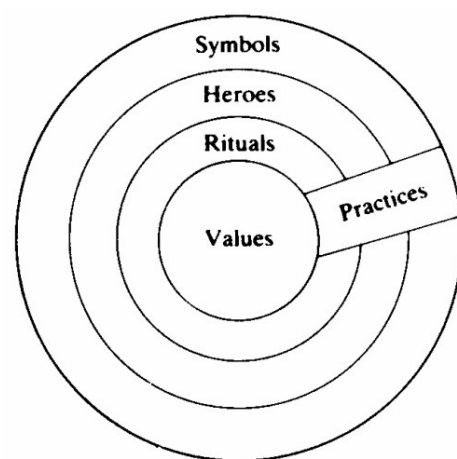

Figure 2. Cultural model of Hofstede (Hofstede, Hofstede, & Minkov, 2010).

Throughout these layers, the cultural dimensions can be situated, manifested as either symbols, heroes, rituals or values. The six cultural dimensions of this model are:

1. ***Power distance:*** This dimension measures the hierarchy between members within organisations and institutions and to what extent the less powerful member accepts and expects that the power is unequally distributed.

2. ***Individualism vs. Collectivism***: This dimension measures to what degree members in a society are integrated in groups and whether they have close or loose ties with these groups. Individualistic societies have loose bond and members usually take care of themselves, while collectivistic societies have tightly integrated relationships with the communities and other groups and show high levels of loyalty.

3. ***Masculinity vs. Femininity***: A masculine society prefers achievement, heroism, assertiveness and material reward for success over cooperation, modesty, caring for the weak and the quality of life, which are characteristics of a feminine society.

4. ***Uncertainty avoidance:*** This dimension measures the tolerance for ambiguity and how a society embraces or averts the unexpected and unknown. Societies that score high generally have more laws and guidelines, strict codes of behaviour and belief more in absolute truths, while societies that score low have a higher acceptance for different thought, impose fewer laws and guidelines, and are more used to a free-moving and uncontrolled environment.

5. ***Long-term vs. short-term orientation***: This dimension measures to what extent a society is more concerned with the future or with the current situation. Long-term orientation involves striving for goals in the future or current goals that are beneficial for the future, while short-term oriented societies tend to enjoy the present, fear societal change and focus on traditions.

6. ***Indulgence vs. restraint:*** This dimension measures whether happiness is indulgent or restraint by contextual factors in the society. Indulgent societies enjoy life and allow gratification of basic and natural human desires, while restraint societies control and regulate gratification by means of strict social norms.

2.2.2 Trompenaars' cultural dimensions

Trompenaars and Hampden-Turner (2012) explain that culture determines ''the way in which people solve problems and reconciles dilemmas'' (p. 6). Similar to the model of Hofstede et al. (2010), Trompenaars and Hampden-Turner (2012) present a model of three layers, which is shown in figure 3. The layers are described as follow:

Figure 3. Cultural model of Trompenaars (Trompenaars & Hampden-Turner, 2012).

- *Artefacts and symbols*: The observable level and explicit expressions of a culture, such as language, food, houses and markets.

- *Norms and values*: At this level, norms are the consensus of what is right and wrong among a group of people and represent the status quo. Values determine what is good and bad and describe what is ought to be desired behaviour.
- *Assumptions about existence*: The core level describes the basic assumptions of existence, which are created when a group of people organise themselves in such a way that problem solving becomes more effective.

Trompenaars and Hampden-Turner (2012) have identified seven cultural dimensions, which can be situated over the three layers. These include:

1. **Universalism vs. Particularism:** This dimension measures to what extent ideas and practices should be applied without modifications based on the context. Universalistic cultures tend to follow rules, which apply to everyone, are usually to-the-point and are not context depended. Particularistic cultures ideas and practices are influenced by the conditions of the surrounding and members are more focussed on relationships.

2. **Individualism vs. Communitarianism:** This dimension measures to what extent the individual is placed above the community. Members of individualistic culture feel less obliged to communities' ideas and practices and refer to themselves as individuals. Individuals from a communitarianistic culture tend to put the interest of the community above one's own interests.

3. **Neutral vs. Affective:** This dimension measures whether members of a culture are socially allowed to show their emotions. Neutral cultures tend to hide their emotions, while affective cultures are more expressive.

4. **Specific vs. Diffuse:** This dimension measures to what extent individuals allow public members to get involved in their private lives. In specific cultures, private space is closely guarded and are shared only with close friends and associates, while in diffuse cultures individuals allow more members into their private space and develop personal relationships.

5. **Achieved vs. Ascribed status:** This dimension measures through which way status is obtained. Achieved status is obtained through the results of an individual, while an ascribed status is obtained through birth rights and relations.

6. **Sequential vs. Synchronic time:** This dimension describes how time is managed in a society. Sequential time management assumes time is linear and events need to occur in a pre-determined order. Synchronic time management explains that some cultures assume past, present and future are intertwined and the order of events is not important.

7. **Internal vs. External control:** This dimension encompasses whether individuals can influence nature or are influenced by nature. Cultures with internal control believe humans can influence nature and their environment and individuals tend to take responsibilities for their actions. Cultures with an external control cannot control nature, but are rather led by it. Individuals are inclined to place responsibilities for their actions at someone else.

2.2.3   Shortcomings of the cultural dimensions

By comparing these models, overlap of some of the dimensions is evident, although various differences can be identified. For instance, individualism vs. collectivism and individualism vs. communitarianism explain the same phenomenon and both time management dimensions are strongly correlated. The same holds true for indulgence vs. restraint and neutral vs. affective. Also internal vs. external control seems closely related to uncertainty avoidance, as individuals with an internal control will focus on controlling their environment through rules and see themselves as the turning point of change, or vice versa. For the remainder of this thesis, these two dimensions will be grouped and named *fatalism vs. voluntarism.* Universalism vs. particularism and achieved status vs. ascribed status seem to be unrepresented in Hofstede's model. In addition, the dimension of power distance is lacking in Trompenaars' model.

These cultural dimensions have proven to be invaluable in cultural research, with in particular cultural comparative studies. However, shortcoming of these models to analyse entrepreneurship from a socio-cultural and institutional perspective are evident. Reducing a culture to six or seven dimensions suggest a static notion of cultural, which is enhanced by adding scores to them. Yet, cultural values and institutions are considerably more dynamic and complex. In addition, it provides a singular average per dimension of one group, while differences between individuals within a group are severe. Lastly, it remains questionable whether a few dimensions are sufficient to capture the many aspects, different values and manifestations of cultures. Even though the researcher recognizes the usefulness of these dimensions, a more thorough analysis of the literature is required to analyse entrepreneurship in Tanzania and to answer the research questions.

The following paragraphs will address these issues to a greater extent. It will use the cultural dimensions as an entry point for unveiling more complex theories and phenomena commonly seen in SSA. This analysis will be based on the three levels of the internal business management, the civil society and markets, and the state. After each paragraph, and hence each level, the findings will be linked to the cultural dimensions of Hofstede and Trompenaars, in order to determine which dimensions play a prime role in analysing entrepreneurship in Tanzania.

2.3   Internal business management in Sub-Saharan Africa

In the previous paragraph, the cultural dimensions of Hofstede and Trompenaars were discussed. This paragraph will focus on theories and findings described in the literature of the internal business management in various SSA companies. First, the power and control systems will be discussed. Subsequently, the motivation among employees and appraisal systems will be addressed. This is followed by a review on group identities and resistance to change. Next, time management and education will be discussed. Lastly, some concluding words will be provided.

2.3.1   Power and control

According to Kiggundu, (1988, as cited by Beugré & Offodile, 2001), a dominant management style is prevalent in SSA enterprises. The organisations tend to be hierarchical, highly bureaucratic and communication mainly flows from the top to the bottom. The senior management holds the power

and pursues control mechanisms through reward and punishment, while the workers are expected to obey instructions without discussion.

Blunt and Jones (1997) found similar behaviour, albeit somewhat more authoritative than authoritarian. The power structures are highly centralized, the focus of the senior management is placed on control mechanisms rather than operational performance, the management style is paternalistic and a bureaucratic resistance to change prevails. Within age groups, African societies tend to be egalitarian, but hierarchical between age groups. Leaders gain their status through age and, hence, act paternalistic towards their subordinates and bestow favours in return for compliance. Workers expect their managers to be all-knowing, to provide clear directions and to support and help them in a fatherly manner. In response to such a paternalistic management style, subordinates tend to be more concerned with the quality of their relationships with their bosses instead of individual and organisational effectiveness, clients and long-term strategies.

Etzioni (1975, as cited by Jackson, Amaeshi, & Yavuz, 2008) argues there are three different types of control systems within a company, i.e. coercive, remunerative and normative power, and they hypothesised a correlation between these control systems and organisational effectiveness. Within the SSA context, Jackson et al. (2008) explains that coercive power relates to an authoritarian management style through punishment, that remunerative power is obtained through reward based on performance and that a normative power emphasises the importance of collectively shared norms and values that are internalized by individuals such as teamwork. Different control systems (and hybrids) were found at different SMEs in Kenya, but he additionally observed a fourth control system, i.e. paternalism, in which the superior provides protection or favours in return of conformity and obedience, similar to the findings of Kiggundu (1988) and Blunt and Jones (1997).

2.3.2 Motivation and performance appraisal

According to Beugré and Offodile (2001), motivation among SSA employees is relatively low, but also poorly understood due to a scarcity of empirical research. Nevertheless, some scholars have addressed the issue. For instance, Machungwa and Schmitt (1983) found that six factors are influencing motivation in Zambia, i.e. growth and promotional opportunity concerns, the nature of tasks, the provision of materials, items relating to interpersonal relationship, fairness of organisational practices and personal problems. Harvey, Carter, and Mudimu (2000) found that prestige, social approval and loyalty are a strong enabler for workers' motivation and self-actualisation in Zimbabwe. Hamre and Kaasbøll (2008) found similar results and highlight that employees in SSA often prefer face-to-face meetings, presumably to enhance their relationships with their supervisors.

Focussing on the relationships with superiors and obtaining social status through favouritism leads to a decline productivity. It is closely related to a paternalistic management style, where employees are motivated to improve relationships instead of organisational effectiveness, as they pursue favours from their superior for personal gain over performance. The same holds true for an authoritarian management style, where the subordinates feel bossed around and are less motivated because of it. It is expected that the subordinates are obedient towards their all-knowing superiors, which stifles them to develop and present their own innovative ideas (Beugré & Offodile, 2001; Kroesen,

Forthcoming). As a result, the development of a professional attitude of working independent and responsible will be impeded. This becomes even more an issue whenever employees need to deal with sophisticated technologies or increasing business unit complexities due to growth, as these situations requires a professional attitude (Kroesen, Forthcoming).

This also affects and is affected by performance appraisals. Job descriptions tend to be vague, which does not permit the development of clear performance indicators. Appraisal of staff is mostly based on compliance instead of productivity (Thairu, 1999a). Instead of using job related measures, motivations for remuneration such as promotion, hiring and firing are often based on personal consideration, ethnicity, tribalism and psychological distance (Beugré & Offodile, 2001). Employees who do not enjoy the benefits of having a good relationship with their superior, will feel demotivated due to the unfairness of such appraisal systems (Hamre & Kaasbøll, 2008).

2.3.3 Group-thinking, collectivism and resistance to change

In SSA, the group often goes before the individual and going against the group, e.g. family or clan, can be difficult (Kroesen, Forthcoming). The opportunity for Africans to speak up to a superior is often denied by social status based on their position or age (Beugré & Offodile, 2001). As a result, which also coincides with a lack of professional judgement, subordinates are inclined to keep their ideas to themselves or reluctant to develop their own ideas, which consequently impedes innovation coming from the workforce.

In addition, SSA societies tend to be compartmentalised and lacking anonymous trust. The in-group vs. out-group mentality occasionally hampers cooperation and the development of trust bonds. For instance, Jackson et al. (2008) found that within Kenyan enterprises, groups were formed based on their ethnical backgrounds and Vlieger (2013) showed that many companies in Kenya often hire employees with the same ethnical background. When companies employed mixed ethnical backgrounds, senior managers and directors showed more paternalism and favouritism towards employees with similar ethnical backgrounds, while neglecting the interests of out-group members within the company. As a result of these socially entrenched in-group vs. out-group mentality, Fülöp and Büki (2013) found that in-group relationships were characterized by interdependence and cooperation, while out-group relationship were in fact characterized by competition, which in turn negatively affected performance. These collective identities and the negligence towards out-groups members hinders the development of teamwork (Kroesen, Forthcoming). Ultimately, when ethnic diversities are not managed properly, it can have detrimental consequences for organisational performance (Nyambegera, 2002).

However, it is important to note that these differences usually do not lead to conflicts within enterprises, as preserving harmony is highly valued. As Beugré and Offodile (2001) explains ''when a problem occurs, the goal of the decision makers is not to punish one side and declare the other victorious; rather it is to reconcile both parties'' (p. 538). Employees that have any quarrels simply avoid each other, which also means avoiding cooperation. Nyambegera (2002) argues that both harmony and organizational effectiveness can be obtained, when the senior management focuses on

diversity management and effective mixing of ethnic groups. In fact, Vlieger (2013) found that a few Kenyan companies actively pursued ethnical mixing and these companies generally performed better.

Not only do Africans prefer to preserve harmony among individuals, they also are inclined to preserve harmony with nature. They prefer not to control the environment, but rather comply with it. One of the consequences of such a cultural trait is that SSA societies tend to avoid uncertainty and risks (Hofstede et al., 2010). For instance, Saleh (1993) found that Kenyans prefer predictable situations, deter change and rather accept things as they are without question. Additionally, Africans generally do not see themselves as the turning point of change. However, Boermans et al. (2011) found that a risk-taking attitude is required by Tanzanian entrepreneurs in order to develop their businesses. Cleary, such an attitude is required for out-of-the-box thinking and innovation.

2.3.4   Time management and education

SSA societies are known for having a short-term orientation, a small propensity to save and the desire for gaining quick results (Hofstede et al., 2010). Culture plays a major factor here, but the low levels of education are also partly responsible for this. SSA individuals that have attended secondary education, often show long-term orientation and are generally employed in MNCs or governmental organisations. Somewhat surprisingly though, empirical research on time management within SSA SMEs is limited, even though these cultural traits are expected to be visible here as well.

Thairu (1999b) discussed several 'time wasters' common in SSA enterprises, which include inadequate planning, lack of foresight, inefficient time allocation, excessive meetings, stifled communication due to an abundance of corporate layers and unknown periodicities to finish tasks. According to him, SSA managers should invest in activity analysis, work time sampling and time and motion studies. Chachage and Ngulube (2006) found that exporting companies in Tanzania lacked proper record management systems, such as digital tools, compliance and standards, supporting record programmes and funds, record access and a professional attitude among the staff.

Not only does adequate time management require proper planning and record keeping, it also requires a disciplined and educated labour force that is comfortable with handling schedules and targets. A professional attitude will be needed from the labour force, where workers fulfil their duties independently without continuous and time-consuming directions from their superiors. Complementary, superiors should pursue a more egalitarian management style that nurtures independence of their subordinates (Kroesen, Forthcoming).

Working with a planning, targets and records, as well as technologies and machineries, requires education and training. However, most Tanzanians only attended the mandatory primary level of education, while secondary education is usually only reachable for wealthy families (UNICEF, 2013). Collier (2007) argues that issues such a lack of education or a lack of experience due to joblessness, has to be dealt with more thoroughly, especially in industrial areas in developing countries.

On the contrary, education on entrepreneurship itself has gained more attention in SSA and a variety of programs is offered by universities, governments and NGOs (Devine & Kiggundu, 2016). For

instance, besides provided micro-credit to start-ups, NGOs also train and educate entrepreneurs in general management skills. However, the effectiveness of these programs are often questioned. For instance, Obeng and Blundel (2015) found that many entrepreneurial education programs in Ghana are often too general and inadequate to address practical issues and not properly differentiated over different entrepreneurial groups. In addition, researchers of the Wold Bank reported that these programs lack scientific support, coordination and there is a substantial gap between the programs and the local values and institutions (Devine & Kiggundu, 2016).

2.3.5   Conclusion on internal business management in Sub-Saharan Africa

The commonly found subjects in the literature on internal business management in SSA have been discussed in this paragraph. The first section dealt with power and control systems in SSA businesses. Most enterprises tend to be hierarchical with a coercive or paternalistic management style. The cultural dimensions related to these finding include power distance, universalism vs. particularism, ascribed vs. achieved status and to some extent individualism vs. collectivism.

The second section discussed the consequence of the management styles in terms of motivation, attitudes and appraisal. The related cultural dimensions are therefore similar, but fatalism vs. voluntarism must be included to analyse intrinsic or extrinsic motivation and a professional attitude.

The third section addressed the in-group mentality and resistance to change commonly found in SSA enterprises. Individualism vs. collectivism plays a profound role on group mentality, while fatalism vs. voluntarism and synchronic vs. sequential time management captures resistance to change.

The last section dealt with time management and education within SSA companies and among entrepreneurs. Obviously, synchronic vs. sequential time management play a profound role. Yet, fatalism vs. voluntarism captures this phenomenon here as well, as educated entrepreneurs take responsibility to tackle problems or grasp opportunities that will pay off the future.

2.4   Civil society and markets in Sub-Sahara Africa

In the last paragraph, the first level of the conceptual framework has been discussed, i.e. the company level. This paragraph will address the level of the civil society, which starts with a definition of the civil society. This will be followed by the civil society in SSA and the commonly found civic associations, which form the embodiment of the civil society. Next, the theoretical model of horizontal and vertical networks will be presented. Lastly, these socio-cultural institutions and market dynamics will be discussed more thoroughly based on the vertical gated network model.

2.4.1   Defining civil society

More than century ago, Tocqueville (1904, as cited by Atibil, 2012) already lay the foundation for the concept of a civil society. In his view, a civil society is constituted by independent organisations containing voluntary associations between individuals, where individuals can relatively easy interchange between associations without the loss of public rights or benefits. It could be exhibited as a countervailing force to the government in the form of political parties and interest groups in order

to articulate their demands to the government, or act as a 'school of citizenship', where co-operation is learned and stimulated (Atibil, 2012; Edwards, 2004; Fukuyama, 2001).

Many other scholars have continuously developed this field of research, which resulted in a vast diversity of definitions and a consensus about what a civil society entails still has to be reached (Atibil, 2012). Some people and organisations use the term civil society interchangeable with NGOs. For instance, Whitfield (2003) found that the conception of civil society often depends on the actors and the context involved and many donor organisations in Ghana restrict their views of a civil society to non-governmental organisations (NGOs) and community-based organisations (CBOs). Atibil (2012) subsequently builds on these findings and even argues that this diversity of views on civil society forms one of the roots of the conflicting nature of the state-civil society relations in SSA.

Anheier and Salamon (2006, as cited by Atibil, 2012) also recognise this conflict between the civil society and states and view a civil society as spontaneous citizens' action to keep the dominant elite and institutions in check. Gramsci (Edwards, 2004) takes a more historical and theological view of the conflicting nature by arguing that a ''civil society was the site of rebellion against the orthodox as well as the construction of cultural and ideological hegemony, expressed through families, schools, universities and the media as well as voluntary associations since all these institutions are important in shaping the political dispositions of citizens'' (p. 6).

However, not all scholars agree with this conflicting view between the state and the civil society. For instance, Carothers and Brandt (2000) argue that a ''good nongovernmental advocacy work will actually tend to strengthen, not weaken state capacity'' (p. 26) and coalitions and oppositions can be formed between various actors based on ever-changing interests of citizens and organisations. In their view, the concept civil society encompasses more than just NGOs, where they see civil society as all organisations and associations outside of the state and the market, including (in addition to NGOs) labour unions, professional associations, chamber of commerce, ethnic associations, religious organisations, students' groups, cultural organisations, sports clubs, informal community groups and even groups like the Mafia and militias. They also emphasise that not all organisations and associations pursue noble causes, as public interests can be ambiguous and contested by the various actors.

Putnam (1993) seems to agree that a well-functioning civil society contains this vast amount of different actors and the changing coalitions. He explains that these civic associations are the building blocks of a civil society, which provide the opportunity for the creation of social capital. This social capital is generated through 'civic engagements' among these associations, where mutual benefits are generated and enforced, leading to the creation of trust, facilitating collective actions and stimulating innovation and economic development.

Fukuyama (1999) argues that ''social capital is an instantiated informal norm that promotes cooperation between two or more individuals'' (p. 1) and that these norms and cooperation stimulates trust, networks and eventually a civil society. He considers social capital as a by-product of religion, tradition and shared historical experience, and explains that it economically reduces transaction costs and forms a political necessity for a modern democracy to thrive.

Edwards (2004) takes a more holistic approach by identifying three main schools of thought within the research field of civil society and argues that the different schools of thought are in fact distinct

pieces of the same puzzle. The first part of this puzzle is comprised by the associational life describes the civil society as being part of the society that is distinct from states and markets. Second, the good society promotes a desired society, which positions the civic organisations in the proper context and stimulates equal privileges among the entities on ideological grounds. Lastly, the public sphere argues that a civil society provides an arena for debate and collaboration. According to him, each school of thought offsets the disadvantages of the others, where values are created by the associational life, the values are traded-off to determine the way forward in the good society and the public sphere acts as the grounds for the debate.

2.4.2 Civil society and civic associations in Sub-Saharan Africa

The role of civic associations in the civil society in SSA can already be traced back to the pre-colonial era, embodied as welfare organisations, agricultural work parties, credit associations and traders' organisations that negotiated with the state authorities about topics such as regulations, law enforcement, standards, debts and contracts. During the colonial era, some of these organisations developed into protest organisations against the colonial rulers to advocate the interests of the local citizens (Matanga, 2010).

After colonial rule, most African political systems started as democratic multi-party systems, but nearly all SSA countries quickly turned into a one- or no-party system through a combination of constitutional manipulation and force. It was argued by African leaders that African societies were homogenous without any separation in social classes and a plural political system was inconceivable (Matanga, 2010), while at the same time these African leaders were eager to associate their power to their own ethic affiliations (Kroesen, 2015). Extreme bureaucracy became the norm, which was used by ethnic groups, or coalitions of ethnic groups, to keep opposing parties at bay and strategic resources to themselves. In this political system, the state was considered the motor for economic development and it was responsible for public planning and management. However, this system allowed corruption to occur due to a patrimonial system, where patronage and clientelism were in favour of members of the same ethnic communities, while it excluded members of other ethnic groups. This patrimonial system was fuelled by foreign organisations like the World Bank and the IMF, who simply invested and donated money to these governments, which in turn were used to preserve their patronage relationships. As the power of the states rose, the power of the civil society in the form of civic associations and institutions declined (Kroesen, 2015; Matanga, 2010).

During the economic crisis in the mid-70, African countries were marginalized and flaws in the political and economic system became evident. The World Bank and the IMF initiated Structural Adjustment Programmes based on neo-liberal economic views and African states were forced by these international financial aid organisations to diminish the states' power and to liberate the markets. International NGOs that helped building up Europe after the Second World War had to redefine themselves and shifted their focus onto the struggling continent Africa. These NGOs were seen as ideal organisations to promote democracy, reduce the state's power, enhance pluralism and empowering the poor by involving them in decision- and policymaking. They acted as a ''counterweight to state

power in protecting human rights, opening up channels of communication and participation, and in some cases, providing training grounds for activists'' (Matanga, 2010).

However even though these reforms were financially sound, they also involved budget cuts in healthcare, education and welfare, which turned out to be detrimental for Africa's society. After harsh criticism, these international organisations changed their course to 'Good Governance Programs' that involved the development of a civil society in Africa, similar to the development of a civil society in the West. This acknowledged that the institutions were in disorder in SSA, due to the non-inclusive political institutions, the extreme bureaucratic system in the hands of one or a coalition of ethnic group(s) and the small and powerful oligarchies or even dictatorships. Through the course of these decades, these aspects contributed to the compartmentalisation of the society, which led to the many conflicts in SSA between ethnic groups and to the poorly governed economy (Collier, 2007; Kroesen, 2015; Matanga, 2010).

Criticism on the Good Governance program comes from Kelsall (2008), as he argues that the Western values that were entrenched in the reforms such as separation of power, independent judiciary, rule of law, multi-party election free press and transparency, are unable to fit with the socio-cultural vales and institutions that are rooted in the SSA societies and cultures. He advocates that a new approach should be pursued, where policies should 'go with the social grain' of SSA instead of working against it, by combining both Western and African values and institutions. He points out that this approach was used by East Asian countries as well, who only took certain element of Western institution and values and combined them with their own.

Yet, most markets, institutions and states remain underdeveloped in SSA. NGOs are left with the important task of filling these gaps and stimulating economic development by providing resources, legislation, financial aid, resources, healthcare or education. They remain vitally important to provide citizens with the basic needs for survival, relief, rehabilitation and community development (Makoba, 2002).

However, these should be strategically selected. While some initiatives make a great impact in developing countries, other have proven to be detrimental for sustainable economic development. For instance, NGOs have been providing certain resources for a part of a product's value chain, such as fertilizer, solar panels or flour, which temporarily increased the production over the value chain. However, local enterprises were unable to compete with these NGOs and to develop their markets. Hence, these NGOs unintentionally pushed these companies out of the market and made them run out of business (Collier, 2007; Kroesen & Ndegwah, 2016).

2.4.3   Horizontal and vertical networks

Throughout these decades of changing policies and changing roles of NGOs, the patrimonial system of clientelism, patronage, compartmentalisation and extreme bureaucracy seem to have persisted. Putnam (1993) characterize such societies as consisting of vertical networks in contrast to horizontal networks.

In vertical networks, members depend on each other through reciprocity embedded in the vertical relationships of authority and the pursuit personal gain, for instance when patrons hand out resources and favours to their clients in return for support and loyalty. Distrusting citizens situated in other vertical networks usually prevails and moral bonds usually do not extent beyond the social borders of family members, friends or ethnic groups. As a result, cooperation is often limited and these systems are detrimental for economic development and innovation. However, such systems remain intact as members fear exclusion from a network they belongs to and Putnam (1993) explains that ''vertical dependence is a rational strategy for survival – even when those who are dependent recognize its drawbacks'' (p. 145).

On the contrary, horizontal networks are associated with a well-functioning civil society, where members are free to move between associations without the loss of social status and relationship are based on trust, reciprocities for mutual gain and cooperation. Members usually have equal rights and obligations, and see the public domain as more than an opportunity for pursuing personal gain. In such social systems, leaders are necessary as well, but with a conscience of being responsible for their fellow citizens and without vertical exploitation. Ultimately, a social system of horizontal networks is more likely to generate economic development and innovation (Putnam, 1993).

2.4.4   Civil society and the African markets

Social systems and the status of a civil society have a significant impact on the democratic processes and the political systems in a country and research on the interaction between the state and the civil society is abundant (Atibil, 2012; Carothers & Brandt, 2000; Edwards, 2004). Less emphasis is usually put on the economic influences of these social systems, presumably because the field of the civil society is often regarded as distinct from the market. However, an open and horizontal civil society is a prerequisite for successful entrepreneurship, innovation and economic development, while vertical networks are detrimental for cooperation, trust and the development of social capital (Fukuyama, 2001; Kroesen, 2015; Putnam, 1993).

The SSA social systems remain characterized by these vertical networks of patrimonialism, compartmentalisation, life-long solidarity and an in-group mentality. Hyden (2006) speaks of an 'economy of affection', where individuals seek to invest in reciprocal relationships by means of favours, resources or money and that the core logic of such dynamics is ''that (a) whom you know is more important than what you know, (b) sharing personal wealth is more rewarding than investing in economic growth, and (c) a helping hand today generates returns tomorrow'' (p. 72). Originally, such systems were limited to family, clans and kinships, but the boundaries of these systems have changed to include friends and colleagues as well.

These vertical networks and systems of patronage are inefficient from an economic perspective. Economic free market processes and innovation are based on market optimisation through a vast amount of competing companies (Himmelweit, Simonetti, & Trigg, 2001). However, when consumers or organisations limit their consumption to one or a small group of suppliers based on the vertical networks of reciprocity and life-long solidarity, these processes are disrupted and market optimization

cannot be reached. Also, due to market imperfections such as unequal access to resources and disrupted tendering processes, rent-seeking lures around the corner and increases costs (Khan, 2000).

Innovation through interactive learning, which is often advocated in the field of innovation systems (Lundvall, 2010; Oyelaran-Oyeyinka & McCormik, 2007), also becomes an issue in the prevalent environment of vertical networks. A lack of anonymous trust and cooperation is hampering communication and knowledge sharing between individuals and organisations (Mwasalwiba, Dahles, & Wakkee , 2012), which in turn reduces trust and cooperation in a downward spiral (Putnam, 1993). These issues become even more prominent when companies need to deal with complex technologies and projects that require many organisations and specializations to work together in order to complete their common, and occasionally conflicting, goals (Kroesen, Forthcoming).

Companies are often entrenched in a supply chain, where a group of independent companies interact by means of products, services, capital and information with each other to optimize the supply of goods and service that meet the customer demand at the lowest cost and, hence, price possible (Woods, 2004). However, Ruteri (2009) found that many food-processing companies in Tanzania have a limited understand of supply chain management (SCM) principles, hardly cooperate, coordinate and share information with up-stream and down-stream partners, and are unable to generate adequate demand forecasts. This often leads to poor inventory management such as overdue products and shortages during seasonal increase of demand, as well as inadequate pricing- and marketing strategies that results in companies running out of business. According to him, especially SMEs are prone to poor SCM, due uneducated management and staff, lack of capital and the incapability to generate economies of scale.

Family ties and community ties also play a noteworthy role in entrepreneurship in SSA. Khavul et al. (2009) found that it is common for entrepreneurs in SSA to support extended family members, due to their success, which put an asymmetrical burden on the entrepreneur and his or her company. This burden becomes evident when an entrepreneur is forced by these social norms to hire an unproductive family members or to keep a family member on the pay-roll who do not fulfil any tasks at the company (Vlieger, 2013). Reducing the strength of these family or community ties by the entrepreneur initiates a mechanism of 'disembedding' the entrepreneur and its organisation from kinship relations and, hence, entrepreneurs are reluctant to do so (Portes & Landolt, 1996). At the same time, these social ties provide opportunities to mobilize resources, labour and business contacts (Bruton & Rubanik, 2002; Khavul et al., 2009). These informal ties thus provide mixed consequences to these SMEs.

Lastly, whenever resources are required that are managed by individuals or organisations who are situated outside of one's vertical network, other individuals have to act as a gateway between these vertical networks, often in return for a favour or an allowance fee (Sardan, 1999). Ultimately, many of these aspects of the economy of affection and the vertical gate networks simply add to the cost of doing business in SSA.

The lack of markets and supporting institutions, the cultural embeddedness of the vertical gated networks and the economy of affection negatively affect entrepreneurship, but some entrepreneurs

adopted new strategies to cope with these environments. Hansen et al. (2015) found that due to weak market support institutions, underdeveloped supply industries and low levels of competition, Tanzanian enterprises operating in the food-processing industry adopted strategies dissimilar from common entrepreneurial strategies found in the Western literature. For instance, some successful companies have integrated large parts of the value chain into their business practices, rather than specializing on particular activities, in order to gain control over the value chain. In addition, companies diversified into industries unrelated to their normal practices to gain access to capital, to maintain skilled staff and managers, and to leverage their brand's reputation. Also, companies relied more on informal networks instead of contractual agreements for collaborating with other companies, used political contacts to ensure market positions, were more focussed on social entrepreneurship instead of maximizing profits and accessed international markets due to domestic market weaknesses.

Through time, these social systems in SSA have proven to be extremely durable, even under regime- and policy-changes (Kelsall, 2008; Kroesen, 2015). Sardan (1999) explains that these social systems are culturally embedded and difficult to change, but also emphasizes that they should not be taken as plain and immoral corruption. They should be regarded as a normal part of the exchange pattern (Kroesen, Forthcoming), views that are in line with 'going with the social grain' in SSA (Kelsall, 2008). In addition, one must realize that in an institutional environment, that lacks trade facilitation and social security systems provided by governmental organisations, one is eager to use the informal ties to develop their businesses or to support relatives. At some point in the future, support might be required in return, for instance in the case of sickness or the loss of one's job.

2.4.5   Conclusions on civil society

This paragraph discussed the second layer of the theoretical model, i.e. the civil society level. The first section presented the various definitions of a civil society. The second section dealt with the civil society in SSA and the embodiment of civic associations. This was followed by the model of the vertical networks that formed the basis for the socio-cultural institutions that play a profound role in the SSA markets. Lastly, the socio-cultural institutions in the markets were discussed. This entailed a lack of cooperation between individuals and organisation that was fuelled by the absence of anonymous trust. Ultimately this lead to a lack of interactive learning and innovation.

The most predominant cultural dimension applicable to the civil society and markets is individualism vs. collectivism, which captures the vertical networks of solidarity and the horizontal networks of free movement between associations. Nonetheless, universalism vs. particularism plays an important role as well, as it encompasses the informal ties of family and friends that are both positively and negatively affecting SSA companies. In addition, the informal business ties within the vertical networks and the gated aspects of these networks are encompassed by particularism, as it depends on whether entrepreneurs are able to gain access to resources, information and markets based on reciprocal relations or by paying an allowance fee. Lastly, for SCM and value-chain planning, fatalism vs. voluntarism and synchronic vs. sequential time management plays a pivotal role, as this determines whether companies are able to optimize their production based on the supply chain.

2.5 State and governance in Sub-Sahara Africa

After the company level and the civil society level have been discussed in the previous two paragraphs, this paragraph will deal with the state and governance in SSA. It will first discuss the politico-economic development of Tanzania after colonization. This is followed by the political situation in contemporary Tanzania. The third section will deal with the institutional surrounding in Tanzania in particular and in SSA in general. Lastly, as corruption plays a profound role in many SSA countries and their business environments, it will be discussed extensively in the fourth section.

2.5.1 Post-colonial politico-economic development in Tanzania

As many other countries in SSA, Tanzania shifted quickly from a multi-party system towards a single-party autocracy after decolonisation in the 1960's. The African socialistic views of the new President Julius Nyerere led to the implementation of policies that were committed to communism, self-reliance and rural development, which were consequently spelled out in the Arusha Declaration in 1967. Even though the National Small Industries Cooperation (NSIC) and the Small Industry Development Organisation (SIDO) were established to stimulate small-scale enterprises around the same period, the Arusha Declaration dominated the Tanzanian governmental policies that focussed on the development of large-scale sectors and big public enterprises. Industrial activities were nationalized, the state intervened in the market, imports were substituted by products from home-grown monopolistic public enterprises and the ownership of the business class was taken over by the Tanzanian state. These policies had a strong bias against the small private companies that hampered entrepreneurial activities (Musonda, 2007).

By the end of the 1970, the Tanzanian economy deteriorated, partly due to globally worsening trading terms and increased oil prices, but also due to the large-scale public enterprises that were subjected to a lack of capital, foreign investments, imports of raw materials, technology and management skills. Financial aid came from the World Bank and the International Monetary Fund (IMF) complemented by the mandatory adaptation of the Structural Adjustment Program. The goal was to transform the state-run economy into a liberated market-orientated economy that included the privatization of public enterprises, deregulation, trade liberalization and the abolition of price-controls. Results on the private MSME sector were both positive and negative. The local currency devaluated, the availability of imports increased and companies had more access to capital and technology. However, due to the devaluation of the currency and the privatization of the companies, the prices of imports increased, buying power of low-income groups and civil servants decreased and domestic companies had to compete in the global market. Companies that were dependent on imports and these groups lost business, while companies operating in the growing industries thrived. Overall, the effects were positive, albeit limited and most companies were mainly involved in trading instead of value-adding production (Musonda, 2007).

One of the reason for this was that partial implementation of these policies and the persistent institutional obstacles. Markets remain imperfect and underdeveloped, educational levels low, infrastructures inadequate and governmental support limited. Yet, these policies were further implemented in the 1990s by removing obstacles and creating and enabling environment for private

entrepreneurial activities by stabilizing the economy and tax- and regulatory systems, albeit in an infant status (Musonda, 2007). According to Temu and Due (2000) the Tanzanian business environment is improving with an increase in private banks and access to capital, the privatisation of parastatals that led to an increase in corporate efficiency and a reduction of the drainage of governmental funds, tax reforms that changed and increased governmental revenue and a reduction of the over-represented and under-qualified civil servants. Yet, various challenges have been identified as well, as SMEs and rural enterprises remain to have limited access to capital. In addition, privatisation requires new legislation and strong institutions for law enforcement, which is generally lacking. Taxation remains unclear, bureaucratic and expensive to comply, especially due to discrepancies between local, regional and national taxation systems. Lastly, civil servants remain to be prone to corruption due to their low wages and the corruption-enabling bureaucratic institutions.

2.5.2 Political order

Many countries throughout the African continent followed political and economic development paths similar to Tanzania, although Tanzania took a more rigorous communistic path then other countries (Hyden, 2006; Temu & Due, 2000). Economic development in many countries on the continent has been limited, due to the many and repeating civil wars, an abundance of natural resources that stifled sustainable economic development of other industries, being landlocked by poor neighbouring countries with underdeveloped infrastructures and markets, and bad governance, where these so-called traps additionally enforce each other (Collier, 2007). Even though Tanzania managed to refrain itself from civil wars and is it favourable positioned next to the Indian Ocean, these traps are (some more than others) applicable to Tanzania as well.

Tanzania had a strong state after decolonisation, where President Nyerere ruled from 1967 until his retirement in 1985 and the first multi-party elections was only held in 1995. According to Fukuyama (2011), such *a strong state* is a prerequisite for transcending from tribal politics into a national state and political order. Yet, this has to be balanced by *rule of law* and *political accountability* to deter corruption and the weakening of the state and political order on the long run. A civil society, which has been discussed in section 2.4, is often seen to be able to provide these prerequisites by distributing power over various entities such as political parties and opposition groups and ensuring accountability and transparency by for instance elections and free press. Even though these systems are full of tensions, both the state and the civil society need to be developed simultaneously to create an enabling environment for economic development and entrepreneurship (Kroesen, 2015). However, various characteristics of contemporary SSA is impeding the development of a state and a civil society, such as the prevalent vertical networks, economy of affection, ethnicity, discrimination and inequalities, bureaucracy and corruption (Collier, 2007; Hyden, 2006; Kelsall, 2008; Kroesen, Forthcoming).

2.5.3 Institutional environment

Companies are significantly influenced by the institutional surrounding (Alonso & Garcimartín, 2010; Barasa et al., 2017). Properly functioning institutions can reduce transaction costs and

uncertainty, while at the same time stimulating coordination and cooperation among various entities (Alonso & Garcimartín, 2010; Oyelaran-Oyeyinka & McCormik, 2007). The quality of the institutional environment is determined based on 1) the selection, monitoring and replacement of governments, 2) the capability of governments to implement well-functioning policies and 3) the governance of social and economic interactions between companies and the state (Kaufmann, Kraay, & Mastruzzi, 2011). It entails low levels of corruption, strong rule of law and a high degree of law enforcement, e.g. the governance of economic agents, contract enforcement and equal access to information (Barasa et al., 2017). According to IS theory, a well-functioning institutional surrounding is vital for creating interactive learning, knowledge spill-overs between different entities and innovation (Etzkowitz & Leydesdorff, 2000; Lundvall, 2010).

Generally these prerequisites for a well-functioning institutional surrounding is lacking in SSA (Hyden, 2006; Kiggundu, 2002). It is subjected to expensive and time-consuming bureaucracies, poor law- and contract enforcement, a lack of intellectual property and land rights, as well as the prevailing corruption. Barasa et al. (2017) show that such a weak institutional surrounding has a negative mediating effect on the usage of corporate resources to successfully generate innovation and Meyer, Estrin, Bhaumik, and Peng (2009) argue that it leads to an increase in information asymmetry and market entry- and transaction costs, which deters an equal playing field.

2.5.4 Corruption
Many of the aforementioned characteristics of contemporary SSA are in a way related to or manifested as corruption. The vertical networks of solidarity extend to the state apparatus as well, where acquiring the right resources or licenses entails the usage of vertical networks, occasionally in exchange for favours or money. In fact, Hansen et al. (2015) found that political strategies were vital for growth and survival among medium-sized food-processing enterprises in Tanzania. However, whether these strategies were pursued by lobbying or by bribing, remains unclear. Yet, these vertical networks seem to increase transaction costs. It is estimated that the cost of doing business in SSA, partly due to these vertical networks, is 20% to 30% higher compared to developed countries, while it is only 15% in other developing countries in South-America, Eastern Europe and South East Asia (Eifert, Gelb, & Ramachandran, 2008).

Tanzania ranks among the most corrupt countries in the world, although this been improving in the recent years (Transparancy International, 2017). It can be found throughout many layers of the society and different sectors, including the judicial system, the police, public services, tax administration, customs, project tendering and the 'free' press (Tanzania Corruption Report, 2016). Rules and regulations are in place to combat corruption, but these turn out to be poorly enforced.

Sardan (1999) speaks of a corruption complex, where the many different forms of corruption should be differentiated between the two poles of 'big time' corruption and 'petty' corruption. Neo-patrimonialism is commonly seen in developing countries and related to the former, where ''national leaders or 'big men' secure their legitimacy by allocating lucrative but unproductive economic opportunities to their clients or cronies (Kelsall, 2012, p. 2).'' Such forms of rent-seeking are known to be detrimental for economic development and are simply immoral, but other forms of fraudulent

conducts such as embezzlement also hinders the allocation of funds into the right places. Yet, somewhat controversial, Kelsall (2012) acknowledges rent-seeking and imperfects markets are common in developing countries and argues that in various African and South East-Asian countries, neo-patrimonialism could be both hindering or benefitting economic development, depending on whether they are geared towards unproductive or productive rents.

On the other end of the spectrum is petty corruption that is manifested in the lower levels of the society and is considerably different from big time corruption (Sardan, 1999). This involves bribing lower level civil servants such as police officers, custom services and civil clerks. Often these civil servants are seen to be the initiators of corruption and bribes and are incentivised by the personalised relations of reciprocity (Hyden, 2006). It is a source of anger and distrust among locals, but victims to these practices are disinclined to report it, due to a lack of enforcement and the burden of social disapproval (Sardan, 1999). In contrast, Ufere, Perelli, Boland, and Carlsson (2012) found that entrepreneurs as well are actively pursuing bribing strategies in favour of their companies, which are socially embedded in the social norms, rules, routines and power relations.

Many other incentives for corruption in SSA have been reported, but these seems to be different in SSA compared to the general Western views on corruption, e.g. greed and egoism. For instance, under-paid and unmotivated civil servants are prone to corruption in order to provide for their families. In addition, they are hindered due to bureaucratic systems and are often unable to develop and implement private-favourable policies adequately and swiftly, especially when they are developed at the top and implemented at the bottom (Temu & Due, 2000). In addition, bribing practices can act in favour of entrepreneurs as well, in order to speed up the sluggish processes in the overly bureaucratic systems that stems from the post-colonial era (Sardan, 1999).

2.5.5 Conclusion on the state and governance in Sub-Sahara Africa

This paragraph discussed the last level of the theoretical model, i.e. the state level. Firstly, the politico-economic development after de-colonisation of Tanzania has been discussed. This entailed the rule of President Nyerere that implemented communistic policies and state interventions in the markets, which later transited into a reduction of the state's power and market liberalisation. Next, the political order under the new President has been discussed, who is strongly fighting corruption, but also oppressing opposition entities. This is followed by a review on the prerequisite of the institutional business environment to support entrepreneurial activity. Such a business environment should lack corruption, include rule of law and have a strong law enforcement. Based on the literature, this is currently lacking in many SSA countries and that this can have negative consequence on firms' performances. Lastly, corruption has been discussed, as this plays a predominant role in many SSA countries.

Universalism vs. particularism is the foremost cultural dimension manifested in this level in the form of rules and regulations, enforcement and corruption. Yet, power distance and achieved vs. ascribed status is present as well, due to the presidential dominance in Tanzania.

2.6 Theoretical framework

In the previous paragraphs, the findings of the literature review concerning culture, the internal business management, the civil society and the markets, and the state and governance in SSA were discussed. Using these findings of the literature review, it was possible to develop the theoretical framework that has been used in this research and is depicted in figure 4.

	Traditional system	*Modern system*
Internal business management		
Power and control systems	*Hierarchical management* *Coercion* *Paternalism and favouritism* *Top-down decision-making*	*Egalitarian management* *Teamwork* *Remuneration based on performance* *Interactive decision-making*
Motivation and appraisal	*Guidance-depending workforce* *Workforce focusses on relationships* *Obedience and compliance* *Impeding innovation from the workforce* *Poorly defined performance indicators*	*Professional workforce* *Workforce focusses on performance* *Assertiveness* *Enhancing innovation from the workforce* *Clear targets and performance indicators*
Group thinking, collectivism and resistance to change	*In- vs. out-group mentality and personalised trust-bonds* *Harmony* *Fatalism* *Preference for predictability and resistance to change*	*Open cooperation and anonymous trust* *Articulation of own ideas* *Voluntarism* *Out-of-the book thinking and risk-taking*
Time management and education	*Synchronic time orientation* *Difficulties with planning* *Limited record management and bookkeeping* *Fatalistic attitude to standardisation* *Lack of education and training* *Education programs unfit to the local practices and values*	*Sequential time orientation* *Advanced planning and targets* *Advanced and electronic record management and bookkeeping* *Production controls and standards* *Educated and trained workforce* *Cultural- and practical fit educational programs*
Civil society and markets		
Civic associations in SSA	*Underdeveloped and compartmentalised civil society* *Weak advocacy groups* *Weak institutions*	*Strong civil society that is a countervailing force to the government* *Powerful advocacy groups* *Strong institutions*
Networks	*Vertical networks* *Patronage and clientelism* *Societal compartmentalisation* *Detrimental for economic development*	*Horizontal networks* *Free movement and equal access* *Homogenous society* *Benefits economic development*
African markets	*State controlled markets* *Parastatals*	*Liberalised markets* *Private MNCs and SMEs*

	Economy of affection and gated networks	Free market processes, open networks and equal access
	Inefficient interdependence with family	Mutual beneficial or no interdependence with family
	Limited cooperation and information sharing	Supply chain management and cooperation
	Rent-seeking	Market optimisation
	Weak or NGO-supplemented underdeveloped markets	Developed and competitive markets
State and governance		
Politico-economic developments	Authoritarianism	Democracy
	Communism	Capitalism
	Government controlled markets and parastatals	Private sector and SME support
Political order	Neo-patrimonialism and privileges	Rule of law
	Suppressing opposition groups	Political accountability and transparency
Institutional environment	Weak law enforcement	Law enforcement
	Access through particularism	Equal access
Corruption	Vertical gated networks	Horizontal networks
	Allowance fees	Free and equal access
	Corruption acts as grease in bureaucratic system	Limited bureaucracy leads to less corruption

Figure 4. Theoretical framework consisting of both a traditional and modern set of socio-cultural and economic values and institutions over the levels of the internal business management, civil society and markets, and the state and governance.

As one can see, this already forms the basis for the theoretical model that will be provided in chapter 4 and will thus already partially answer research question a. In addition, these are arranged according to the sections instead of the cultural dimensions, as the former leads to a structured overview of the ideal-typical descriptions of the socio-cultural and economic values and institutions. According to Weber (1949), "an ideal type is formed by the one-sided accentuation of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified analytical construct (Gedankenbild). In its conceptual purity, this mental construct cannot be found empirically anywhere in reality. It is a Utopia'' (p. 90). Nonetheless, these will need to confirmed and scrutinised using the finding of the empirical data and the multiple cross-case analysis of chapter 4, and adjusted according when deemed necessary. Lastly, the theoretical framework was used to develop the interview questions, which can be found in Appendix A.

3. Research methodology

After the development of the theoretical framework of the previous chapter, this chapter discusses the methodology used for this research project. First, the various literature sources will be discussed that were used over the entire period of the research project. Second, the case study design will be articulated, including the development of the interviews, the case study sampling and observations made during the field research in Tanzania. Lastly, the method and the structure of analysis will be elaborated.

3.1 Literature

Throughout the research project, a wide range of documented sources was consulted. These mainly included scientific literature that were obtained through online libraries, references by experts and by consulting the bibliographies of these scientific articles. Additionally, other sources include books, newspapers and websites. Both the scientific literature and these sources were used to develop the theoretical framework, to develop the interview questions, to analyse the interviews and to compare and discuss the findings in these sources with the findings of this research.

3.2 Case study design

An explorative multiple case study approach is used for this research project. Based on the description of Yin (2009), this method is appropriate here for three reason. First, the scarcity of the literature limits the research to being explorative. Second, this research aims to understand 'how' the behaviour of entrepreneurs is structured by the contextual conditions, i.e. institutions and cultural values. Third, this research develops a theoretical model with a distinction between the traditional system and the modern system, which requires a cross-case analysis to find either similar behaviours or contradicting behaviours among entrepreneurs. Even though this approach is considered time-consuming to conduct, it is also considered to be robust and reliable (Baxter & Jack, 2008).

The unit of analysis encompasses the Tanzanian business context that include the internal business management, the civil society and the markets, and the governance by the Tanzanian state. Some socio-cultural and economic values and institutions have already been identified in the literature, as well as the scientific gaps. Following this literature review, the theoretical framework and expert interviews, interview questions have been articulated that are necessary to develop the cases and ultimately to answer the research questions.

3.2.1 Interviews

Case descriptions were developed by interviewing various entrepreneurs operating in Tanzania and through observations during the visits at the company. Over a period of 2 months, a total of 17 entrepreneurs and managers at 16 different SMEs in the food-processing, manufacturing and ICT industries in Tanzania were interviewed. Table 2 shows the names of these companies, as well as their industry, their products and services, and the number of full-time and part-time employees. Often the interviews were conducted at the company, which was usually followed by a tour through the company.

Company name	Industry, products and services	Number of employees
Obri Trading Co.	Food-processing; sunflower cooking oil, avocado oil and coconut oil	5 full-time
ClickPesa	ICT; digital payment system	2 full-time
Mombo Investments	Food-processing; banana wine	10 full-time
Zaidi Enterprises	Manufacturing; paper waste collection and compression	2 full-time, 100+ part-time commission-based waste collectors
Motherland Spices	Food-processing; garlic paste	1 full-time, 3 seasonal part-time
Aprifetius	Food-processing; wine, pickles, garlic paste, and porridge	4 full-time, 6 seasonal part-time
UhuruOne	ICT; telecommunication provider and installation projects	30 full-time
Aksa Organic Products	Food-processing; pineapple liquor, orange liquor and ginger liquor	4 full-time
De Niza Health Food Products	Food-processing; honey processing	5 full-time, 3 part-time honey collectors
Anepa	Food-processing; sunflower cooking oil, peanut butter and honey	4 full-time
Simba Soy Products	Food-processing; soy bread, soy milk, soy drinks and soy flower	13 full-time
Mobistock	ICT; internet service provider	12 full-time, 14.000 commission-based sales agents
Guavay	Manufacturing; fertilizer from organic waste	5 full-time
Jefra	Manufacturing; pre-fab plastic bottles	6 full-time
Moshi Water	Food-processing; water processing	25 full-time

This provided the opportunity to see the production processes and to talk to some of the employees.

Table 2. Characteristics of the analysed companies, including the name, industry, products and services, and the number of employees.

Most of the interviewees were Tanzanians and Managing Directors (MDs), but the group of interviewees also include three European entrepreneurs and a Kenyan senior manager.

The interviews were conducted in a semi-structured manner, with the intention of letting the interview flow like a natural conversation. The purpose of this approach was to increase trust between the interviewer and interviewee and, hence, reducing bias of the interview. It was structured using a pre-formulated list of subjects and corresponding questions (Sekaran & Bougie, 2013), which can be found in Appendix A. Additional questions were formulated during the interview, whenever the interviewee brought up relevant new topics. Hence, the interviewee was allowed to direct the conversation, while the interviewer held a checklist of the topics. Some of the new topics were included in the list of interview questions, resulting in continuous updates and improvements of the interviews. All interviews were audio-tapped and lasted between 1 hours and 3 hours, depending on the available time of the interviewee.

The questions were developed with the intentions of reducing the bias as much as possible, by rewriting them several times and discussing the questions with experts. In addition, the funnelling technique was used to reduce the bias of the questions during the interview, where general questions were asked before progressing to questions that are more specific. In addition, issues were clarified by

rephrasing the question and notes were made during the interview (Sekaran & Bougie, 2013). Prior to each interview, the purpose of the research was explained, as well as the option of remaining confidential. Only one interviewee requested to remain confidential, which has been acknowledged in the publically available version of this report.

3.2.2 Case study sampling

Contact information of companies is not readily available in Tanzania, which limited the number of potential samples. The initial step was to set up a network that could provide the contact information of various entrepreneurs that fell within the scope of this research. These include contacts through the first supervisor of this project Dr. J.O. Kroesen, Professor Abraham Temu of the University of Dar es Salaam and a multitude of individuals that were met during the field research in Tanzania. Consequently, samples were obtained through judgment sampling, as qualitative data was necessary from a select group of people based on criteria determined by the researcher. The criteria are:

- The company should operate in the food-processing, manufacturing or ICT industry.
- The company is in business.
- The companies employ 1 to 100 permanent workers of mainly Tanzanian origin.
- The interviewee was the (co-)founder, Managing Director or a senior manager.

The internal validity was enhanced by applying this scope, taking semi-structured interview approach and triangulating the findings of the interviews, observations and the literature study. However, the researcher is aware that judgment sampling limits the internal validity and generalizability of the findings (Sekaran & Bougie, 2013). In addition to the judgment sampling, snowball sampling was used by asking each interviewee for contact information of other entrepreneurs that would meet criteria and who would be willing to participate (Verschuren & Doorewaard, 2010). Many companies were encountered during the field research in Tanzania, but only a few met the pre-determined criteria.

3.2.3 Observations

Many of the interviews were conducted at the companies. This provided the opportunity to make participatory observations, which include small interviews with employees (often in the presence of the manager), observing the business practices and inspecting the planning schedules. Additionally, some general observations were made during the three months' stay in Tanzania. This includes various conversations with a wide variety of Tanzanians and foreigners, as well as consulting newspaper articles. These observations can be found in Appendix B.

3.3 Case study analysis

The multiple cross-case analysis was conducted by taking various steps. First, the analysis started with transcribing the audiotaped interviews. Seven interviews were fully transcribed in the Q&A sequence of the interview to analyse them thoroughly, followed by individual case descriptions and

case analyses. Even though such a thorough method was time-consuming, it generated a skill-set that significantly benefitted the analysis of the remaining cases, the multiple cross-case analysis and the writing of this report. The remaining interviews were consequently transcribed directly into case descriptions that already included a first analysis of the individual cases. All of the cases can be found in appendix C of this report.

Second, a dual cross-case analysis was performed between the companies Mombo Investments Ltd. and X. These two cases each represent a traditional company and a modern company respectively, which are discussed in paragraph 4.1. Each case starts with a case description, followed by a case analysis in light of the socio-cultural and economic context according to the theoretical framework depicted in figure 4. The two cases were consequently analysed to unveil the differences or commonalities in practices between Mombo and X that are entrenched with values and institutions. The relevant values and institutions are highlighted in *italic*, to increase the traceability of the findings. The intentions of providing the dual cross-case analysis prior to the multiple cross-case analysis, is to present the method of analysis clearly, as the multiple cross-case analysis tends to be more complex due to the amount of cases.

Third, the multiple cross-case analysis was done by including the remaining 14 cases. Many of the values and institutions found in the dual cross-case analysis were also seen in the multiple cross-case analysis, only supporting the findings of the dual cross-case analysis. However, the multiple cross-case analysis revealed many additional values and institutions that characterise the Tanzanian business context. Each of the values and institutions are described as ideal-descriptions of the manifestations in reality. These descriptions were consequently gathered and designated to either traditional or modern practices over the levels of the internal business management, the civil society and the markets, and the governance of the state. This resulted in the development of the theoretical model depicted in figure 5.

Several design choices were made that structured the analysis and ultimately the theoretical model through an iterative process. First, a rough grid was developed that was described in the introduction of this report, where the potential values and institutions would be designated as either traditional or modern over the levels of the internal business management, the civil society and the markets, and the governance of the state. The literature review consequently provided the necessary background of common business practices in SSA. The values and institutions gathered from this review were used to developed the theoretical framework for this research depicted in figure 4. Nonetheless, the literature review unveiled some of the research gaps on entrepreneurship in Tanzania and SSA, e.g. research on time management, SCM and the interactions between Tanzanian entrepreneurs and Tanzanian governmental organisations. On top of that, the framework was based on findings of entrepreneurship in countries across SSA, but failed to encompass the relevant Tanzanian business practices from a local Tanzanian perspective.

The theoretical model depicted in figure 5 specifically takes the Tanzanian business context into account, as it is based on empirical data gathered at companies in Tanzania. In addition, it takes a more holistic approach by taking into account a wide variety of business practices, instead of a

monodisciplinary approach that is commonly found in the literature. Such a holistic approach is rather complex, due to the vast amount of aspects that have to be considered. This requires the use of a recurring structure, to enhance rigidity and the traceability of the findings between the empirical data, the cross-case analyses and the theoretical model. Such a structure was already generated by following the sections of the literature review and consequently used in the theoretical framework. However, this structure has proven to be inadequate to encompass all the relevant values and institutions of the Tanzanian business context in an orderly and workable manner.

Therefore, the structure of the theoretical framework has been altered in favour of the quality of the analysis based on the relevant empirical data. At the internal business management level, the relevant topics include:

1. Power and control systems
2. Decision-making, initiative and professionalism
3. Networks, family and job application
4. Biographical characteristics
5. Time management, punctuality and planning
6. Innovation, production control and training
7. Rules and regulations

At the civil society and markets level, the relevant topics include:

1. Suppliers
2. Buyers and end-users
3. Competitors and complementors
4. Project tendering

And lastly at the state and governance level

1. Political order
2. SME policies and support
3. Regulatory organisations
4. Informal interactions, particularism and corruption

This classification of the relevant subjects has been used throughout the report, to enhance the traceability of the findings. It was first used for the development of the cases, which can be found in appendix C. This classification has been used continuously throughout the remainder of this report, i.e. the sub-sections of paragraph 4.3, the theoretical model depicted in figure 5 and in table 6 that score the individual companies in light of the socio-cultural and economic Tanzanian business context.

4. Analysis

This chapter describes and analyses the finding gathered during the fieldwork in Tanzania based on the theoretical framework articulated in paragraph 2.6. The first paragraph will provide a detailed description and analysis of two cases that each encompass a traditional company and a modern company. These are then cross-analysed in second paragraph to find common and conflicting socio-cultural and economic values and institutions, which will be highlighted in italic. This is followed by a multiple cross-case analysis of the remaining cases, as well as observations made during the field research. Again, common and conflicting socio-cultural values and institutions will be discussed on the levels of the company, the civil society and the state. The last paragraph uses these findings to support, adjust or extend the theoretical model that has been developed in paragraph two of this chapter.

4.1 Case studies of a traditional and modern company

The two cases that have been selected are the banana wine production company Mombo Investments Ltd. and the importing and installing ICT-hardware company X. They are selecting, because of the typical traditional and modern values and institutions found, as well as the amount of empirical data was generated during the case developments. First, the case description of Mombo is provided, followed by a thoroughly analysis of the case based on the theoretical framework. The third section discussed the case of X, followed by an analysis using on the same theoretical framework.

4.1.1 Case description 1: Mombo Investments Ltd.

Mombo Investments Ltd. is located in Mbagala in the rural areas of Dar es Salaam. The company produces banana wine and is owned and founded in 2015 by Mohammed Dickson. Prior to opening his own company, Mohammed was a sales representative of banana wine at another company called Raha. This job inspired him to start his own company, as he asking to himself: ''If I sell this product, why do not I start a company myself making a similar product?''

At the moment, the company is financially struggling. Sales have been diminished, due to the stagnating economy of Tanzania. Each month roughly 250 cases containing 24 bottles of banana wine are produced. First, the bananas are pealed and consequently boiled in large metal pan of around 70 litres that is heated by firewood. The temperature is measured by a thermometer and only handled by Mohammed. After boiling, the mixture is pumped into several containers for further fermentation. The process is ended when a certain amount of alcohol has been reached, which is again only measured by Mohammed. This takes anywhere between a week and a month. One other manager is trained to measure the temperature and the amount of alcohol as well in case Mohammed is absent, but this has never been necessary. After the wine is ready, it is pumped in old and cleaned Heineken bottles with Mombo's own labels.

When asked where he sees his company in three to five years, he answers ''I can do it and I will move forward from there'' and his goal is ''to be a huge and a developed company.'' He would like to expand to other markets and consequently produce new products, but he does not have particular markets or products in mind. These goals thus seem not very well defined and a plan to reach these

goals is currently lacking. The main struggle of the company is increasing the production according to Mohammed, for which he needs more employees and capital.

The company counts ten employees plus Mohammed, including two salesmen, one manager and seven production employees. IT has weekly meetings that last approximately two hours. Attendance depend on the topic to be discussed; this could be a few employees or all of them. The topics usually entail the cleanness of the company and the punctuality of the employees. During the meetings Mohammed says he ''instructs'' his employees, because they ''forget and they need to be reminded of it during these meetings.'' Especially when an employee is new, he or she gets ''a lot of instructions.''

According to Mohammed, his employees are able to present their ideas during the meetings and that ''this happens a lot.'' When they come up with a good idea, he gives them a compliment. However, when asked for an example of an idea that was implemented, he was unable to give one. In addition, he tells me the employees do not need a lot of guidance, as ''they can control themselves'' and ''they know their responsibilities.'' After rephrasing the question a bit, he explains, somewhat contradictory, that he does watch his employees often during working hours and needs to push them to work harder sometimes.

Decisions are solely made by Mohammed and employees always need to consult him, as he does not want his employees to be responsible for when something goes wrong. During meetings or when there is a conflict, ''everybody talks'' and they ''solve the conflict, no problem.'' All the answers considered, it seems that employees are allowed to speak, but Mohammed has the final say and he seems to neglect to take ideas coming from his staff serious.

Whenever he sees they make a mistake, he tries to correct them instantly, as he is often present during production. A noteworthy observation is that during the tour prior to the interview and in the absence of Mohammed, the employees appeared to be chatting with each other, compared to the second tour in the presence of Mohammed.

The workforce is a mixture of man and women originating from Zaramo, Ulanga, Tumaini and Kilimanjaro, with a few employees having the same tribal background. Occasionally, some employees joke in their tribal language, but usually Swahili is spoken. Mohammed is okay with his employees joking in their tribal language, as long as this does not lead to conflicts, which has not happened so far according to him. None of the employees is a family member, but Mohammed wants to employ relatives in the future. In addition, his son Goodness, who is translating for us during the interview, will start working for the company after he will finish his accountancy degree.

The employees appear to cooperate well and it is emphasised a few times during the interview that they work as ''friends'', as ''a family'' or as ''one''. Every employee is considered important and no exceptions are made. Some employees are Christians, while other are Muslims. Each of them have their own rituals and practices, which is respected by their colleagues. When ask whether groupings are visible at the company, Mohammed provides a clear no, ''because this will hinder efficiency.''

All current personnel lives close to the company, which appear to be the only pre-determined requirement for new job applicants. It is important for Mohammed to know their social background in

order to trust them. In addition, it reduces the chances of being late and cuts the bus fares that are paid by the company. Applicants usually know the company through word-to-mouth via family and community members. New applicants apply regularly as unemployment is high and Mombo is one of the few companies in the area. Applicants are hired when they are considered valuable, but there is not a clear answer how this is determined. After applicants are hired, they are trained by Mohammed for around an hour. Employees do not receive any other training, with the exception of the instructions mentioned earlier. Mohammed does not provide for family members other than his children, but does help financially when there is a funeral or a wedding. This not only includes family members and employees, but also members of the community surrounding the company.

Rules are limited, as the only rules that appear to be present are being on time and working clean. During the interview, it was said that protocols for the production team, the sales team and the cleaning personnel are written down. However, during the tour these protocols were absent.

The employees usually needs to start working at 7:00 AM, but they are allowed to start at 8:00 AM as well. At a later moment, Mohammed mentions that employees start at 6:00 AM instead of 7:00 AM. Usually the employees work until around 4:00 PM or 5:00 PM, but it also occurs that they work until 10:00 PM, depending on the customer demand. Whenever this happens, employees are allowed to show up late for work the next day. Working hours thus seem very flexible, which is somewhat conflicting with the earlier mentions instructions about punctuality. In addition, whenever an employee has a good reason to be late, they are given some leeway. After being late the third time, they will need to take ''responsibility.'' This has not happened so far and the consequences are yet to be determined. Presumably, this will happen when the situation presents itself.

Mohammed writes his bookkeeping in a notebook. It looks a bit unstructured, but it contained topics per batch such as the amount of raw materials, produced crates of banana wine, costs, revenues and the customers. However, a planning is absent. Mohammed explains he does the planning ''from the top of [his] head'' and keeps it to himself, without communicating it with the workers.

The company does not have specific targets and an appraisal system is absent. Instead of bonuses, Mohammed gives them compliments. Employees are paid in cash and per week, as was requested by them. So far, none of the employees has been promoted and the criteria for this still have to be determined. Health insurance and social securities are not available for his employees, but he would like to do this in the future. He does pay for the lunch and transport of the employees.

The organic raw materials, i.e. bananas, sugar, yeast and green leaves, are bought at a local market in the neighbourhood Buruguni. The caps and labels are printed by small shops owners across the city and the crates are produced in Dar es Salaam. The bananas are supplied from one wholesaler, because he trusts him already and is satisfied with the supplies. A contract has been set up that includes the quality standards of the bananas, which in this case is only the ripeness of the bananas. Whenever the quality does not meet these standards, they can be send back without discussion according to Mohammed, which happens a few times per year. Prices of the bananas fluctuate over time and per

quantity purchased, and Mohammed goes to the market each time to negotiate the price and quantity. The bananas are transported by the market merchant, who receives extra payment for this.

The company also requires machinery for bottling, labelling and pumping. SIDO arranged these machines for the company, as it is hard for Mohammed and many other entrepreneurs to find these by themselves. In addition, SIDO provides various training courses on entrepreneurship, which Mohammed has attended. The companies also has a back-up generator to deal with during power outages, as the power network is unreliable in Dar es Salaam

After production, the banana wine is transported to the customers in the truck of the company. Customers are located not further than three hours' drive away, because the company markets their product solely in the area through their salesmen. The roads in the area are unpaved, which makes delivery troublesome sometimes, especially during the rainy season. The truck could get stuck or the driver needs to make a time-consuming detour to reach the customers.

Buyers are mostly small shops and bars, and usually place small order of one to four crates. Only Mohammed communicates with existing buyers through telephone. New buyers are approached by the two sales representative, who pitch the products to them. After the customers shows interest and want to buy, they need to call Mohammed to finalize the deal and place an order. Occasionally, new customers get in contact with the company though the number that can be found on the label.

The crates are expensive to purchase and it becomes more expensive when the company orders in small amounts. Yet, a lack of capital is hindering purchasing in bulk, which forms a problem when new customers want to make a relatively large order. The crates remain the property of the company and circulate between the company and the customer. Full crates will be delivered to the doorsteps of the customer, while empty crates and bottles will be taken in return.

It sometimes happens that the company is unable to deliver on time. Customers would call Mohammed to ask about the delivery time. It seems that this is not influencing the business practices, as he would ''tell them that we are trying hard and we are a young company. Usually they understand this.''

The company has a lot of competition and it is commonly known there are many banana wine producers in Tanzania. Customers already trust competing products, as they have been on the market for a longer period, which plays a major role in marketing in Tanzania. Competing products are checked regularly in terms of taste, colour and amount of alcohol in order to find their ''weaknesses''. Mohammed wants his banana wine to be different by tasting the competition, but seems to be neglecting the wishes of the end-users. He chooses to produce banana wine instead of another drink, as he ''[knows] the market very well.''

The company is involved with various governmental organisations, i.e. the Tanzanian Food and Drug Authority (TFDA), the Tanzania Bureau of Standards (TBS), the Tanzanian Revenue Authority (TRA), the municipal and a fire extinguisher organisation. It requires licenses and certificates from these organisations, which have to be renewed each year. Licenses can also be revoked after the common surprise visits when production- or product qualities are substandard. In addition, this also

leads to penalties or even being forced to stop producing. When one is producing without TFDA approval, he or she can end up in jail, ''because you are endangering people's lives.''

The process of obtaining these licenses and certificates is difficult and time-consuming according to Mohammed. This discourages entrepreneurs to start a company and many relatives and friends are reluctant to open a company due to these procedures. Mohammed thinks that these bureaucratic systems enables corruption to partake. It happened that he was ''send from one person to the other the entire day and end up with nothing,'' but stresses during the interview he remained patient on these occasions and followed the rules. He does however acknowledges that it would be beneficial to know individuals within these organisations.

4.1.2   Case analysis 1: Mombo Investments Ltd.

Mombo Investments has a three-levelled hierarchical structure, with Mohammed as the owner and Managing Director. The dynamics within the company between Mohammed and his employees are hierarchical. He needs to ''instruct'' his employees often and will instantly point out any mistake his employees make, while he is overseeing them during production. Decisions flow from the top to the employees and employees need to ask permission to take certain actions. Mohammed does not want his employees be responsible for mistakes being made, which is also shown by the fact that Mohammed is the only one who is doing the measurements.

There are no indications of a coercive control system through punishment other than a change in attitude of the employees in the presence and absence of Mohammed. Yet, paternalism is present at the company. Meetings seem rather long and the attendance is determined by Mohammed. Employees are allowed to present their ideas, but the hierarchical attitude of Mohammed seems to make him disregard their input. Presumably strongly related, this has led to a lack of innovation originating from the workforce, as Mohammed was unable to provide any examples. During the interview, it is often emphasized the company works as ''family'' or as ''one'' and Mohammed pays for the lunch and transport of his employees. A bonus system is absent, but employees receive compliments occasionally instead. Hence, based on the interview, the control system seems to be based on verbal appraisal and criticism. Whether benevolence to particular individuals in the company is present remains unclear, but the current management styles seems prone to such activities.

A professional attitude of the workforce seems to be absent. They need to be reminded constantly of production steps, hygiene and punctuality. In addition, Mohammed puts in a significant amount of effort in terms of meetings and his presence during production to stimulate performance and motivation. Motivation thus seems to be extrinsic and it is expected to drop in the absence of Mohammed, which is indicated by the difference in attitude between the two tours.

Yet, the employees seem to cooperate well. There is mutual respect among the workforce, irrelevant of tribal backgrounds, gender, religion or age. While some employees joke in their tribal language, Swahili is the commonly spoken language. The workforce thus seems homogeneous without any group forming.

Other forms of communitarianism are visible at the company. Employees live close-by in the community surrounding the company. Most of the time, they are hired through particularistic relations

and informal ties with member of the community, such as referrals from family and friends. In this way, the informal ties are leveraged to generate trust between Mohammed and the applicant, but it also acts as an accountability mechanism, as employees are prone to losing face to the community in case he or she is fired or steals from the company. In addition, the application criteria seem to be based on these informal ties, rather than pre-specified criteria. None of the employees is a family member, but Mohammed wishes to employ family members in the future. The company does financially aid employees or community members for funerals or weddings, but Mohammed does not provide for family members through his company other than his immediate family.

A fatalistic attitude is present at the company. Employees only receive one hour of training and the production time of batches vary greatly, indicating a lack of control over the production process. During the visit, production manuals were lacking as well. However, Mohammed uses measuring devices to measure the alcohol content. This shows an attempt to gain some control over the process, but are in fact instigated by regulatory organisations. Rules at the company are also limited, with the sole focus on hygiene and punctuality, without any behaviour rules or the consequences of misconduct. Conflicts thus seem to be resolved immediately when they appear.

Time management is synchronic at the company. It does not have strict a start and end time, and employees are often late. It occasionally happens that employees need to work until late in the evening, when the demand is high, and employees are then allowed to come later to work the next day. On top of that, Mohammed seemed to be confused about the starting time himself and his synchronic time attitude thus seems to trickle down on his employees. It remains peculiar and paradoxical that the synchronic time attitude is present at both Mohammed and his workforce, while Mohammed is investing time and effort in discussing and improving punctuality. In addition, none of the employees has been held accountable for being late, showing a fatalistic attitude and an absence of consequences for being late. Employees have requested to be paid per week, showing a short time orientation when it comes to salary. Bookkeeping is present at the company, but the content of it is limited. In addition, targets and are determined each day based on customer demand and planning is solely done by Mohammed and not shared with the employees. Occasionally, the company fails to deliver their banana wine in time to their customers.

The company has only one supplier of bananas. Mohammed has set up a contract with him that entails the quality requirements, but has to negotiate the price for each new shipment. When the bananas are in poor condition, which occasionally happens, Mohammed can easily change these for better bananas due to the contract. He is reluctant however to switch to other banana suppliers, as he already trusts the current supplier, even though there are many of them. Currently, the supplier is part of the trusted network of Mohammed and he is reluctant to establish new trust bonds with individuals outside his current network. It requires extra effort in time, and perhaps money, to create new bonds with other banana suppliers outside his contemporary network. The personalised trust bond thus seems to play a key role here, showing the vertical network of personalised relationships prevails in the absence of anonymous trust is. Crates are supplied by one company as well and these are expensive. The weak market of crates causes this behaviour however, in contrast to reason for the sole

supplier of bananas, as there is only one supplier of crates in Dar es Salaam. Lastly, one of the most challenging necessities are machines, both in obtaining and maintaining these, due to a lack of suppliers, information and skilled technicians.

The main group of buyers are small shops and local bars, who would usually order one to four crates each time. Large buyers such as wholesalers and supermarkets are absent, which makes it hard for the company to gain economies of scale. Whenever buyers want to place an order, they call Mohammed, who would then process the order. The company employs two salesmen, but they only approach potential buyers to present and to let the potential customer taste the banana wine. When they are interested, they call Mohammed. This seems cumbersome and is somewhat inefficient perhaps, as customers would prefer to deal with the salesperson they have met in person, especially in the informal Tanzanian business environment. Yet again, Mohammed takes full ownership in dealing with existing and potential buyers.

After an order has been delivered, the crates and the bottles remain property of the company. During the consecutive delivery, the empty crates and bottles will be picked up. This not only reduces production costs, but also effectively binds the customers to the company. Nonetheless, the stock of crates is low, due to a lack of capital. This occasionally leads, in combination with the lack of adequate planning, to the inability of delivering on time. Customers complain about it, but the attitude of Mohammed seems to hinder the ability to solve the issue properly.

Competition is fierce, as there are many banana wine producers in Tanzania. However, Mohammed is reluctant to produce other types of drinks as he ''[knows] the market very well.'' Even though starting a company requires a voluntaristic attitude of taking a risk, Mohammed is, to some extent, also avoiding it by not producing other drinks that are less common in Tanzania. In addition, the only clear form of innovation present at the company is product innovation through tasting the competition, often neglecting the wishes of the consumer. This copying behaviour among entrepreneurs collectively creates very competitive markets with little variation.

Infrastructures in Tanzania remain underdeveloped. The company owns a truck to deliver the banana wine to buyers not more than three hours away. Unfortunately, the company is surrounded by sandy roads, which makes delivery sometimes difficult, especially during rainy-season. Power outages are also common in Tanzania, so the company has a cost inefficient generator as back up.

The company needs various licenses from the TFDA, the TBS, the TRA, the municipality and the fire extinguisher's organisation. Mohammed concurs the institutional environment in Tanzania is bureaucratic, due to the difficult and time-consuming procedures. Various individuals in Mohammed's network are discouraged to start a company because of it. According to the literature, this is a breeding ground for corruption, which is acknowledged by Mohammed. However, he never got involved in these practices, by remaining patient.

4.1.3   Case description 2:
[Removed due to a confidentiality request]

4.1.4   Case analysis 2:

[Removed due to a confidentiality request]

4.2   Dual cross-case analysis Mombo Investments and X

Following the extensive and separate analyses of the two cases of Mombo Investments and X, various differences and some similarities can be found when cross-analysed. The purpose of this paragraph is to distil the contradicting and coinciding business practices into values and institutions. These consequently will form the traditional and modern value- and institutional sets that are represented in these particular cases and commonly entrenched in the Tanzanian business context.

4.2.1   Dual cross-case analysis at the company level

The owner of Mombo pursued a *hierarchical management style*, where *paternalism* was commonly seen in the form of criticism, compliments and provided transport costs and food. The current management style is prone to *favouritism,* although this could not be determined based on the interview and company visit. *Decisions flow from the top down* and most *key responsibilities are kept at the top*. The workforce could be described as *guidance-dependent* that is *obedient* and *focussed on the relationship*. In addition, *innovations originating from the workforce was limited.*

At X,the *management style* is rather *egalitarian,* where a *remunerative control system* directly links performance to appraisal. As the engineers set their own targets, which are checked by the MDs, *decision-making is interactive* where *key responsibilities are distributed* among employees and MDs. The employees generally show a *professional attitude,* although this did not led to *innovations coming from the workforce* so far however.

Both Mombo and X prefer hiring employees through referrals and *ties on informal networks* of friends and family. Even though this *limits the pool of candidates*, it is a necessity to leverage the *vertical network of trust* that acts as an *accountability* mechanism, as *anonymous trust* in job applicants is not readily available. The general second and complementary option, which was not preferred, was a *universal application system*, where anyone could apply. The main difference between the two companies are the criteria, where Mombo seemed to have *undetermined criteria*, while X had developed *pre-determined criteria*.

In SSA, tribalism plays an important role, where *in-group benevolence and out-group negligence* based biographical characteristics is common (Fülöp & Büki, 2013; Jackson et al., 2008). However, based on both cases, tribalism plays a limited role. The workforce is composed of a *mixture of tribal backgrounds* and employees *cooperate* well. A prerequisite for this is the commonly spoken *national language Swahili* and employees only occasionally joke in their *tribal language* to each other. Hence, it thus seems that the Tanzanian business context is clearly transcending from *tribalism* to *nationalism*. At X, the *workforce is mixed* as well and the employees solely speak *Swahili or English*. Group forming based on ethnic background is absent. Even though tribalism seems to play a limited role at these enterprises, it is regarded as the starting point of which the companies have already transcended.

Yet, the community feeling is still present. Even though Mombo does not *employ family members*, it wishes to do so in the future. In addition, it *provides money to both the employees and community* in the case of a wedding or funeral, as this is tradition in Tanzania. X only provides money in the case of wedding and funerals of its employees.

Ascribed status plays a role at both companies. At Mombo, the owner has a paternalistic attitude and the employees seem to look up to him. At X, *age* played a role when a former employee eventually resigned, because he refused to be managed by a younger employee. Yet at the same time, employees at X gain their *status through skills and performance*, which is translated into performance-based bonuses and promotion.

Time management is synchronic at Mombo. It *struggles with punctuality* issues among the workforce, but these issues seem to be caused by the synchronic attitude of the owner. The *bookkeeping is simplistic* and the *planning is limited* and not written down and communicated. In addition, the owner does *not have well-defined long-term goals* for his company.

This is in sharp contrast with X. The company has adopted strict policy measures that resulted in an *improvement of the punctuality*. It follows a *strict and digital bookkeeping*, it develops relatively *long-term planning*, *and targets are differentiated over various products*. In addition, the owner provides *well-defined long-term goals* and plans to achieve these.

At Mombo, a fatalistic attitude to several business practices is present. Overall, there is a *lack of innovations* and employees only receive *limited training* of one hour at the start of employment. In addition, there seems to be a *limited control over the production systems*, as *product deviations are relatively large* and *manuals and standard procedures are absent* during the visit. *Rules at the company are limited* to punctuality and hygiene, although the former seems poorly enforced and the latter is imposed by governmental organisations such as the TFDA and TBS.

X takes a voluntaristic approach to its business practices. It pursues *continuous business process and product innovations* and is at the forefront of ICT developments, although most innovations originate from the MDs. Employees receive a wide range and *continuous training*, especially when new ICT hardware is introduced. Besides the *rules* about punctuality and governmental rules, it has developed a *code of conduct* universally applicable to all employees. The company uses an advanced *CRM system* to take *control* over the dates of tasks and projects.

4.2.2   Dual cross-case analysis at the civil society level

Mombo needs various supplies, but the main ingredient is bananas. These are bought from *one supplier*, who is already part of the company's *vertical network of trust*. The owner refrains himself from searching for better quality bananas even in the light of a few substandard shipments, as he shows *solidarity* due to the *personalised relationship*. This in turn *hampers free movement* between

various suppliers and is thus *stifling quality innovation* of the supplies. Other supplies are hard to come by, due to *underdeveloped market* or *poorly accessible markets* such as in the case of the machines.

X enjoys *access to the developed and international market* of ICT hardware through the internet. It has *multiple suppliers* and can *easily move between them* by comparing them with the help of an *abundance of information* through the internet. To stay competitive, these manufacturers and wholesalers have an *incentive to innovate*.

The main customers of Mombo are small shops and bars. Most of them are obtained by going *door-to-door and present the product* by the salesmen. The informal way of *face-to-face marketing* works well in Tanzania, due to the preference for establishing *personalised relationship and trust*, while other marketing tools are less effective. The nature of relationship can be described as a buy-sell relationship, with limited information sharing and cooperation. This makes *SCM* and *demand forecasts* difficult. Lastly, the buyers often order *small quantities*, which increase the transportation costs and makes it *hard to obtain economies of scale*.

X's customers are also small retailers spread out through the city. They usually place *small orders* as well, which makes obtaining *economies of scale difficult*. The company provides *customer services* by offering delivery within two hours, to accommodate the lack of capital among the retailers. In addition, the company offers warranty and receives some *feedback* from the retailers. There is thus some *coordination and cooperation over the supply chain*, which increased the revenue of both the company and the retailers and making the *supply chain more competitive*. A part of the business comes from project tendering, which often entails paying an *allowance fee* to the one who is appointing the project to the contractor. This means extra costs are incurred and contractors have *unequal access* to these projects. This form of *rent-seeking* leads to imperfect markets and adds to the costs.

The competition in the banana wine market is fierce, as many small companies *produce similar products*. The idea of producing banana wine originates from a previous job selling banana wine as well, showing *copying behaviour*. Product innovation is also largely based in copying behaviour, as the owner and employees usually taste the competition and slightly adjust their own recipe, rather than adjusting it based on market research. Collectively, this leads to very *competitive markets with little product differentiation.*

X has obtained the reputation of keeping up with the fast changing ICT market and *innovates based on the market demands*. This makes X *unique* in the Tanzanian ICT market, which creates a *competitive edge.* In addition, the company occasionally forms strategic partnership with competitors, which means they are both *competing and collaborating* with each other.

4.2.3   Dual cross-case analysis at the state level

Mombo needs to comply with various standards of governmental organisations, such as the TFDA and TBS, to market their products. The procedures of these organisations are very *bureaucratic, time-consuming and expensive*. In addition, even though the owner was able to refrain himself from such practices, the bureaucratic systems are a *breeding group for corruption* and *rent-seeking.* As a result,

the current systems tend to deter many individuals from starting a company, making the Tanzanian business environment *unfavourable for entrepreneurial activity.*

The owner of X concurs with these findings, but adds that a *weak enforcement of the law* allows corruption to take place. In addition, it creates *unfair competitions*, due to substandards products that still enter the country and allowing competitors to *avoid paying taxes*. For many individuals, this is trade-off between losing a market share and risking penalties. The company has also been subjected to *arbitrary and unannounced policy changes and decision-making*, affecting its return on investments. In addition, many companies have *limited access to capital*, which is one of the main barriers for Tanzanian businesses to grow. Fortunately, a shift is occurring, especially after the regime change. Currently is *fighting corruption* severely and *enforcing laws* such as taxation more. Ultimately, this should and probably will lead to a *business environment that promotes entrepreneurial activity*, which is a step in the right direction.

4.3 Multiple cross-case analysis

The previous paragraphs demonstrated two cases rather extensively, with the intention of clearly presenting the method of analysis. This paragraph will discuss the more complex multiple cross-case analysis of all the cases combined. It will discuss similarities and conflicting findings between the individual cases that can be found in Appendix C. In the first part, the internal business management practices are studied. This is followed an analysis of the civil society and the African markets. This paragraph will end with an analysis of the state and governance in Tanzania.

4.3.1 Cross-case analysis: Internal business management in Tanzanian enterprises

The internal business management practices found among the Tanzanian enterprises will be cross-analysed in this section. It will follow to some extent the subjects of the theoretical framework, but it has been adapted to the topics found in the empirical data. Hence, the first sub-section discusses the power and control systems found at the various companies, followed by the decision-making practices, initiatives from the workforce and professionalism, which is closely intertwined with the formers. Next, the social and family ties will be discussed, as well as the influence of job hiring practices. This is followed by influence of the biographical characteristics of employees on the business practices. The fifth sub-section will deal time-management, punctuality and planning among the companies, followed by innovation and training practices found in the empirical data. The last sub-section discusses the rules and regulations present or absent at the companies.

4.3.1.1 Power and control systems

Most companies that were visited during the field research in Tanzania had a hierarchical business structure in place, although one was lacking such a structure due to the low number of employees. Yet, some of these companies showed that having a hierarchical structure does not necessarily lead to a hierarchical management style, where egalitarian relationships between superiors and their subordinates is not present. The data shows that the management style remains diverse among

Tanzanian companies, rather than leaning more towards either a hierarchical or an egalitarian management style.

Mombo, Zaidi, Motherland Spices, Aprifetius, Simba and Aksa showed a hierarchical attitude towards their employees. The MD of Mombo mentioned a few times he had to ''instruct'' his employees to be on time and to maintain hygienic standards. In addition, many of these MDs are reluctant to leave the premise during production and let their employees work independently. ''I must be there to see how they work and I usually stay with them in the production room'' and ''make sure that everything is done and also in the right order'' according to the MD of Aprifetius.

Generally, coercive and paternalistic control systems were visible at these hierarchical companies. For instance, coerciveness was visible at Zaidi, as the MD mentioned that he sometimes has to be ''tough'' on of operational manager. In addition, the MD of Motherland Spices needs to forbid her employees to bring their babies to work and threatens to hold back a part of the salary of the casual workers if they did not fulfil their jobs correctly or completely. ''If they will not do it the right way, they will not get paid the full amount. And this sort of threatening them with this helps very good.'' When employees at Simba ''make a mistake, [the owner] needs to be harsh.''

Paternalism was also present to some extent at these companies. Many entrepreneurs with a hierarchical management style emphasised that the employees are a ''family'' and work as ''one.'' At Mombo and Zaidi, the owners pay for the transport costs of the employees. At Motherland spices, the employees refer to the two owners as ''dada or sister,'' meaning mutual respects and the presence of a trust bond that is named after a family linkage. At Simba, employees receive some of the products at the end of the week and a ''present'' during feasts. In addition, the owner of this company seems to care about her employees, as according to her ''you have to listen to them, to know their problems, their challenges, maybe you are underpaying them.''

Whether favouritism in the context of paternalism, i.e. preferential treatments to certain employees, was present at these companies is weakly supported by the data. Only the MD of Simba admitted she would give an extra bonus to some of her employees without other employees knowing and that ''not all employees are equal.'' Even though she used the term ''present,'' she also insisted it was based on performance. At Mombo, employees receive ''compliments'' and approval for performance, which is in line with a paternalistic management style as discussed earlier. Yet, objective measures to evaluate this are absent, so it is highly subjected to benevolence towards particular individuals. Besides this indication of favouritism, the other companies either did not have a bonus system in place or would give a bonus or a raise to all of the employees at the same time. These seems to be both incentivised by the cultural value of collectivism such as being a ''family'' or working as ''one,'' a fatalistic attitude to performance appraisal and the inability to develop some form of key performance indicators (KPIs) on which performance appraisal will need to be based.

A noteworthy point is that MDs that showed a hierarchical attitude towards their subordinates, also took full ownership of some key aspects within the company. For instance, the previous financial director at Jefra did not allow anyone to interfere with the planning, which resulted in delays and production inefficiencies during power outages, with in particular during the night shifts when the

financial director was absent. In addition, the MD of Mombo kept the planning to himself, without sharing this with his employees. Both the owners of Aprifetius and Mombo were the only ones that performed the measurements on their products. The owner of Mombo did train another employee to perform the measurements, but it remains unlikely that he is able to perform the measurement due to a lack of experience. Lastly, the guests at the hotel in Himo were unable to have breakfast at a table, as the owner, who was the only person in possession of the key to the storage facility, was late. These examples show that the MDs have a hard time to distribute the responsibilities among the workforce in return of corporate efficiency or the reduction of risks. This is partly caused by a hierarchical attitude, but a lack of trust plays a role as well. At X, the owner only recently gave a key to one of his employees, as the last employee that had a key to the company ended up stealing.

The MDs of X, ClickPesa, UhuruOne, De Niza, Anepa and Mobistock have a more egalitarian management style, even in the presence of a hierarchical business structure. Employees work relatively independent with little interference of their superiors. These companies also had a diverse set of communication channels in place, both digitally and non-digitally. This in contrast with the more hierarchical companies, which almost solely relied on individual or group meetings. Only two companies showed a remunerative control system. X had a clear link between individual performance and appraisal as discussed earlier. In addition, the team leaders and superagents of the salespersons of Mobistock receive bonuses whenever the monthly sales targets are met, even though this side of the business has a clear hierarchical structure. In addition, most of these companies promote teamwork among his full-time employees, showing a normative control system. What is striking though is that most of these companies operate in the ICT industry and the owner attended higher education, except for the owner of Anepa.

Other companies took a middle ground, such as Obri, Guavay, Jefra and Moshi. For instance, the MD of Obri mentions she is usually around to oversee the production employees in Dar es Salaam to maintain quality and to make sure they are not ''waiting around and doing nothing.'' At the same time, teamwork is strongly promoted and the owner often assists the production employees when necessary. Hence, the management style is somewhat coercive, but successfully combined with a normative attitude of teamwork. In addition, three employees collect the sunflower seeds in Dodoma rather independently.

The MD of Jefra lets his employees work relatively independent, as he is visiting customers during the day and is at home during the night shifts. However, he makes various unannounced visits to prevent his employees from doing nothing. The manager of De Nia and Moshi implemented a policy to rotate employees among different working stations to improve teamwork. This was however met with some resistance to change initially and he had to push this policy through.

4.3.1.2 Decision-making, initiative and professionalism
At the companies where a hierarchical management style and coercive and paternalistic control systems were present, decision-making generally flowed from the top downwards. Almost all MDs

indicated that they have the final say when a decision has to be made and that employees always have to ask for permission to take a certain action. During meetings, employees are allowed to present their ideas, but the owner makes the ultimate decisions and seems to neglect any input of the staff. As the owner of Simba explained: ''decisions always comes from me as the boss. They can advise me, but not make a decision. I can allow them to share the decision.''

The empirical data shows that this is consequently hampering initiatives and innovations from the staff. Some MDs claimed that employees bring forth various ideas to improve the process or the product, but were subsequently unable to provide an example where these 'improvements' were implemented. Other MDs, such as at Motherland Spices, at Obri and at Zaidi, honestly mentioned that innovations mainly originated from themselves and initiatives from the employees is lacking. For instance at Zaidi, the owner has to find out himself that various items are broken at the office or the office has not been cleaned properly, while he wants his operational manager to solve these issues by himself or to communicate this.

In addition, these employees seem to lack a professional attitude of working independently and responsibly, as some of these MDs explain that their employees need a lot of guidance. The owner of Aprifetius explained that she looks over their shoulders and correct them instantly when they make a mistake. Nearly all of the hierarchical companies said they have to be present to stimulate motivated and to prevent them from ''sitting around and doing nothing.''

Decision making at the Uhuruone and Mobistock usually takes place at the lower levels of the company by the manager and even employees. Both owners indicated that their employees and managers are empowered to make their own decisions, if they consider themselves being able to make these decisions. If not, the issue would move up the chain. The owners would to some extent monitor the issues and decision-making through meetings, email and even WhatsApp. ''Everybody keeps the persons in the loop that needs to be in the loop.''

Employees at these companies showed high levels of initiative and professionalism. At Mobistock, general strategic goals are proposed and the MD and ideas to accomplish it are generated and implemented by the managers. ''You give the direction of what you want and they come up with the ideas.'' In addition, employees can decide their own working hours, as long as they finish their tasks, which require a highly professional attitude from the staff.

Other egalitarian companies struggle with initiatives and professionalism from their staff, as was the case at X. In addition, at ClickPesa and Obri employees enjoy more freedom to bring forth their ideas, compared to the ideas that they actually offer. All three owners indicated that the professionalism is growing at their company, but this requires a significant amount of time and effort.

At Jefra, a similar shift is clearly visible. For instance, as the plastic requires to be heated to 300 ^{0}C and the company is subjected to power outages, the employees are now allowed to make the decision whether to change the mould during these power outages based on the required targets and the amount already produced, instead of waiting for the power to come back up. In addition, other process improvements have been suggested and implemented by the staff, such as using larger packaging bags

to save costs and weighing these bags to determine the amount of pre-fabs, instead of counting them by hand. However, the staff has only been doing this recently and it required effort and time to come to this level.

In general, there is a clear link between a hierarchical management style and a lack of initiative, innovation and professionalism from the work force. In contrast, UhuruOne and Mobistock shows a clear correlation between an egalitarian management style and initiative, innovation and professionalism from their employees. Yet, the other egalitarian companies showed that simply adapting an egalitarian management style by the MD is not enough to foster initiative, innovation and professionalism from their workforce. The employees need to develop a professional attitude over time and these companies indicate that Tanzanian employees are generally struggling with this and it will take time and effort. There thus seems to be a discrepancy between the socio-cultural hierarchical norm and an egalitarian management style that needs to be bridged

4.3.1.3 Networks, family and job application
The literature shows that many companies in SSA are family businesses, where entrepreneurs employ one or more relatives. In addition, family or social ties can benefit entrepreneurs, if properly leveraged to gain access to resources, but can also become a burden in the form of providing for their relatives (Beugré & Offodile, 2001; Khavul et al., 2009; Mashenene & Rumanyika, 2014). The empirical data shows that informal and family ties play a profound role in Tanzanian businesses, but some entrepreneurs have indicated that they purposely prevent some of these ties to play a role in their companies.

ClickPesa, Zaidi, Motherland Spices, De Niza, Anepa and Jefra are the six companies in the empirical data where relatives of the (co-)owner are working. This has not led to any issues so far and the MDs are satisfied with their performance. The owner of Zaidi employs a nephew of his wife, as he wants to provide an opportunity for him and he thinks it is easier to trust him. Motherland spices employs one of the nephews of the partners and the MD thinks it is easier to hold him accountable. The wife of the MD of Jefra works as the office manager, cooks for the employees and receives customers. In addition, the owner of Mombo does not have any relatives working at his company, but intends to do so in the future, due to the same reasons.

However, MDs at Simba, Obri and Mobistock are reluctant to hire family members, as it is difficult to hold them accountable. At Simba, family members are not hired, ''as they will kill your business.'' The owner of Obri explains that she ''[avoids] that. You can get a disagreement or they make a mistake. It will be more difficult to hold him or her accountable, because you have this thing in common.'' This is in sharp contrast with the MD of Motherland Spices, who explained it is easier to hold a employed family member accountable. Also, the owner of Mobistock prevents family involvement in the company, as it can get complicated.

The same entrepreneurs that have relatives working at their companies also provide for family members. Often this is met with help in return. For instance, the owner of De Niza paid the tuition fees for a degree in food-processing for his sister and law degree of his nephew. Nonetheless, this is met with reciprocity, as his sister works as quality specialist at De Niza and his nephew assists him with any legal matter. The owner of Zaidi will pay for the degree in accounting for his nephew, but expects him to remain at the company.

In addition, the MDs of Simba, Aprifetius and Zaidi lend money to friends occasionally. The MD of Zaidi explains he sometimes does not receive it back. ''But if they do not return the money, it is the end of the story.'' The MD of Simba sometimes lends money to relatives. ''We are the ones who are supporting them. Sometimes they say they do not have money to cultivate their lands or for harvesting their product or raw material.'' In return, they help her market the products. At Aprifetius, the children help their mother in various ways, by lending money to buy raw materials, to market and distribute the products and to help with the construction of the facility. In return, they receive ''sort of a bonus'' sometimes, which seems not to meet the effort put in from the children. She also lent or gave money to relatives and friends to buy food and water, because ''you have to share.'' This seems to place an asymmetrical burden on her and her company that even extends to her children.

Other companies are reluctant to provide for family member. While the owners of X and ClickPesa do not provide for family members as they are from Europa, the Tanzanian owners of Obri, UhuruOne and Mobistock refuse to support their relatives through the company, as they recognize this would put too much burden on the company. As the MD of Mobistock mockingly says: ''you have to be pretty stupid to provide for your family members through your company.''

Even though the previous findings seem to be mixed, almost all entrepreneurs concur that hiring new employees is nearly solely based on particularistic informal networks, social ties and referrals in Tanzania. It acts as an accountability mechanism and already established a trust bond, as has been discussed in the case of X. Also the owner of Obri explains that ''when you hire someone through advertisement, it will take you another 6 months to get to know and to understand this person and to know if this is really what I'm looking for. This is a start-up and a small company, so wasting 6 months is a loss.'' Nearly all companies agree with this and take a similar stance. The owner of Simba has also obtained some of her employees through other entrepreneurs, but she had to pay an allowance fee for them, ''as they want money for it.'' This shows the vertical gated networks play a role in the job application processes as well.

However, the social networks are more than often not sufficient to deliver enough employees. Hiring employees from the community surrounding the company would be the second option. The ties of the employees to the community also seem to be an accountability mechanism and creates trust, although this seems to be weaker than referrals from the social networks of the entrepreneurs. In additions, the owner of Jefra, a company located in a small town, explains that hiring employees from the area is a necessity to be accepted by the community. If not, they could steal from the company, as they feel the company should be of value to the community.

4.3.1.4 Biographical characteristics of employees

The literature indicates that the ethnical and tribal backgrounds play a significant role in SSA enterprises, for instance in benevolence to employees with similar backgrounds and job application (Jackson et al., 2008). However, the empirical data shows that relationships and favouritism based on tribal backgrounds does not play a role in Tanzanian SMEs. The workforce of all companies contains individuals with widely diverging tribal backgrounds. Some did not even know the tribal background of their employees. As the owner of Simba explains: ''we do not like to mention our tribe'' and ''we do not rely on tribalism.'' The owner of Mobistock concurs: ''It is just not something that we do in Tanzania.'' ''You rarely bump into that.'' ''It is excluding, as we are not from the same place. It is shunned upon. I cannot speak in a language that half of my staff do not understand. So yeah, it is just not done.'' The manager at Moshi is Kenyan and he acknowledges that Kenyans rely more on tribalism, while this is almost not present in Tanzania. According to him, this is because Tanzanian speak the national language Swahili, while Kenyans prefer to speak in their tribal language, which stifles communication and cooperation. The data supports this claim, as Swahili was the spoken language at all companies and occasionally English. All entrepreneurs indicated that none of their employees spoke in their tribal language, except at Mombo occasionally.

A noteworthy point however is that many Tanzanian entrepreneurs originate from the Chaga tribe. It is commonly known in Tanzania that many SMEs are owned by Tanzanians with a Chaga background and they are overly represented in the empirical data as well, i.e. the owner of Obri, Zaidi, Aprifetius, De Niza and Simba all have a Chaga background. The owner of De Niza explains that Chaga were one of the first tribes during colonisation that adopted the Western educational system, which results today in a higher level of education among Chagas compared to other tribes.

Age still plays a profound role in determining the status of an individual. Older people tend to entitle themselves to certain positions, but also the younger generations seem to accept it. Hence, the ascribed status through age enlarges the power distance between individuals.

X gave one of the clearest examples, where an older individual refused to be managed by a younger person and eventually quitted. At Simba, managers are purposely older than the other employees to keep them in check. According to the owner, older individuals have more responsibility in providing for their families and are inclined to take their work more seriously. She also complains that the younger generation ''do not like to work,'' that ''chatting is their main interest'' and ''you have to constantly tell them to stop doing nothing and start working.''

On the contrary, many companies employ younger people. One of the reasons is the unemployment among the younger generation in Tanzania is high and there is an abundance of youngster looking for a job. In addition, the ICT companies mainly employ young men and women. The older generation generally has a hard time to keep up with the fast moving ICT industry. At Zaidi, the owner is mainly focussed on employing the youth, as he feels they are being neglected in Tanzania.

Almost all entrepreneurs indicated that their employees are occasionally late. However, most of them seem to show a fatalistic attitude towards punctuality by giving leeway if they have a valid reason, irrespective of the number of times they are late. As the MD of Simba explained: ''as an entrepreneur, you have to be human. It cannot happen every day. If it is happening one or two times per week, it is okay.'' Employees at Jefra are more than occasionally late and because the machine has to run constantly, they simply have to wait for the next shift to arrive. However, this has never led to any conflict and the employees accept this synchronic time attitude among each other by simply waiting for the next shift to arrive. Lastly, the MD of Mombo claims his employees are almost never late, but his own definition of 'being on time' seemed broad and not punctual. Both the MD and employees showed a synchronic time attitude and it is expected that this will not change if the MD does not change his own attitude. This company also struggles with planning, as the owner does the planning from the top of his head, which often leads to not being able to deliver the banana wine in time to their customers.

The owners of Obri and ClickPesa claimed their employees have never been late and seemed truthful. Nonetheless, both explained that they heard from their social surrounding that Tanzanians are often late for work. In addition, the owner of ClickPesa thinks that is depends on the level of education and that ''those problems usually occur with lower educated employees.'' The MD of Jefra also explains that it is more common at larger firms, as the employees believer there are many colleagues that can take over their tasks.

Other companies take active measures to improve punctuality. For instance, X and Moshi subtract the amount of time lost from their salaries if the employees come too late too often. Even though this would only be a small fraction of the salary, this significantly improved the punctuality among their employees, indicating a coercive control system in generally egalitarian companies. The owner of De Niza has fired some of his employees for being late multiple times. Both these companies show to take active measures to shift their employees from a synchronic time attitude towards sequential time attitude.

Companies that are included in the empirical data use a bookkeeping, but the content and the documentation strongly differed. Companies like Mombo, Aprifetius and Simba used a notebook with inputs and outputs per batch or day that were consequently only used to calculate the owed taxes. However, a balance sheet or similar documents seemed to be lacking. Companies such as Obri, Zaidi, and Motherland Spices used both a notebook, which contained daily inputs and outputs, and excel spreadsheets to generate a monthly balance sheets and to check trends. Companies like X, UhuruOne and Mobistock used advanced software to document their finances.

Companies with a limited form of bookkeeping also showed synchronic time management on other topics. For instance, planning was limited to one or a few day and the owner of Mombo kept the planning to himself and did it from the ''top of [his] head,'' without communicating it with his staff. In addition, targets were limited to daily targets and the owners seemed to have poorly defined long-term goals for their companies.

In contrast, companies that showed a more advanced bookkeeping, also articulate monthly, quarterly or yearly targets goals, that are broken down into weekly and daily targets. These targets were based on market demands and sales of the previous month, and in some cases linked to remuneration. They also had clear defined long-term goals in terms of process improvement, market expansion and product diversification in sequential steps. Some of these companies also performed market analyses, but mentioned they are severely hampered by a lack of information.

Most full-time workers are paid per month and in cash, while most part-time employees are paid in cash and per day. Only the paper waste collectors at Zaidi, the part-time peelers at Motherland Spices and the sales agents at Mobistock are paid per task. Yet, all three owners explain this motivates their employees to perform.

However, synchronic money management is present when it comes to payment at some companies as well. The owner of De Niza indicated that many employees did not show up after they received their salary and the owner of ClickPesa and Jefra heard this from other companies as well. At Simba, some employees seem to struggle with planning their expenses, as the owner occasionally pays a part of the salary up front. At Jefra, one employee was allowed to help a partner for three days, but came back after four weeks and expected there would be no consequences. In the meantime, he was already replaced and lost his job at Jefra. This employee demanded to be paid for four months and threatened to go to labour court, but eventually no actions were taken. According to the owner of Zaidi, ''it is a big challenges for Africans to handle money.''

4.3.1.6 Innovation, production controls and training

Many food-processing companies seem to have a hard time with innovation. Often innovations come from the owner or the manager, while the workforce is simply performing their daily routine. Some managers honestly explain their employees hardly come with any improvements, like the MD of X and Motherland Spices, while others claim their employees provide valuable input for innovation without being able to provide clear examples, like Mombo and Simba. Only at UhuruOne, Mobistock and Jefra, the workforce generated various improvements that were implemented in the business practices.

The case of Jefra show some practical examples of the transitions common or necessary among companies in Tanzania, partly with the help of the Dutch co-founder Jeroen. According to Jeroen, Tanzanians have a hard time with innovating the business process and are reluctant to spend money and to make investments, due to their short-term time orientation and a lack of capital. This became visible at the company in various ways that was managed by the co-founder and MD Frank. For instance, Frank bought cheap plastic pellets as raw material, which were contaminated with dirt and rocks, These were then cleaned and sorted by a few part-time ladies in the area. However, Frank has spent many hours on managing these ladies to save money, while he should have been finding new customers. With insights of Jeroen, the company is now buying high quality pellets and is currently investing by purchasing a container directly from China to circumvent the Tanzanian wholesalers. Another example came when Frank hired two inexpensive but ineffective technicians, which turned

out to be unable to fix the machine, before Jeroen decided to hire an more expensive but adequate technician. In addition, the operators proposed to use larger bags instead of the cheaper and smaller bags, as the costs of the product per bag would decrease, which was eventually implemented by Frank. Lastly one of the operators suggested to use a scale to weight the product instead of counting it by hand, but this required an investment in a scale. Even though Frank was initially reluctant to invest in the scale, both Frank and Jeroen decided after a good discussion to buy the scale and to reduce the time of determining the number the pre-fabs in the bag.

Nonetheless, nearly all food-processing companies had one common form of innovation originating from the workforce, which is product innovation by adjusting the recipe. Employees, and the owners, would taste the products of competitors and would suggest adjustments of recipe, which were only in a few cases implemented. However, this shows merely fatalistic copying behaviour of the Tanzanian employees instead of improvements that could generate a competitive edge. This copying behaviour is also found among various other entrepreneurs, such as the many entrepreneurs operating in the competitive banana wine industry like Mombo and honey industry such as De Niza and Anepa. These product improvements rarely depend on market research, which will be further discussed in section 4.3.2. In addition, various clusters of more than 10 butchers, 10 greengrocery's shops and over 100 woodcarvers providing the same products can be seen in Dar es Salaam.

Most companies generally spend a limited amount of time on training their staff. It usually entails one or two days training after being hired by the owner or senior operator, without any consecutive training. However, some companies provide additional training. At Aprifetius and Obri, the owners paid for the training of their employees by SIDO for Tzs 200.000,- per person per session. In addition, the owners of Obri and Simba occasionally hire an experienced training consultant to teach the employees how to operate the machines. Of all the cases, X provides the most training continuously, mainly to its engineers. It entails six months' hands-on training after being hired by senior engineers. In addition, the staff is continuously trained on new ICT hardware by the owners, trainers of the manufacturers and webinars. This significant amount of training gives the company a competitive edge, as it enables the company to keep up with the ICT trends and be innovative.

4.3.1.7 Rules and regulations

Generally, the amount of rules and regulations among the companies is limited. The only rules commonly found at the food-processing and manufacturing companies were concerning hygiene and safety during production, such as clothing, hairnets, washing hands and operations. These are in fact imposed by the various regulatory entities, so it is likely that in the absence of these entities, these rules would be absent as well. In addition, rules about punctuality were generally present, but almost never strictly followed by the employees and enforced by the management, as has been discusses earlier. Hence, many of the companies appear to be fatalistic when it comes to rules and regulation. As the senior manager of Moshi states about rules, ''this is not common in Tanzania.''

Only X, Mobistock and Jefra have a code of conduct that every employee has to sign. It contains various rules about behaviour and social interactions. Only rarely have the codes of conduct been used

by the managers, but it has given them the ability to use it, in the cases when misconduct of employees became too severe. Hence, only a few cases showed a voluntaristic attitude to rules and regulations.

4.3.2 Cross-case analysis: Civil society and markets in Tanzania

After a thorough analysis of the internal business management in Tanzania enterprises, this section will deal with the civil society and markets in Tanzania. The first section will discuss the interactions between the companies in the empirical data and their suppliers, followed by the interaction between them and their buyers and end-users. The third sub-section will discuss whether competitors cooperate or not and the copying behaviour commonly seen in the Tanzanian business environment. Lastly, the findings on project tendering in Tanzania will be analysed.

4.3.2.1 Suppliers

With 67% of the Tanzanian labour force working in agriculture (CIA Factbook, 2017), this important industry not only provides jobs, but also a vast amount of organic resources. The Tanzanian government is strongly supporting SME development and it is thus not surprising that many entrepreneurs start a company in food-processing, which is strongly represented in the empirical data. These companies obtain their raw materials directly from the farmers and indirectly through traders, although there seems to be a slight preference to buy directly from the farmer to cut the costs of the intermediary traders.

Food-processing companies often rely on their informal ties to get into contact with potential suppliers. They would ask around in their social network whether they directly or indirectly know farmers and traders that can supply the organic raw materials, such as at Motherland Spices and Aprifetius. The owner of Zaidi also started with his trusted friend, who was already a waste collector, to expand his network of paper waste collectors. In addition, companies like Mombo and Aprifetius buy their supplies from local markets. Yet, complementary to the informal networks, various entrepreneurs explain that several organisations are now providing contact information of farmers. For instance, the department of Forest and Beekeeping at Ministry of Resources and Tourism connects honey processors such as De Niza and Anepa with beekeepers. In addition, Tanzanian NGOs like Tanzanian Organic Agricultural Movement (TOAM) and the Farmers Association have been set up, to link farmers with potential buyers, e.g. Aksa and Obri respectively. However, the support from these organisations are in an infant state, as the Farmers Association only has 217 farmers currently and the department of Forest and Beekeeping has started doing this only a few years ago.

Irrespective of the type of supplier, almost all entrepreneurs explain trust and networking is extremely important to conduct business in Tanzania. Meetings the suppliers in person is vital and most owners visited the farmers or vice versa, even if it would be on the other side of the country. Yet, these bonds of trust seem to be quickly established and not always adequately maintained, as the consecutive transactions are done over the phone, without the individuals seeing each other again. As the owner of Aksa explains: ''You can go there if you wish. But if you trust them, you can just call them.'' Based on this finding alone, one could hypothesize that trust bonds are easily set up caused by anonymous trust, but this is in sharp contrast with the literature. Most food-processing companies

only have one or two suppliers throughout the existence of the company, even though the supplies are occasionally substandard. Food-processors thus seem to be eager to set up relationships initially when a supplier is absent, but are also reluctant to switch to other suppliers, irrespective of the quality of the supplies. They tend to be restricted by the established bond of personalised trust and are reluctant to set up new relationships with new suppliers. The lack of anonymous trust seems also to be caused by the many times trust bonds are violated. For instance, the owner of De Niza has experienced multiple times that beekeepers sell the hives that are in fact owned by the company. Additionally, some beekeepers and honey collectors sell their high quality honey to other buyers, often from Kenya, who are willing to pay more.

The preference for bounded personalised relationships and the reluctance to switch seems to be stifling improvements and innovation. When these companies are free to move between different suppliers, instead of being bound by the vertical network of trust, suppliers are incentivized to improve their products in the face of losing customers. However, trade facilitation to get into contact with various suppliers is also limited, making chances of finding new suppliers smaller and is this impeding free movement between suppliers.

Communication with the suppliers is often limited to ordering new batches and negotiating the price, while this and cooperation could also provide the opportunity for product improvements over the supply chain. The owners of Simba were the only entrepreneurs who visited their suppliers of soybeans regularly to explain how they should sort and package their product, which made slight improvements. In contrast, owner of Motherland Spices would somewhat fatalistically throw away the garlic if it already has started to root without any communication and a partial refund, as ''the farmer will not understand why we cannot use them.'' Employees at Anepa and Simba often have to separate the organic raw materials from stones and dirt, which is also the case at Jefra concerning the plastic pellets. When supplies are substandard, often a lower price is renegotiated. However, this does not seem to improve the quality structurally. In fact, some are eager to buy substandard products at a lower price to save money at e.g. Jefra, where the owner manages low-wage part-time workers in the area to sort the pellets. What he does not seem to realise, is that this comes with an opportunity cost of not being able to spend that time on other tasks such as approaching new customers. According to Jeroen, this is one of the main issues in Tanzania, as Tanzanians are generally reluctant to invest and want to spend ''as little money as possible,'' even if it takes a substantial amount of time.

Nonetheless, some entrepreneurs take active measure to improve their supplies. At Obri, the sunflower seeds are bought through the Farmers Association that ensures a market for both the supply and demand side, based on a three years contract that includes a fixed price, the amount and the quality. When there is a shortage of sunflower seeds or when they are substandard, the Farmers Association is responsible for finding enough supplies, which thus not deteriorates the relationship between the farmers and Obri. The owner of De Niza controls his supplies by renting his own more developed beehives to his beekeepers that generates high quality honey. ''If I allow them to have their own hives, sometimes you will find they are dirty or they do not meet the quality of the standard. So I normally provide them with the hives.'' If beekeepers still supply substandard honey, which often

happens when beekeepers mix high quality honey with low quality honey, the various tests will determine this and the honey will be destroyed instead of given back. ''The punishment has to be there. This is not good for human consumption, so you cannot sell this so someone.'' The owner of Anepa grows her own sunflowers, which the owner of Obri also wishes to do in the near future. Jefra has recently ordered a shipping container full of pellets from China to circumvent the intermediary, who repackages the pellets into manageable bags and often deteriorate the quality during this process.

Almost all food-processing companies brought up the issue of acquiring packaging material in Tanzania. This industry is severely underdeveloped, as only a few packaging manufacturing companies are in Tanzania, who in addition are aiming at the larger food-processing companies in Tanzania. This leaves many Tanzanian SMEs with a limited amount of supplies and variation to differentiate their products from competitors, which according to the owner of Obri is limiting the sales. Market liberalization provides the opportunity to import packaging material from other countries and companies like Motherland Spices and Aksa are now buying packaging material from Kenya either directly or through a wholesaler situated in Arusha, even though this packaging material is more expensive. However, discovering these suppliers was rather a coincidence by talking to individuals within the social network. The owner of Motherland Spices thinks that organisations like SIDO should support SMEs more in obtaining packaging material.

The ICT companies in the empirical data seems to be less prone to similar issues. Software and hardware is often developed and manufactured abroad and communication usually flows through digital channels. Specifications and reliability of the suppliers can often easily be checked through the internet and as ICT specialists are inherently working digitally, they have the necessary skills to use the internet in their favour, which is in contrast with relatively older entrepreneurs in the food-processing industry such as at Mombo, Aprifetius and Simba. In addition, both the owner of X and UhuruOne explain that it is common to call various vendors to determine which supplier offers their products for the lowest price. ''Whichever company has the lowest price, I will buy from them. The devices are the same. Sometimes they sell the devices amongst each other as well. But usually you can find 4 official vendors that can provide the hardware and you just call them whether they have it or not. Sometimes they need to order it and sometimes they have it in store as spare parts; you just call and shop around.'' The ICT industry in Tanzania thus seems to be open and companies usually freely move between suppliers. The Tanzanian ICT is also strongly connected of the global ICT- and other markets, as prices are linked to international supply and demand fluctuations, as well as to the prices of metals and oil.

While technological support systems such as telecommunication, IT and digital payment systems have been improved in the recent decades in favour of the Tanzanian businesses, obtaining technology like the necessary machineries and after-sales services remain one of the main challenges according to almost all the interviewees, with in particular the food-processing companies. As the manufacturing industry of high-tech machineries is extremely underdeveloped, Tanzanian companies are importing their necessary equipment from foreign manufacturing companies, mainly located in China and India.

However finding the necessary equipment is difficult for many entrepreneurs and they resort themselves to support organisations such as SIDO and NGOs like EFTA. While these organisations filled some of the technology-market gaps for the entrepreneurs, many indicated their support was not sufficient. In fact, the owners of Mombo and Simba even asked during the interview where they could buy particular machines, as SIDO was unable to provide these. After procurement, the next hurdles presents itself, i.e. after-sales services. The geographical distance entails communication with the manufacturers is difficult, especially when an entrepreneur is not familiar with digital communication systems and when the language barriers is relatively big. In addition, even though SIDO provides most machineries, they do not provide the contact information of the manufacturer. Spare parts are thus hard to come by and skilled mechanics to repair the machines are generally lacking in Tanzania. These hurdles are diminishing production efficiencies and could temporarily terminate the production process, as is the case at Motherland Spices.

4.3.2.2 Buyers and end-users

The food-processing companies in the empirical data use a wide range of downstream distribution channels, including wholesalers, supermarkets, small shops, market merchants, catering companies and commission-based external sales agents. Orders are generally received irregularly and with fluctuating amounts, making production planning difficult for many of the food-processing companies. After receiving an order, these companies would quickly start their batch production cycles, as stocks are generally not sufficient due to the limited shelf lives of the products. Usually the orders are met within a week, showing a great ability to adapt to market fluctuations. Only the owner of Mombo indicated that their deliveries are occasionally late, but this company's internal time management was significantly synchronic. The other companies had little to no difficulties with delivering orders in time.

Nonetheless, management over the entire supply chain could be improved. Food-processing companies have difficulties with developing market forecasts, which makes production ad hoc and with differing amounts over time. To accommodate with these circumstances, many companies have a relatively large body of flex workers, who are hired per day when extra labour is required. Due to the high unemployment rate, companies have the luxury to do this and many of the temporary workers are happy with the opportunity of earning a few days' salary. However, this labour force usually lacks experience to work effectively and efficiently.

Market information hardly flows upstream, except in the cases when buyers place a new order. This makes internal business planning for individual companies difficult, which consequently generates even more uncertainty further upstream at the farmers and other suppliers. This is known as the bullwhip effect, which could lead to inefficient production processes, ineffective inventory management and underutilization of the distribution channels. Farmers that grow the raw organic materials are often not sure whether they are able to sell all their stock, or whether they missed the opportunity of growing and selling more. At Obri and Motherland Spices, the entrepreneurs explain they wish they could improve their planning. However, they are refrained from doing this by the institutional environment, due to a lack of market information originating from their buyers and end users. Generally, a lack of information and internal business planning among individual companies

seems to limit planning of the entire supply chain, which consequently is not effectively being optimised and render uncompetitive.

Fortunately, some companies seem to be succeeding in production optimization in relation to their business environment. Zaidi, Guavay, Jefra and Moshi enjoy the luxury of having markets large enough to have continuous production. Even though Jefra provides a vast amount of different shapes, weights and colours of pre-fabs to many different buyers, their production agility, where they can quickly switch to different types of pre-fabs, ensures that they generally deliver in time, with having a stock of only two to three days. In addition, the ICT companies use digital CRM systems and forecast charts to effectively manage their supply chains.

It is interesting to see that almost all entrepreneurs use a similar marketing strategy, i.e. door-to-door visits. According to the owner of Aksa, ''face-to-face is very important,'' because people like to know the face behind the product. The owner of Obri concurs, as she believes ''people tend to buy the brand more quickly and easily, when they know the people behind the brand.'' It seems that marketing strategies are being personalised, showing that marketing and trust in the product is preferably based on informal networks instead of other marketing tools. Besides having salesmen on the payroll, entrepreneurs are actively leveraging their network to market their product, by asking family members, friends and existing customers to promote their products and they indicates that various buyers have been obtained through referrals. The Western owner of ClickPesa explains that word-to-mouth is a very powerful marketing tool in Tanzania, especially compared to the West, and they ''actively encourage people to tell others about [the] product.''

Yet, entrepreneurs are becoming more aware of other effective marketing tools. As telecommunication has significantly been improved in Tanzania and many Tanzanian enjoy internet connectivity, some entrepreneurs are experimenting with social media channels like Facebook and Instragram, such as Motherland Spices, De Niza and Guavay. Guavay, in addition to the previous tools, uses TV commercials and their website, but the owner additionally explains that door-to-door-sales is by far the most effective marketing tool. UhuruOne develops marketing campaigns for a launch of a new product, including, TV commercials, newspapers and billboards. Lastly, some companies participate in various trade-shows, which are organised by organisations like SIDO.

In general, the entrepreneurs trust their buyers, as well as their suppliers. Usually they are satisfied with the relationships they have built and have encountered little problems. Yet, they explain that trust is key in the Tanzanian business environment and it occasionally becomes under pressure due to certain behaviours. For instance, supermarkets hold relatively a lot of power, as they are larger retailer that sell products at premium prices with big profit margins. In addition, these supermarkets require all their products to be certified by the TFDA and TBS, as they are often checked by these regulatory organisations, which generally attracts the richer Tanzanians and expats. Food-processing companies are thus eager to market their products through them. Unfortunately, the supermarkets only buy on credit, while food-processing companies often pay directly for their resources, draining the cash from

their companies. On top of that, it more than occasionally happens the supermarkets do not pay in time.

Some entrepreneurs sell their products to individuals in other cities, who generally come into contact with the company through referrals or social media. After placing an order, the company would send the products by bus and the payment would flow through a digital payment system called MPesa or TigoPesa. Unfortunately, Motherland Spices, Aprifetius and Anepa, who allowed to be paid after delivery, occasionally do not received money for it. Currently, they will only send their products after they receive the payment, which requires some trust from their side as well. According to the owner of Motherland Spices, she loses some customers due to this stance. Similar to her, the owner of Aprifetius ''does not trust people to pay after delivery'' anymore. Some entrepreneurs use sales agents in other cities that sell the products based on a commission. However, some of these stole the products and were never seen again. The owner of Aksa is aware of these risks and would at least visit this person at home to see where they live, because ''what if he runs away with your product? Who are you going to ask?''

The owner of Jefra worked at a water bottling plant before starting the pre-fab business. This former employer became the first large customer for the company and Jefra invested an extra $25.000,- dollar to buy a specific mould that would meet the requirements for this buyer. Yet after a few months, the former employer discontinued the business relationship. He could not stand that a former employee was suddenly at the same level as he was, i.e. the MD, and was running a successful company. It took a few months before the relationship was restored and the company survived this drop in sales of a few months, as it had already developed a significant customer base on time.

Most companies have limited feedback systems with their customers and only occasionally receive phone calls with issues about the product, or when they are satisfied. According to the owner of Zaidi, customer service in Tanzania is a poorly understood concept, as they treat customers as their employees or colleagues. Yet, some companies take relatively more measures to improve customer relationships. For instance, ClickPesa and Mobistock occasionally use questionnaires to determine the wishes of the customers. The latter case even has a customer's support department, where three employees handle complaints on a daily basis. At De Niza, some customers are invited the watch the production process. The company thus does not only pursue high quality standards, it also uses these high quality standards as a marketing tool. ''After that, they started trusting us.''

Trust in the system is also often violated. X explains that many substandard ICT hardware is still being sold in the market, even though regulations prohibit substandard hardware to be imported. Also competitors of food-processing companies use fake TFDA and TBS certification, creating unfair competition. Small shops even sell many products without certification, as ''they can keep it in the box'' and sell it out of sight of any enforcement agents.

It is common in the West to buy products in bulk to decrease the costs per product and to enhance economies of scale. Also end-users commonly buy larger packages of a product to obtain the same benefits, if they consume it before the expiration date. In Tanzania, the opposite seems to be true among SMEs and the end-consumers. Most companies in the empirical data are unable to buy in bulk

due to a lack of capital and market forecasts. Various companies already start delivering when they receive an order of just one or a few products. Even though they request a delivery fee when profit margins will be too low, they often do not seem to consider the amount of time they put in delivery. In addition, end-consumers often wish to buy in small amounts, for instance when it is packaged in sachets, as was explained by the owner of Motherland Spices and Aprifetius. Many customers have small or no salaries, which has been deteriorated further by the weakened economy.

In response to the limited buying power, various companies have adopted strategies to satisfy customers and to enhance their sales. Motherland Spices for instance has ordered a packaging machine that will be able to package the coconut paste into sachets. Mobistock's business model specifically aims at low-income groups in Tanzania by offering pre-paid telecommunication service for as little as Tzs 100. As many of X's retailers lack the capital to have a sufficient stock, it provides quick delivery services within two hours, which consequently boosts both the sales of X and the retailers. The recycling factory, to which Zaidi delivers the paper waste, provided a loan to finance the compressing machine and will provide additional loan to buy a truck in the near future, which were and will be subtracted from each monthly payment throughout a few years.

4.3.2.3 Competitors and complementors

The Tanzanian market structure is characterised by many companies producing and trading relatively identical products in the same area. Walking through the streets in Dar es Salaam, one often encounters areas where ten or more similar shops with similar products are located, e.g. groups of butchers, groups of grocery shops or groups of souvenir shops. Copying of successful enterprises is a common behaviour in Tanzania, which results in a reduction of the market share and profits.

This copying behaviour is also seen at many companies in the empirical data. For instance, the owner of Mombo used to work for a banana wine production company and started a similar company by himself. Also the owner of Motherland Spices used to trade garlic paste, before starting her own garlic paste processing company. Lastly, the number of sunflower cooking oil companies and honey processing companies has increased in the recent years, making these markets extremely competitive according to the owners of Obri, Anepa and De Niza.

Almost all entrepreneurs argued that the unique selling point of their products was the high quality they offer. It seems high quality products are sincerely valued by Tanzanian consumers, or at least according to the entrepreneurs. Yet at the same time, these entrepreneurs and many other people explain that many substandard products still enter the market. It remains debatable whether the products of the entrepreneurs in the empirical data meet the required standards, or that they ascribe their products to be of high quality, while in essence, they are not.

On top of that, almost all food-processing companies explain that they innovate their product by tasting the competition. They are either looking for new tastes to implement in their own product, or to find ''weaknesses'' in the competitors' products. These product innovations are focussed on the competition and product innovations based on the customers' feedback is generally lacking. The copying behaviour is thus also present in many product innovation process, leading to similar products from similar companies competing for a share of the same market.

While most companies do not communicate or cooperate with their competitors, to opposite holds true for the ICT companies. For instance, ClickPesa provides an easy payment system for small merchants and is competing with various Mobile Network Operators (MNOs) that provide similar services, but more cumbersome. At the same time, ClickPesa needs to integrate their system with the digital wallet of these MNOs and thus often cooperates with them. X exchanges customers' information, such as outstanding debts, with competitors and often buys and sells from and to these companies. Mobistock is an Internet Service Provider (ISP) that competes with many large ISPs, but specifically targets the low-income groups. It leases the hardware and broadband of the competing ISPs to provide its own services.

4.3.2.4 Project tendering

Only two companies in the empirical data had to tender for projects, i.e. X and UhuruOne. Both companies explained that winning a tender often entails paying an allowance fee to the person in the organisation that assigns the projects. These practices are hindering equal access to these projects, increases the cost of doing business and generates inefficient economic rents due to a lack of free market processes. X completely refrains itself from these practices, but consequently loses some of these tenders and thus revenues. Companies thus need to make a trade-off between either losing a part if the market or endure an increase in the costs due to the allowance fee and risk being penalised. It needs to be pointed out that these practices are illegal by law when it involves governmental contracts, but are only illegal in the private sector when corporate policies say so.

4.3.3 Cross-case analysis: The state and governance in Tanzania

Due to the economic and socio-cultural embeddedness of enterprises, the institutional business environment has to be designed by the state in favour of entrepreneurial activities and for businesses to thrive. According to Kaufmann et al. (2011), the quality of the institutional environment is determined by 1) the selection, monitoring and replacement of governments, 2) the capability of governments to implement well-functioning policies and 3) the governance of social and economic interactions between companies and the state.

The first sub-section will deals with the selection, monitoring and replacements of government, focusing in particular on the new President of Tanzania and political order. The second sub-section will address the various organisations found in the empirical data that SMEs have to deal with. The third sub-section discusses the interactions between various governmental organisations and the companies. This will also be discussed in the fourth sub-section, but the focus of this sub-section will be merely on informal social ties and corruption.

4.3.3.1 Political order

The current President Dr. John Pombe Magufuli was elected in 2015 as the runner for the dominating political party Chama Cha Mapinduzi (CCM). He has earned the nickname 'the bulldozer'

for combating corruption, strong law enforcement and the reduction of governmental spending. During, and also prior to, his presidency, he fired various high ranking government officials, as well as prosecuting many of them and senior executives of private organisations for corruption scandals. On his first day in office, he made an unannounced visit to the Ministry of Finance and fired all civil servants that were not working at their desk. He later reduced governmental spending on parliamentarian dinners, Independence Day and government officials' international business class flights, only to invest it in funding the fight against cholera and hospital beds (Allison, 2015). He consequently launched a national tax collection initiative, targeting both large businesses and SMEs. Examples of the former include the British gold-mining company Acacia that has structurally under-reported the worth of the ores throughout the years, adding up to outstanding taxes of $190 billion which was later settled (Paget, 2017), and the British diamond mining company that reported a shipment worth $15 million, while the actual value turned out to be nearly $30 million (Africa News, 2017). The empirical data shows that enforcement is also happening at the lower levels of the society, as all interviewees acknowledges that the TRA is enforcing taxation more severely due to the new President.

However, President Magufuli has been criticised as well. The power of the free press has been deteriorated, as various media outlets have been suspended or closed after criticising President Magufuli's policies. In addition, attempts have been made to silence the opposition, to undermine judicial and parliamentary independence and to partially ban public rallies (Paget, 2017). Besides that, under the current constitution, the President cannot be taken to court and auditors are forbidden to audit the Presidential expenditure, leaving the President above the law (Allison, 2015). The contemporary constitution is rewritten at the time of this research project and only time will tell whether the new constitution will be designed in such a way, in which the President has to abide to the rule of law to a larger extent.

According to Fukuyama (2011), political order can only come about and maintained through a balance between a strong state, rule of law and political accountability. Yet, based on news articles and the empirical data, the new President and the current constitution is clearly threatening political order in Tanzania. He has created a strong state that is supported by many citizens who are fed up with the endemic corruption. But, political accountability is threatened by oppressing various entities, such as the free press, the opposition, the judicial and parliamentary entities and public rallies (Paget, 2017). In addition, while he is enforcing the rule of law to nearly all citizens, he himself stands above the law due to the current constitution (Allison, 2015). Hence, the President is making a shift to a more hierarchical and autocratic government, while at the same time pursuing to change the Tanzanian society from particularism to more universalism by enforcing the law and fighting corruption.

4.3.3.2 SME policies and support

In the recent years, the governmental policies are aimed at the development of SMEs in Tanzania. Various organisations have been set up, such as SIDO, the Tanzanian Private Sector Foundation (TPSF), the SME department in the Ministry of Industry, Trade and Marketing and the establishment of the Entrepreneurship Centre at the University of Dar es Salaam. In addition, there are numerous NGOs active throughout the country, often providing basic needs, micro-credits and education. However,

there is a general lack of coordination between these organisations and coverage throughout the country, where especially the rural areas have a low penetration of these organisations.

SIDO is strongly promoting small industry development. It is a relatively large government-funded organisation located in the urban cities throughout the country. It has various offices and hubs were small businesses are located, forming small conglomerates. It provides a wide range of training possibilities in mainly manufacturing and food-processing. In addition, they give advice about the production processes and the application for licences and certification such as for TFDA and TBS approval. The organisation also provides various uncommon raw materials, such as preservatives, and machineries, as well as supply and market information. Lastly, they provide free TBS certification for 3 years to start-ups.

Even though entrepreneurs registered at and supported by SIDO see various drawbacks and points for improvement. The training sessions are expensive, which deters some individuals to join the programs. In addition, the provided recipes are not always correct and resulted in low-quality products, and the owners of Motherland Spices and Aprifetius had to adjust it. Lastly, TBS has not developed standards for all products such as garlic paste, so Motherland Spices and Aprifetius cannot benefit from this.

Even though SIDO provides some information to entrepreneurs, both the owner of Obri and Motherland spices think SIDO, the government and other organisations should do more. They think a lack of information is one of the main hindrances for companies to grow. Furthermore, the owner of Mombo asked during the interview where he could find machines, even though he is registered at SIDO. A lack of information about machineries is a reoccurring issue for many food-processing companies, such as the possibilities, the suppliers, where to find spare parts and getting into contact with skilled mechanics. In addition, some entrepreneurs mentioned they found out by coincidence where they could find other supplies, such as cheaper bottles in the case of Motherland spices, or other packaging materials in the case of Aksa. Market information is almost non-existing, which makes it difficult for companies to make a planning and market research difficult, as the owners of Obri and Motherlands Spices mention. Lastly, many farmers are looking for buyer, while food-processor have to look for their suppliers by themselves. There seems to be lack of trading possibilities provided by governmental organisation or NGOs, other than local markets. Yet, Obri obtained the contacts and supplier through the Farmers Association, Aksa though the Tanzanian Organic Agricultural movement and De Niza through the department of Forest and Beekeeping. Even though this is a positive market development, these organisations are at an infant state, as the Farmers Association only counts 217 farmers with a limited amount of different products.

Nearly all entrepreneurs expressed acquiring financial means is a big issue for theirs and many other SMEs in Tanzania. Micro-companies are partially funded by micro-credit providers, while larger firms can get access to capital by established banks, supporting that the issue of the 'missing middle' is clearly present in Tanzania as well. When SMEs wish to obtain a loan from the bank, they have to

pay interest rates of more than 30% and provide collateral such as a house, a car or land. According to the ladies of Simba, female entrepreneurs are even more disadvantaged, as the men in Tanzania own these properties. Hence, most of the entrepreneurs solely invested their own money and re-invested any profits, which resulted in a limited growth. Obri, Clickpesa and Guavay are all actively looking for investors, but they say it is difficult to find them in Tanzania. Clickpesa is also looking for investors from abroad, but this is even more difficult according to him, as foreign investors are unfamiliar with the Tanzanian markets and would rather invest in established large firms in Tanzania. The owner of this company also investigated the financial market thoroughly and noticed a small increase of accessible capital for SMEs, although this increase is only minor.

4.3.3.3 Regulatory organisations

Companies have to deal with a variety of governmental organisations, usually for paying taxes and obtaining licenses and certificates. Their main way of enforcement is through surprise visits at the companies or at direct buyers, although the coverage seems limited. Small shops sell uncertified products from the backrooms, out of sight of these regulatory authorities. Many street- and market vendor operate in the informal sector, i.e. unregistered and not paying taxes, and they will warn each other to leave the area when authorities are on their way for inspection, according to the owners of Zaidi and Motherland Spices.

Almost all the entrepreneurs explain that dealing with these authorities and obtaining licenses and certificates can be difficult, time-consuming and expensive, especially for start-ups. These bureaucratic processes has deterred many entrepreneurs with ''good ideas'' according to the owner of Mombo and keeps many entrepreneurs to operate in the informal sector according to the owner of Zaidi. Anepa hires a consultant to process the documentation, but this is expensive according to her. The ladies of Simba said that ''if they want Tanzania to become industrial, they have to lower the regulations.'' Companies are also subjected to similar certificates from different entities, such as a business license from the national organisation BRELA and a business license of the local municipality, only adding up to the costs.

All entrepreneurs acknowledge the TRA is enforcing tax collection more, as the government has given the TRA more resources to pursue this. All the companies that were visited paid taxes and were visited by the TRA a few times. Only the owner of Zaidi admitted he sometimes sells fire extinguisher without VAT if an order is small. He says this is a trade-off between accessing the full market and risking a fine, and accessing only the market that is willing to pay VAT. However, he has not been penalized by the TRA during a surprise visit, as the agents did not found out during inspection. Other companies are reluctant to sell their products without VAT. Both X and Jefra explained they lose a part of the market by this stance, as the customers will buy from their competition. Nevertheless, they do not want to risk receiving a fine or even closure of their shops. Hence, they are subjected to the same trade-off as Zaidi, but chose the latter option.

The owner of Motherland Spices thinks that most people in Tanzania pay their taxes and VAT, but this is in sharp contrast with the views of the owners of X and Jefra. X has send out some of his

employees to check whether his retailers sell without taxes and estimates that around half will offer their customers to sell without VAT. The owner of Jefra says that escaping the TRA is still easy, especially in the rural areas and some competitors are able to do it. Yet, both owners have experienced an increase in enforcement by the TRA.

Food-processing companies also have to deal with the similar quality-organisations TFDA and TBS. The TFDA inspect the production processes and tests the products of a company, while TBS only tests the product. Many entrepreneurs understand the necessity of these organisations to maintain quality standards, as to prevent people from becoming sick due to substandard products. Nonetheless, these entrepreneurs have indicated various inefficiencies and points for improvement.

Obtaining TFDA and TBS approval is time-consuming, difficult and expensive. Yet, ''in essence they evaluate the same thing, as they just come to your production facility to obtain a sample and to measure the samples in their laboratories,'' while at the same time having double standards. The owner of Obri, Anepa and Jefra think that these organisations should work together or merge concerning the industry of food-processing.

TFDA approval costs companies Tzs 300.000, - per product and has to be renewed and paid each year. A few entrepreneurs think the government should reduce this sum. The production process has to be documented up to the required standards of the TFDA. After the documents are in order, it takes another 48 working days to process the application. This will not be an issue when the company is already in business and in possession of the required documents, as they will simply have to re-apply with the existing documents in time. It becomes harder for start-ups however, as they have to develop the documents and it will take another 48 working days to hear whether the documents are approved or not. In addition, an entrepreneur needs TFDA approval to obtain TRA approval, which is consequently needed to obtain a business license from the municipality. As the owner of Obri explains: ''it took me a year to get all the permits, including TFDA, TBS, TRA, bank accounts and a business license. Imagine I would already have bought the machines, set up the contracts with the farmers and I already had put down the money for 1 year, I would miss revenue due to not being able to obtain the permits; that is very discouraging.'' Acquiring TBS certification takes up more than three months. Adequate planning and knowledge about the application process is required to deal with these ''excessive bureaucratic'' organisations.

At the same time, the purpose and rules concerning TBS are unclear based on the empirical data. While the owners of Mombo and Aprifetius claimed having TBS was mandatory, the owners Obri and Motherland Spices explained it was an add-on to gain access to the markets of the supermarkets, wholesalers and hotels. It seems that these organisations set these standards voluntarily, but due to different answers, it remains unclear whether it is mandatory or voluntarily based on the current data. The owner of Anepa acknowledges the confusion among her and other entrepreneurs and says: ''nobody knows why TBS is good. TBS does not explain it properly,'' which creates frustration among entrepreneurs. In addition, TBS does not provide the test results to the companies, this in contrast to TFDA. Hence, purpose of TBS certificates remains unclear, the organisation seems redundant for food-processing and its processes are opaque, expensive and time consuming.

Enforcement is done by researchers that test the products and agents visiting the food-processing companies of the TFDA and TBS, with the consequences of a penalty of up to Tzs 20 million, the certificate being revoked, closing down of the production facility and in more extreme cases even jail, when the requirements are not met. The same agents also visit retailers and wholesalers. They also are at risk of being penalized or closure, when they sell products without certification, which acts as an additional accountability mechanism to the food-processing companies. All entrepreneurs indicated that having TFDA and TBS approval opens additional markets.

The process of inspection seems cumbersome however. The agents write down products and will return to their offices, to check in the system whether the companies and products are registered at the TFDA and TBS. It would be easier and faster if these agents would be able to check whether the certificates are fake at the retailers, for instance digitally. In addition, there is an abundance of small shop owners selling minor amounts of non-certified products from the backroom, without displaying it in their shops, which makes it impossible for the TFDA and TBS to inspect them all. Therefore, these small retailers are the only buyers of Motherland Spices and Simba soy products, as they do not have TFDA approval.

Some companies have experienced arbitrary and unannounced decision making by the government. For instance, X experienced the change from the necessity of selling ICT products without VAT to selling with VAT overnight without announcement. Also Aksa experienced a similar situation, where the government decided overnight that selling alcohol in sachets is forbidden to deter drunk driving. However, X just invested in an assembly line, while the sales dropped by 80% due to the policy change and Aksa had to throw away her stock of filled and empty sachets and thus lost a substantial sum of money. Such unannounced policy changed at the state level clearly shows that it is hindering planning and sequential time management at the company level.

4.3.3.4 Informal interactions, particularism and corruption

The vertical gated networks and informal relations play a dominant role in the Tanzanian business environment and these extend into the governmental organisations. Getting the right information or resources often can be accomplished by leveraging social and informal ties within the vertical network. The researcher acknowledges the West is subjected to similar networks, but it plays a more important role in Tanzania.

Almost all entrepreneurs explain it would be beneficial to have personal relations with individuals in these organisations. Trust plays a key role in these particularistic relations and a lack of anonymous trust often leads to individuals being excluded from gaining access to the right individuals, resources and information. This often goes hand in hand with a paying an allowance fee. In theoretical terms, this means that individuals, who do not belong to the vertical gated network, can only be accessed by opening the gate to another network using an allowance fee. While the West would label this as morally wrong and as corruption, this seems less to be the case in Tanzania.

Sardan (1999) argues that corruption should be differentiated over the continuum of 'big time' corruption and 'petty' corruption, and not all forms should be designated as illegal or morally

reprehensible. Kroesen (Forthcoming) argues that it should be in some cases and to some extent even considered as a part of the normal exchange pattern in SSA, which seems to be the stance of many entrepreneurs in Tanzania based on the empirical data. These practices seem to be supported by the informal and particularistic relations entrepreneurs are maintaining.

For instance, the owner of Motherland Spices has a friend who works at the TRA and when she has to pay her taxes, she can easily skip the often lengthy line. An allowance fee is not required, as this person is already part of her trusted informal network. Yet, her former teacher of SIDO currently works at the TFDA, who has been speeding up the process for TFDA approval and she paid small fee for this as a gift. The owner of Mobistock heavily relied on his network he built up with individuals at the TCRA, which are therefore ''extremely accessible,'' and he emphasised it would take a lot more time in the case he did not have these contacts. The owner of UhuruOne has paid various fees to individuals for obtaining support from organisations for some of his projects. The owner of X refrains his company from paying such a fee for acquiring a project through tendering, but he knows that many of his competitors do this. CFAO Motors hired a retired army general to obtain clients in governmental organisations for leasing cars. In addition, after local governmental officials made plans to build a bridge over the river that runs through Dar es Salaam to improve the connection between the two parts, the ferry company Azam that runs ferries over this route actively and successfully lobbied against it, presumably in combination with illegal and corruptive practices according to the interviewee.

The current bureaucratic institutional environment seems to be a breeding ground for corruption, as well as the low pay of civil servants. Civil servants would implicitly ask for a fee by proposing to speed up the process or they would come up with a requirement that is difficult to meet, while it is actually not necessary. As the owner of Motherland Spices explained: ''when you need to follow a certain procedure, while you actually do not have to. That is also when you know he or she wants something from you.'' When entrepreneurs are unfamiliar with the process or when paperwork is not order, civil servants can easily take advantage of the situation. Unfortunately, various entrepreneurs have a hard time to understand the bureaucratic processes due to a lack of education.

Various strategies have been suggested by the entrepreneurs. For instance, the owners of Mombo and Aprifetius told that they followed all the necessary steps, ''but this takes a lot of time.'' On other occasions, entrepreneurs would pay the fee, as was the case for Jefra when their machine was hold up at the port. Others made sure the paperwork was in order, either by doing it themselves like X and ClickPesa, or to hire a consultant as the owner of Anepa did. The owner of UhuruOne would threaten to speak to the manager.

While these examples seem to be socially acceptable in Tanzania, other forms of corruption are not. Many government officials are severely scrutinized nowadays, which results in more firing and even prosecutions for corruption under the new government of the new President, evidently shown by the many scandals reported in the news. Various forms of petty corruption have also been reduced. Bribing police officers is not possible anymore, or at least partly, as they are now afraid to lose their jobs. Companies that bribed tax agents in the past are now running out of business, as they have to

pay outstanding taxes that have come to light due to the strong enforcement of the TRA, according to the owner of UhuruOne and Mobistock. As the latter explains: ''if somebody is taking a short cut, good luck, because it is not lasting very long.'' The new President has ''thrown out everything that was illegally done. So good luck when you are not saving up for the day you have to pay it back.'' According to him, for companies that have been following the rules, this shift towards universal law enforcement does not have a major effect. The owner of Obri explains that ''new regimes made the rules very strict and the previous regimes it was easier. Knowing people is not beneficial anymore.'' In addition, many Tanzanians seem to be supporting the new President for his efforts to fight corruption, such as the safari guide, who pays his taxes and is fed up with the corruption in Tanzania.

However, these new policies do not come without a cost. The Tanzanian economy has been stagnated since the new President took office. He has deterred various foreign investors and is repaying governmental debt by reducing governmental spending. Almost all entrepreneurs have explained that their sales have been diminished, as the policies have been affecting the purchasing power of the general Tanzanian population. In addition, various forms of petty corruption are known to be able to act as grease of the extreme bureaucratic systems (Sardan, 1999). While the bureaucracy remains present in Tanzania, it seems likely that reducing petty corruption and hence the grease is amplifying the stagnation of the Tanzanian economy. However, entrepreneurs like the owners of Anepa and Jefra think he moving the country in the right direction.

4.4 The socio-cultural and economic ideal-typical descriptions of the Tanzanian business environment

The previous chapter demonstrated the behaviours and strategies that are commonly displayed by entrepreneurs and their businesses operating in Tanzania. What becomes clearly visible is that these companies are not single entities that are isolated from their environment. They are in fact embedded in the socio-cultural and economic business environment in Tanzania and this landscape is structuring these behaviours and strategies. The state is for instance affecting the behaviours and strategies through law enforcement, licensing and taxation. Companies are also dynamically interacting with their suppliers and buyers, while the collective of all companies establish the market structures. Even the internal business management is affected by this landscape, due to for instance the educational background of the entrepreneur, or in the cases when employees with a Tanzanian socio-cultural background will have to adapt to the corporate cultures, and vice versa.

Besides the interplay between the companies and the business environment, the environment itself is continuously evolving. While post-colonial Tanzania started as and one-party political system with state-run enterprises, it has transitioned into multi-party democracy and private enterprises have increasingly gained importance. As these complex transitions do not happen overnight, it will continue to evolve with the intention of becoming a developed industrial country (The Citizen, 2016). At the same time, entrepreneurs need to stir their enterprises through this transitioning landscape.

By comparing the individual enterprises in the cross-case analysis and with the literature, the transitions are already becoming visible. For instance, while most companies in SSA tend to be

hierarchical (Beugré & Offodile, 2001), a few companies showed that egalitarian relationships between MD and their employees are becoming noticeable as well. Also while family businesses are common in SSA (Khavul et al., 2009), some entrepreneurs have become aware of some of the drawbacks of hiring family members. In addition, many Tanzanians showed a limited connection to their tribal backgrounds, which in turn enables the development of an open civil society and increased cooperation. Lastly, the state is fighting the corruption and enforcing law more, but it is still unable to eradicate it completely. Following these findings, an abstract description of the Tanzanian socio-cultural and economic environment in transition can be developed, which is depicted in figure 5.

	Traditional system	*Modern system*
Internal business management		
Power and control systems	*Hierarchical management*	*Egalitarian management*
	Paternalism and favouritism	*Teamwork*
	Coercion	*Remuneration*
	Responsibilities kept at the top	*Distributing responsibilities*
	Poorly defined performance indicators	*Remuneration based on performance indicators*
Decision-making, initiative and professionalism	*Top-down decision-making*	*Interactive decision-making*
	Guidance-depending workforce	*Professional workforce*
	Obedience and compliance	*Assertiveness and initiative*
	Workforce focusses on relationships	*Workforce focusses on performance*
	Impeding innovation from the workforce	*Enhancing innovation from the workforce*
Networks, family and job application	*Access to resources, capital and labour through informal networks*	*Access to resources, capital and labour through formal channels*
	Particularistic hiring practices	*Universal hiring practices*
	Referrals and informal ties	*Universal application system*
	Limited pool of candidates	*Large pool of candidates*
	Undetermined criteria	*Pre-determined criteria*
	Based on vertical networks of trust and accountability	*Based on horizontal networks and anonymous trust*
	Employed family members	*No family members as employees*
	Family and community support through the company	*Limited to no support to family and community members*
Biographical characteristics of employees	*Tribalism*	*Nationalism*
	In-group benevolence vs. out-group negligence	*Mixed tribal background and cooperation*
	Tribal language	*Swahili or English*
	Ascribed status	*Achieved status*
	Family, age or gender	*Performance, skills and achievements*
Time management, punctuality and planning	*Synchronic time management*	*Sequential time management*
	Large deviations among working hours and tardiness	*Strict working hours and punctuality*
	Simple or no bookkeeping	*Advanced and digital bookkeeping*
	Limited or no planning	*Long-term planning and differentiated targets*
	Unclear corporate goals	*Well-defined and long-term goals*

Innovation, production controls and training	Lack of innovations	Continuous business process and product innovations
	Lack of capital and investments	Access to capital and willingness to invest
	Limited control over the production systems	Control over the production systems
	Lack of process and product standards and procedures	Manuals, standard procedures and CRM systems
	Large process and product deviations	Limited process and product deviations
	Limited training	Adequate and continuous training
Rules and regulations	Limited amount or rules	Extensive amount of rules for production and a code of conduct

Civil society and markets

Suppliers	Minimal amount of suppliers	Multiple suppliers
	Solidarity to suppliers	Free movement between suppliers
	Vertical network of trust and personalised relationship	Anonymous trust
	Solidarity stifles innovation	Competition-based innovation
	Underdeveloped and inaccessible markets	Developed and international markets
	Compartmentalisation and little cooperation	Cooperation and information sharing
Buyers and end-users	Informal and face-to-face marketing	Diverse set of (mass) marketing tools
	Personalised relationships and trust in owners and salesmen	Trust in companies and their products
	No customer service and feedback	
	Supply chains compartmentalised	Customer service and feedback mechanisms
	Little to no coordination and cooperation	Supply chain management
	Difficulties with generating demand forecasts	Coordination and cooperation
	Ad hoc sales and batch production	Information sharing and demand forecasts
	Excess of lack of inventory	Continuous production
	Inefficient supply chains	Forecast-based inventory
	Small orders and high cost per unit	Competitive supply chains
		Economies of scale
Competitors and complementors	Copying behaviour	Innovative products
	Overly competitive markets	Competitive edge
	Little product differentiation	Product uniqueness
	Innovation based in competition	Innovation based on market demand
	Predictability and resistance to change	Out-of-the book thinking and risk-taking
	Solely competition	Competition and collaboration
Project tendering	Unfair tendering processes	Fair tendering processes
	Particularistic relationship	Equal access and opportunities to tenders
	Allowance fees and rent-seeking	Reducing costs and market optimisation

The state and governance

Political order	Authoritarianism	Democracy
	Irresponsible government	Political accountability
	Suppressing opposition groups	Freedom of speech
	Hierarchical and autocratic	Egalitarian distribution of power
	Personalised rules and privileges	Rule of law
SME policies and support	Underdeveloped support organisations with limited effectiveness	Developed and coordinating support organisations

	Lack of market information	Access to market information
	Limited technology providers	Access to technology and skilled mechanics
	Limited access to capital	Access to capital
	Missing middle	*Interest of banks and investors for SMEs*
	High interest rates and collateral	*Low interest rates and trust in SMEs*
	Underdeveloped infrastructures	Well-developed infrastructures
	Compliance and control	Private sector trade facilitation
	Unfavourable for entrepreneurial activity	Favourable for entrepreneurial activity
Regulatory organisations	Bureaucratic systems	Functional and efficient systems
	Time consuming and expensive	*Efficient and affordable processes*
	Prone to corruption and bribes	*Limiting corruption and bribes*
	Weak law enforcement	Strong law enforcement
	Informal businesses	*Formal businesses and tax revenues*
	Unfair competition	*Equal playing field and abiding the law*
	Double bookkeeping	*Single bookkeeping*
	Arbitrary and unannounced decision-making	Transparency and communication
Informal interactions, particularism and corruption	Vertical networks and particularism	Horizontal networks and universalism
	Economy of affection, reciprocity, privileges and loyalty	*Inclusive and fair economy*
	Access through informal ties and allowance fees	*Equal access without extra incurred costs*
	Fighting corruption leads to economic stagnation	Corruption irrelevant to economic development

Figure 5. Theoretical model following the empirical data consisting of both a traditional and modern set of socio-cultural and economic values and institutions.

The first column shows the themes in this environment that plays a profound role in Tanzanian businesses. The second column provides the traditional values- and institutional system that describe the traditional Tanzanian business practices for these themes. The third column provides a similar value- and institution system, albeit describing the modern system. These values and institutions are distilled from the preceding cross-case analyses. The dual-case analysis already provided many of these values and institutions already, which were depicted in *Italic.* The multiple cross-case analysis supported, modified and extended these value- and institutional systems.

It is important to note that the descriptions in figure 5 are ideal-typical descriptions, which deviate from the empirical reality. As mentioned earlier, Weber (1949) argues that "an ideal type is formed by the one-sided accentuation of one or more points of view and by the synthesis of a great many diffuse, discrete, more or less present and occasionally absent concrete individual phenomena, which are arranged according to those one-sidedly emphasized viewpoints into a unified analytical construct (Gedankenbild). In its conceptual purity, this mental construct cannot be found empirically anywhere in reality. It is a Utopia'' (p. 90). It is not intended to describe morally ideals or statistical averages, but to enlighten commonly found elements of most cases of a given phenomenon.

Connecting the unconnected

5. Discussion

The previous chapter provided a thorough analysis of the strategies and behaviours commonly found among entrepreneurs in Tanzania. It consequently generated a model that includes the ideal-typical descriptions of the traditional and modern systems that are both structuring the behaviours and strategies of the entrepreneurs and their companies. This chapter discusses the generated theoretical model in various ways. First, it will score the individual companies on the values and institutions, indicating to what extent the companies conform to either the traditional system or the modern system. Next, even though the number of transitions happening in Tanzania is large, the four most profound transitions found in Tanzania will be discussed in light of the theoretical model. These transitions include multiple ideal-typical descriptions, which thus provide the opportunity to show that the descriptions are interdependent rather than isolated. Lastly, four drivers that stimulate these transitions will be discussed.

5.1 Company assessment based on the model

After the cross-case analysis in the previous chapter, the theoretical model depicted in figure 5 was developed. It shows various aspects of every-day business practices, where the ideal-typical descriptions of these aspects form two extremes of a continuum. The business practices of the individuals companies could be scored based on these continuums, showing to what extent the company conforms to either the traditional or the modern system at the various levels.

Each company was analysed and scored using the theoretical model and the results are depicted in table 3. It uses the same managerial classifications of business practices as the sub-sections in paragraph 4.3 and figure 5. The score ranges from one to five, where a one indicates that the entrenched values and institutions are traditional, and a five classifies the practices as modern. Averages where consequently generated, showing to what extent the overall business is traditional or modern and the order of companies in table 3 is based on these averages.

The scores of the companies are not statistically generated, but estimated by the researcher based on the case descriptions in appendix C. It uses the scores between one and five to imply that these are estimates, as a larger range of numbers might create the impression the numbers are statistically determined. Nonetheless, the order of the classifications in the table additionally structures the case descriptions in appendix C in a similar way. This increases the traceability of these scores and allows the reader to find the relevant descriptions easily and quickly.

It is important to note that these scores follow the judgement of the researcher and they are thus prone to subjectivity. The reader might come to different conclusions and scores, especially when a score is generated through a multitude of values and institutions. For instance, Simba score a three on network dependence, as the owner is reluctant to hire family members (modern) as ''they will kill your business,'' but does hire employees through her social network (traditional). When the reader would argue that the latter is a more important indicator, the score might be designated as two. Second, similar scores might be articulated based on different socio-cultural or economic aspects. For instance, while X scores a five due steady supply stream though a multitude of foreign suppliers, Obri score a five due to a steady supply through three years' contracts with the Farmer Association. In a similar

	Apri-fetius	Mom-bo	Mother-land Spices	Anepa	Simba	Zaidi	Aksa	Jefra	Moshi	Obri	Click-Pesa	Guavay	De Niza	X	Uhuru One	Mobi-stock
Average	**1,43**	**1,57**	**1,86**	**2,21**	**2,29**	**2,50**	**2,57**	**3,07**	**3,29**	**3,36**	**3,75**	**3,79**	**3,86**	**4,07**	**4,33**	**4,43**
Power and control	1	1	2	4	1	2	2	4	4	4	4	4	5	4	5	5
Professionalism	1	1	1	3	1	2	1	4	3	2	2	2	5	2	5	5
Networks	1	1	2	3	3	2	3	3	4	4	3	5	2	3	4	4
Biographical char.	2	2	2	3	2	2	3	3	4	3	5	4	4	5	4	5
Time management	1	1	2	1	2	2	3	3	3	4	4	4	5	5	5	5
Production controls	1	1	2	1	2	3	2	3	3	3	4	3	5	4	5	5
Rules and regulations	2	2	2	2	2	2	3	3	2	3	3	3	4	5	4	4
Suppliers	2	1	1	1	3	4	2	3	N/A	5	N/A	5	4	5	5	4
Buyers	1	2	2	2	4	4	2	3	N/A	4	N/A	4	5	5	4	4
Competitors	1	1	2	2	3	4	4	3	N/A	2	5	5	4	4	5	5
Project tendering	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5	3	N/A
Political order	3	3	3	3	3	3	3	3	N/A	3	3	3	4	4	4	3
SME policies and support	2	2	2	2	2	2	3	2	N/A	4	3	4	2	3	5	5
Regulatory organisations	1	1	2	1	1	2	2	2	N/A	2	4	3	3	2	4	4
Particularism & corr.	1	3	1	3	3	1	3	4	N/A	4	5	4	2	5	3	4

Table 3. Designated scores per company.

way, both Simba and Jefra score a three. The owner of Simba visits the farmers to improve the quality of the supplies, but is reluctant to switch to other suppliers, even when the soybeans are regularly contaminated with gravel. Yet, Jefra score a three, as it incorporate a part of the supply chain by shipping a complete container of plastic pellets from China in response to the poor quality of the supplies from wholesalers in Dar es Salaam. Lastly, some score are influenced by the perception and skills of the entrepreneur. For instance, both Motherland Spices and Simba need to comply with the same regulatory organisations TFDA and TBS, but the former experiences less trouble with the procedures and thus scores a two instead of one.

Table 3 provides a quick overview of the practices of the individual companies. Differences in traditionalism or modernism are quickly identified, as well as commonalties and clusters among companies. What becomes evident from the table is that the ICT companies have relatively modern business practices, i.e. ClickPesa (3.75), Nodic (4.07), UhuruOne (4.33) and Mobistock (4.43). These findings thus indicate there are sectoral differences in the Tanzanian business environment. Not only do these organisations have a modern internal business management practices, the owners of the latter two companies explain that the regulatory organisation TCRA is an accessible and well-performing organisation.

In addition, Obri, Guavay, and De Niza, in addition to the ICT companies, are owned and managed by entrepreneurs that attended master programmes at universities in Tanzanian or abroad. The companies performed better compared to their traditional counterparts, clearly showing that education is an important driver for effective business management. It is additionally expected that the level of education correlates with the technologies used at the company.

Lastly, the more traditional companies are located in the outskirts of Dar es Salaam, e.g. Aprifetius and Mombo, indicating geographical differences among companies in Tanzania. However, the empirical data currently lacks companies that are located in the rural areas among the towns and villages, rendering this argument as being an indication rather than a clear finding.

5.2   Beneficial socio-cultural and economic transitions

This paragraph will discuss the changes in the business environment occurring in contemporary Tanzania, based on the empirical data and existing literature. Entrepreneurs are seeking to conform their business practices to these changes, but are in turn actively contributing to them as well. The model depicted in figure 5 will be used to frame the occurring changes in the Tanzanian business environment. It demonstrates that the ideal-typical descriptions form extremes of the continuums between which companies have to operate. In addition, it will show that the topics within a level and between the levels are interdependent and that the cultural dimensions of Hofstede and Trompenaars are intertwined with the ideal-typical descriptions depicted in figure 5. The purpose of this paragraph is thus to not only discuss the most significant changes, but also to show that neither one of the ideal-descriptions in figure 5 nor the cultural dimensions are isolated, but are in fact interdependent. It remains important to recognize and understand these interdependencies, if entrepreneurs want to

run their businesses effectively or when new policies need to be developed that supports entrepreneurial activity.

Even though the amount of changes are tremendous, four transitions were found to be the most significant. The first section will deal with the power distance and hierarchy within companies and the current government. Secondly, the changes in network development and family- and communal ties will be discussed. Next, the changes from particularistic relationships and corruption to a universal playing field and equal access will be discussed. Lastly, this paragraph will end with the changes in the Tanzanian markets, i.e. from government controlled markets and parastatals to liberalised markets and SMEs.

5.2.1   Power distance and hierarchy

Many SSA societies are characterised by a high power distance and Tanzania is no exception (Hofstede et al., 2010). Groups, whether that being nations, tribes or businesses, are generally governed by Big Man, where the leader pursues autocratic governance and acts as an all-knowing fatherly figure that knows what is best for the group.

The literature shows that businesses in SSA tend to have a hierarchical management style (Beugré & Offodile, 2001; Kroesen, Forthcoming). Decisions are made solely at the top and employees are managed by coercion or paternalism with the result of developing an obedient workforce (Jackson, 2011). This leads to employees feeling underappreciated and they are less likely to participate in business process improvements, as their ideas are not taken seriously (Vlieger, 2013). Even the Dutch owner of Jefra, who is also the founder of the NGO Sengerema, acknowledges that many businesses in Tanzania tend to be hierarchical.

Yet, the empirical data shows a mixture of hierarchical and egalitarian management styles among the companies, only partly supporting the findings of similar research. At the same time, and perhaps more importantly, it suggests a shift among Tanzanian businesses towards egalitarian relationships between the superiors and their subordinates, as well as an increasing in understanding of its benefits. Lowering the power distance enables companies to increase individualism and voluntarism among the workforce, where appraisal is based on performance rather than compliance, and employees consequently create a professional attitude. It needs to be emphasized that it is unlikely the ratio of hierarchical versus egalitarian companies in the empirical data are found in other parts of Tanzania as well, given the large body of literature that refutes this finding. It does however suggest a transition towards egalitarian management in the urban areas and provides insights into the causes of this shift. Based on the empirical data, education and age seem to be strong drivers for this change, as the more egalitarian companies are managed by young higher educated Tanzanian and Western entrepreneurs, in contrast to the hierarchical companies that are managed by the lower educated and older entrepreneurs. On top of that, the egalitarian companies, managed by higher educated entrepreneurs, show more voluntarism towards production controls and use more technologies to standardise and improve the quality of their products.

While business management is becoming more egalitarian, the new President and the governance of the contemporary Tanzanian state is showing a shift in the opposite direction, as it is becoming more authoritarian and is suppressing opposition groups. Nevertheless, it is strongly enforcing the law, which has resulted in a decrease in corruption and a more equal and inclusive business environment. Neo-patrimonialism is commonly found in many contemporary SSA states and the consensus is that this form of patronage is hindering economic development. Kelsall (2012) found in a few cases that neo-patrimonialism can actually benefit the economy, when geared into the right direction, indicating it is going with the grain of African societies for economic development. In Tanzania, the new President is taking a more authoritarian stance, but using it to fight corruption and disturb the vertical networks to generate an open and equal playing field. It is too early to tell whether a more authoritarian Tanzanian state can be geared in the right direction for economic development, but the short-term impact on the economy is rather negative. It seems that the negligence of individuals to participate in corruptive practices caused by the strong law enforcement, has taken the grease out of the bureaucratic economic system (Sardan, 1999). Yet, on the long run, the economy might adjust to the new institutional surrounding, which could eventually enhance entrepreneurial activity and sustainable economic development. The long-term effects of the policies thus remain to be seen, but as Onyango-Obbo (2017) rightfully says about President Magufuli: ''we've not seen this type of African Big Man rule yet.''

5.2.2   Network development and family and communal ties

Similar to many other SSA countries, the Tanzanian borders enclose a wide variety of different tribes that were already established during the pre-colonial era. Unfortunately, these borders did not unify many of the nations, leaving most SSA societies heterogeneous and compartmentalised, where individuals showed more sympathy and solidarity towards tribalism and informal networks. Within tribes, networks of personalised relationships and solidarity with one's family were even more important. Collectively, the compartmentalisation resulting in vertical networks of solidarity, patronage and reciprocity, and distrust to outer group individuals. At the higher levels of the society, this resulted in neo-patrimonialism, corruption and conflicts (Collier, 2007; Hyden, 2006), while the lower levels tolerated hiring unproductive family members, favouritism based on ethnic backgrounds and personalised relationship in the absence of anonymous trust (Jackson, 2011; Vlieger, 2013). At the same time, the personalised relationships are often used for gaining access to labour, resources and other networks (Khavul et al., 2009; Kroesen, Forthcoming).

Yet, in contrast to many other SSA countries described in the literature, tribalism plays a limited role in Tanzania and the country has refrained itself from any tribal conflict. It was actually the founding father and first president Nyerere that initiated the transition towards a unified nation. Even though his socialistic policies were detrimental for the country's economy, his unification policies were arguably successful that reduced the solidarities to the tribes, with his most noteworthy policy of strongly promoting the indigenous language Swahili as a national language. In addition, he diminished the power of the chiefs and their family lineages by promoting the chiefs to government officials in Dar es Salaam and by sending their sons to boarding schools across the country, to eventually become

government officials as well. This not only ensured that every tribes was represented in the national government, it also physically removed the chiefs and their sons from the tribes and thus their responsibilities.

At the lower levels of the Tanzanian society, the general lack of tribalism is experienced in various ways. Most Tanzanians identify themselves as Tanzanians, with little connection to their tribal background. The workforces at nearly all companies exist of mixture of individuals having various tribal backgrounds, which is in sharp contrast with Kenyan companies, where employees often have similar tribal background and mainly communicate in their tribal language (Jackson, 2011; Vlieger, 2013). The national language Swahili is almost solely used in the Tanzanian society and businesses, and tribal languages are only occasionally spoken in the rural areas. Lastly, many of the contemporary marriages are intertribal and their children thus as well. Hence, Tanzania has already partly descended from tribalism to nationalism and a universal and unified country.

The attitude of having family ties to the company is also shifting. It is commonly found in the literature that many entrepreneurs have family members working at their companies (Devine & Kiggundu, 2016), even though they are unproductive or lack the necessary skills (Khavul et al., 2009; Vlieger, 2013). These findings are partly confirmed in this research as some companies employed family members, although it was indicated that none of the employed relatives was unproductive. Nonetheless, about a third of the entrepreneurs in the sample explicitly explained they refrain themselves from employing family members, as they would find it difficult to hold them accountable, clearly showing a shift in attitude of employing relatives. In addition, family remains for many entrepreneurs an important source to obtain resources, labour, business contacts or trusted partners. Some explained that they support extended family members by providing e.g. school fees or by sending financial means to their villages, which supports earlier findings of the asymmetrical burden put on entrepreneurs in East African countries (Khavul et al., 2009).

From a cultural perspective, the argument of employing family members and using other family ties usually entails taking care of relatives and leveraging the already established trust-bond (Mwasalwiba et al., 2012). Even though the argument above shows that the attitude towards seeking solidarity to family members is slowly beginning to fade, the quest for solidarity bonds is not. It merely expands to include friends, colleagues and business partners. New job applicants are often approached through the social network of friends and colleagues on top of the family networks. This holds true for business partners as well, such as suppliers, distributors and customers, where friends, colleagues and families often acts as intermediaries to get into contact with the right people and organisations. It remains important for the entrepreneurs to meet these people and organisations in person to establish personalised relations, due to the lack of anonymous trust that seems to persist. Informal network development thus remains critical for Tanzanians SMEs, but the borders of the vertical networks based on tribalism and families are diminishing, making room for new network development that includes a wider range of intermediaries and other key stakeholders.

A driver for this shift seems to be the movement of individuals away from their villages and communities into the urban areas. These people feel less connected to their origins and form new

communities in the cities, which thus often contains a mix of individuals with differing tribal backgrounds. On top of that, intertribal marriages are more common in contemporary Tanzania and their children do not feel connected to one single tribe.

Nonetheless, the new communities show similarities with traditional communities commonly found in the villages. For instance, the second most popular source of labour is the community surrounding the company, as the community acts as an accountability system to ensure trustworthy and effective labour, because being fired or stealing often leads to loosing face to the community and shame. In return, the community expects that it benefits from the company, e.g. in the form of employment or financial support in the case of a funeral or wedding, and repercussions can be expected when companies refuse to abide to these socio-cultural norms, which is mainly the case for companies in the rural areas.

Again, the old and closed tribal communities are opened due to the movement of people, but these people often seek solidarity by establishing new communities. Nonetheless, the vertical networks are diminishing and are slowly opening up free movement with limited loss of social status, with in particular in the urban areas.

5.2.3   Particularism and corruption

The continent of Africa is troubled by decades of corruption (Transparancy International, 2017) and Tanzania is no exception (Tanzania Corruption Report, 2016). Even though the intentions of many SSA countries is to push back corruption, it remains persistent and is often negatively affecting the business environment. It needs to be pointed out that there are many forms of corruption and one should differentiate per case over a continuum between big-time corruption, such as neo-patrimonialism, and petty corruption, such as bribing a police officer, as each form has a different motive and economic effect (Sardan, 1999). On top of that, some forms of paying allowance fees seems to be socially accepted, as gift-giving is part of the socio-cultural norms. In Tanzania, there is even a Swahili word for gift-giving in return for a favour, i.e. 'tagrema.' (Hyden, 2006) explains that many of these transactions are socio-cultural entrenched in what he calls an 'economy of affection,' where individuals seek to invest in reciprocal relationships by means of favours, resources or money and that the core logic of such dynamics is ''that (a) whom you know is more important than what you know, (b) sharing personal wealth is more rewarding than investing in economic growth, and (c) a helping hand today generates returns tomorrow'' (p. 72).

In Tanzania, the economy of affection is clearly visible. It is commonly known that many (former) politicians own large companies and use their connections in the institutional system to deter new entrants. At the lower levels, entrepreneurs pay allowance fees to e.g. win tenders or clear imported resources from the docks. They also to use their social networks of friends and family that are working in governmental organisations, to check the status of an application process and to speed it up when possible. Even among the ties between entrepreneurs and their family or community, these patterns are visible, where entrepreneurs share their wealth with their family or community from the moment they are able to.

Even though the economy of affection persists and corruptive practises remain present in Tanzania, the system is slowly transcending from the vertical networks of reciprocity and economy of affection towards a more universal business environment that is accessible and beneficial for more Tanzanians instead of a few well-connected. Since the new President took office in 2015, this transition has been amplified. Entrepreneurs explain they see a big difference between the previous and new government, which has opened up new opportunities for them, such as acquiring land, and resulted in fairer competition due to a fair taxation system. The empirical data shows that a more open, inclusive and equal playing field is being created, where entrepreneurial activity can thrive. In addition, the particularistic relationship with individuals in the governmental organisations is not as beneficial as it used to be. Many civil servants refrain themselves from taking bribes due to the increased fear of being caught and the large corruption scandals being reported in the news show that big-time corruption is being heavily fought.

Nonetheless, simply fighting corruption and punishing corrupt civil servants will not be sufficient. In Tanzania, the current bureaucratic institutional surrounding provides a breeding ground for and incentivizes corruption. Civil servants use the bureaucratic systems in an instrumental way to increase their income by asking allowance fees to speed up a process and by taking advantage of entrepreneurs who do not fully understand the procedures, this in the absence of strong law enforcement and scrutiny. At the same time, entrepreneurs themselves are seeking to pay these fees (Ufere et al., 2012), indication that they are unsatisfied with the system as well. In the end, taking on the fight against corruption by the new President is definitely a step in the right direction, but a reduction in bureaucracy and red tape will be needed as well to structurally abolish corruption in Tanzania.

A clear distinction should be made between paying allowance fees to the members of the public sector and to individuals within private sector. While it is illegal by law to bribe civil servants or pay a fee for a government tender, it is only illegal in the private sector if the corporate policy says so. This will make it harder to eradicate the latter, as different companies might have different polices and penalties. Nonetheless, in both cases, the entrepreneurs should not refrain themselves from paying allowance fees, if the effects of not paying would be severely detrimental. In contemporary Tanzania, even in light of the current changes, paying these fees or helping each other based on the particularistic relationship remains occasionally necessary, especially in the bureaucratic business environment. This leaves room for experimentation on where the line should be drawn. They should thus go with the grain of Tanzania, as these aspects are still part of doing business in Tanzania.

At the moment, the short-term effects of the policies of the new government have a negative effect on the economy. The new government has reduced its spending and has deterred foreign investors. On top of that, the previous corruptive practices seem to have acted as grease in the bureaucratic systems, where entrepreneurs accepted to pay the allowance fees to find their ways through the bureaucratic mazes (Sardan, 1999). Whether the new policies will be beneficial on the long run, remains to be seen. Corrupt civil servants are being fired at the moment and companies are running out of business due to the outstanding taxes that have come to light. It is likely that it will take some time before the economic system is adjusted and the people have been acquainted to the more universal and strongly enforced system. But this will ultimately enhance economic development.

5.2.4   Markets and supply chain management

Tanzania is transforming its markets from government control and large parastatals, to deregulated markets and a business environment that is stimulation entrepreneurial activity from the bottom up. The business environment has already made some progress (Temu & Due, 2000) and the government is gearing into more private sector support through continuous liberalisation of the markets, establishing support organisations and increasing access to financial means. Ultimately, these market processes should stimulate innovation through competitiveness, increase quality and reduce costs, develop sustainable markets and lowering rent-seeking.

Since the market demand is currently not met by parastatals anymore, private companies are expected to fills these market gaps. Unfortunately, entrepreneurial activity and private sector development has not been able to meet the current demands and to develop sustainable markets. Companies that require resources from these markets, struggle to acquire these, such as packaging material and high-tech machinery. The liberalised markets grants the possibility to import these resources, but they are generally more expensive and obtaining information about the suppliers and their products remains difficult due to the lack of knowledge on how to find these resources. Support organisations like many ministries and SIDO provide the contact information of various foreign and domestic suppliers, or simply the supplies, but often inadequately and entrepreneurs should be educated to allocate these resources themselves. In addition, some companies endure fierce competition from abroad, generating mixed feelings among the entrepreneurs about market liberalisation that allow foreign companies to market their products in Tanzania.

Nonetheless, a shift to enhance entrepreneurial activity is clearly visible. Tanzanians are increasingly recognising market opportunities and either start their own business or diversify their existing business into other products and markets. Cities like Dar es Salaam harbours many Tanzanians and the demand for goods like food and clothing is high. In addition, the demand for ICT products and services is significantly increasing due to investments in telecommunication infrastructures and digitalisation, and ICT companies in particular seem to be able to leverage these opportunities to grow their businesses. This increase in entrepreneurial activity also require a shift in mind-set. Tanzanians are slowly becoming more voluntaristic to take advantage of market opportunities and the attitude towards entrepreneurship is shifting from the general thought of entrepreneurs being solely necessity-driven to a viable career choice. Even though these transitions are happening slowly, they are a step in the right direction.

As many Tanzanian SMEs endure fierce and growing competition from foreign competitors, large Tanzanian enterprises and competing SMEs, it is becoming increasingly important to make supply chains more competitive by reducing the costs, increasing product qualities and meetings the demands from the consumers. Various entrepreneurs blame the government for not protecting the Tanzanian SMEs enough, but companies can protect themselves by adopting more SCM techniques to make their products and supply chains more competitive. Only a few companies showed an understanding of SCM principles, albeit often to a limited extent. The vast majority did not share their planning, market forecasts and suggestions for improvement. In addition, companies were reluctant to switch to other

suppliers due to the preference of personalised relationships, irrespective of the quality of the supplies. The entrepreneurs thus seem to be socio-culturally bounded to one supplier, which is hindering innovation through free movement between suppliers. On top of that, markets and trade facilitation are often underdeveloped, which makes it difficult to get into contact with potential suppliers.

One of the main hurdles that was found among the SMEs in the empirical data was the inadequacy of internal business planning and the general absence of a sequential time attitude. This makes SCM difficult, because incorrect or absent planning and market forecasts at the end of the supply chain makes it difficult for up-stream entities to adjust their internal business planning to these forecasts. This often resulted in improper inventory management such as shortages or overstocking, as well as more costly ad hoc production schedules and batch production processes, instead of the more cost-effective continuous processes.

Yet, the necessity for adequate internal business planning is becoming clearer among Tanzanian entrepreneurs. The issues concerning the general short-term time orientation among Tanzanians (Hofstede et al., 2010) and the difficulties concerning planning and bookkeeping that comes with it, are often among the key points on the agenda during the education and training programmes on entrepreneurship. It has instigated a shift towards more sequential time management, as all companies in the empirical data had a bookkeeping, while most a planning, albeit the one more advanced than the other. Education and training on these aspects will continue to be necessary, but additional training on basic SCM principles should create a better understand of the benefits of investing time and effort in cooperation and communication among members of the supply chain. This should also include market research and customer service, as these concepts are poorly understood in Tanzania. Lastly, a proper telecommunication network will be necessary to support the sharing of information, while the institutional environment could provide regional information of the markets for more effective market research.

5.3   Enabling business environment developments

The previous paragraph discussed the most profound transitions happening in Tanzania. These transitions are stimulated by other transitions in the Tanzanian business environment, which will be discussed here. It is important to note that these aspects are progressing as well, but they are in addition driving the socio-cultural and economic changes discussed in the previous paragraph and enhancing each other.

The first section will discuss the institutional environment in Tanzania, e.g. bureaucracy, the taxation system and access to finance. Next, the urbanisation will be discussed, as many Tanzanians are moving to the city to find employment. The third section will deal with the developments concerning infrastructures and technologies. Lastly, education will be presented as an enabling factor to stimulate entrepreneurship in Tanzania.

5.3.1   Institutional environment in Tanzania

The Tanzanian institutional environment is characterised by bureaucracy, red tape and double standards. This is discouraging many Tanzanians to start a company, as the application processes for

licenses are too complicated and expensive. In addition, this forms a breeding ground for corruption, as civil servants use the complicated processes to ask for allowance fees, although entrepreneurs themselves are actively seeking to pay these allowance fees to speed up the processes as well (Ufere et al., 2012).

At the same time, the institutional environment is developing. Laws are more strongly enforced and the particularistic relationship of reciprocity are being slowly disrupted, which is creating an equal playing field for many SMEs to thrive. The taxation laws have been reformed and is heavily enforced under the new government. Even though tax evasion still happens in Tanzania, many entrepreneurs indicate that the TRA has gained more means to enforce the tax laws and unfair competition between companies that pay taxes and evade taxes is being reduced. On top of that, companies that have been evading taxes in the past are currently scrutinised, which occasionally leads to big fines and businesses going bankrupt. Whether the strong enforcement of the tax laws is currently benefitting the business environment, remains questionable. It is undoubtedly beneficial to create an equal playing field for Tanzanian enterprises, but transitional measures might be desired to prevent businesses from going bankrupt.

Private sector support organisations are starting to develop as well. Various companies are now registered at institutions such as ministries, SIDO and industry- or product specific associations to gain access to business contacts, resources and training. Even though these organisations appear to be in an infant state with limited penetration in the rural areas, it is a step in the right direction. It acts as a medium to generate new network developments through free movement between associations, making vertical networks being partly disrupted. At the same time, various entrepreneurs have indicated that these support organisations should be developed more. In addition, these entrepreneurs also explained that the government should shift their focus from compliance and control to SME support and trade facilitation.

5.3.2 Urbanisation

In contemporary Tanzania, the population in cities like Dar es Salaam is increasing. The main reason for this net influx of individuals is to find work in the city, due to a lack of job opportunities in the villages, which makes these communities unsustainable. Once they arrive in the city, they will interact and cooperate with individuals from different tribes and starting to create new networks with mix ethnic backgrounds. Their links to their villages and ethnical background deteriorates, which make the people more individualistic, although some remain willing to support the villages by sending money they earn in the city back home. Intertribal marriages are becoming normalised and less frowned upon, where there children are intertribal as well and thus feel less connection to one specific tribe. The movement of people into the city weakens the link to their tribal backgrounds, which are pushing back the vertical networks and are opening up new opportunities for network development.

Other benefits of the urbanisation are present as well. Companies will have increased access to support organisations and education, as these are centrally located to reach as many people as possible. On top of that, the infrastructures in the urban areas are significantly better compared to the rural areas, as the high concentration of people in the urban areas makes investments in the

infrastructure more cost-effective. This reduces the operational costs of many companies. Globalisation allows entrepreneurs to gain access to a wider variety of resources, although it means that foreign competition has increased as well. Nonetheless, foreign companies are investing or even establishing production plants in the urban areas due to the low wages and improving urban infrastructures. Unfortunately however, the new government has deterred investors since it took office in 2015.

5.3.3   Infrastructures and technology

The infrastructures in Tanzania are poorly developed. Only a small fraction of the roads is paved and even these are poorly maintained. This forms a hurdle for many entrepreneurs, especially during the rainy season. Drivers get stuck in the mud, have to make detours or the vehicles could get damaged. Congestions in the urban areas are common and the expected increase of the population in cities like Dar es Salaam will only enhance this. In the rural areas, a lack of roads limits the accessibility for rural entrepreneurs to larger markets. This makes it hard to expand production and the lower the operational costs. On top of that, accidents happen quite often, especially on the highways between cities. The speed of vehicles often reach 100 km/h or more on roads with one lane per direction, where a physical barrier that separates the traffic is lacking. Drivers often try to pass each other at these speeds, causing frontal collisions. Additionally, drunk driving is common, especially among the professional drivers. Improvements of the roads will not only lower the costs of doing business for many entrepreneurs, it will also save hospital costs and lives.

The telecommunication market has only been liberalised in 2005 and the Tanzanian government, with the help of the private sector and foreign aid organisations such as the World Bank, have been developing the communication networks ever since. Despite their efforts and significant improvements, the network does not function optimal yet (RCIP, 2009). Entrepreneurship will benefit from a well-functioning telecommunication network to improve the communication and cooperation between businesses, to increase the accessibility to markets and to gain market information such as the size of the market and prices. On top of that, the financial infrastructures need to be improved and digitalised, a goal to which ClickPesa is participating.

Power outages are frequently happening in Tanzania, which negatively affects the businesses in Tanzania (Ng'wanakilala, 2017). Especially tech-companies are affected by these events, as the production processes that require machineries will need to be stopped. The alternative is purchasing a back-up generator, which many companies have, but electricity from these generators is significantly more expensive.

Improving these infrastructures is essential for the Tanzanian private sector to develop. It increases public space and thus provides the opportunity for businesses to find more suppliers and markets. It will also act as a medium to improve cooperation between companies, which will make the supply chains more competitive. In urbanised areas, the economies of scale are more easily reached, as it has a higher population density. This means that developing the rural areas will require extra effort and attention, technologies and investments. At the same time, the users need to be better educated on how to use these infrastructures to their advantage.

5.3.4 Education

The general level of education is low in Tanzania. Most Tanzanians only attended primary education, while only a handful coming from more wealthy families have access to the expensive secondary level (UNICEF, 2013). Tanzanians that are better educated generally seek employment instead of becoming an entrepreneur, although this attitude is changing (Mwasalwiba et al., 2012). This is benefitting the business environment, as there is a general consensus that education has a positive effect on the skills of entrepreneurs (Devine & Kiggundu, 2016) and it is believed that education is a more important factor than gender or age to cope with any barriers entrepreneurs encounter (Robson & Obeng, 2008). In Tanzania, organisations like SIDO and various NGOs provide training on entrepreneurship.

As mentioned in paragraph 5.1, the more successful companies in the empirical data are often founded and managed by entrepreneurs that attended university in Tanzania or abroad. It seems that a higher level of education leaves the entrepreneurs better equipped with knowledge and skills to tackle any obstacles that the company encounters and to manage their business more effectively. In general, the companies that are managed by higher educated MDs are less hierarchical and the responsibilities are more distributed among the workforce. The informal ties are more successfully leveraged at the benefit of the company, while adequately keeping any socio-cultural expectations that are detrimental to the company at bay, such as employing unproductive relatives. In addition, educated entrepreneurs are more capable of dealing with the excessive bureaucracy of the institutional surrounding, as well as handling any supporting technologies and infrastructures that makes bookkeeping, planning and SCM more efficient. Successful companies are also becoming increasingly aware of the benefits of training their staff and training consultants are hired, with in particular experienced machine operators. Unfortunately, education is not accessible for everyone, as it is expensive and out of reach for many individuals, with in particular individuals from the rural areas.

Training programs should be adjusted to the Tanzanian business environment by incorporating the Tanzanian values and institutions. More than often, training programs fail to provide the practical tools to tackle every-day issues and there is a general mismatch between the program and the local socio-cultural and economic context (Devine & Kiggundu, 2016; Obeng & Blundel, 2015). Education and training should therefore be adjusted to incorporate these values and institutions and to make it more accessible, as this will enhance entrepreneurial activity.

6. Conclusions and recommendations

This report started with an introduction, which included the research questions articulated in paragraph 1.5. This chapter will conclude the research report by answering the research questions based on the empirical data and the subsequent discussion. In addition, a reflection will be provided that discusses the limitation of various aspects of the research, including a reflection on the data collection, the analysis and the developed model. Recommendations will consequently be provided, including practical recommendations that Tanzanian entrepreneurs, or even African entrepreneurs, should incorporate in their business practices, as well as recommendations of future research. Lastly, some final remarks on entrepreneurship and sustainable economic development in Tanzania and SSA will be provided.

6.1 Conclusions

This paragraph presents the conclusions of the research project by answering the research questions that were proposed in paragraph 1.5. First, the sub-questions will be answered. This will support the answer on the main research question that will consequently be presented.

6.1.1 The sub-research questions

In paragraph 1.5, six sub-research questions were proposed that ultimately lead to answering the main research questions. The findings related to these sub-research questions will be discussed below.

a) *What are the ideal-typical descriptions of the traditional Tanzanian and the modern Tanzanian value- and institutional systems that characterize the socio-cultural and economic context of entrepreneurship in Tanzania?*

The Tanzanian business environment is transforming and this process is affecting the entrenched socio-cultural and economic context in which Tanzanian SMEs have to operate. Strategies and behaviours exerted by the entrepreneurs and their businesses have to accommodate to these developments and they are additionally contributing to them from the bottom up. At the same time, the vertical networks of the Tanzanian society are changing and making way for an open civil society and cooperation, while the state is creating a more favourable business environment for private SME development and market liberalisation from the top.

Transformation in the context of entrepreneurship in Tanzania entails a transition from one system containing a set of values and institutions that describe more traditional business practices, to a more modern system of values and institutions. As these transitions do not happen overnight, entrepreneurs are often caught between both systems. A shift towards more modern business practices will render sustainable economic development, but beneficial Tanzanian values and institutions will have to be incorporated in the business model as well to create a cultural and institutional fit. Developing a theoretical model to frame these strategies and behaviours in the context of these values and institutions, will help to analyse and understand entrepreneurship in Tanzania. In addition, it forms a

basis that will be beneficial to evoke discussion and experimentation, which ultimately leads bridging the gap between both systems, making development go with the grain of Tanzania.

The theoretical model was established by taking various iterative steps. First a distinction between a traditional system and a modern system has been made, both including the most important aspects entrepreneurs need to manage according to the literature, i.e. the internal business management, the civil society and markets, and the Tanzanian state. This formed a rough grid, which was consequently elaborated using the cultural models of Hofstede and Trompenaars, as well as in-depth and complex theories related to entrepreneurship in SSA. This generated the theoretical framework of the research project shown in figure 4 in paragraph 2.6. This framework was not only used to analyse Tanzanian business practices, but it also established the foundation for the theoretical model. Besides using the analysis to answer the sub-research questions, the findings were additionally used to transform the theoretical framework into the theoretical model, making it fit with the contemporary Tanzanian business context. This resulted in the model depicted in figure 5 in paragraph 4.4, which includes the ideal-typical descriptions of the socio-cultural and economic context that are structuring the behaviours and strategies of entrepreneurs in Tanzania.

To the researcher's knowledge, this is the first attempt to model the socio-cultural and economic business context of a SSA country. It takes a multidisciplinary perspective, making it generally more comprehensive than models found in the literature. At the same time, it incorporates a detail description of the value- and institutional systems in which Tanzanian entrepreneurs have to operate.

b) *What behaviours and strategies can be identified by entrepreneurs and their staff within Tanzanian enterprises, in the context of the existing value- and institutional systems?*

Even though the behaviours and strategies of individual cases seem to be dissimilar and opaque, several commonality and clear differences among the cases have been identified in response to the existing value- and institutional systems. Only the most important will therefore be discussed below to answer the sub-research questions.

At the company level, many entrepreneurs showed a hierarchical attitude towards their employees, where decisions were solely made at the top and a control system of coercion and paternalism prevailed. As a result, the workforce showed a lack of initiative, innovation and professionalism. A smaller group of companies showed an egalitarian management style that generally pursued remuneration and teamwork, where initiative, individual judgement and professionalism was encouraged. This latter group of cases mainly contained ICT companies, indicating sectoral differences in Tanzania, which presumably correlates with the required level of education. Another clear finding shows that entrepreneurs, who are pursuing an egalitarian management style in a socio-culturally hierarchical society, will need to invest extra time and effort in nurturing and stimulating initiative and professional judgement originating from their workforce. In these cases, there is a clear discrepancy of the value power distance between a hierarchical society entrenched in employees' behaviour and an egalitarian business management style, which will have to be overcome.

Community and family ties play a pivotal role in contemporary businesses in Tanzania. In a country where anonymous trust is not readily available, entrepreneurs are leveraging their informal networks containing trusted and personalised relationships to obtain labour, financial resources and business contacts. As the labour market is characterised by a lack of education and skills, low motivation and fake diplomas and certificates, friends and family act as a first selection round and accountability mechanism to ensure that the applicants have the right qualification and sense of responsibility. Various entrepreneurs, who were seeking reliable business partners and the necessary capital, generally found these among family members and friends, due to a lack of anonymous trust and access to capital though banks and investors. In addition, various entrepreneurs support their family and community financially, which is often met with reciprocal support, displaying the prevailing economy of affection in Tanzania. On some occasions however, this reciprocal system placed an asymmetrical burden on their companies, as they were not always economically desirable. Various Tanzanian entrepreneurs are becoming increasingly aware of the disadvantages of employing family members or supporting their families and community through their companies, who either minimized it or were unwilling to do it at all. Hence, the moral obligation of providing for relatives through the company is weakening, especially among the younger, higher educated and urban entrepreneurs.

Tribal backgrounds play a limited role in Tanzanian businesses, especially in the urban areas. The workforce is a mixture of employees with different tribal backgrounds and Swahili is the commonly spoken language. At the same time, even though tribalism plays a limited role in establishing companies and informal networks, entrepreneurs with a Chaga background own a large and disproportional amount of companies in Tanzania. This is partly the result of the early adoption of the Western educational system by this tribe during the colonial era. Lastly, it is expected that tribal backgrounds play a more significant role in the rural areas and among the older generation.

Status through age still plays a major role in Tanzanian businesses. Older employees are generally reluctant to work for a younger manager and some entrepreneurs purposely hire older individuals to manage the young employees. Unemployment among the youth is high and some companies are mainly hiring the youth as a form of social entrepreneurship.

Due to the synchronic time orientation common in Tanzania, punctuality is a poorly understood concept. This is not only caused by the employees who are often late, but also due to poor management regarding punctuality. Some companies have implemented policies to improve punctuality by e.g. subtracting the corresponding amount of money from the salaries, which has proven to be successful.

Even though some companies have developed systems to improve production controls, the vast majority of the companies showed a fatalistic attitude to these practices. Often, planning was limited to one or a few days, standard procedures were not documented and deviations among batches in processing time and product quality were relatively large. In addition, rules concerning behaviour were often not present and regulation concerning hygiene and quality were mainly imposed by governmental organisations, showing that rules originating from the entrepreneurs is limited.

c) How is the status of the civil society in Tanzania affecting the relationships and dynamics between SMEs and their suppliers, distributors, customers, competitors and supporting organisations, in the context of the existing value- and institutional systems?

The Tanzanian society has made significant developments that already pushed back the vertical networks of solidarity and reciprocity, which partly made way for horizontal networks of free movement between associations. The solidarity networks are becoming more diffuse to include individuals based on aspects other than family relations or ethnic background. This not only increases the networks of entrepreneurs, but also creates new business opportunities and possibilities to cooperate. In addition, industrial associations are starting to provide trade facilitation, albeit in an infant state.

However, even though networks are becoming more diffuse, the nature of the relationships between companies of the supply chain remains compartmentalised. It is characterised by a buy-sell relationship with limited sharing of information, coordination and planning, and cooperation. Orders are usually ad hoc, making demand-forecasts, adequate planning, and inventory management difficult. On top of that, buyers are eager to set up relationships in the absence and in need of a supplier, but remain hesitant to change to other suppliers due to the established personalised and trusted relationship, irrespective of the quality. Both the negligence of information sharing and the reluctance to freely move between suppliers, hinders improvements and innovations of the supply chain, making it less competitive. Many processing companies are additionally reluctant to pay premium prices for high quality suppliers. Instead, they are prepared to invest time in order to improve the low-quality and low-cost supplies, which seems to be caused by a lack of capital and a lack long-term time orientation. Lastly, the size of most transactions is relatively small, making obtaining economies of scale difficult. Nonetheless, some companies showed some cooperation with suppliers and buyers, particularly through financial aid in the form of e.g. a loan, or by quick delivery services in the absence of stock.

Marketing strategies often rely on informal networks and personalised relationships. It usually entails going door-to-door to present the product, but also to establish a relationship with the people behind the product. Trust among buyers is thus created by meeting the individuals in person initially before doing business. Yet, due to progress in the telecommunication industry, companies are starting to experiment with digital marketing tools such as social media.

Various Tanzanian entrepreneurs tend to be risk averse, often leading to copying behaviour among competitors. Product innovation based on market research is nearly absent and most companies lack adequate end-user feedback systems to identify and incorporate the wishes of customer. As a result, the Tanzanian market structures are characterised by either overly saturated and competitive markets with little product diversification, or severely underdeveloped markets. Even though there is an abundance of organic raw materials from farmers, industries delivering packaging material, machinery and technicians lacks providers and is strongly underdeveloped. Imported products often fill these gaps, which are mainly facilitated by NGOs and governmental organisations. However, the products are

generally more expensive, lack after-sales services due to geographical and communication constraints, and the support organisations remain infant with limited penetration in the rural areas.

Nonetheless, sectoral differences are found in Tanzania, as the ICT industry seems to be less prone to similar practices. Manufacturer-, supplier- and product-information is readily available through the internet and entrepreneurs are in close contact with various suppliers to obtain the best products for the most competitive price. In addition, communication and coordination between companies of the supply chain is commonly seen and some occasionally form partnerships with other companies or even competitors. It is expected that other industries will benefit from knowledge spillovers and adopting similar practices.

Some ICT companies execute projects for which they need to tender to acquire the project. Obtaining these tenders often includes paying an allowance fee, only adding to the costs. Companies that are not willing to participate in these practices, often lose a share of the market. This form of rent-seeking excludes multiple competing companies, which then disables collective free market processes and market optimisation. Other industries were project tendering is common, such as the construction industry, are expected to be prone to these practices as well.

   d) *How is the governance of the state affecting the Tanzanian SMEs in the context of the existing value- and institutional systems?*

The governance of the Tanzanian business environment by the state is evolving. While after independence, governmental policies and the business environment was characterized by large parastatal firms that were preserved by subsidies and subjected to heavy regulation, the focus has shifted to market liberalization and supporting private sector and SME development in the recent decades. SME support is deployed by various ministries and governmental organisations such as SIDO that provides information, business contacts, resources and education. Capital is becoming increasingly accessible, although it remains one of the main hurdles for many SMEs in Tanzania. The new President is fighting corruption, enforcing the law, with in particular the taxation laws, creating a more equal playing field and easier access to land. The business environment is thus becoming more inclusive, including more Tanzanians who do not enjoy the privileges of having the right connections.

Nonetheless, the Tanzanian business environment remains on many aspects unfavourable for SMEs. The bureaucratic systems continues to be prevalent in Tanzania, which makes it extra hard for start-ups who have difficulties with understanding the procedures. Obtaining licenses and certificates is usually time-consuming and expensive. Distinct organisations with similar goals and purposes often have different procedures and double standards. Decision-making by governmental organisations can be unannounced and arbitrary, making corporate investments more risky. On top of that, various organisations still focus on compliance and control, leaving SME support through trade facilitation in an infant state, although this is improving. In addition, while the governmental organisations are largely focussed on the urban areas, they have little attention for the rural areas and NGOs need to fill

these gaps. Lastly, the enforcement of the taxation does not reach every company, creating unfair competition between companies that pay taxes and companies that do not.

The new President Magufuli, who took office in 2015, is fighting corruption and to some extent disrupting the vertical gated networks including the benefits of particularistic relationships and privileges. Entrepreneurs experience significant improvements since the change in government, such as less corruption, stronger law enforcement, and more equal access to land and resources. Nonetheless, the old informal systems remain present in the Tanzanian business environment. Knowing the right individuals within an organisation can help an entrepreneur to speed up the process or to obtain governmental projects, which occasionally comes with paying an allowance fee, depending on the relationship. Generally, entrepreneurs pursue three strategies when encountering these practices by civil servants, either i.e. they wait, pay the fee or move the issue up to the manager of the civil servant. A clear source of these practices remains to be the institutional environment that is characterised by bureaucratic systems, lack of law enforcement, and a lack transparency and scrutiny.

Nonetheless, some forms of corruption have been abolished. Bribing police officers is not possible anymore and companies that paid their way around taxation in the past are now running out of business, as the increased scrutiny of the TRA is making these practices come to light. Unfortunately, disrupting these practices also seems to disrupt the Tanzanian economy, as the grease in the form of allowance fees has been taken out of the bureaucratic system. It will probably take a while before the economy is adjusted to strongly enforced rules that creates an equal playing field, but it is a step in the right direction.

e) *Which socio-cultural and economic transitions are happening in Tanzania that are affecting the business practices?*

The Tanzanian business practices are changing form more traditional practices that includes traditional values and institutions, to more modern practices in which modern values and institutions are entrenched. The number of changes currently happening in Tanzania is large, but a few transitions stood out from the rest, i.e. power distance and hierarchy, family and communal ties, particularism and corruption, and the markets and supply chains.

There is a prevailing consensus that companies in SSA have a hierarchical management style, where employees are expected to comply with top-down decision-making and are managed through coercion and paternalism. Nonetheless, a substantial amount of companies in this research shows a more egalitarian management style. These companies strongly promote teamwork and provide remuneration based on performance. They understand the benefits of a committed workforce that generates innovation and commitment, and these companies tend to perform better and to be able to deliver high quality products. This shift seems to largely fuelled by education, as these companies are managed by higher educated Tanzanians, as well as Western entrepreneurs.

The Tanzanian society has already largely transcended from tribalism and many individuals identify themselves as Tanzanians. The vertical networks based on ethnic backgrounds and family ties have been pushed back to make way for new network development. Employees have generally different tribal backgrounds, speak Swahili with each other and the younger generation contains more individuals having mixed tribal backgrounds due to intertribal marriages. In addition, family businesses remain common in Tanzania, but few entrepreneurs explicitly explain they would not employ family members due to possible accountability issues. Individuals moving to the city often pursue new network development and establish new communities with mixed tribal backgrounds. At the same time, and in light of these transitions, personalised relationships remain to be important for entrepreneurship in Tanzania. Family members are still used to generate resources, labour and access to business contacts and communal characteristics are still found in the urban areas. The general trend is that the vertical networks become more diffuse to incorporate new friends and colleagues, but personalised relationships still form the backbone of the vertical networks. Yet, this clearly shows a transition that pushes back the vertical networks of solidarity to create free movement between new groups and associations.

Tanzanian businesses remain prone to particularism and corruption in the contemporary business environment. The concept of the economy of affection is applicable to the Tanzanian society as well, as neo-patrimonialism and paying allowance fees to get an advantage prevails. Yet, entrepreneurs experience an increase in opportunities and access to resources and land, showing a shifting towards a universal playing field. This is severely amplified by the new government that took office in 2015, as the anti-corruption laws and taxation laws are strongly enforced. Nowadays, the benefits of knowing individuals in governmental organisation has diminished, as civil servants are afraid of the consequences of not following the law. This needs to come with changes in the overly bureaucratic systems as well, as these form a source of these practices. In fact, due to the absence of allowance fees and the presence of the bureaucratic systems, economic processes seem to be disrupted. As a result of taking away the grease from the bureaucratic systems in the form of allowance fees, the contemporary Tanzanian economy is stagnating.

The Tanzanian markets are transforming from government-controlled markets and parastatal, to free markets and private sector development. This change in the state's policies is creating new opportunities for entrepreneurs to start their own private enterprises. However, industries that were occupied by parastatals in the past have not been filled by private companies yet, rendering many markets underdeveloped. These underdeveloped markets pose difficulties to obtain supplies in Tanzania, such as packaging material and high-tech machineries. Governmental organisations and NGOs still need to fill these weak markets, but it will be beneficial for the Tanzanian business environment when multiple private companies are meeting these market demands. Some individuals show a voluntaristic attitude by seeing these market opportunities, which consequently start their own businesses. However, a significant increase in entrepreneurial activity will be required to develop these markets and to meet the demands. On top of that, supply chain should become more efficient. Entrepreneurs are becoming increasingly aware of the benefits of planning and bookkeeping as part of their internal business management due to education and training, although the implementation

remained limited at most of the companies. However, at the civil society and market level, entrepreneurs should adopt basic SCM principles to compete with local MNCs and foreign entrants. This not only requires improvements in internal business management, but also an increase in information sharing and cooperation between buyers and suppliers to make the supply chain competitive. Currently, the limited communication and cooperation leads to inefficient batch-production, difficulties with inventory management and poor or even absent market forecasts.

f) Which beneficial drivers to stimulate entrepreneurship and corporate effectiveness can be identified in Tanzania?

During the research project, four main drivers to stimulate entrepreneurship in Tanzania have been identified, i.e. a favourable institutional surrounding, urbanisation, infrastructures and technology, and education. In itself, these drivers are progressing as well, but additionally stimulate the socio-cultural and economic changes discussed in the previous sub-research question.

Tanzania will need a favourable institutional environment that stimulates entrepreneurial activity and SME development. It will need rule of law and strong law enforcement to create an equal playing field for a multitude of businesses to thrive, leading to competition, market optimisation and effective resource allocation. Enforcement of the taxation laws and licensing is essential, as many businesses in Tanzania experience unfair competition due to competitors evading taxes and forging licenses for sell-rights of their products. An increase in collecting taxes will also lead to an increase in governmental spending on infrastructures, education and trade facilitation. In addition, the bureaucracy should be reduced, as the current bureaucratic systems are unfavourable for start-ups and SMEs in Tanzania, but are also prone to being used in an instrumental wat to demand allowance fees. Lastly, entrepreneurs experience too much compliance and control from regulatory entities and desire a shift to more trade facilitation. This will lead to more entrepreneurial activity and market developments.

Urbanisation benefits entrepreneurship in various ways. People tend to become more individualistic, as their bonds to their rural communities are diminishing. The weakening of these bonds are reducing the responsibilities of entrepreneurs towards their communities, leading an increase in corporate effectiveness and profits being invested in the company instead of the community. The urban areas contain more individuals with a mixture of tribal backgrounds due to intertribal marriages, resulting in new network developments and rendering groupings based ethnic background almost obsolete. In addition, companies gain access to support organisations, infrastructures and education.

Infrastructures in Tanzania remain underdeveloped and improvements will lead to lowering operational costs and gaining access to the markets. In the urban areas, congestions are common and it is expected to rise, due to the movement of individuals to the city to find work. At the same time, roads in the rural areas are often unpaved and parts of these areas are inaccessible, which makes it hard for rural entrepreneurs to lower operational costs and finding their markets. Fortunately, the telecommunication network has been seeing great improvements in the recent years due to privatisation and it is expected that these will continue. This makes communication between

companies of the supply chain easier and entrepreneurs are currently also experimenting with social media to market their products. Lastly, the electricity network remains one of the main infrastructure issues in Tanzania, which either makes companies stop production during power outages, or forces entrepreneurs to buy the cost-inefficient generators, which ultimately increases the production costs.

Education is one of the main drivers for effective business management. Most successful and relatively larger SMEs are usually managed by entrepreneurs who went to university in Tanzania or abroad. In general, they pursued an egalitarian management style, implemented production controls that improved the processes and reduced product deviations, used adequate and digital bookkeeping and planning systems and used more technologies to gain corporate effectiveness.

6.1.2   The main research question

While the former section answered the sub-research questions, this section will build forth on these to answer the main research question, which was present in paragraph 1.5.

How are SMEs operating in the technology industries dealing with the socio-cultural and economic demands originating from the Tanzanian business environment?

Entrepreneurship and SME development is on the rise in Tanzania and more individuals are becoming entrepreneurs by establishing their own private companies. As these companies are managed by Tanzanian entrepreneurs and the workforce almost completely exists of Tanzanians, the Tanzanian socio-cultural and economic values and institutions are visibly entrenched in every-day practices. The internal business management of Tanzanian companies show a wide range of different practices that are value- and institutional laden. However, behaviours and strategies exerted by SMEs are also structured by the Tanzanian civil society and markets, as well as the governance of the business environment by the Tanzanian state. While some of these practices are beneficial for effective business management, others have proven to be detrimental.

The socio-cultural values and institutions are deeply entrenched in the internal business management. As the Tanzanian society tends to be hierarchical, a hierarchical management style is commonly seen, where the nature of the relationships between manager and their subordinates is characterised by paternalism and coercion and decisions are solely made at the top. As a result, employees are refrained from showing initiative and bringing innovative ideas to the table. Informal networks and family ties remain to play an important role in many businesses in Tanzania to obtain resources, labour, business contacts, access to markets and to speed up bureaucratic processes. This is caused by a business environment that is characterised by limited access to capital, a lack of anonymous trust, poorly developed infrastructures, weak law enforcement and overly bureaucratic systems. Companies remain to struggle with adequate time management, punctuality, planning and forecasts, and have generally a fatalistic attitude to corporate processes by lacking rules and production controls.

Characteristics of the socio-cultural and economic context are also widely seen in the Tanzanian markets. Due to risk-aversive copying behaviour among entrepreneurs, the market structures are

characterised as either being extremely competitive with medium- to low quality products, or as severely underdeveloped. On top of that, the relationships between entities of the supply chain are mainly based on buying and selling with little cooperation, information sharing and feedback systems. On top of that, buyers occasionally stick to their trusted suppliers bounded by the strong preference for personalised relationships, irrespective of the quality. These aspects seem to impede free market processes, supply chain optimisation and interactive learning between the companies.

The Tanzanian government is shifting its focus from parastatals and state interference in the markets to liberalised markets and private sector support. However, the current governance of the state is still hindering entrepreneurial activity rather than stimulating it. Companies generally struggle with the bureaucratic, time-consuming and expensive systems for obtaining the necessary licenses. This is especially hindering start-ups and entrepreneurs with a low level of education, as they are too inexperienced and uneducated to find their way through the bureaucratic maze. Combing the bureaucratic systems with weak law enforcement and little transparency, an institutional environment is created that is prone to corruption and rent-seeking, adding to costs of doing business in Tanzania and limiting access to only a few privileged Tanzanians. On top of that, since the government has withdrawn itself from various markets due to privatisation, several market demands have not been met with private sector developments. Governmental support organisations such as SIDO are filling these markets gaps, but they remain to be in an infant state with little penetration in the rural areas, leaving some resources relatively scarce.

Yet, entrepreneurship and private sector development is on the rise, due to both entrepreneurial activity from the bottom up and governmental support from the top. The amount of transitions happening are arguably vast, but a few stood out from the rest that are positively affecting Tanzanian businesses.

Within the Tanzanian business environment, sectoral differences are present, as many ICT companies are on the forefront of development. Their business practices were relatively modern and effective, and the practices found in this sector could spill over to other sectors. In addition, businesses are becoming more egalitarian in the urban areas of Tanzania, which clearly results in an increase of professionalism, commitment and motivation among the workforce. On top of that, some entrepreneurs are questioning the responsibilities towards their community and family members that are traditionally instigated by the socio-cultural norms. Informal ties and personalised relationships will continue to play an important role in the Tanzanian business environment, but entrepreneurs are limiting any detrimental ties such as employing unproductive family members, while leveraging any positive ties to gain access to labour, resources and business contacts. Besides that, the Tanzanian state is clearly reducing corruption and particularism, which is lowering the cost of doing business and creating an equal playing field where many Tanzanians can start their own business instead of a few privileged individuals. Lastly, the Tanzanian private sector is making great strides, as the liberalisation of markets and the privatisation of parastatals have created new business opportunities. More Tanzanians are becoming opportunity driven entrepreneurs, supported by governmental organisations that are gearing towards trade facilitation and providing training and education.

Certain developments, which are evolving as well, are stimulating these transitions. Progress made in the institutional environment, such as a reduction of the bureaucracy, the shift from compliance and control to trade facilitation, fair taxation and stronger law enforcement, are reducing the vertical networks and corruption in the government. This is consequently creating a more inclusive and equal playing field, where many Tanzanians can enter the market that was previously controlled by a few rich and well-connected Tanzanians. Second, urbanisation is weakening the family and communal ties to the villages and stimulating new network development, making the vertical networks more diffuse by incorporating new friends and colleagues. This also entails the weakening of preferences for traditional socio-cultural values such as a large hierarchy and community responsibilities, while leaving entrepreneur exposed to new ideas for effective business management such as an egalitarian management style. Third, the developments in infrastructures and technology are connecting individuals and businesses around Tanzania and abroad, providing new access points to resources and markets, and stimulating cooperation and communication between entities of the supply chain. Lastly, the level of education of the entrepreneurs is a strong driver for successful business management. Entrepreneurs are generally more open to more modern business practices and have the capacity to deal with any barriers origination from the Tanzanian business environment.

6.2 Reflection and limitations

This paragraph will reflect on the research, including the limitations and in which way these limitations were addressed. It will first reflect on the data collection in Tanzania, where it describes the barriers that were experienced during the field research. Second, the limitation of the data analysis will be discussed. Lastly, this paragraph will end with a reflection on the model that was developed.

6.2.1 Reflection on the data collection

The empirical data was collected in Tanzania by visiting 16 SMEs over a period of two months. Prior to traveling to Tanzania, connections with Professor Temu from the University of Dar es Salaam and Jeroen Vegt from the Sengerema Foundation were already established. Their input turned out to be vital to get into contact with the entrepreneurs. Nonetheless, one of the first and main barriers encountered was the small network in Tanzania of the researcher and the limited possibilities to get into contact with the companies and entrepreneurs. In contrast to the Netherlands, many companies do not have a website and their telephone numbers are not publicly available. Informal networks were vitally important to get into contact with the entrepreneurs and establishing these networks took time and effort. In addition, the way of living in Dar es Salaam is somewhat slower compared to the Netherlands and it took some time before finding proper accommodation. As a result, it took roughly two weeks before the first interview was conducted. Luckily, the Tanzanians were generally willing to help and many entrepreneurs introduced the researcher to other entrepreneurs, creating a snowball effect of finding new interviewees.

Another limitation was the pre-determined sample criteria. A substantial amount of the entrepreneurs that was met during the field research, were necessity-driven entrepreneurs who did

not use any form of technology and run sole proprietorships. In addition, many of the tech-companies are located out of sight, which limited the approachability, this in contrast to e.g. hotels and restaurants. Nonetheless, these sample criteria were necessary to limit the diversity among companies and to focus on behavioural differences within the same industrial context.

During the interviews with some of the entrepreneurs, a significant language barrier was encountered. In these particular cases, misunderstandings were common in both direction, which occasionally led to asking the same question again and rephrasing it. In addition, some of the answers did not seem to match with the actual practices, showing some forms of 'window dressing' by the entrepreneurs. They occasionally seemed to understand which practices and answers are desirable, but are falling short on implementing these practices. On top of that, a proper bookkeeping from an African perspective seemed to deviate strongly from the researcher's perspective of having an adequate bookkeeping. Extra precautions were taken by developing simply stated questions and the aspect of window dressing was reduced by asking multiple questions on the same subject during the interview and critically considering it during the analysis. In addition, various processes and bookkeeping were inspected during the company visits. It needs to be stated that during the interviews, a balance was pursued between asking the same question multiple times and preserving a preferable interview atmosphere, as the former might lead to irritation, frustration or even generating answers far from the truth.

6.2.2 Reflection on the data analysis

The analysis is based on a wide variety of cases, each including a substantial amount of data. A large body of commonalties among the cases was found, as well as clear difference, and most of these findings were supported by multiple cases. Nonetheless, some connotations have to be made about the limitations of the analysis and the steps taken to deal with these limitations.

First, some limitations are inherently connected to a qualitative research using interviews and cross-case analyses. The analysis is for instance subjected to wrong interpretations, different expressions, false answers, the earlier mentioned language barrier and differences in perspective. Generalisability remains difficult as well, as interviews generates information-rich data from a relatively small sample. Nonetheless, within the two months of field research in Tanzania, 16 cases were developed and analysed that provided a vast amount of information, from which valid conclusions could be drawn. On top of that, almost all the results were continuously debated and scrutinised during the project by the researcher, Tanzanians and experts.

To accommodate the generalisability, the researcher chose to limit the scope. First, the focus of the research was on companies operating in the technology industries. Technology and innovation is an important part of sustainable economic development and it is vitally important to understand how the private sector is using technology to enhance corporate efficiency and effectiveness. This choice increases the generalisability of the results within the tech-industries. Second, the Tanzanian SME industries are poorly developed, which is also known as the missing middle. Understanding the practices and the hindrances companies encounter is important to improve the business environment for these private SMEs. On top of that, sole proprietorships often lack any technologies and large

companies are expected to have relatively efficient business processes, easy access to capital, large markets and governmental support. Therefore, the second part of the scope was to focus on SMEs. Nonetheless, similar practices are expected to be present at other industries and company sizes. The literature on entrepreneurship in SSA showed on many occasions similar findings, while taking different scopes, such as other countries, strictly rural areas and different industries. It is thus expected that the findings of this research are applicable to other types of companies in Tanzania or other countries as well. Yet, it is advisable to have preservations as to what extent the results are applicable to non-tech companies, sole proprietorship, micro-companies and MNCs operating in Tanzania, or in other parts of the African continent.

Lastly, many companies that are included in the empirical data are located in Dar es Salaam and only a few in the more rural areas around the former capital, leaving the companies operating in the rural areas underrepresented. This was due to three reasons. First, approaching companies required informal networks that took a substantial amount of time to establish and the narrow period of the field research hindered the researcher to establish a network in the rural areas. Second, the scope of the research made the former capital and other cities favourable, as the urban areas harbours the highest concentration of tech-companies, in contrast to the rural areas where mainly farmers, shops and traders are located. Third, the body of research on traditional companies in SSA is relatively large and an important part of this research was to build forth on the literature and understanding the transitions taking place in Tanzania. These transitions are profoundly happening in the urban areas, so researching these areas provided a clear distinction between traditional and modern companies, as both types of companies are represented in the urban areas. Especially in the outskirts of Dar es Salaam, the companies tended to be rather traditional, while the modern companies were located in the city centre. Nevertheless, it remains unlikely that the ratio between traditional and modern companies found in this report will also be found in the rural areas. It is expected that the traditional socio-cultural and economic values and institutions are more common in the rural areas. Hence, focusing on the urban areas limited the generalizability to all of Tanzania, but clearly presented the transitions taking place in Tanzania, starting in the urban areas.

6.2.3 Reflection on the model

The developed model has been introduced to understand the socio-cultural and economic influences on behaviours and strategies commonly seen among companies in Tanzania, as well as transitions taking place in the business environment. It consists of two sets of values and institutions over the levels of the internal business management, the civil society and markets, and the Tanzanian state. These contain ideal-typical descriptions of values and institutions commonly seen in Tanzanian tech-companies, which should be considered as two extremes of a continuum. Yet, these ideal-typical descriptions are a representation of the reality, while the reality of entrepreneurship is vastly too complex to be comprehended by any model. This means that the reader should take into account the individual descriptions that appear to be disconnected concepts in the current model, are in fact interdependent, as has been shown in the analysis and discussion. Many of the contemporary models concerning socio-cultural values and institutions, with in particular quantitative models such those of

Hofstede and Trompenaars, imply that the values and institutions are not connected in any way. This is in sharp contrast with reality, as they are effectively reinforcing and counterbalancing each other. For this reason, one of the goals of this research project was to show the dynamics and interdependencies between the 'seemingly unrelated' values and institutions. When using this model for analysing the business context in Tanzania, or any other country or industry, one should thus be aware of interdependencies among these values and institutions, which could enforce or inhibit each other. In addition, some descriptions might not apply to a particular company, while other companies should use more descriptions to understand its practices. Future users of the model should thus be aware of the nuances manifested at different companies.

Choosing the most important values and institutions to be incorporated in the model, or choosing the right ideal-typical description for the manifestation in reality, is prone to subjectivity and context dependent. In the current context and with the same data, other researchers might bring forth more, less or other ideal-typical descriptions, values and institutions. Nonetheless, the traceability of the ideal-typical descriptions is enhanced by highlighting the ideal-typical descriptions in *italic* throughout chapter 4. Whether other researchers would use similar or other descriptions is up for debate, but the thought processes of the researcher that led to the model has been explicitly addressed in this manner. In addition, a change in context, i.e. non-tech-companies or other countries, might require alterations of the model, as a different context might generate different values and institutions. At the same time, it is expected that large parts of the model are easily applicable to entrepreneurship in other countries, especially countries in SSA.

Lastly, these ideal-typical descriptions should not be considered as the ideal situations that entrepreneurs should pursue, but as two extremes of a continuum. It thus merely acts as a description of the landscape in which the entrepreneur or company has to move and it often remains desirable to have a mixture of the two extremes. While the more modern system is expected to be economically more efficient and sustainable, the traditional system remains too strong in the contemporary Tanzanian business environment to be neglected. In fact, values and institutions of this system remains vital for companies to survive in light of the weak institutional surrounding, poor access to labour and capital, and a general lack of infrastructures and education. Nonetheless, entrepreneurs could use this model to become self-aware of their behaviour and strategies, and adjust these to improve corporate effectiveness, while taking into account the value- and institutional entrenched context.

6.3   Recommendations

Following the conclusions in the previous paragraph, this paragraph will present several recommendations based on the findings of this research. The first set of recommendations will be aimed at effective business management in Tanzania that builds forth on the socio-cultural and economic context of the Tanzanian business environment. Next, recommendations for future research will be provided.

6.3.1 Recommendation for effective business management

As a result of the various companies that were visited during the field research in Tanzania and the findings of the report, valuable lessons could be drawn from the cases, where companies can learn from each other to increase corporate effectiveness. Relatively advanced recommendations could be developed for more effective business management, especially when one takes a strict economical efficient perspective. However, the aim of these recommendations is to build forth on current practices, rather than presenting recommendations that are out of reach for many SMEs in Tanzania. Especially some of the traditional socio-cultural values and institutions are so strong in the contemporary Tanzanian business practices, that they cannot be ignored or erased. Rather, incremental improvements are desirable, which are easily adopted and implemented. In addition, these recommendations should evoke debate concerning to what extent they should be adopted, especially those that are considered more controversial such as paying allowance fees. Even though individuals might find these practices morally undesirable and wrong, especially from a Western perspective, these recommendations were developed taking the socio-cultural and economic context in which Tanzanian entrepreneurs have to operate into account. This led to the following recommendations for effective business management.

- *Teamwork and remuneration*. Companies should experiment with implementing a combination of teamwork and remuneration. Paternalism is often seen in traditional companies, as it represents the unity of a family, i.e. communitarianism, and with a hierarchical head of the family, i.e. power distance. Yet, teamwork will fit with the Tanzanian socio-cultural values as well, as it is associated with unity, i.e. communitarianism, but with a lower power distance. This means that entrepreneurs should promote teamwork by engaging the employees, allowing them to present their own ideas and taking their thoughts on topics like the planning serious. This will make them feel valued, which will consequently improve professionalism, initiative and innovation, commitment and motivation. In this manner, a combination of a hierarchical business structure with more egalitarian communication and cooperation will be obtained. The empirical data shows that companies pursuing such a management style, tended to perform better, e.g., Obri, UhuruOne, De Niza and Mobistock. This should be complemented with individual appraisal based on performance, which could be done in public, as Tanzanians tend to value public appraisal. In addition, negative remuneration, such as a small subtraction from the salary, could be considered to improve punctuality, which have proven to work at X and Moshi.
- *Family, friends and other informal ties*. Entrepreneurs should make a clear distinction between favourable and detrimental informal ties and experiment with finding a balance between meeting the demands according to the socio-cultural norms, and limiting their negative effects on the companies. Favourable informal ties will continue to play an important role in Tanzanian businesses to obtain labour, resources and business contacts, so abolishing these ties completely will have detrimental outcomes for the company. At the same time, entrepreneurs should be aware of the consequences of providing loans or school fees to

extended family members, as they run the risk of not getting it back, which happened to be the case at Zaidi and De Niza.

- *Production improvements*. Companies will benefit from improving their production processes, leading to higher quality products, smaller product deviations and a reduction of the costs. The quality of the products is often highly valued, but there seems to be a poor understanding that production process improvements could improve the quality of the products, as well as lowering the costs. Pictures and descriptions of the sequential steps will help to standardise and visualise the production steps, which have significantly improved the production process and products at De Niza. Production improvements should also include a better bookkeeping and planning, as companies with more advanced and long-term planning tended to perform better, e.g. Obri, De Niza, Jefra, Moshi and the ICT companies.

- *Job rotation.* Companies could consider rotating tasks among the production employees to make the production process more efficient. At De Niza and Moshi, every production employee rotates over various, if not all, production stations. This not only prevents boredom among the workforce, it also increases an understanding of the requirements of the intermediate production steps. The managers of both companies explained that this policy made employees more motivated, improved the quality of intermediate products, and stimulated teamwork and a shared understanding among the workforce.

- *Basic SCM principle.* Adopting SCM principles such as sharing planning, demand forecasts and suggestions for quality improvements, is expected to improve supply chain efficiencies. Both the owners of Obri and Motherland Spices expressed their need for downstream market information and the ICT companies explained they had little supply chain issues due to advanced internal business planning and information sharing between them and their suppliers and buyers. In addition, as entrepreneurs seemed to be reluctant to switch to other suppliers due to the personalised relationships, they should enhance cooperation between them and their suppliers, which significantly improved the quality of the supplies at Simba. For some companies, it might be fruitful to consider joining organisations such as the Farmers Association, as these will help companies to generate a steady flow of supplies, thus making planning easier. Lastly, in the case of weak or unreliable supply markets, companies should consider to expand their business to incorporate these supplies, which was done by Anepa, De Niza and Jefra.

- *Paying allowance fees*. The topic of paying allowance fees is controversial, both in the literature and in Tanzania. From a Western perspective, it is considered morally wrong and from an economical perspective inefficient. However, it is still common in Tanzania and under some circumstances condoned. Entrepreneurs operating in the Tanzanian business environment should differentiate between the various forms of paying allowance fees. Neo-patrimonialism ought to be abolished and paying bribes to e.g. evade taxes, and other forms of corruption should be avoided as many businesses are going bankrupt due to an increase in law enforcement. Yet, entrepreneurs should not refrain themselves from occasionally paying an allowance fee to speed up a bureaucratic process or clear imports from the docks, especially

if not paying it has significant negative consequences to the business. At Jefra, paying an allowance fee to clear the machine from the dock was necessary, or they would not have been able to start producing in time and would thus have lost even more money. While the Tanzanian business environment collectively should pursue to diminish these practices, they are hard to circumvent in the contemporary bureaucracy and exchange patterns, both in the public and private sector. This leaves room for debate and experimentation among the entrepreneurs and improvements in the institutional surrounding will be necessary to tackle this issue.

- _Support organisations_. Private sector support organisations are relatively new and in an infant state with little penetration in certain areas. Nonetheless, companies like Obri and Aksa have fruitful relations with the Farmer Association and TOAM respectively that positively contribute to their company. In addition, a wide range food-processing companies have joined SIDO. While payments to the organisations add up to the costs of doing business, these organisations are a source of business contacts, supplies, training, information and license application support. For these reasons, entrepreneurs should determine to what extent these organisations would contribute to the company and consider becoming a member of one or more of them.

- _An open debate_. Lastly, the contemporary business practices, with in particular the informal institutions, should be more openly discussed. Tanzanians, or even Africans, are reluctant to express their commitment to the traditional systems, especially when talking to Western individuals, creating a mismatch between the story and reality. At the same time, Western individuals and organisations seem to underestimate the importance and power of the traditional system that are often unavoidable for many Tanzanians. Recognising the importance and unavoidability of these values and institutions evokes an open discussion on more controversial topics. It is necessary to have this open debate, in order to generate a shared understanding and to consciously steer the business practices between the traditional and modern system.

6.3.2   Future research

This research delivered a thorough analysis of the Tanzanian business context and practices. While it provides a substantial amount of information and answers relevant and practical questions on entrepreneurship in Tanzania, it evokes additional questions that should be explored in future research.

At first, this research acknowledges the transitional aspect of entrepreneurship in Tanzania, as the business context is rapidly changing. A similar research project further in time using the same model that contains the same variables and scope could complement this research to generate a longitudinal study. This should unveil which transitions are evolving, what their drivers are and which aspects of the development of the Tanzanian business environment are falling behind. Policies and training could then be developed to adequately address these reverse salient.

This research developed a model that provides a tool to understand the socio-cultural and economic influences on individual companies and entrepreneurship in Tanzania. Analysing the cases

in light of the socio-cultural and economic context already suggested differences in corporate effectiveness, due to differences in educational backgrounds and sectors. In addition, there appear to be differences between companies in the urban areas and the rural areas. Comparative studies could consider researching these and other distinctions in order to determine additional drivers for corporate effectiveness. For instance, future research could look at one specific sector such as the food-processing industry or determine the differences between companies operating in the rural areas and urban areas, as it is expected that rural companies will conform more to the traditional system and vice versa. In addition, the model could be applied, after some modifications, to other sectors like agriculture and tourism, or other SSA countries. For instance, Kenya is economically more developed than Tanzania, but is subjected to tribal differences and conflicts (Vlieger, 2013), and this model is suited to unveil the causes and consequences of such differences between the neighbouring countries. Lastly, this research found that entrepreneurs having a Chaga background are disproportional represented in Tanzania. It remains peculiar that one tribe is entrepreneurial more successful than others in the same business environment. A comparative study between entrepreneurs from the Chaga tribe and other tribes might be beneficial to determine favourable socio-cultural values and institutions that are easily transferable to entrepreneurs with other ethnical backgrounds in Tanzania.

Lastly, this research found that Tanzanian businesses are arguably struggling with sequential time management, such as punctuality, bookkeeping, planning and demand forecasts. This in turn is limiting the effectiveness of supply chain management. Somewhat surprisingly though, is that literature on time management and supply chain management in Tanzanian businesses, or even in SSA businesses, remain considerably underrepresented. Even though this research addressed the issue and came to new insight on time management within SMEs, more research on this subject will be necessary to tackle this barrier commonly found among Tanzanian businesses. Results will presumably be beneficial to develop new policies or training programs to deal with these issues.

6.4   Final remarks

It is undeniable that the ultimate goal of many local and international organisations is to lift developing countries like Tanzania out of poverty through sustainable economic development. The often-pursued method is to stimulate entrepreneurship through liberalising the markets, privatising parastatals, stimulating private SME development and providing financial aid. Major national actors who believe in these goals include the World Bank and the IMF, which have arguably made positive contributions to many development aspects across the globe. Nonetheless, these policies are heavily criticised for not generation sustainable economic development, as it is argued they fail to incorporate the local socio-cultural values and institutions, mainly in SSA (Kelsall, 2008; Kroesen, 2015). Simply put, while their goals are expected to be economically more sustainable, the local circumstances often prohibit these developments and this mismatch occasionally leads to ineffective and detrimental outcomes. At the same time, the local socio-cultural values and institutions form a source of new ideas on entrepreneurship in developing countries like Tanzania, which are often overlooked.

The aim for this research was to unveil the landscape in which Tanzanian entrepreneurs have to operate and to put it into a time-dependent perspective from traditional business practices to more

modern business practices, taking a multidisciplinary approach. Within this landscape, common behaviours and strategies have been identified, and it is intended that the entrepreneurs in the end could learn from each other to enhance corporate effectiveness. It was thus not intended to develop policies and recommendations that are out of reach for many local entrepreneurs in contemporary Tanzania, but to understand the current practices, learn from fellow entrepreneurs operating in the same business environment, and to develop incremental steps that build forth on the contemporary socio-cultural and economic values and institutions in the Tanzanian business context.

In general, the findings of the contemporary business practices are consistent with the existing literature. Nonetheless, to the researcher's knowledge, this is the first attempt to develop a model that comprehends the many socio-cultural and economic aspects entrepreneurs have to deal with in Tanzania, or any other developing country in SSA. The literature often focusses on a particular field, while it is the believe of the researcher that entrepreneurs have to deal with a vast amount of topics that are interdependent and research would benefit from taking a more multidisciplinary approach, as is the case in this report. In addition, it generated a mixture of abstract findings with concrete and detailed case descriptions. This led to an iterative process in which the empirical data builds forth on the current literature to generate an empirically based, multidisciplinary model where the voice of the Tanzanian entrepreneur is heard.

Understanding the demands originating from the Tanzanian business context provides valuable insights for entrepreneurs and other stakeholders. Some practices, thus also findings and recommendations of this report, are considered controversial and the judgements made in this report are prone to subjectivity. At the same time, it will become vitally important that it evokes debate on the influences of the strong socio-cultural values and institutions entrenched in the Tanzanian business practices. Judgements made by individuals on these controversial topics often leads to a reluctance to talk about it in fear of disapproval, as became clear during the field research in Tanzania concerning topics like employees' motivation and corruption. Many business practices become informal and undocumented, often leading to a morally and literally double bookkeeping. However, these topics should be brought to the table and debated openly with various stakeholders. It creates a perspective closer to the truth and it stimulates a mutual and shared understanding, which would only help to determine the incremental steps that have to be taken. Perhaps then, the gap between the traditional business practices and the modern practices could effectively be bridged, where entrepreneurship and private sector development will go with the grain of Tanzania.

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Appendix A: Interview questions

Product	**How many <u>products</u> does your company produce or what <u>services</u> does your company deliver?**
	Could you describe **<u>what</u>** they are and **<u>how they work</u>**?
	What **<u>value</u>** have the products and services to offer (lowest cost, unique product, ease of use, etc.)?
Characteristics	What is the **<u>goal, vision and or mission</u>** of the company?
	What makes your **<u>company successful</u>** according to you?
	How many **<u>facilities</u>** does the company have? And where are they **<u>located</u>**?
History	When was the company **<u>founded</u>**? By whom?
	How did you **<u>come up with the idea</u>** and how has this been developed?
	Could you give some **<u>key moments</u>** in history that influenced the company's practices and success?
Technologies	What kind of **<u>machineries and technologies</u>** do you use?
	How do you **<u>decide</u>** if new **<u>technologies</u>** are **<u>necessary</u>**?
	Has the company made any **<u>technological changes</u>** or will they do it in the near future?
	Do you think **<u>technological changes</u>** are necessary to stay **<u>competitive</u>**? Could you give some examples where technology helped your company with this?
	Is **<u>innovation</u>** and important strategy in your company? Could you give some examples where innovation was **<u>clearly visible</u>**?

Management style

Power distance	**How <u>many employees</u> do you have?**
	What does the **<u>structure of your company</u>** looks like, in terms of managers, employees and business units?
	How do employees, supervisors, managers and business units **<u>communicate</u>** (face-to-face, email, etc.)?
	Are there **<u>regular meetings</u>** with employees, supervisors and managers? When and how often do they occur?
	How do employees **<u>address</u>** their managers/supervisors?
	Would you say employees needs to do what he is **<u>told</u>**, or is some **<u>discussion</u>** possible?
	Do employees have **<u>discussions with each other</u>**? Perhaps also concerns they are not willing to discuss with their supervisors?

Do employees sometimes ***show initiative***, or is it more common to wait for instruction from their supervisors?

How do you ***motivate*** your employees?

Are there ***differences*** between employees or positions, concerning ***showing initiative***?

Is showing ***initiative and discussion valued by supervisors and managers*** and how do managers and supervisors respond to these initiatives and discussions?

Are your employees motivated? How do you motivate your employees?

Individualism vs. Communitarianism	Are there certain ***groupings*** visible (age, gender, ethnical background, etc.)

What are the ***effects of these groupings*** in business practices, either having ***positive or negative*** effects?

Are there ***relatives or friends working*** in the company? Which positions? How are they performing?

How are ***conflicts*** among employees managed? Does this become harder or easier when they have ***different ethnical backgrounds***?

Are there policies and practices in place to ***deal with groupings issues*** within the company?

Do ***employees cooperate well***? How come? Do you have ideas to improve this?

Would you say there is ***trust*** among employees, supervisors and managers? Why would you say so?

We already discussed how initiative of employees are handled by managers. How are ***initiatives perceived by other members*** of the company (close colleagues, man/women, age, etc.)?

Fatalism vs. voluntarism	Does the company have any ***rules and regulations***? ***What*** are they and ***why*** were they set up?

Are these ***rules and regulations written*** down?

Are there also ***unwritten rules*** and regulations?

When and how are these ***rules learned by your employees***?

How ***strictly*** are these rules ***followed***? What happens when someone ***doesn't follow*** these rules?

Are your employees ***trained***? ***Which trainings*** have they followed (general/specific, technical, sales, calamities)? What are the ***goals and effects of these training*** sessions?

Do you have ***in-house training*** sessions and/or ***external training*** sessions?

Are there **_strict protocols_**, which describe how things should be done? Have employees a **_say in improving_** these protocols?

What happens when employees make a **_mistake_** or **_don't follow protocols_**? Have these actions an **_effect in reducing mistakes_**?

What do you do if employees are involved in an **_accident_**? Have these actions an effect in **_reducing the chance of accidents_**?

To what extent are managers and supervisors allowed to make their **_own decisions_**? Could you give some examples?

Will supervisors and managers **_present their own thought_**, or will they wait until you **_ask for their opinion_**?

What are the **_main risks in your company_** (think of safety, growth, competition)? How do you deal with these risks?

Are your employees **_exposed to risks_** during work? How do you **_cope_** with these risks? To what extent do you think you can **_influence_** these risks?

Do you provide **_social securities_** (dental and the like)?

Do you have **_insurances_**?

Is it hard to make **_changes_** in the company? Are employees OK with changes, or would they rather stick with the **_current practices_**? Could you give some examples?

Do you feel **_responsible_** for your employees? Could you give some examples where you show this?

Universalism vs. Particularism	How are your **_employees selected_**? Are there **_criteria, written or unwritten_**, and what are they?
	How do you **_get in contact_** with potential new employees?
	How could an employee obtain a **_promotion_** and get a higher position in the company? Are there promotion **_criteria, written or unwritten_**, and what are they?
	Are there specific **_job descriptions_** for each function, including **_responsibility_** and **_accountability_**?
	How are the **_tasks divided_** over the employees?
	What are the **_characteristics of the managers and supervisors_** (gender, age, ethnical background, etc.)?
	Do you think some employees need more **_guidance and help_**? Why would you say so? Could you give some examples?
	Which employees are very **_important to the company_** according to you? Why (productivity, knowledge, family and friends, etc.)? Do these employees therefore have **_more job security, responsibility and freedom_** in the company?
	How do you make sure employees **_do their jobs and work hard_**? How is this level of performance maintain when you or other managers **_are not around_**?

Achieved vs. Ascribed status	How important is ***status*** within the company to ***cooperate, manage people or making sales deals***?
	How important is someone ***position*** within the company to gain ***status***?
	Do you think people ***look up to you*** in the company?
	Is it important for employees to have a certain ***cultural, family or academic background*** in order to gain ***a promotion or obtain status*** in your company?
Sequential vs. Synchronic time	Is there a ***planning***? ***Who*** makes it?
	Who makes sure employees ***follow the planning***?
	Does the company work with ***targets***?
	Does the company work with ***bonuses***?
	Do you work with ***deadlines***? What happens when deadliness are ***not reached***?
	When do the employees get their ***salary***? Are they pay ***per hour or per product***?
	Has it occurred employees ***don't show up for work***, the day after being paid? ***What do you do*** on these occasions?
	How are ***salaries and secondary conditions determined***? Is this ***negotiable***? Is this important for employees?
	How often do employees ***show up late*** for work or meetings? How do you ***deal with*** employees who are late?
	Do you ***shut down machines*** for maintenance or when they are broken?
	What would you like to ***achieve*** and when would you like to accomplish this? Do you have ***strategy*** to reach these goals?
	Would you rather focus on the ***near future*** or on goals set ***3 to 5 years*** from now? Are there ***investments*** involved with this?
	Do you ***invest*** in your company to obtain company ***growth***?
	What do you think the company will ***look like*** in the ***future***?

Direct business environment

Suppliers	**What are your _key resources_? Who provides them? Is it _hard_ to obtain them?**
	How did you ***get in contact*** with them for the first time? Is it important to ***know certain people*** to get in contact with them?
	How do you ***communicate*** with them?
	Would you say you can ***trust*** them and has this ***changed*** through time, either positively or negatively? Why?

On what basis do you ***choose your supplier*** (price, reliance, speed, quality)? Did you change your suppliers? Why (not)?

Do the ***prices and quality*** of the supplies ***fluctuate***? Are prices ***fair*** according to you? How does this ***affect*** your product and business?

How do you make sure they ***keep to the agreements***?

How ***many suppliers*** do you have? Is there a reason for that amount? Would you like to have more?

What do you do when your supplies or products are ***not in order***? Who takes the ***responsibility***? Could you give some examples?

Distributors

How do your ***distribute*** your products? Who does that?

How did you get in contact with them for the ***first time***? Is it important to know ***certain people*** to get in contact with them?

How do you ***communicate*** with them?

Would you say you can ***trust*** them and has this ***changed*** through time, either positively or negatively? Why?

On what basis do you ***choose your distributor*** (price, reliance, speed, quality)?

How do you make sure they keep to the ***agreements***?

How ***many distributors*** do you have? Is there a reason for that amount? Would you like to have more?

What do you do when distributors make a ***mistake or are involved in an accident***? Who takes the ***responsibility***? Could you give some examples?

Customers

Who are your ***costumers***? Which groups are ***targeted***? Are they B2B or B2C?

Why do you think the ***added value*** of your products help you to obtain and maintain customers?

Through which ***channels do you reach*** and find your customers?

Where do you ***present and sell*** your products? Is this effective? Why (not)?

How do you market your product?

Do you maintain ***services*** after the sale?

How do you make sure the customers are ***coming back***?

How important is ***trust in the product and company*** for selling your products?

What are your ways of ***interacting with your customers*** (face-to-face, word-to-mouth, family and friends, web, telephone)?

Do you have mechanisms of getting ***customer feedbacks*** concerning your goods?

Do you think the ***brand*** of the product or the ***quality*** of the product is more important?

Competition	Do you have a lot of _**competition**_?
	What are _**differences between you and your competition**_ and what are the effects of this?
	Do you on some occasions _**collaborate**_ with them or work towards a common goal? Is/Would this be _**beneficial**_ for the market? Why?
Collaboration	Do you sometime _**collaborate with other actors**_ in the sector? Or do other actors collaborate that you know of? What are the _**effects**_ of these collaborations?
	What do you want to _**know of a business partner**_ before deals are discussed? Are there _**topics**_ you always want to know of a person in order to gain _**trust**_?
	Are there _**technologies**_ a user needs to use and _**support your product**_? Are you in contact with these technology providers?

Barriers found in the literature

Expansion	**Did your company** _introduce new products or changed products_**? Are there plans to change this in the near future as well?**
	What are the _**opportunities**_ the company sees and what are the _**barriers**_ to pursue these strategies?
	Did your company _**expanded production capacity or facilities**_, perhaps also on different locations? Is the company thinking of doing this in the near future?
	What are the _**opportunities**_ the company sees and what are the _**barriers**_ to pursue these strategies?
	Did your company try to _**expand to new markets**_ or will it do so in the near future (regional, international, customer segment, etc.)?
	What are the _**opportunities**_ the company sees and what are the _**barriers**_ to pursue these strategies?
	What would you like to change, but remains hard and _**impossible**_ at the moment? Why is that?
Finance	Did you use a _**loan or other means**_ for starting your company? How did you obtain them?
	Did your _**family or friends**_ help you with a _**loan**_?
	How would you obtain new _**financial means now**_? Is this hard? Why?
	Do you use _**book-keeping**_? Why (not)?
	Do you _**document your inventory**_, sales, etc.? Why (not)?
	Does your company have _**savings**_? Why (not)?
Infrastructure	Is the _**electricity network**_ reliable? How do you cope with this?
	Is the _**water network reliable**_? How do you cope with this?
	What is the effect of the _**quality of roads**_ (and harbours etc.) on your business practices?

Do you use **_ICT in your company_**? Is this **_reliable_**? What are the **_effects_** of ICT on your business practices?

Societal influences

Ties	**Do you have** _relations with organisations_ **that help you with your business, other than the suppliers, distributors and maybe competitors?**

Do these **_organisations function well_**? Could you explain how your relations with them work? What could be improved?

Does your sector **_miss an organisation_** that could provide you with information, contacts with other actors, funds, infrastructure, etc.?

Social ties	How important is **_your linkage to your community_** for the success of the company? Why?

What are the effects of the **_community on the company_**?

What are the effects of the **_company's success on the community_**?

Would you be open to **_providing for family members or friends_** by means of financial aid, a job or others?

Do you think certain **_groups of people_**, e.g. ethnical backgrounds, man/women, young or old, educated or not, have more chances of becoming a **_successful entrepreneur_**? Why would you say so?

If you need something from someone **_in your social network_**, how would you approach such a person (or company)?

Sometimes you might need the help of someone you don't know or who is **_not in your network of friends and family_**. How would you approach this person? Calling, email, visiting, through people you know?

Tribes	Do you have employees coming from a different **_tribal background_**? What are the **_effects_** and how is this **_visible_** in your company?

Which **_language_** is spoken? Are they allowed to speak their **_tribal language_**?

Do you ask during **_job interviews_** which **_tribes_** the interviewee comes from?

Would you say some **_problems are caused_** by employees coming from different **_ethnical backgrounds or tribes_**? If yes, how would you solve this? If no, how come?

Governmental influences

National and local government	**Could you give some examples how the** _Tanzanian government_ **is influencing the business practises? Does this have a positive effect or a negative effect?**

Has this **_changed_** during the period you are active as an entrepreneur?

Does the **_local government_** also influences the business practices? What are the effects?

Has this *changed* during the period you are active as an entrepreneur?

Rules and regulations	What kind of direct ***contacts and interactions*** does your company have with ***governments and other organisations***?

Do these organisations impose ***rules and guidelines*** for you company? Are these rules and guidelines ***aimed at certain aspects*** (products, safety, employees, etc.)?

How are these rules and guidelines ***checked and enforced***?

Does your company require ***permits***? How did you ***obtain*** these? How ***long*** does this take? How long are they ***valid*** and how ***expensive*** are these?

Why do you think these permits and regulations are imposed ***necessary*** according to these organisations? Are they working well and reaching their purpose?

Does your company have to deal with ***import*** and ***export*** procedures? How does this ***work***? Are these procedures ***difficult*** and ***expensive***?

Are there organizations that controls the ***quality and safety of your products***? How often do they come?

Who will benefit from these rules and regulations? Does the ***market benefit*** from these regulations?

Accountability	What happens if you ***don't follow*** the rules and guidelines?

What happens if you ***need permits*** for production or you products, but ***don't obtain*** them?

What happens if you ***fail the safety standards and requirements***?

Do you think it is ***easy*** for a company to ***escape from permits and other regulations***?

Do ***you*** feel these ***rules and permits*** are ***important***? Could you explain?

Ties	What would you do if you ***need information or permits*** from these organisations? How would you try to ***obtain*** these?

Do think it is beneficial to have ***contacts in the government*** and other ***organisations*** to obtain information, necessary documents and permits?

Are these people ***willing to help*** you within these organisations (family, friends, etc.)? Under what circumstances and why?

If they are willing to help, ***how does the process work***?

Is it important to ***know well-connected people*** in order to get the work documents (information, permits, etc.) that the company needs? Why?

Do you think either ***you or your competition*** has better changes of succeeding? Why?

Finance	Do you receive ***subsidies***?

Do you pay ***taxes***?

Appendix B: Observations

During my stay, I hear many stories about the new President. I speak to various people who say that he is really enforcing the law more and kicking everything out that is illegal. They also say the new President is pushing everybody to start working and to pay their taxes. The Tanzanian government has a lot of outstanding debt and he wants to pay this by collecting taxes, instead of accepting foreign aid.

One of the stories I heard was that President Magufuli stepped into the office of the Ministry of Finance on Monday morning. He wanted them to enforce their regulations more and wanted to make sure the civil servants were putting enough effort in it. Perhaps surprisingly (or not), almost all the workers were away. After asking the few that were there, they told the President that they were on a 'coffee break', even though they just started in the morning. Yet, they were unable to tell the President where they were drinking their coffee, of course because they were probably at home. He wrote down all the names of the absent workers and fired them all without hesitation. Now there are working new workers and they are more productive now.

https://www.voanews.com/a/tanzania-new-president-battles-waste-corruption/3099311.html

Another story is the corruption scandal of the gold miner Acacia. They have been mining gold ore and other minerals for decades now and exporting it to other countries like Japan to be processed. One day the President blocked a shipment under the suspicion of tax fraud. As it turned out, the gold concentration was around 10 times higher than reported and other high valued metals were not even reported, costing the Tanzanians billions in untaxed. Consequently an independent committee investigated the case as well and found the same results. Not only will the Tanzanian government under President Magufuli demand the years of tax evasion to be paid back, it also fired the the minister of Mining and the chief of state-run mineral audit agency.

http://www.telegraph.co.uk/business/2017/06/12/tanzania-accuses-acacia-cheating-taxes-fresh-blow-gold-miner/

https://uk.reuters.com/article/us-tanzania-mining/tanzanian-president-fires-mining-minister-and-chief-of-state-run-agency-idUSKBN18K19F

I talked to a young woman who told me that her father had quite a lot of money. Therefore he has built a big house in a small village with solar panels for his mother and father and some other relatives that were living there. Talking about sharing your wealth with your family.

Dar es Salaam is split by a bay, which can crossed by a ferry. There are two ferries going every 15 minutes and each carrying a few hundred people. Hence, it is big business to own these ferries. While I was taking this ferry, I spoke to a man that told me the local government wanted to place a bridge so the throughput of people would be better. However, the ferry company managed to block the construction of the bridge, reportedly by paying bribes to the local policy makers. This was even reported in the news that was followed by public debate and criticism. Yet, this did not have an effect, as the bridge has never been build.

In the last two weeks of my trip I went in a Safari starting in Arusha. In my group there was a Swiss girl Andrea that did an internship at a local hospital in Karatu. We talk about what it's like to work with and among Tanzanians at a rural hospital. One of the main issues is the lack of materials. Some things like scalpels are cleaned and reused, while in Europe they would be thrown away after surgery. She also mentions that the Tanzanian interns and post-graduates are practically as knowledgeable as her and there is not a big gap, or one at all, between level taught at the universities in Switzerland and the universities in Tanzania. She does however says that the older doctors are less knowledgeable. I ask her if this gave some issues, as status by age is a big thing in Tanzania. It is and she gave me this one example where it almost cost a woman's life. She was brought in with a high fever and other symptoms. After some tests Andrea and the other younger doctors diagnosed it, while the older doctors were still figuring out what it was. It took one day before the younger doctors told the older doctors and another day before the older doctors agreed and started treatment. Eventually the woman was all right, but due the decision deteriorated due to this lack of communications.

Andrea also told me that the enforcement of the new President is felt at the hospitals as well. Many nurses had fake certificates or no certificates at all. Yet, due to the many years of experience, they were fully capable nurses that knew what every educated nurse knows. They were fired nonetheless, without giving them the chance to go to school and get the certificates. Andrea thinks it would be better if there was some sort of a transition possible.

Our safari guide is happy with the new President and many 'regular' Tanzanians will agree with him. Most people are sick of the corruption, especially the ones who are doing everything by the book, like himself. Funny fact: he was really surprised that women were free in Europe. He had to pay 4 cows for his wife to her father and mother. It is custom in Tanzania (and Africa in general I think) to pay for the bride in various goods. It feels weird to me, as it strikes me that their father and mother sort of poses their daughters. This used to be the case in the past. Now, it is shifted from an obligation more towards a tradition: everybody does it, but the women are free to choose who to marry and the family of the man is more free to choose what they are giving.

During my stay at the hotel in Himo, me and another guest wish to have breakfast early in the morning. Each morning the tables and chairs are spread out over the terrace, which are stored behind locked door during the night. The owner of the hotel was late that day and it turned out that he was the only one with a key. Probably due to a large power distance between him and his employees, also because they seem somewhat obedient. Trust issues could play a role her as well.

Almost all people in Himo greated me, while only a few have done this in Dar es Salaam and none in Arusha. It also seemed that the people in Himo almost never have seen a white man, especially the kids. Some people also 'shouted' Muzungu to me. Difference between the city and the rural areas? Tribalism does not play a role anymore, due to President Nyerere. While the Kenyan first President installed many of his own people in important positions to maintain power, The first President of Tanzania Nyerere positioned the leaders of many different tribes in his government. In this manner,

every tribe felt represented in the national government, but it also limited the influence of tribal leaders, as they had to physically relocate to Dar es Salaam. Hence, they were unable to start an opposition among their tribes. Another big factor is that from the beginning, the government pursued everybody to accept and use the universal language Swahili, letting the tribal language running obsolete. This gave a feeling of nationalism over tribalism

Various people say that bribing cops is not possible anymore. They are afraid to lose their jobs if the take a bribe nowadays. This used to be different, where bribing police officer was easier by saying sorry a lot and being very humble and respecting to the police officer.

My roommate was trying to start her own modelling company blackfox models. She is doing quite all right and is growing. She told that she actually uses ''allowance fee'' on her balance sheet to account for the money she needs to pay to gain access to resources of market.
She has this company on the side and works for CFAO motors, which is a car lease company. It is run by Indian men coming from a wealthy family. They hired an retired army general that has many contacts in the government. These particularistic relationships (should) help with obtaining governmental contracts.
Even though they are wealthy, they are reluctant to spend money on marketing. For instance, they wanted to invite various CEOs to attend a car show/presentation. My roommate recommended to hire some to deliver the invites in person, as this is the best way to make sure CEO feel important and to come to the show. However, they ordered her to simply send invitations through the email. Out of the 400 emails she had send, only 2 replied. Eventually they cancelled the event. This shows a large power distance, but also a reluctance to invest.

If you don't develop the property within 2 years after purchasing, the government will take it back from you.

Roads are poorly maintained, which becomes especially a problem during the rainy season. I experienced it myself. Yet nobody takes responsibility for fixing it. It seems that these public spaces are no-ones' land and everybody is looking to each other to fix it. Funny fact: when the President drove over one of these roads, he was super annoyed. Within one day, only that specific road was fixed.

During my stay, a famous rapper that is critical towards the government was kidnapped. After a while he was released, without the critical tones anymore and did not want to talk about what happened. Seems to me this is hindering freedom of speech.

I talk to one man that says Tanzanians do not understand customer service. I experience it as well. There is no communication or politeness. People really look like they do not like to work at these places.

One man from the Kariakoo market is happy with the new President. He was already paying his taxes and things it has become more fair for him. The only downside of the big enforcement is that he is checked more as well, costing him some of his time. He explains to me that many of the market salesmen know each other and when TRA agents are coming, they called each other and close down their shops.

The Maasai are known in Tanzania for sticking to their traditions. They are one of the few that still spak in their tribal language and they still dress in their traditional clothing on a daily basis. There are even many people in Dar es Salaam wearing their Maasai clothes, even though is at least a 10 hours drive away.

During my stay, there was a frontal collision of a school bus full or children with a lorry truck on the highway between Moshi and Arusha. Around 30 children lost their lives. There is an increase of debate on legislation and enforcement of rules to prevent these tragic accidents, but they remain common in Tanzania.

After I was already back in the Netherlands, I read on the internet that Magufuli has ordered to stop a diamond transport to Belgium. Similar to the gold case, these diamonds were undervalued at $14.7 million dollars, while the actual value turns out to be $29.5 million.
http://www.africanews.com/2017/09/10/tanzania-confiscates-diamonds-from-british-mining-company//

As a white man, Tanzanians say I am a Muzungu. They genuinely see me as a rich white man and want money for really everything. What happened a lot is that they would help you, even when you don't ask them to. After they have helped you, they would just name a certain amount of money they want you to pay them. When I took a tour bus to Arusha, one of man was arranging the tickets and luggage for the people. Also mine, which I thought was really nice, as I had 2 bags. However I was the only one he asked money from. Quite opportunistic behaviour.

In Tanzania, negotiating is the way of doing business. I have also experienced it, for instance when buying souvenirs. What I found strange though are the absurd amount of money they initially ask. It seems to me that they do not understand how much $100,- is for me or white people in general.

Taking a taxi or a bajaj also requires you to negotiate. However Uber works really well in Dar es Salaam. Many taxi drivers are not happy with this, as they are making money due to it. What seems odd to me, is that more than half of the uber drivers (and taxi drivers as well) don't want to use a map. Apparently, it is common to guide the taxi driver towards you by phone and help him navigate when you are with him or her in the car. To me, this seems really weird, I would say this is the responsibility of the taxi driver. Also navigating on the map of Uber works really well, but these drivers are reluctant to use the map. As it turns out, some can't even read maps! Yet, others do know how to read, but are too lazy to figure it out themselves and are expecting you to do it for them. Quite an issue for me, as I was not used to the city.

It used to be easier to bribe civil servants like police officers. You had to be ''humble'' and say you are sorry many time, complemented by a sum of money. Nowadays, rules are enforced more and it has become difficult to bribe them. People say the police officers are afraid of the new government.

My roommate is in legal dispute with a former company. They fired her on the spot, which was unlawful by the Tanzanian labour law according to my roommate. The company hired an external legal firm to deal with it and the process has been going on due to various cancelations of the court days. My roommate thinks this law firm is bribing the judge to extend the process, so they can charge more. Mt roommate is okay with this, as she is pretty certain that she will win. Besides that, her uncles used to be a high ranking judge that has many contacts and also reviewed her case. He says that she will win, without or with his help.

Appendix C: Case studies

Case 1: Obri Trading Co.

Interviewee	Brigitha Faustine
Company	OBRI Trading Co. Ltd
Function	Founder and managing director
Location company	Bunji B, Dar es Salaam &
	Kibaigwa, Dodoma
Contacts	+255743707063
	brigitha@obritanzania.com
Date of the interview	24 April, 2017
Location of the interview	Protea Hotel Oysterbay, Dar es Salaam
Got in contact through	Professor Abraham Temu/SIDO

Background

Obri Trading Co. Ltd is founded and managed by Brigitha Faustine. Her ethnic origin is Chaga, a tribe originating from the Kilimanjaro area in Northern Tanzania that is known for their entrepreneurial spirit. The company produces sunflower cooking oil, as well as avocado oil and coconut oil for cosmetic purposes.

Brigitha has a background in corporate & community development and worked at WWF as a consultant. Yet, she saw the market opportunity of producing sunflower cooking oil and started the company, even without prior knowledge in food-processing. She funded the company only by using her own savings and a 40% investment of her husband.

Company level

The company counts five employees, in addition to Brigitha and husband, who is only occasionally present when Brigitha is not. All of them are men between the age of 20 and 25. Three are located in Dodoma, from where they collect, store and transport the sunflower seeds to Dar es Salaam. After delivery, the moist in the seeds are measured; if this is too high, the seeds are dried in the sun. Next, the other two employees that work in Dar es Salaam load the seeds in the pressure machine. After applying pressure, the crude oil is pressed out and pumped through a filter to separate the oil from the pulp. These machines are imported from India and are expensive and of high quality. Consequently, the oil is bottled in 1L, 3L, 5L and 10L containers and labelled.

Brigitha shows an egalitarian management style towards her employees. The employees in Dodoma work relatively independent, partly because the work is ''not difficult.'' Brigitha visits her employees in Dodoma once every month and keeps in contact with them through the phone. Hence these employees show and independent and professional attitude towards performance from their side, which is caused by the nature of the work and the distance, but also due to Brigitha's attitude.

The two employees working in Dar es Salaam enjoy more supervision compared to their colleagues in Dodoma. Brigitha is usually present and when this is not possible, her husband will be there instead. According to her, this is necessary in order to maintain high quality products and, hence, the customers, but also to make sure her young employees are not ''waiting around and doing nothing.'' Motivations seems to be more extrinsic and controlled somewhat hierarchically, implying a lack of professional attitude. Yet, this control remains important as any wrongful production due to misbehaviour can deteriorate the quality up to a point that could be harmful to the end-users, simply because they are producing food. In addition, the company works with high-pressure machines and the operator is exposed to risks when working with the machine, so she wants to be present when they are working with these to check in them.

Yet, this coercive management styles seems to be successfully mixed with a more normative management style. Teamwork is strongly emphasised by Brigitha, as she says she does not solely act as the manager and often assists her employees when the workload (temporarily) increases during production or delivery. Employees have the freedom to make their own decisions and show initiative when they consider this would lay within their capabilities, as Brigitha has ''made clear from the beginning that when the company grows, their lives will grow as well.'' In addition, she engages here employees to think about improvements of their product, by discussing what they have seen from the competition. Some of their ideas have been tried and implemented.

Job descriptions are well defined and Brigitha develops weekly targets. These are written down, but can change over time based in customer demand. However, appraisal isn't based on individual performance. Yet, the employees collectively receive a raise in salary when quarterly targets are met, only showing the teamwork attitude even more. This management style led to motivated employees according to Brigitha and she is ''really happy'' with her team.

All her employees come from different tribes and only speak Swahili. Tribal languages are not spoken and she has never encountered issues based on tribal differences. However, she recognizes this is probably due to the amount of employees and more conflicts will occur when the company grows and more employees need to work together at the company.

None of her employees is a family member, as she avoids this. As there are various rules at the company such as clothing, being on time and working safely, she thinks it would be harder disagree or to hold them accountable when they would not follow these rules or make a mistake. ''No, I avoid that. You can get a disagreement or they make a mistake. It will be more difficult to hold him or her accountable, because you have this thing in common.'' She is reluctant to have ''personal affairs'' in the business and is excluding favouritism towards her family members in this way. In addition, she does not provide for her family members through her company, as her three sisters have a job. However she did hear '' from other companies, they have to support their families or siblings through the company.''

Brigitha initially approached her employees in a particularistic way through her social network. As she explains: ''in my experience when you hire someone through advertisement, it will take you another 6 months to get to know and to understand this person and to know if this is really what I'm looking for.

This is a start-up and a small company, so wasting 6 months is a loss.'' Hence, she asked friends and family whether they would know people that would be interested in working at her company and got in contact with her current employees through them. Yet, she had already had somewhat universal pre-determined criteria in mind, such as age, gender, personality, education and work-experience. It thus appears she gets into contact with new applicants in a particularistic way, but evaluates them using a pre-determined framework of criteria. One of the most important traits that new applicants need to show, is that they were eager to learn.

After they were hired, Brigitha sent the production employees to a training provided by SIDO, where they learned to produce sunflower cooking oil. This training was relatively expensive (200.000 Tzs for one week), but necessary and worth it. In addition, she temporarily hired an experienced process operator to teach Brigitha and the employees to operate the machines. Occasionally he is still hired to help the company, when there is an issue with the machines.

Employees are paid monthly and in cash. It has never happened that employees did not show up after payday. If they would ever be late, she would give them some leeway. In addition, employees need to be on time, but so far, the employees were never late for work. Each employee knows what he or she needs to do based in the planning made by Brigitha. Bookkeeping is done both digitally and manually. Payment is based on full-time workweeks and paid per month in cash.

Brigitha and the company show a clear sequential time management attitude by planning, bookkeeping and punctuality, but also by performing market research. The company has a clear planning and targets, which are usually met. The company purchases the seeds through a farmers' association, which ensures constant quantities, prices and quality for a period of 3 years, which will be elaborated below. But this makes planning significantly easier, more predictable and accurate, as quantities, prices and quality remain constant over time.

Prior to starting the company, Brigitha performed 3 years of research to investigate where the raw materials should come from, which business model would be suitable, the competition and the market. Currently she is looking into diversifying her product portfolio by adding palm oil and margarine. Palm oil is imported by Tanzania and is hence expensive. Yet, Tanzania grows a lot of palm seeds, so there is a market potential that Brigitha would like to take advantage of. In addition, the machines only need new filters, but the production process is similar. The main obstacle for this is that the Farmers association doesn't have contacts with palm seed farmers, so a different business model would be required. Making planning, costs and revenue calculations will be difficult according to her, but she says it is worth the risk. At the end of the interview, she mentions that a lack of information about the regional markets, such as populations, preferences, locations of the shops, etc., is hampering her business to develop. If this would be present, it would make market research, developing a business proposal and planning a lot easier.

She also has very well-defined long-term goals, i.e. ''I see my company has not only grown in terms of market size, but we also have a bigger warehouse, as second machine, probably a refinery machine, at least 2 more trucks for delivery and we will have our own farms where we grow our own sunflowers.''

Currently she trying to obtain investments to accomplish these goals in return of shares, as it is hard to obtain a loan from the bank and the interest rate is high.

Civil society level

The sunflower seeds originate from farmers near the Dodoma area, but the transactions of the seeds run through the so-called Farmers Association. Only 217 farmers are registered to this non-profit organisation, but this number is growing. This association ensures a market for both suppliers and customers based on 3-years contracts, where for the duration of 3 years farmers will always be able to sell the agreed amount of stock at a fixed prices to their buyers, which is in this case Obri Trading. In addition, it ensures the required quality standards for Obri, as this is included in the contract as well. After 3 years the contracts are renegotiated and renewed. The wholesaler is not present in the supply chain, which consequently increases the profit margins for both the farmers and Obri. But perhaps more importantly, such organisations enables anonymous trust to grow between both parties and pushes back the vertical networks, as it assures prices, amounts and quality on both sides. When for instance farmers are unable to deliver the agreed upon quantity due to droughts, the association is responsible for acquiring enough products from other farmers to meet the agreement. As a result, this would not deteriorate the relationship between the farmers and Obri.

Three employees are situated in Dodoma, who are collecting the seeds from the farmers, transport it to the Farmers Association's warehouse and do the transportation to Dar es Salaam. Brigitha decided to integrate this part of the supply chain into the company, as external delivery services tend not to be reliable and trustworthy, either within or outside her own social network. In this way she increased the control over the value chain.

Plastic containers are produced by a company in Dar es Salaam and the company is quick and reliable. Brigitha wanted to stand out compared to the competition by designing her own container. However the producer is lacking the technology to make different moulds and the company is thus limited to using the standard containers. Brigitha thinks she is losing business because of it. Kenyan producers would have the technology, but importing the containers from abroad would be too expensive. The labels are designed and made also in Dar es Salaam.

Brigitha uses a wide range of consecutive buyers, including around 90 supermarkets, wholesalers, small shops, markets and restaurants. They are mostly located in Dar es Salaam and delivery could done by the company itself for a small fee. The wholesaler also distributes the oil to Kilimanjaro, Arusha, Tanga, Mbeya, Iringa, Dodoma, Morogoro, Mwanza and Tabora. In the future, she wishes to expand to international markets as well, showing an opportunistic and voluntaristic attitude towards market expansion. New distributors/customers are approached by physically visiting the companies and shops. It is important for them to see the product, but also to negotiate the price compared to other products and to see the required licenses and certificates. The sharing of information between these entities remains limited however, as she does not receive a lot of feedback from these buyers. She did however hear from a few local supermarket owners that palmoil is expensive and this could be a business opportunity.

Personalised, community and ethnical ties and networks play an important role in obtaining trust from the customers in the product. Personalised relations, such as colleagues, friend and family help selling the products, as ''people tend to buy the brand more quickly and easily, when they know the people behind the brand.'' In addition, her Chaga background also helps to sell her product to fellow Chaga individuals and organisations, as people would say ''this product is from this person from this tribe, so please help and support her or him.'' Lastly the Chaga tribe generally is known in Tanzania for their entrepreneurial spirit and high-quality products, which makes it easier to sell her the cooking oil to individuals and organisations with a different tribal background. Hence the vertical networks to create trust in the product remains visible in selling products in Tanzania. In addition, it shows that the status of some products tend to be ascribed to the producer's tribal background to some extent, rather than through achievement of the quality of the cooking oil.

At the moment there is no collaboration between competitors, as each company is fighting for a larger market share. Additionally the refined sunflower oil market is controlled by a few big companies, as this requires expensive machineries and small companies are restricted by their limiting financial means. She did however obtain information from companies when doing research.

The electricity network is unreliable, which caused a loss of production sometimes. At this stage a generator is too expensive, so at the moment she just takes her loss. Roads are an issue as well, especially when she needs to get the palm seeds from the other side of the country in the future. Lastly as mentioned earlier, Brigitha is lacking information for planning and market research in various regions.

State level

Obri is involved with many different governmental organisations, i.e. TFDA, TBS, SIDO, TRA, BRELA and municipality. TFDA, TBS and SIDO offer quality control, TRA controls the taxes, BRELA the registration of businesses and the municipality handles the business licenses.

According to Brigitha the TFDA, TBS and SIDO check mainly the same things and have double standards. ''In essence they evaluate the same thing, as they just come to your production facility to obtain a sample and to measure the samples in their laboratories.'' Obtaining TFDA takes 48 days and acquiring TBS certification can take up more than 3 months. She considers each of these organisations to be bureaucratic and calls it ''excessive bureaucratic.'' According to the literature these bureaucratic systems are susceptible to clientelism and corruption, as it allows individuals to ask for allowance fees to gain access to resources or to speed up the process. However, she argues that the ''new regimes made the rules very strict and the previous regimes it was easier. Knowing people is not beneficial anymore.'' This is limiting particularistic relations and it shows a shift to more universal law and enforcement.

However, the procedures for obtaining the certificates takes a long time and this could discourage entrepreneurs for starting their business. It took Brigitha 1 year to obtain all the license and certificates and explains: ''From my side, it took me a year to get all the permits, including TFDA, TBS, TRA, bank accounts and a business license. Imagine I would already have bought the machines, set up the

contracts with the farmers and I already had put down the money for 1 year, I would miss revenue due to not being able to obtain the permits; that is very discouraging.'' Now, each year the TFDA, TBS and business licenses need to be renewed, which is not only time-consuming, but also expensive. Yet, she started her business through SIDO, who subsidise the TBS for the first three years.

Complementary to rules and regulations, there are some enforcement mechanisms in place. The TFDA and TBS will check whether a company has the required permits and have the authority of penalizing up to 20 million Tzs and an entrepreneur could even go to jail. In addition, the organisations have agents who will check the supermarkets, whether they sell products with TFDA and TBS approval. These organisations have the authority of penalizing or even closing the supermarkets. This threat of being penalized or being closed incentives the owners of these buying organisations to check the products for TFDA and TBS permits, when making the deal with the producers, which is in this case Obri.

Interviewee	Rick Groothuizen
Company	ClickPesa
Function	Co-founder and Director
Location company	Haille Selassie road, Dar es Salaam
Contacts	+31652373832
Date of the interview	25 April, 2017
Location of the interview	Twiga street, Dar es Salaam
Got in contact through	Roommate

Background

Rick Groothuizen is a Dutch man residing in Dar es Salaam and is developing the application ClickPesa that will make retail payments digital and easier. They are not in business yet, but will be in August 2017. So the application is almost ready for launch and they currently have 2 employees. Besides this project he works as a free-lance front office web designer and sells financial software to banks and micro-finance institutions.

Company level

ClickPesa is a payment platform where merchants from small to big can easily receive money from their customers. It consists of 3 main parts, which is the merchant application, the customer application and the payment gateway. These will be linked to digital wallets connected to one's mobile telephone number, which are provided by mobile network operators (MNOs). Using ClickPesa, clients can transfer money from their digital wallets and the customer application, through the payment gateway towards the merchants' applications and digital wallets by using their mobile phones.

The company was founded by Rick and 2 Tanzanian brothers, who had set up a money exchange shop 2,5 years ago. They first became friends and after a while, one explained that due to a lack of digital payment infrastructures, small shop owners were forced to solely use cash. This comes with some disadvantages, such as security, accounting and maintenance costs. MNOs provide similar services as well, but these are too complex and require bankcards and transaction devices; items most customers and merchants do not poses. What they do posses often is a mobile phone that could support a payment application. So they decided to start this project by investing their own money, but they are currently looking for investors.

The application will launch in August 2017. From this point, Rick expects that the company will quickly grow to around 15 employees including them, i.e. 8 to 9 sales persons, 1 front-end developer and 4 back-end developer. The company is currently seeking and speaking with investors and already has done some job interviews. Yet, at the moment of the interview the company only has 2 employees.

There is no hierarchical structure yet, but there will be when the company grows, including management positions. The 2 employees have their own job descriptions and do not cooperate with each other, as their tasks do not require them to do so. Both are ambitious and inquisitive, which Rick considers really important. They are allowed to make their own decisions and mistakes and to learn

from these, as this is the best way to learn according to Rick and to innovate. ''We make mistakes as well, but we learn from it. It would be weird if we would say they are not allowed to make mistakes and on top of that, this will also hinder them in trying new things.'' Hence, he gives them some leeway in trying new things and to innovate, which sometimes include making mistakes. In addition, he also ensure that his employees will not get into the position of making decisions they shouldn't make.

However Rick acknowledges that Tanzanians have difficulties with making decisions and showing initiative. This required some guidance, especially at the beginning, where he often had to show what the possibilities are and his own practical experiences. He gave them leeway quite quickly after they started working, but it took more time for them to use this leeway to try new things and to discuss their views on certain issues. Future employees will have to show they will be able to cope with such a management style.

Previously one employee worked for 6 months at the company, but Rick and his partners didn't offer him a permanent contract. The main reason for this was that he always said yes to tasks he couldn't do. This made it hard to set goals and to get a basic view on what tasks were realistic for him to fulfil. Both English and Swahili are spoken and employees need to speak both languages. Especially the sales team will need to be able to speak Swahili and English, as most merchants only speak language and Rick only speak English. But all employees will come from the Universities, where courses are taught in English. He also thinks it is hard to find people who show initiative in Tanzania and who would like to develop their skill-sets.

The company gets in contact with new job applicants through the social networks of the three partners, as well as ads through social media, e.g. Facebook, Instagram and LinkedIn. One of the most important aspects an applicants should show is that he or she is inquisitive. Besides that job criteria have been set up, such as education from a University, experience and ambitions, while gender, age and tribal background do not play a role. Rick also mentions that during the interview, a competent employee who lacks the specific skill-set will also be evaluated for other positions within the company.

When the company grows and management positions will need to be filled in, age might become a problem. Rick explains that older people have a higher status than younger people in Tanzania, which could lead to conflicts when a younger person is managing an older person. However he will not evade these situations, but rather discuss this with the employees. Whether this will be adequate remains to be seen. He also thinks the employees look up to him, but even more to his Tanzanian partners, because they have the same background.

Time management is sequential at the company. They have set up and written a clear business plan, although these are continuously slightly changing. Employees are paid monthly and in cash. It also never occurred that employees didn't show up after pay-day, but Rick has heard these stories all too often in his surroundings. He explains that one of the reason for this, is that he has reliable employees graduated from the university; ''those problems usually occur with lower educated employees.''

The company uses a strict and digital bookkeeping. Rick thinks this is very important for start-ups, also because they want to be transparent towards the various stakeholders involved.

The main obstacles for the company at the moment are security, financial means, trust in the product, lack of knowledgeable labour and maintaining relationships with the required stakeholders. Most of the back-end part of the application is developed in India, as the skill-set is generally lacking in Tanzania. However the front-end development is done by the employees and Rick.

The company doesn't have a lot of rules, but this will increase when the company will hire more employees. Yet, Rick stresses it is important for the company to stay somewhat informal.

Civil society level

The company has spoken to many merchants and small shop owners, which were enthusiastic about ClickPesa and the ease of using it, especially that they don't have to use cash anymore. However some shop owner might be reluctant to use this system, as they are not experienced with similar digital payment systems, but also lack the knowledge to understand such a system. This might scare some potential users away and might be resistant to change. ''It will surely be a product that is not easy to sell, as it requires a lot of explanation and education.''

However Rick explains that this is a feature that can be used on top of cash, and not instead of cash. Also the application will be free to use (the company will ask a 1% to 4% transfer fee per transaction), so the entrance barrier in terms of money will be low. Users only need a mobile phone, which most Tanzanians own.

Promotion of the product will mainly be done through word-to-mouth. Rick thinks that this will be more effective than marketing tools often used in the West, as selling products in Tanzania is mainly based on trust. Hence, they ''actively encourage people to tell others about [the] product.'' The company has no customer feedback system yet, but this will be implemented through the applications, questionnaires and conversations.

The company has various competitors. Some payment systems are similar and they can easily copy the application. However the company focusses solely on the merchant markets, which gives them a competitive advantage. Rick also stresses the importance of having the right people and the right ethics. In additions MNOs also provide similar infrastructures, albeit more complicated. These MNOs will at the same also be partners, as ClickPesa will have to integrated into the current financial infrastructure, for instance by connecting ClickPesa to the digital wallets of the MNOs. In the end the benefits of working with ClickPesa outweighs the drawbacks of letting ClickPesa provide such a payment system instead of themselves.

The partners are already thinking about potential additional services and are currently building the platform in such a way that these can be added relatively easy. These could include loans, value-added services and even block-chain technology. They are also monitoring the Kenyan and Rwandese markets,

as these countries have similar problems that ClickPesa could address. Financial means are expected to be the main struggles for this, as well as the difference in legislation.

Power outages are common and it often happens they are out of power for 5 hours. Rick would like to buy a generator in the future, but is unable to do so due to a lack of money.

The state level

The company is mainly influenced by the government through legislation and licenses, with in particular the Tanzanian central bank. This side of the business is mostly done by his Tanzanian partners, as they know how it works in Tanzania. Yet, he thinks the processes of obtaining these licenses takes up a lot of time, especially compared to the Netherlands. But it is ''normal here. I think it takes a long time, but you'll get used to it after a while.'' The company also outsources some parts of the development of the app to companies abroad, which means they have to deal with import duties and legislation as well.

Rick and his partners have been approached by government officials to ask for an allowance fee, but have always declined the offer as it is ''just a no-go.'' When this happens they will tell you implicitly by saying it could either take 6 weeks or 1 week and by then, ''you know what is going on.'' So these things usually happen to speed up the process and these things happen in many organisations in Tanzania. However, Rick mentions that is also happens when for instance the paperwork is not in order, which give them the opportunity to take advantage of the lack of knowledge you have about the system and the procedure. ''But when you have your paperwork in order, they will not have a reason to delay the procedure.'' Also knowing the right people in these organisations can help the company to get the correct information and the necessary stakeholders, although Rick emphasises this would be the case everywhere.

One of the main issues start-ups or any company in Tanzania has to deal with, is a lack of money and the difficulty of obtaining loans or investments. Micro-loans from NGOs have partly solved this issue for micro-companies and larger entities can obtain loans from banks. However, for SMEs this remains very difficult and one must rely strongly on their personal network. Rick recognises a small growth of organisations willing to invest in SMEs in Tanzania, but it remains difficult to reach out to these organisations. Generally, as a result, many companies are unable to grow. On top of that, the new regime has deterred various investors from investing in Tanzanian business, which has been hampering the Tanzanian economy. This is caused by the government's enforcement efforts of the taxation system. This led to the economic stagnation on the short-term, but will probably be beneficial on the long run. ''The questions remains whether they can set up the structure to reach that potential.''
Rick sees a clear difference between investors in Tanzania and investors from abroad, as they perceive risks in Tanzania differently. ''Domestic investors are mainly entrepreneurs who earn their money here, so they are used to the way of doing business here.'' They tend to see less risk, as they already know the Tanzanian markets and will be more interested in investing in start-ups. ''Investors from abroad

are either entrepreneurs/companies and organisations that want to invest in Tanzania and in Africa in general'' and would rather invest in established companies. It is important to adjust the pitch and business plan accordingly.

Most entrepreneurs lack the necessary skillset according to Rick. Often they are unemployed and it becomes a necessity to start a company, just to earn a bit of money. However, these people lack the skills to let the company grow, adding to the restraint of a lack of money. Rick thinks the government should do more, for instance by supporting initiatives and creating infrastructures.

Case 4: Mombo Investments

Interviewee	Dickson Mohammed
Company	Mombo Investments
Role	Owner and founder
Contacts	+255 686 386 881
Date of the interview	28, April, 2017
Location of the interview	Nzasa'B'-Kilamba, Mbagala, Dar es Salaam
Got in contact through	Professor Abraham Temu/SIDO

Background

Dickson Mohammed is the founder and owner of Mombo Investments, where he and his employees produce wine made from bananas. I went to meet him and his son Goodness, who kindly offered to translate, at the company in the outskirts of Dar es Salaam near Mbagala and found out they also live there. The main road through Mbagala is paved where I met Goodness, but we had to take some sandy side roads to get to the company. When we entered I saw 4 ladies cleaning used glass bottle, some of which had the label of the company and others Heineken labels. Goodness introduced me to them as well as the other employees. He also showed me the fermenter, which looked like a big cooking pan situated in stone structure, which was heated by firewood. In another room were various barrels containing the wine that was currently fermenting. In addition, there were a few pumps powered by electricity. We then walked to their office and waited for Mr. Dickson to arrive.

During the interview, Mr. Mohammed asks me where he should look to find a new machine that can cap the bottles quicker. I tell him that SIDO might be a good option, but they cannot help him with this. Apparently it is very difficult to obtain such information.

After the interview Mr. Mohammed showed me around as well. I had the chance to look how the employees work together and to see some of the documentation. Mr. Mohammed proudly presented various certificates, such as TFDA, business licenses and a few others. Also I was allowed to see some of the administration, but only the bookkeeping was present at the company. It looked a bit unstructured, but contained but it contained topics per batch such as the amounts of raw material, produced amount of banana wine, costs, revenues and the customers. What struck me was the difference of the behaviour of the workers. When Goodness showed me around they were talking and laughing with each other, while they were relatively quiet when Mr. Mohammed was around. Nonetheless they explained what they were doing in Swahili and Goodness still helped with the translation.

Transcript

Could you tell me what you produce here?
We produce banana wine, which is solely meant for drinking.

And how much do you produce now?

The production is slow now. We only produce 250 crates per month, with each containing 24 bottles of 330 mL.

Do you have a goal, a vision or a mission for the company?
We would like to be a huge and a developed company.

What kind of facilities do you have?
Just this one.

When did you start the company and how did you come up with the idea of setting up this company?
July, 2015. We started with banana cider and switched later to banana wine. Before I started, I was selling this banana wine called Raha at another company. Then I thought to myself: if I sell this product, why don't I start a company myself making as similar product? So I started this company on my own.

Where there key moments in the history of the company that influenced your business?
At the moment, the income of the people is very low. That is why our product is now selling not very good.

How do you produce your wine?
When the bananas come, we peal them. Then we boil them, so it becomes like a juice. After that we put in some green leafs. Then we add yeast to it. Then we wait between a week and a month to let it turn into wine. After that we bottle the wine and put them in the crates. So on average, it takes around three weeks in total.

How many employees do you have in total?
10 plus myself. So we have 2 salesmen, 1 manager and 7 production employees.

How do you communicate with each other and do you have meetings?
We usually only speak to each other and we have weekly meetings. These last 2 hour in the morning. It depends on the matters to be discussed who attends these meetings; sometimes just a few employees, sometimes everybody.

What do you usually discuss during these meetings?
First, we discuss the cleanness of the company. Second, explaining that the employees need to arrive early and on time at the company.

Are you then giving only instructions, or will your employees also talk?
The first time they are employed, they get a lot of instructions. But sometimes people forget and they need to be reminded of it during these meetings. So if I think I need to tell them something, I let them come to the meetings and instruct them.

And how would you react when an employee says something or raises a concern or an idea during these meetings? Does this happen a lot? Could you give an example?

When someone has a valuable idea, the employee can tell us. Most of the times, this is during the meetings. And yes, this happens a lot (However when asked for an example of an idea coming from an employee, they weren't able to give it).

How do you reward your employees when they come up with an idea?

The company is very young, so the company is not able to give bonuses yet. The employees know this and they want to help to develop. However, I do give them compliments.

Do you see certain groupings in the company, such as based on age, man/women and tribal background?

No, because this will hinder efficiency.

Do you actually have employees with different tribal backgrounds?

Yes, we do. Zaramo, Ulanga, Tumaini and some are from Kilimanjaro.

Do they cooperate well?

Good, like friends. We are like family here.

So what happens when there is a conflict among your employees?

When a conflict occurs we usually have a meeting and everybody talks. What should we do in order to settle this conflict? We work as a family and we are one. And our goal is one, to achieve our goal. And then we solve the conflicts, no problem.

Can you trust your employees and is there trust among your employees?

Yes, in my opinion we trust each other. And I also trust them.

Did it occur that your trust in an employee was damaged?

Damages occur sometimes. For example a driver was in a high speed accident. So first I ask him if he is okay. He apologised and we moved on, no penalties. I say: the first mistake is not a mistake. The second mistake; that is the real mistake. So the second time I will be tougher and give him a penalty. They have to be careful on the road. Not everybody has common sense, as some are driving with alcohol in the brain. I might not be the one who caused the accident.

Did it occur once that someone stole something?

Here, no.

Are there certain rules and regulations your employees have to follow?

Yes, like being on time. And making sure you work clean; that is very important. Also if you're in a conflict, you better speak out to solve these conflicts.

What are your working hours and does it happen sometimes that your employees are too late?
Sometimes we work until 10 pm and if people show up a little later the next day, it's okay. We start at 7 and if they come at 8, it's okay. And usually we finish at 4 pm or 5 pm. But this will also depend on customer demand. Some people also stay very far from here and there might be construction going on and there might be traffic jams. So it depends on the circumstances. (At a later moment it is mentioned that they start at 6 am, in contrast to the 7 am).

What would happen if it is his or her own fault to be late?
It is okay that this happens once or twice. The third time, he or she need to take responsibility. But this has never occurred. (When asked what these responsibilities entail, there was no clear answer).

Do you provide training for your employees, at the beginning and after a period of time?
When an employee starts here, he or she is being trained. This is done by me. This takes around an hour, but it may depend on the employee. I continue until the employee understands it. When they are working, they don't get any additional training, because they work in production.

Are there certain protocols your employees have to follow? Are they written down?
There are protocols they have to follow for production. This is written down. But not everybody uses the same protocols, as we have different sectors. For instance, the four women you saw only clean the bottles. The sales person is only responsible for the sales. And others are only responsible for producing the wine, three of them.

Can people make their own decisions, or do they always have to ask you?
For decisions they have to consult me. If something goes wrong, they are responsible.

Do you also provide social securities or health insurances?
As for now, the company is still young and we don't do it. But we want to do it in the future.

How do you select your employees? Do you have certain criteria?
As for now, we mainly select people who live nearby and who want to work. This reduces the bus fares the company has to pay and they will be on time.

How do you get in contact with these people? Is this also through current employees or your family?
Usually the people come to me and apply for the job. If I see he or she is valuable, they come and work for me. They know there is a company here and we are the only company in the area. And they know that there are jobs here and they come apply. So it is based on word to mouth. And some employees know this company through friends and family, yes.

How do you determine if someone is valuable?

I will talk to them and then determine.

Do you have family working here? Why (not)?

No, we don't have. My children are all studying at the moment. Also there are no brothers, sisters, uncles and aunts working here. But if the company grows, we will employ them. [Later Goodness tells me he might be employed as the accountant, after he finishes his degree.]

Would you like to know the person already before he comes and work for you, or doesn't that really matter?

I don't employ people of whom I don't know their backgrounds, but only the people who live nearby, so it is easier for me to trust them.

Do your employees need a lot of guidance and help during their work?

The employees need guidance, but not a lot. I give instructions on what they need to do and they know their responsibilities. They can control themselves, but I am watching if they are doing their jobs and I'm always present. If they make any mistakes, I correct them.

Are there people working at the company who are really important to the company?

Some wash the bottles, other produce and other sells. So everybody is important.

Would you say these people work hard by themselves, or do you need to put effort in to make sure they work hard?

Sometimes the work hard by themselves, but sometimes I also need to push them to work hard.

What does an employee need to show to make a promotion?

For now, I haven't started promoting people, so I don't know what they should show yet.

Do you have a planning and who makes them? Is it written down? How do you communicate this with your employees?

I do it myself, from the top of my head. Usually I don't communicate this, they just work. If it is necessary, I will do this during the meeting.

How do you pay your employees?

Per week and in cash. I asked the employees and they said per week.

How do you make sure the products meet the right standards?

After production the product is tested. I use different instruments for this. First I measure the temperature during the boiling. Second, I use a device to measure the amount of alcohol. I am the only

one here who does the testing, because I am the one who started this company. I have trained 1 other person to be able to check it, as when I would not be available. But I'm always at the company.

Where do you see your company within 3 to 5 years? How will you achieve this?
After 3 or 5 years, I can do it and I will move forward from there.

Would you like to produce other products as well, or sell somewhere else?
First we need more employees to increase production. Then we can expand to other markets. After that we will be able to make other products.

What are the main struggles you are dealing with right now?
We struggle with increasing the production, as this has been the same for the last few years. But this has also to do with the market.

Which supplies do you need?
Crates, machines to put caps on the bottle, machines for labels, bananas, labels and fire wood.
The machines are the hardest to obtain and come from the outside of the country. The ones we have now are bought from SIDO, but we don't know exactly where they got it from.
The bananas come from the market in Buruguni here in Dar es Salaam. The crates come from a company that produces them here in Dar es Salaam.

Do the prices of the bananas and crates fluctuate?
The price of the bananas depends on the amount you buy. The prices of the plastic crates are fixed, but they are expensive. We try to buy in bulk to reduce the costs, but that is hard at the moment, because we don't produce a lot. But most of the crates and bottles rotate between us and the customers, so we own the crates and lend it to them. So we bring full crates to the customers and we take empty crates back to reuse them. We don't have a lot of crates in stock. So when a new customer wants a big order of around 100 crates, it could be difficult for us to supply this.

Do you receive big orders sometimes?
No, usually the orders are small and we can handle them.

How many suppliers of bananas do you have? Why?
We have only 1 supplier of bananas, because we are happy with him.

Does it occur the quality of the bananas is not good? Does this lead to discussions?
If the bananas are rotten and I send them back, which happens a few times per year. I have written down in a contract what the quality should be, in which the bananas should be yellow and ripe. If they don't meet these requirements I can send them back without a discussion, because we have already agreed on the quality beforehand.

Who transports the bananas to your company?

I also pay for the transport costs, so it is the responsibility of the wholesaler.

Do you trust the supplier of the bananas?

Yes I trust him, but I always check the quality of the bananas. So I don't trust him blindly.

Who does the distribution of the banana wine?

We have a truck outside and we do all of the distribution ourselves.

How do you communicate with you suppliers and customers?

We almost solely use the telephone and I go to the market for negotiating with the banana supplier.

Who are your customers?

Our customers usually make small orders and consists of small shops and bars. They are located in Dar es Salaam and mainly close to our company, because they know what we produce here. Our furthest customers live around 3 hours' drive away.

How do you obtain your customers?

Our sales person sometimes goes to present our product to new customers and if they are interested, they'll leave their number. Then I will contact them. Also our contacts are on the label, so if someone drinks it and they like it, they know how to contact us.

Do you get feedback from the customers?

Yes, we do and mainly by telephone. Sometimes this is positive and sometimes this is negative. For instance, they call to us when they are waiting for our delivery. Then we tell them that we are trying hard and we are a young company. Usually they understand this. But sometimes we get calls from people to tell us how much they like our product.

Do you have a lot of competition?

Yes, there is. These companies were established before us, so they have an advantage. We check the advantages of these competing products in terms of taste, colour and the amount of the alcohol. But it is hard to obtain a good market share.

Do you innovate to stay competitive?

First if all we try to find out the weaknesses of our competition by tasting it, in order to overcome these. And for that we have to innovate and we are trying to be different from the rest of the competition.

Why did you choose to make banana wine and not a drink that is less competitive?

Because I know this market very well.

How did you finance this company when you started?

We started this company by using a loan. We obtained this from the bank and it was quite easy. It is hard to pay back this loan, but we pay every 21th of the month and we already did that for this month. That is doable.

Do you have a bookkeeping?

Yes, and we have written it down and it includes the sales and money.

Does your process require electricity and water? How reliable is it and is it affecting your business?

It requires electricity and the power network is not very reliable. But we have a generator as back-up. We manly use it for pumping the wine into the barrels and the bottles. The boiling of the bananas is done by using fire wood.

We use water for washing, but the water network is very stable.

What do you do with the waste that you produce?

We throw it away and don't recycle. And we give the banana peel to our cows.

Do you provide for your family members?

No, we don't provide money or school tuition. But we contribute when there is a funeral of wedding for instance. And we would also do that to our community, so not only family, but the people who live around us.

If you provide for the community, do you also get something in return, such as them buying or promoting your product?

That is not our intention. When someone who is a good person and good for the community, we can help him because we have this company. And maybe we can sell more products, but this is not our intention.

Are there religious practices visible?

Yes, some people pray here. We have Christians and Muslims working here and everybody has their own practice. But we are all together and everybody respects each other.

Which language is spoken?

Swahili, but sometimes people joke in their tribal language. And we are okay with this, as long as it does not lead to conflicts. But most people are from Dar and we mostly speak Swahili. We haven't experienced any conflicts so far.

With which organisations has your company relations?

TFDA, SIDO, TRA, fire extinguisher's organisation and the municipal for the business license. Currently we are in the process of obtaining TBS certificates, but this will take another 2 weeks. TFDA mainly checks the working environment, while TBS is checking the product. So we need TBS to sell our product.

How do these organisations enforce their rules?
At the TRA you pay the taxes. So you just pay this. The other licenses and certificates expire and then you just have to renew them.

Will these organisations also check you company?
The TFDA just shows up to check your company. In the last 2 years, they have done this 4 times. And the TRA has done it 1 time in the last 2 years. And the fire extinguisher has been here 3 times.

What does SIDO do for your company?
SIDO provides training and increases my knowledge and after the training they come and check up on me. And you have to pay for the training.

Do you know people in these organisations which can help you? Would this be beneficial to your company?
I only know people in SIDO. But it would be beneficial to know people in these organisations to process everything faster.

What happens if these organisations are checking your company and something is wrong?
The TRA will tell you, you have to pay the taxes plus a penalty. The TFDA can close down the company if the working environment is not good. If the municipal comes to check you when you don't have a license, you will have to fill in a form and pay for the license plus a penalty.

What are the consequences if you don't apply for the TFDA?
Without the TFDA you can't start a business and sell your products. You can even end up in jail, because you are endangering people's lives.

Have you ever been approach by someone who asked for money to get certain things done? And how would they approach you?
I have never been involved in corruption, because I had to wait for a year to get everything approved. But when you have to go to an office, you can easily be send from one person to the other the entire day and end up with nothing. But I was patient enough to follow the rules.

Is it time-consuming and hard to obtain these licenses?
The TFDA takes a very long time and this is the problem. Also filling in the forms is really hard; it is making you to lose hope to start your business. So I think it really discourages people to start a

company and I have seen it. People have good ideas to start a company, but when they reach the point where they need to fill in these forms, they stop.

Is there something in the context of what we discussed, that we didn't mention so far?
We also use sugar in our production process and that is really expensive and hard to obtain at the moment. And your competitors already have the contacts and the trust of the customers. So if we raise the price, it will affect the demand. So now we make less profit.

Case 5: Zaidi Enterprises

Interviewee	Allen Mambo
Company	Zaidi Enterprises
Function	Co-founder and MD
Location Company	Mabibo Mwisho-NIT road, Upanga, Dar es Salaam
	Fire Station road, Dar es Salaam
Contacts	+25575533491
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	zaiditz1@gmail.com
Date of the interview	29 April, 2017
Location of the interview	Fire Station road, Dar es Salaam
Got in contact through	Brigitha Faustine

Background

Allen is the co-founder and MD of Zaidi enterprises. He has a great entrepreneurial spirit, as he started various other companies before. This is probably because his family originates from the Chaga tribe, a tribe that is known in Tanzania for bringing forth many entrepreneurs. Besides managing this company, he has a full-time job during the week and works on Zaidi in the evening and in the weekends. With Zaidi enterprises, he recycles paper waste, provide fire-extinguishing solutions and is an industrial consultant. For this interview, the focus lays on the recycling of paper waste.

Company level

Zaidi has multiple people collecting carton waste in the cities of Dar es Salaam, Moshi, Arusha, Dodoma, Morogoro, Mwanza and Shinyanga. They collect the paper waste from various sources, ranging from markets, shops, factories and warehouses. The paper is bundled using ropes and transported to one of the 9 different collection sites in Dar es Salaam (Ilala, Mwembe, Yanga, Vingunguty, Mwenge and more), where the paper is compressed to bundles of 70 to 100 kG and prepared for transportation to the recycling factory. Recently the company has purchased a bigger compressing machine from China that can compress bundles of up to 800 to 1000 kG in the Ubungo area. This is to improve space usage, transport and operational costs.

The gross margin is 30 to 40 Tzs per kG. Currently they are collecting 150 tonnes per month, but like to increase this to 300 tonnes per month in 1 year and 600 tonnes per month in 2 years. These numbers are aimed solely at brown paper, which is also known as Old Corrugated Carton or OCC. Besides the OCC, the collection of different types of paper will start this year and the paper will be exported to India.

Next to making a profit, the goal of this is to clean up the environment, reduce the carbon food-print, getting people involved in recycling and providing employment for mainly the youth. Older people can join as well, but the focus lays on the youth, as he feels they are being neglected. They lack financial support and are also vulnerable to drug abuse and criminal activities. So by involving them, the

company are also positively influencing the society. In the near future Zaidi also wants to let the youth plant their own trees on a farm, for them to sell in the future. This not only generates profit, but helps the environment as well.

The company Zaidi was registered in 2014 and started processing paper in February 2015. Prior to starting this company he worked at an inland container depot, where he saw many products being imported into Tanzania. One of the imported goods was waste paper from Dubai to be processed at the factory in Tanzania. The reason why they didn't accept paper waste from Tanzanians, was because the paper bundles usually contained too much stones and dirt. Allen thought this was ''crazy'' and started searching for the location of the company and the owner through the internet and his contacts. He eventually found out that the plant was located in Mufindi and arranged a first meeting. Then Allen did some research and proposed he could supply between 50 and 75 tonnes per month. They both agreed on the volume and price and within 1 year the volume has doubled. The plant can take up much more than Zaidi is delivering now, so there is enough opportunity to grow. After the waste paper is being delivered to the plant, the plant processes the paper into big roles of paper that can be used to produce boxes and other products.

Already since primary and secondary school Allen was involved with entrepreneurship. He learned by doing as he started various companies, which failed unfortunately. These include cultivating rice, trading Chinese clothes on the Kariakoo market and others. But after discontinuing each company, he wanted to start something else again. Now he also owns a shop in Mabibo, where he sells and provide services for motorcycles.

So in total he runs his business in 4 fields, i.e. paper waste management, fire extinguishers, industrial consulting and motorcycles sales and services. His main office of Zaidi is in Upanga next to the fire station, as they collaborate with each other. He also has a shop in Mabibo for the motorcycles services, as well as various collection and compressing locations for the waste paper supply line. Allen mentions everything is moving faster than planned.

Allen has two full-time employees, where one is paid monthly and the other per task completed. The former is the operational manager and his tasks are very clear, ranging from the sales of the fire extinguishers, receiving invoices, communication of orders and the management of the office. The later acts as a collection coordinator. Prior to working for Allen, he worked for many years as a waste collector agent and had many contacts already. Now he does the compressing and loading of the trucks, for which he gets 50.000 per loaded truck. Other expenses like taxi/Bajaj are covered by Allen. He also is the main communicator with the other agents and acts as an agent for various collectors as well. Hence, Allen says he is an entrepreneur in this way and incentivises him to stay motivated. However he mainly works for Allen and Allen fully trusts him, which is shown by the large amounts of money he transfers for Allen to the bank from time to time.

Allen communicates through various channels with his employees and agents, which are face-to-face, calling, WhatsApp and email. Most of the time he uses the group whatsapp to communicate with his agents and uses mainly email to communicate with the operational manager.

The business is registered under him and his wife. His wife helps him sometimes when he is not around, but doesn't get paid for it, as she is employed elsewhere. The main reason for registering the business under her name, is that she has the authority to sign of certain documents as well.

There are no regular meetings and if there are some problems, Allen likes to solve the issue immediately. They focus on the things that are quickly solved, as he thinks in this way the business grows quicker.

The operational supervisor makes his own decisions and takes full ownership of the fire extinguisher business, mainly because he is the one who is full time at the office. This includes taking invoices, taking money to the bank, book-keeping, receiving clients and managing the sales. The company has a partnership with another company that provides the fire extinguishers and Zaidi sells and provides services for the fire extinguishers. They share the profit, where Zaidi receives 52% of it. Allen says he likes to work with partnerships, as this will increase the responsibility for both sides.

The operational supervisor is a family member of his wife and originates from Mwanza. Having family involved doesn't lead to any to any issues, as he says it is easy to separate family from business. The upside is that he can trust him more and that he creates an understanding of business and an opportunity for him. He is trained by Allen and Allen exposes him to aspects like going to the TRA and the bank, so he "gets the big picture" of the company. If something goes wrong, he can just call Allen and they will solve the problem. In the future Allen will pay for his higher education in accounting when the times come, as this will benefit him as well as the company. Also the fire department will provide him with a training and a certificate for working the fire extinguishers. When he receives this license, he will benefit from getting a share of the profit by providing these fire extinguisher services, which will incentivise him to stay committed to the company and will increase his responsibility. According to Allen, he might otherwise steal from the company, as the monthly salary is not enough. So he will receive both commission and a monthly salary.

Allen says he needs to guide his operational supervisor a lot, but things are getting better. For this he needs to be hard on him sometimes, because he wants to give the supervisor full responsibility for the office, as he might not come to the office for more than a month. Also Allen has the vision of the company and his supervisor has not grasped this fully. Communication is an issue, for instance when he didn't communicate the fan was not working and the office was really hot. He also came to the office and saw it was dirty. This is especially troublesome, when they have to receive clients at the office. In addition he wants to know who has been in his office and keeps a written record (I also had to fill this in). In this way he knows how many people have visited the shop and who could be potential clients. However the supervisor doesn't always make sure visitors write in that book. Allen wishes he would take up these tasks or solve these problems by himself. Therefore Allen needs to "though on him", so he will understand and develop a greater responsibility.

Allen says his employee comes up with some marketing ideas by himself or some ideas of his agents for processing the paper. They usually call him up and Allen discusses and evaluates the ideas with them. He also determines what his role could be in terms of funds, network of people and decision-making and usually let them implement it when he finds it an improvement.

Allen supports some family members from time to time through the business. His wife and child are his top priority and he want to put his ''kid in a good school.'' But he will also help his father, mother and sister with costs coming from the house hold or school fees. However this is not much, since his father is still employed. In addition he is keen on employing his relatives and help them, if he sees the potential in them.

It also occurs friends ask him for money. He sometimes helps these people with money, based on his own evaluation of the chance of getting it back. He also records this. When he doesn't get it back, he will ask for it if it is a lot of money. If not, he will take his loss. Either way he will give everybody a chance because he believes some people have good intentions. ''But if they don't return the money, it is the end of the story.'' Otherwise it will be chopped off of his business if you don't return it. ''To be disciplined with money is something which is very key and especially in our lives in Africa, it's a big challenge''.

Allen started the motorcycle shop using his own savings, plus a loan from his farther an uncle. At the moment he already paid back the money. For the paper business he sold his car and used some of his savings again, which added up to roughly $3000,-. In addition during the first few months Allen received the payment of the factory in advance. At the moment this is not necessary anymore, as Allen has built up enough cash to run the business. However the factory will purchase a truck in the near future and Allen will lease this truck from them. In addition, EFTA has micro-financed the loan for the hydraulic press. If he would receive even more money somehow, he would invest in increasing his network of paper collectors faster, but this is not necessary at the moment. Also Allen emphasises that the factory is very flexible in helping him.

Allen tries to innovate in multiple areas, which is necessary to grow according to him, as the easy part was the beginning. His first step was the bigger compressing machine that uses a hydraulic system. Additionally he wants to buy a new truck in the near future. Later he would like to process other products as well, like tires, plastic bags and glass. However these are more ideas than concrete plans at the moment. He uses the model of the 3 Rs, i.e. reduce, re-use and recycle and tries to find for each of the different types of waste where the critical part is within the model of the 3 Rs. He then will try to solve this by setting up a business model for this. But at the moment the focus lays on increasing capacity, rather than product diversification.

Allen keeps a strict book-keeping to check every month the balance and whether he is growing and making a profit.

At the moment there are no strict rules and regulations, as this not necessary at the moment. The operational supervisor has only been late, because he needed to do something else for the company, so not due to a lack of responsibility.

Civil society level

The paper is collected from markets, factories, shops, warehouses, homes, dumpsites and offices. It is searched, separated/cleaned and bundled by around 100 external people who work for 6 to 7 external agents from the different areas. He pays them per kg, which make the agents entrepreneurs themselves. Trust is based on this mutual agreement of both profiting from the paper collection; if the agent doesn't deliver enough or the quality is bad, they both earn less. So both are responsible.

The bundles are picked up by the trucks of the factory from the various regions and delivered directly to the plant. Therefore the responsibility is transferred from Allen to the plant from the moment the paper is loaded onto their trucks. Quality in terms of weight, moisture, dirt and other materials is checked by the plant and communicated to Allen, which communicates this to the agents using WhatsApp. Hence the quality is not checked by Allen, except for a few times in Dar es Salaam when he wants or has to. The payment goes through MPesa or TigoPesa, which is a digital wallet commonly used in Tanzania.

Networking is key to his business, according to Allen. He got into contact with his first agent through a friend. This agent, as well as the others he met later on, were already in the business of collecting waste, but involved in other types of waste. After negotiating the terms, the agent takes care of the collection and Allen can basically run the business without him being present at the collection sites.

The amount that is collected fluctuates over time, for instance due to the rain. Not only the paper gets wet, but also the trucks have a difficult time to transport the paper over the poorly maintained roads. This simply results in targets not reached, without any other consequences.

Allen is the main collector of paper waste, but has some small competitors. He doesn't collaborate with them.

During the interview he gets a call from one of his agents that the road is blocked and it is impossible to transfer the materials. They quickly resolve this by relocating the collectors to another area that is accessible and Allen pays for the relocating costs. Allen says he likes to do business like this; quick communication and problem solving.

State level

Zaidi is involved with a few governmental organisations, i.e. the municipal, TRA, NEMC (National Environment Management Council), Ministry of Defence (fire extinguisher certificates) and OHSA. Allen explains that before you start a business, you need to pay the government and that is a challenge. Registration is $10,-, business license is $40,-, taxes need to be paid up front and in his situation $100,-, other expenses are around $100,- and rent. This discourages a lot of entrepreneurs to start a business or to start as a formal business and there is no support from the government. Applying for these organisations doesn't take up a lot of time though according to Allen, but it is complicated.

There are various shops informal businesses around, mainly due to the lack of knowledge the entrepreneurs have to become formal and the costs of registration. When an entrepreneur needs to hire someone who has the knowledge of registration, it will become even more expensive. Authorities occasionally check Allen's shop and these informal shops by visiting him. But informal shop owners inform each other when the TRA comes and they will close it until they are gone.

When ask why he choose to start an informal business, Allen says that because he works for a corporate organisation, he feels he ''needs to be at that level, why not?'' This also helps to get new and mainly big clients. The main drawback for this are the costs.

However, Allen is not reluctant to do business in an informal manner. For instance, when he sells a small order of fire extinguishers to the customer and he wishes not to pay tax, he will do it. This is however not possible when the order is bigger. When the TRA visits him and see this, he could get a fine for selling without VAT on some occasions, but if these sells were small, it is hard for them to find out. But this a trade-off for him between losing customers and possibly paying a fine and he tries to carefully balance this.

The paper waste is currently sold to the plant owner without VAT, but will start doing it in the next few months. He will need a VAT number for this and he will receive that the month of the interview. However, he will not have to pay VAT to the agents who are collecting the paper, since this is coming from the dump. So he receives the paper informal and sells it in a formal manner. He even talked to the TRA about it and they are okay with this, as they also understand it is waste. Allen compares these collecting agents with people who sell maize on the streets. These people are informal and don't make a lot of money. On top of that it is hard for the TRA to charge these people with VAT and to enforce it. Therefore, they don't bother.

If an entrepreneur chooses not to register or pay taxes, he risks paying a fine and/or even go to jail. The informal businesses are risking this according to Allen, but it seems that Allen is risking this as well by occasionally selling without VAT.

Allen sees the regulators as partners and when one knows people in these organisations, it will be beneficial. For instance, getting information will be easier or that he or some of his employees/agents will get help faster.

However, he also says these organisations are tough. He sees that in Tanzania there is a lack of customer care and usually people are not treated nicely, also at these organisations. Usually people treat their customers as their employees, but should realize ''that customers are paying their bills and they need to learn more about how to treat the customers.'' Sometimes they even use bad language against them. However, he sees a change in mind-set here and the President is trying to make the people in Tanzania work harder and feel more responsible.

Allen says that the difficulty of these procedures and the lack of help from these organisations, allows people to take advantage of this. Allen has been victim of this, for instance when asked for extra money by the middle man to process a form, while processing the form was actually free. Also many people don't know how to process certain forms and the people at these organisations can take advantage of this, because they know how it works and can ask a 'facilitation fee.' When the business grows, he expects more civil servants to ask for a facilitation fee or even a bribe, because this is commonly seen at slightly bigger and advanced companies, as they are more prone to it.

Usually you can recognize that they want a facilitation fee, when your request is not moving forward and they are not responding properly. People usually pay if they don't know how it works, but if you

know how it works and know the right people, you can also confront them by saying you can go to their manager. Sometimes you need to be tougher and they usually respond to that.

One of the main risks is fire. Allen could be penalized upon inspection by the municipality if the safety agreements are not met. Allen has set out plans to cope with these risks. The new location of the compressor will be better suited for collecting and processing, the compressed paper will be of better quality and the storage location will be better in terms of fire protection and protection from the moisture. Also the collection in Dar es Salaam will have a quality check when fully operational, as they will collect, sort, compress and bundling it at the main compressor, which is owned by Allen. However the collection in the other regions will still be done in the regional centres with the same risks and send to the factory directly.

Case 6: Motherland Spices Co. Ltd.

Interviewee	Bahaty Juma
Company name	Motherland Spices Co. Ltd
Role	Co-founder and owner
Contacts	+255762001100
Date of the interview	5 May, 2017
Location of the interview	Blessedlandstreet, Salasala area, Dar es Salaam
Got in contact through	Professor Abraham Temu/SIDO

Background

Bahaty founded her company Motherland Spices Co. Ltd with her partner Leticia Igogo. This company processes garlic into garlic paste used for cooking. The production process is small and is done in a small building in the garden of the house her partner. At the time of the interview there is no production, because the pealing machine is broken. However she thinks within a month the machine will be running again, and they will have obtained TFDA approval to expand their market. Bahaty's tribal background is mixed; her father was Ruvuma and her mother was Lindii, which are tribes originating from the south of Tanzania. However she spend most of her childhood in Mbeya, where her mother still lives.

During the interview, she shows me her bookkeeping. It is a small notebook, that contains columns with the date, the amount produced per day, the amount of raw materials used, the stock, items sold and the customer. She also says that her partner, who has a background in accountancy, has a more extensive bookkeeping on her laptop.

Company level

Motherland spices produces blanc garlic paste, as well as garlic paste with ginger flavour. These are solely used for cooking purposes, as the conservatives used doesn't allow it to be used as medicine, for which garlic paste is used as well occasionally in Tanzania. Bahaty previously traded in garlic paste and similar products besides her part-time job, by buying them in Mbeya and selling them in Dar es Salaam. The demand increased significantly and she was unable supply enough from Mbeya. Therefore, she decided to start producing it by herself in 2014. However, the company was registered in 2015 after Bahaty quitted her job to focus full time on the company. She did this with a partner, who is still employed elsewhere, but she is running the bookkeeping. Both own 50% of the company and financed it without a loan or another investment. I asked her what the goal was of the company, but she didn't had one yet and only explained that she works with weekly targets.

Bahaty has some plans for the future, but not very well thought out yet. First, she wants to buy a packaging machine that uses sachets, which are smaller and cost less. She heard from customers they prefer this and she expects this will move faster. She does not know how to finance this though. She would also like to sell internationally. Rwanda does not have a large variety of products, so this is a

market opportunity for her. This however requires her to produce larger quantities and to obtain the necessary licenses.

The garlic is bought from farmers and the Kariakoo market and transported to the company. After arrival, it will be checked for quality first, before it will be pealed by hand. Consequently, the garlic is dried in the sun, because the moist will degrade the shelf life of the grinded garlic. Next, this garlic are funnelled through the pealing machine that peals roughly 60% of the garlic. The rest is sorted and pealed by hand. Next, it is washed and dried in the sun again, before it is put in the grinder machine where conservatives and sometimes grinded ginger is added with the ratio of 50/50. This ginger is wash, dried and grinded by the same machine. Subsequently the garlic is bottles in glass jars, enclosed using plastic caps and labelled.

The company employs one permanent worker Allen, who is paid monthly 200.000 Tzs but does not have a contract. He is the nephew of her partners and Bahaty says this makes it easier to hold him accountable. He does the whole production process and operates the machines as well. He works from 10:00 to 17:00, but is willing to work extra hours when necessary. They have almost no meetings; whenever something comes up, they solve it immediately.

Besides the one permanent employee, Bahaty hires 2 to 3 temporarily workers for a few days when a new batch of garlic bulbs come in. A middleman arranges these temporary workers for a small fee, which is a friend of the partner's husband. Their job is peel the bulbs into gloves before entering the pealing machine. They get paid 5000 Tzs per bucket and usually are able to peel 2 buckets per day. Usually the same women come to the company, so Bahaty does not have to explain what they need to do each time. The company does not have selection criteria for new employees: '' We sort of do a trial and if we are satisfied, they can stay.''

These temporary workers need some guidance, but mainly manage themselves, as they get paid per bucket. They are allowed to take a long lunch break, as long as they are able to finish the 2 buckets per day. These women use to opportunity to go home to prepare lunch for their husbands and children. It also occurred some women stayed away for 4 hours, so they had to work until late. This frustrates Bahaty, as she has to stay to late as well, but she doesn't do anything about it. Also some took their babies to work, which is bad for the health of the babies and unhygienic for the garlic paste. So she forbid them to take them to work.

Mistakes happen as well, even though their tasks easy. It often happens they break the garlic or do not throw away gloves that do not meet the quality requirements. One even tried to use a stick to peal the bulbs into gloves, which destroyed it. She had to instruct them this is not good for the garlic and told her she is not allowed to do this anymore. Bahaty also tells me that ''we have to explain it again and tell them if they will not do it the right way, they will not get paid the full amount. And this sort of threatening them with this helps very good.'' This also works when the buckets are not completely full. Whenever she has to do other tasks, Allen will manage them. He is younger than these women, but they listen well to him and there hasn't been any conflict so far. He also acts as a spokesmen when they complain about the hard work or the low salary.

Generally the employees work well together, but there have been some conflicts. In the beginning some of the employees shared a bucket. ''But one of them was working harder than the other and she even complained that she wanted more money because of it.'' So she had to instruct them to use their own buckets.

All ideas and innovations come from Bahaty and her partner. They also set the targets, based on the customer demand. The production bookkeeping is written down and contains topics like amount of raw materials, amount of products, inventory and sold items. It additions the cash flows are being kept in an excel file. At the moment the company doesn't have a lot of savings, which hinders them to buy the garlic in bulk and, hence, at a better price.

The tribal background doesn't play a role at the company and Bahaty doesn't even know the ethnical background of her employees. Swahili is the only spoken language at the company, but Bahaty and her partner are able to speak English. They prefer to work for Bahaty over her partner, as she is tougher on them. Bahaty thinks the employees look up to her and her partners, as they started her own company. However the employees address her with ''dada or sister, meaning that they see us as one of them.'' ''One employee even said she would okay with earning less, because she saw a bright future for our company.'' However she does not work at the company anymore, as ''husband was not happy with her working and that she should stay at home.'' It also happens that some do not show up for work. This has not happened after payday, but because their baby was sick. However, this is not communicated.

Bahaty provides for a few of her family members, especially her mother and father. They do not have many means to take care of themselves. In return, they, and also some of Bahaty's friends, help her to sell her products to the people they know. They make a small profit for themselves as well and Bahaty thinks her family is crucial for selling her product at this stage. This hasn't led to any issues such as not getting paid. She says it is ''actually the opposite. It is easier to collect your money from you family member for instance,'' as it is easier to hold them accountable.

There are not many rules at the company, but it is important for the employees to wash their hands, wear hairnets and put on special clothing. There is a changing room on the side of the building, next to a sink. Bahaty and Allen only operate the machines, as the machines bear risks; the peeler uses pressure and the grinder cutting blades.

Civil society level

For producing the garlic paste, the company needs garlic gloves, ginger, preservatives, bottles and caps, labels, seals, water and electricity. The garlic originates from a trader in Mbeya and from 2 farmers in Arusha. She initially got into contact with them by asking people in her social network, whether they know people who know how to obtain the garlic gloves. Bahaty's mother lives in Mbeya, who will receive money from Bahaty and will buy, check the quality and send the garlic to Dar es Salaam. The farmers in Arusha receive the money through MPesa, a digital money exchange system provided by Mobile Network Operators (MNO), while the quality is checked when it arrives in Dar es Salaam. It occasionally happens that the garlic is too moist, but this is easily solved by drying it in the sun. The

garlic gloves become useless however when it starts to germinate, which has happened before. This however is not communicated to the farmer, as ''the farmer will not understand why we cannot use them.'' Instead, they are thrown away, without a refund. This shows the in-ward group thinking is still present, where communication and interactive learning is lacking and actors are solely focussing on their own part of the value chain.

Prices of the garlic gloves strongly fluctuate over time. In the high season, which runs from June to November, the prices range between 2500 and 4000 Tzs per kG. From December to May, this is raised to 8000 to 10.000 Tzs per kG, which is limited the profits. Fortunately, the gloves can be stored for around 3 months, so the prices from the low season can be partly surpassed. New batches are bought every 2 to 3 months and each time prices have to be renegotiated, which is done through the telephone. Only the first time, Bahaty met the trader and the farmers. It also happens that the farmers in Arusha and trader in Mbeya are unable to supply enough garlic. The gloves have to be bought at the Kariakoo market at a high price.

Bahaty uses both glass bottles and plastic bottles. Some customer prefer glass bottles, because they believe the paste will be preserved better. However the plastic bottles do not break, so some customer favour these. The ginger is bought from the Kariakoo market or from Morogoro. The preservatives are bought from SIDO and the other items are designed and bought from the Kariakoo market as well. So far, there have not been any issues with obtaining these.

The water network is reliable, but the electricity network is not. During a power outage, the machines cannot produce, because there is no back-up generator. Bahaty also bought a voltage stabilizer, as over-voltage occurs sometimes, which can damage the machines.

At the moment of the interview the production has stopped, because the pealing machine has a mechanical problem (not due to over-voltage). The company's machines originate from India and spare parts are scarce. Also knowledgeable mechanics are not readily available, so it takes a lot of times before it can be fixed. Previously there were not scheduled inspections, but Bahaty wants to do that in the near future because of this situation.

The company has a lot of competition, as there are two big producers and many smaller ones. The big competitors already have a large distribution system and large volumes, so they are able to sell their products at a lower price due to the economies of scale. However Bahaty thinks the structure and quality of here product is better and customers are therefore willing to pay a bit more. There is not collaboration and communication between Motherland Spices and its competitors.

The current customers are small shops, markets, small caterers, small restaurants, selling agents (small wholesalers who actively sell to shops and other users) family and friends. Bahaty thinks that the quality of her paste is her main selling point. These are small buyer purchasing small orders that are not checked by the TFDA. Larger customers are only accessible if one has the TFDA approval, which is expected to be granted to Motherland Spices within the next couple of months.

The current customers are mainly located in Dar es Salaam, but also in Mbeya, Moshi and Tanga. Word to mouth is the most important marketing feature, although the company also uses Facebook and Instagram. Bahaty does the distribution in Dar es Salaam once or twice a week by herself using the bus

if a customer orders at least six jars. She does not charge for this, even though it could take up more than 2 hour to reach customers with a profit margin of six jars times 1500 to 2000 Tzs. Customers pay either in cash or through MPesa.

Customers outside of Dar es Salaam receive the jars through local bus companies. They will call Bahaty to place an order and pay through MPesa. Previously customers were allowed to pay after delivery. However, some took advantage of this by not paying or making up an excuse to pay less. Now, they have to pay before delivery, but not all customers are willing to do this and Motherland loses some of the market. Nevertheless, as she explains: ''we do lose a bit of the market, but we rather lose a bit of the market then losing money when they do not pay.''

After TFDA approval, large supermarkets, restaurants, hotels and large caterers that feed construction workers or miners for example can be reached. However, this comes with some issues as well. Most caterers pay after the paste has finished, which could take up to 2 months. Supermarkets are also paying after the products are sold and even when this happens, they are reluctant to pay. Because they are large, they have relatively much power, which allows them to get away with this. This makes it hard for Bahaty and other entrepreneurs to trust these large customers and to make enough money to buy new resources.

The company receives feedback from their customers. Bahaty has called a few and they were generally happy with the product. A few small shop owners complained that the colour of the paste started to change after 4 months, while the expiration date says it should last 6 months. The company consulted the TFDA, who proposed the steam the gloves before grinding it and the next batch will be produced in this manner to check whether the steam affects the shelf life. Whether this actually helps remains to be seen. It also occurred that the jars were transported vertically by the bus company, leading to remaining water to leak. As a result a quarter to half of the bottles was gone. Bahaty offered them to send the jars back and to send new jars back. This could be solved by using aluminium caps, but these are 700 Tzs more expensive.

In the future Bahaty wishes to buy a machine to package the paste in small sachets. She thinks she will be able to reach a larger market, as the jars are too expensive for her largest market; the people at home. When the quantities are less, they will be less expensive and move faster, even though they are more relatively more expensive for customers. This idea originates from her customers.

State level

The main governmental organisations the company is involved with are the local government, TRA, the TFDA and SIDO. The organisations can show up at the company. If something is not in order, they can penalize, close the shop or inflict criminal charges. SIDO solely comes to provide advice, but the others will check whether the company meets the requirements.

SIDO provides support to start-ups by giving trainees and advice. One can learn how to produce a certain product, such as garlic paste, but these trainings are expensive and is not necessarily correct. In fact, following their production steps resulted in low quality and unsellable garlic paste and Bahaty had to change some steps by herself. When a company is subscribed to SIDO, it can get a TBS certificate

for free. However, TBS does not have standards for garlic paste yet, so she is unable to use this opportunity. She also explains that TBS is an add-on, but not a necessity.

In contrast to TBS, TFDA is a necessity if one wants to sell to larger buyers. Obtained a certificate is expensive; 300.000 Tzs. She hopes the new government will reduce this.

The company does not have a business license due to the absence of the TFDA certificate. It does however pays VAT. I ask whether she could give a reason why most people I have met paid their taxes, while saying others do not. She believes most people are now paying their taxes due to the new government. It has given the TRA the means to enforce it stricter and one requires TRA approval to get a business license. It also depends on whether you have a fixed shop. It is easier for the TRA to enforce this compared to for instance market salesmen that can easily relocate. Small scale farmers do not pay taxes and I am not sure why. It seems that this is regarded as the standard and socially acceptable, as she seemed somewhat surprised why I even asked her why they did not pay taxes; it seems that is sort of socially acceptable they do not pay taxes.

Knowing individuals within these organisations is very beneficial according to Bahaty. In fact, she has a friend working at the TRA. So whenever there is a line, is often, she can easily skip it to pay het taxes and receive her receipt. This could otherwise take up the whole day. As this is her friend, she does not have to do anything in return.

In addition, her former teacher of SIDO works at the TFDA now. Usually it takes a long time to get TFDA approval for the building, but this man pushed for approval within the TFDA. Now he also tries to speed up the process of getting TFDA approval for her products. She would pay him a small amount of money for this. Knowing these people also saves time for acquiring certain information. One can request this through the formal way, but when there is a reason for the delay such as missing information from Bahaty's side, they will not communicate this. This is a ''waste of your time'' and it is better to ask the people you know who work there to find out why it is taking so long.

Whenever someone wants an allowance fee, he or she will tell you implicitly, for instance by saying it could be solved tomorrow, while it usually takes longer. She also thinks it happens often that people don't know the correct procedure and the civil servant take advantage of this by saying they ''need to follow a certain procedure, while you actually don't have to. That is also when you know he or she wants something from you.''

Creating trust bond is very important to arrange things or to solve problems in Tanzania. This does not only apply to governmental organisations, but also to suppliers and other individuals or groups. Whenever you need help from someone outside your own social circle, it would be significantly better to know a middle-person that can introduce or 'vouch' for you; otherwise it would be difficult to get in contact with that person or to motivate him or her to help you. I found it typical that when someone calls you sister of brother, it implies that person trusts you.

One of the main necessities that is currently lacking for entrepreneurs in Tanzania, is information according to Bahaty. She gives a few examples of what is lacking and what she actually needs. For

instance, when a company needs a new machine, it is very difficult to obtain information about the possibilities, where to buy it, how it works, where to find professional mechanics and how to obtain spare parts. In addition, most machines come from China and many entrepreneurs have issues with the machinery. ''If you are able to find the right machine, you just have to trust the manufacturer it works, because it is not possible to send it back.''

Local market information is also lacking. Many farmers are looking for their markets and vice versa. She thinks SIDO should play an active role in getting these people in contact with each other. She also found out fortuitous that there are cheaper suppliers of bottles in Arusha.

Bahaty thinks that the government should do more to provide information like this. Finally she thinks that the government should create tax breaks for start-up companies.

Case 7: Aprifetius Food Products

Interviewee	Bertha Mkude
Company	Aprifetius Food Products
Function	Founder
Location Company	Side street Bagamoyo road, Tegeta, Dar es Salaam
Contacts	+255755502597
Date of the interview	8 May, 2017
Location of the interview	Side street Bagamoyo road, Tegeta, Dar es Salaam
Got in contact through	SIDO/Professor Abraham Temu

Background

Bertha founded her company in 2006 by herself. She build a small building in her back yard behind her house. There she produces wine, pickles, garlic paste, porridge and occasionally other products on request. When asked what the goal of the company is, she replied: ''The goal is to provide products for the people who need it. From infants to old people.''

The quality of the interview is somewhat less than others. I experienced a big language barrier during the interview, where she often didn't understand the questions, she gave an answer unrelated to the questions and because of this, it was hard for me to ask follow up questions. Yet, she gave some valuable insights on various topics, with in particular family involvement in the company.

Company level

The company has four permanent employees working at the company, which are solely producing the products. The products are produced in batches and Bertha only produces one type of product per day. For this reason, all the employees know all the products' production steps and tasks free flow between them. Outside working hours, they also try to market the products. According to Bertha they do this, because they know the company can grow by helping with the marketing. They are paid monthly and in cash. Besides these permanent employees, Bertha employs temporary workers when the demand is high, with a maximum of 5 to 6 workers. They are usually involved in the simplest steps of the production. These temporary employees are paid at the end of each day in cash, as it might occur that they only have to work for one of a few days.

Bertha is always present during production. She says she needs to be there to ''make sure that everything is done and also in the right order.'' She is usually around and watches over their shoulders to check whether they are making mistakes or not. ''I must be there to see how they work and I usually stay with them in the production room.'' When they make a mistake she just asks ''what did you do'' or ''do you think this is the right way to do it?'' Consequently, they will apologize and they will continue with the production without any consequences to their mistakes. She doesn't get angry, because she wishes to preserve the relationship she has with them and to keep it simple. And generally speaking they ''work nicely and they deliver good quality.'' During the interview she emphasizes a few times she and her employees work as one and ''we discuss like we are one.''

Bertha is the only one who can do the measurements during production and has not taught any other of her employees to do this as well. When asked what would happen when she is not around in case of an emergency, she simply ''thanks God this has not happened'' and she doesn't have any back up plan. She develops weekly planning, which is written down and communicated to her employees. ''So when they come in the morning they know what they have to do that day.'' However her employees to not have specific targets and are not linked to any bonuses. Most of the time they produce a bit more to have a bit of stock, but she doesn't seem to have control over the amount she (over)produces. They do however receive a bonus when there is a feast, such as a wedding or at the end of the year to spend on their family. She only has monthly meetings with her employees to discuss mistakes and to teach them, but they sometimes skip one as well.

The employees work well together according to Bertha and she was unable to provide me with situations where there was a conflict. She said there were some minor issues, but she didn't remember what they were about. Sometimes her employees taste competing products and propose improvements to the products. However, this only happened a few times and they have never proposed improvements for the production process.

The employees have mixed characteristics. Three of them are between 35 and 40, while one is younger. One is a man and three of them are women. Only 2 originate from the same area, i.e. Mwanza, and the others are from Iringa and Mbeya. They moved to the city to find work, like many other Tanzanians. Bertha herself has a Chaga background. The spoken language at the company is Swahili.

When the company was founded, she didn't use a loan. She had some savings she invested, but her children donated money as well. Nowadays, her children still help her out. They help with the marketing, i.e. selling and distributing, of the products and occasionally lend money to her when production, sales and, hence, revenue streams are low to pay her employees or buy raw material. They do this on a voluntarily bases and she doesn't pay them any salary, but give them a ''sort of a bonus'' sometimes. In addition, her son helped her with the construction of the facility, although she also hired some construction workers to build it.

At the moment, the production is stopped for 2 months due to the rain season. It is not possible to dry the products and her employees on their holiday, which is unpaid.

Bertha followed various courses at SIDO to learn how to produce her products. In this way, they also provided for the recipes that are written down. Bertha says she altered the recipe a little, to differentiate from her competition.

The permanent employees followed courses at SIDO and were consequently approached by Bertha to ask if they were interested to work at her company and to apply. They would have to tell her what they learned at SIDO and to show their skills for one or two days at the company during production. She got in contact with her temporary workers through her social network and some people living in the area simply visited her company to apply. They also had to show for 1 or 2 days what their skills are. In addition, she sometimes send some of her employees to free training sessions provided by SIDO.

Bertha wishes to expand to foreign markets and she actually finished a program at SIDO that taught her how to do it. However, up to this point, she hasn't made any plans yet and she was unable to explain to me how she is planning to do it. She also want her company to grow. On both occasions she says ''if God wishes'', which appears somewhat fatalistic, because she expects God to make it happen instead of herself.

The employees work from 9:00 in the morning to 16:00 or 17:00 in the evening. However this depends on the orders and planning, so they make over time. They do not get paid extra for this, but according to Bertha they are happy to do it, because ''they know the company will grow.'' It happens that they are late, but they always had a good reason. Therefore, she did not have to take measures to prevent it from happening according to her.

There main rules at the company are about clothing and hygiene. The employees have to wear special shoes and uniforms and have to wash their hands every time they start producing. During production the employees work with a worksheet that contains the steps of the production, as ''they might forget.'' She does seem risk aversive when it comes to the tasks her employees need to fullfill. She says they are only exposed to risks ''if you give them something to do that is new. But you try to let your employees do what they are familiar with.''

Civil society level

The company uses various raw material. They are either bought from farmers or from the local markets in Dar es Salaam. The bottles that are used, are bought from SIDO. Bertha has set up a contract with the farmers about the quality of the raw materials, but she didn't had to use it so far, because the raw materials were always in order. For this reason she only has one supplier for per raw material. Initially she got into contact with the farmers through some friends. She only communicates with them to place a new order and not to improve things. The products are delivered by a transportation company and new batches of raw materials arrive, Bertha checks the quality.

Some of the raw materials need to be grinded. Bertha doesn't have a grinding machine, as it is too expensive. ''The problem at the moment is money, but if God wishes, we can buy them after three years.'' Instead she brings her products to a grinding company in the area that does the grinding form other clients as well.

The company only sells her products to small shops, supermarkets and families. They often order in small quantities, even one item at the time. She delivers that products in Dar es Salaam herself, either by bus or renting a car when she has a large or multiple orders. I ask her whether she charges for her delivery services. She says she does not, as this is already included in the price of the product. This seems inefficient to me, as the time to deliver takes a long time relative to the profits she makes. It also doesn't incentives customers to buy in bulk and pay less per product. She also has some customers in Iringa and Ngombe, which pay through Mpesa or TigoPesa and get the products delivered by bus. They have to pay before delivery, because Bertha ''doesn't trust people to pay after delivery.''

New customers are approached by a part-time marketing consultant. I ask her whether it is worth it, but she wasn't quite sure if the returns outweighs the costs. She also approaches new customers by visiting new shops and her employees do it as well in their free time. I ask how many items she sells per week. She says it depends, but it also appears that she doesn't have a clear view on how much the company is actually selling. Later she explains this is more than a hundred items per week, but the answer seems a but vague.

Bertha doesn't receive any feedback from the customers or end-users. She does however try to improve her product by tasting products of her competitors. She would make adjustment if she thinks her competition has a better tasting product, which shows copying behaviour. In addition, product improvements isn't based on customers' input.

Her family plays a big factor on this level as well. They help to find raw materials such as sugar and to market the products by trying to sell it to shops and people they know. They do this on a voluntarily basis without payment. They occasionally help her with financing the company when demand and hence cash flows are low. "My children help with money when the production is stuck.''

I ask if she would help her family and friends to provide money and she replies: ''yes, you have to share.'' Not only did she pay for the school fees of her children, she also lends or gave money to friends and family who were in need, for instance to buy food and water. In addition, she would pitch in when there is a funeral or wedding.

State level

Bertha thinks the focus of these organisations has shifted under the new President. She thinks that they were primarily interested in the large corporation, but will check up on smaller businesses as well. In addition, she thinks that the new government will bring down the costs for TFDA approval, but this has not been announced yet according to her.

The company is involved with many organisations, i.e. SIDO, TFDA, TBS, TRA, TanTrade (organisation that links suppliers with their customers), TCCIA, TPSF, TWCC and TAFOPA (a wine organisation). She also has a business license from the municipality. Acquiring certificates and licenses is very difficult and time consuming according to Bertha. She thinks that TFDA in particular is very expensive, as the company has to pay for each product each year again. In addition, it takes 45 days to process the request. In the beginning she was tempted to pay a fee to speed up the process, but she managed not to get involved in these practices. She later admits when the audio-recorder is off, she has bribed and employee at the TRA once, but only to speed up the process. I ask her whether she thinks it is difficult to talk about it. She says yes and people do not like to talk about corruption in Tanzania. This has become more significant, since the new President is strictly enforcing ant-corruption laws.

TFDA, TRA, the municipality and TBS are obligated according to Bertha. These organisations can show up at the company for inspection. In addition, they will check the small shops and supermarkets for products without TFDA and TBS certificates. If they would find a product without TFDA or TBS approval, they could penalize the producer and the small shop or supermarket and will additionally remove the products. ''I followed all the steps, but this takes a lot of time.''

Interviewee	Rajabu Katunda
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Function	Co-founder and Director of Operations
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Date of the interview	13 & 14 May, 2017
Location of the interview	28F Mbezi Beach, Dar es Salaam
Got in contact through	Simon Vestegaard

Background

R.J. is the co-founder and the Director of Operations at UhuruOne (UO). Initially the company was called Selcom Broadband Ltd., but changed in 2009 into UO. It is a telecom company that provides internet connectivity to mobile users, but also does various connectivity project at e.g. school, offices and universities. Besides part of the business, which is the core business, they also innovate to help the Tanzanian society and works with international entities such as Microsoft and Cisco.

Company level

The company counts 30 employees that are divided over the business units engineering, sales, finance and human resource and located in Dar es Salaam and some in Mtwara.

The company pursues and egalitarian management style and his built in various systems to distribute the power and the responsibilities to the subordinates. It has set up various communication channels such as by phone, email, WhatsApp, meeting and a CRM system. Each Monday morning there are 5 minutes power meetings including all employees (including the cleaners and gardeners) to promote teamwork and motivation, and ''usually it is just like a peptalk and also feedback from them to us. In the sense of, if there is any issue that needs to be resolved or any problem that has occurred in the past week that has not been resolved, somebody needs to speak up.'' Whatsapp is used for ''work updates'' but the CRM systems handles this in a more structured manner. The latter system ensure everybody is kept in the loop, including R.J., and shifts the tasks from the incoming job from the receptionist, to the technician, to the supervisor of the technician, to the salesman who will follow up on the customer after the technician reported in the CRM the task has been finished, e.g. ''you had a problem today. You had the technicians came in. Is this problem resolved?" It is a ''tracking system of what has been done and what has not been done.'' If R.J. sees that a task has not been closed, he will ask the supervisor what happened the next day.

Yet, there is hierarchical structure present. Issues that cannot be resolved by the technician, moves to the supervisor and could consequently be moved up to R.J. Nonetheless, R.J. tries to be a uninvolved as possible. ''Usually you try to give a much authority to the supervisors as possible. Let him deal with it to give him the power. Otherwise they don't report to him and they come straight to you. So you

don't want that. You want them to handle themselves.'' ''I don't need to be micromanaging everything that you are doing.'' ''If your supervisor can't handle it, then he comes to me.'' ''We have literally given out the power to the supervisors. It is their responsibility. Not ours. It is very specific that this is your problem, you deal with it. If you cannot deal with it, than clearly this job is above you. You need something else to do.'' Employees themselves are kept responsible for their tasks, which can easily be tracked by the CRM, whatsapp groups and emails, as they fault can easily be traced back in this manner. The company is therefore actively encouraging their employees to use these mediums for communication. When issues occur, R.J. pursues an open door policy. However, he says that many issues are not communicated directly, but R.J. often finds out by a third employee that sort of acts as a messenger. ''The guys who speak out the most, are not even they guys with the problem. Somebody else would speak of a problem they don't have, but somebody else has.'' ''Low end guys that talk. The upper guys keep quiet. The low end guys have less to loose.''

Yet, R.J. thinks the communication could and should be improved, especially when the customers are involved. It seems to me they should be more concerned about customer service and keep them up to date of the progress of the task. ''Usually it's that the technician didn't turn up at the customer, because they got stuck somewhere else. Or they will turn the next morning, but did not tell the client. Or they needed to get something and they did not communicate this to the client.'' ''They do not inform the clients that other things need to happen before the system works again. So while the technician knows he needs to come back to solve the problem, the customer assumes it is already fixed.'' They are more focussed on telling their supervisor, but not the client. ''As long as they told the supervisor, they feel that their job is done. So you get the problem of whose responsibility is it to tell the client.'' ''It's basically caring for your job. Caring for your customers, caring for your business. And that is what we try to instil on our employees.'' This was specifically hard at the start of the company, but newcomers will now go with the flow of the corporate culture.

However some employees and technicians fail to fulfil their tasks. When this happens, the company would look if one can do another job within the company, as it tries to prevent employees from being fired. R.J. things this will a big impact on the private lives of his employees, showing a paternalistic attitude. It happened for instance a couple of times that the supervisor was demoted and his or her subordinate promoted. Yet, they had to accept it, or leave the company. ''The supervisor of the technicians is a highly skilled and experienced technician. It has happened that the supervisor got demoted, while one of the technicians got promoted.'' Fortunately, for the demoted supervisor, the salary will not be changed. Also the wife of one of the supervisors forbid one of the technicians to let a woman sit next to him in front of the car. One of the employees once had an issue where the church told him not to do their job, as it was not in line with the will of God. Churches target citizens at the bottom, as they are more vulnerable. They demand them to pay a certain amount of money. This shows that these non-work-related norms can influence the employee and the company tries to accommodate these issues the best they can, as long as it does not undermine the effectiveness of the employees.

When an employee still needs to go, it is difficult to fire someone due to the labour laws. Instead, they will be suspended ''pending an investigation'' on a half pay. In the meantime, they will look for another

job. So when they have the job, R.J. asks him or her to come back to work and they basically have to choose. Yet, the employee will always pick his new company, as the relationship with UO will already be deteriorated.

The workforce are generally between their late 20s and early 30s. ''Younger guys are easier to manage, they learn quicker and don't have a lot baggage.'' All technicians are men, all finance employees are female and the salesmen are a mixture; there is thus no preference for a certain gender. All of them are Tanzanians and there are no expats working at the company. Only English and Swahili are spoken and tribal languages will not be spoken in the company. According to R.J. this is very rare in Tanzanian businesses. He does however explains that at some private companies, the senior manager that are ''aligned'' with the directors and come from the same tribe or even the same family. At UO, it happened a couple of times that an employee is a family member of one of the shareholders. But they still need to have the necessary skill-set and will be extra scrutinized. ''They are just as qualified as the other person'' and the other partners would then doe the selection procedure, to prevent conflict of interests. ''The least you might have is a cousin employed, which comes with a lot of scrutiny form the other shareholders, because of the fact that it is your cousin.'' It happened however that a supervisor informed R.J. that he or she was not functioning well. For instance, some gave a negative attitude about underpaid, overworked, etc., even though this employee was hired based on nepotism. ''You got other who come in and say because my cousin is a shareholder of the company, you can't tell me what to do to their supervisor.'' Then the partners is responsible for handling it or even firing him or her. Sometimes, the mother, father, aunt would call to ask why he or she was fired and to hire him back, instead of fixing the bad attitude of this person. Nonetheless, ''in some offices it happens'' in Tanzania. ''Many companies are like that. Many private companies are just like that, where you would literary would not touch certain people no matter how much they mess up.'' But at UO, ''there is no shareholder in the business that has any liabilities to their immediate family other than their own family.'' The company does pitch in during a funeral or a wedding, because ''culturally, you are expected to help.''

Tribal influences are limited in Tanzania according to R.J. ''Some places, whether it is government or private, depending on the shareholders, can get tribal on top. The bottom is very difficult. You will get a mix and match of some level. You cannot find an office with just one tribe or one religion.'' This is thanks ''to the founding President, where he made sure that we were totally integrated as one from a tribal perspective.'' At other cities like ''Arusha, Moshi and Kobe, it plays a more important role, as these places are dominated by a few tribes. In Dar no tribe dominates and most individuals had to rely on other people in Dar.'' However, in these cities it is also limited. He thinks there is a ''pseudo-divide'' between religions, but does not lead to conflicts. ''We continuously believe that we do not have a faith problem, we do not have a tribe problem, most families are intertribal anyway.''

R.J. is from the Swahili tribe from the Manyema clanship from the East Side of the country. It controlled around 20 tribes and the language spread through the trade routes to Bagamoyo. Many people picked up the language and that is why Nyerere used this language as national language.

Employees are allowed to help the customers out and ask a fee, as long as it is not part of UO's business model. This includes for instance installing an anti-virus software for one of the clients or fixing their computers. ''You can't stop it. It is usually instigated by the clients. It is usually the clients who do it, not the employee. It is usually the clients. Because the employee knows if he asks and is told no, he is going to be reported on. So it is usually the clients that will say: come do it and I give you this amount. And then it becomes a habit.'' ''You are going to lose a good engineer for something as petty as that. Let it go.'' Beside that, they provide an extra service, which improves the brand.

Technician get a significant amount of training. They are a mixture of university grads and post college students as most tasks are manual labour instead of ''brainpower.'' In addition, most required knowledge is brand specific, so generic ICT knowledge is not sufficient. However most of them have a limited to no experience with the practical side of ICT. Thus, they receive in-house and on-the-job training from their more experienced colleagues. In addition, they receive new product training when the company will start using other ICT devices. These could be through videos, when the vendor comes to UO and there have been training session in South-Africa, Nairobi and France that were attended by the technicians of UO. The company pays for these training sessions, but they are also sponsored by the vendors usually. R.J. Thinks the company is also sort of a learning institutions. He seems to be proud that many of his employees often end up at the major ISPs in Tanzania, due to the reputation of UO.

Employees receive their salary monthly and per back account. At the end of each year, the employees receive a bonus based on the performance of the company, not the individual performances. The salary of the salesmen are partially commission based however. Besides that, each quarter all employees come together to have a few drinks on the company to promote the teambuilding.

Rules are not strict and usually informal. R.J. they are adequately entrenched in the corporate culture and new employees will pick it up automatically.

Civil society

The company uses a few suppliers, of which the most important one is TTCL that delivers the bandwidth. Besides that, it uses hardware import companies such as X to obtain the necessary equipment. It does not have one supplier of hardware and he often shops around to ask around to get the lowest price. This is because all the devices are made abroad and the prices and specifics can be found online. ''The most you get is probably a preferred rate, because you have a relationship. But as we purchase our stuff from abroad, we usually know what they can do and what the prices are. If you want to buy the same device for more money for whatever reason, that is your decision. But sometimes I get the device for $90,- instead of $100,-, because I buy a lot of stuff from them. But they also know that I can buy it from abroad for $80,- and then they give it for $90,- and I have the device immediately. But generally we all know what the device cost, so that is easy for us. Sometimes our end-users have no clue and then they or I can sell it to them for $400,-. So it depends on what you know.''

R.J. always asks for e receipt, as it happens frequently that items are stolen. Is he gets some questions from the authorities, he can always refer to his suppliers. He also experienced that some would sell

without VAT tax, but ''one day in the future that will terribly bite you in the ass on a terrible day, because you have to account for your revenue? Also it is very difficult in the service industry, as there will be a payment every month usually. In the service industry? Very complicated, because every month, there is a payment.''

The company provides a wide range of internet connectivity solutions to mainly public and private organisations, but also to individual customers. It is extremely innovative as it was the first company that introduced 4G in Tanzania and are currently working on a project called TV Widespace. It initially was set up to create an internet connectivity mesh in Tanzania, which acts as a connectivity blanket over all of Dar es Salaam that is supported by many WiFi devices set up in offices, hotels, restaurants, etc. "This is cheaper to deploy, cheaper to manage and the access for your consumers can be as big as you want.'' Usually these devices have a reach of 50 to 200 meters, so the mesh requires a lot WiFi installations. The TV Widespace project has been set up to increase the range of the WiFi installations up to 10 Km. It uses existing television towers and install WiFi devices and can reach into the rural areas significantly better. "So by covering such a big area, it will be easier and cheaper to connect schools, as pulling fibre to the school in the rural areas will be really expensive.'' ''It is a bit of risk for us, but that was also the case for us when we obtained a 4G licence, as we were the first in East Africa.'' ''So we see ourselves more as social capitalist and don't operate that much in the commercial sphere and we try to help more, rather than just collection the payment.'' ''We are knee-deep in there and hopefully we have a product at the end of this year that also shows the most affordable way of reaching the people in the rural areas.'' As this project is in the early stage of development, the risks are high. ''As the rules might be different in the future of what we think it will be and we lose a lot of money.'' While this project mainly costs money, the other side of the business generates it. This side focusses on installing devices at a fixed cost and internet connectivity that generates monthly revenue. This is done at homes, offices, hospitals, restaurants, schools, universities and many other organisations. It will use the TV widespace to reduce the costs in the future, but the company is currently restricted to the WiFi devices installed in the buildings. It provides unlimited data for a certain bandwidth, which gives some misunderstandings at the customer. ''Most provide a certain data amount with unrestricted bandwidth instead of unlimited data with restricted bandwidth. The former is easier for them to understand.'' As a result, the company receives many complaints about when customers use services like streaming that requires more bandwidth than that they bought. Yet, they are one of the few companies that provides these services, so they choose to stick to this business model. In addition, many customers do not understand what services UO delivers and which they do not. They frequently receive complaints that MS outlook does not work, while the internet works. Still, they chose to fix these problems as well, as they will lose the customers that blame UO, but this also improved the brand. ''We started sending our guys to fix those problems as well, without charge, because this will improve our relationship with the clients. This really benefitted our brand, but now other providers have stopped charging for that service as well.'' The company also loses quite some money, when customers do not understand who is to blame for failures. ''We also had some CCTV installers, who were unable to connect it to the WiFi network and would blame us for this. However the installer didn't

know what he was doing. And my people don't know how to install CCTV systems, because that is not our business. Then I need to hire an external party from our own pockets do it properly for them, otherwise I will lose business. This is completely unfair, but from their perspective, they are completely clueless.'' ''It happens a lot for instance the collaborating company is using our service to help their client, but the client is not taking my advice on what he needs to use form us. Then they say our service is not up to standards, while they refuse to listen to my advice, for instance when 10 users are using our service that is actually meant for 2 users.'' The company uses a wide range of marketing tool to attract customers, such as billboards, radio, television and social media. Occasionally they get calls from non-customers to fix some of their problems and use this as an opportunity to gain him or her as a customer.

One other issue among their clients is that they would only pay after the project is finished. At the same time buying on credit is very uncommon in Tanzania. This means that UO often needs to pay all the initial costs and this lowers the cash available at the company. Also, when something goes wrong which delays the project, it can take up a lot of time to fix the problem and get paid. ''We were lucky enough when we did [one of our projects]. We did demand mobilisation fees, which are part of your actual fees. This would be 15% of the contract amount paid in advance as mobilisation fees. Because we were running about half a million dollars' worth of hardware. And you were like; how they hell do you expect me to come up with that?'' Also some customers are reluctant to pay. After a few months of not paying. He gave some warnings. ''Will you disconnect them, or will you let them continue. If you disconnect them, they will plug in to somebody else and pay that person. And you will never get your money. You lost the customer, plus you lost revenue.'' '' It's usually a fine line with what you want to do. Some, you just disconnect and accept the loss. Most cases, it is what it is.''

The company does not collaborate with competitors, but often with complementing organisations, such as X, Microsoft, Cisco, COSTECH, even the American Embassy and many other organisations. It sometimes happens that R.J. would recommend a client to one of these organisations and it is common to receive a commission for this.

The TV widespace project is funded by ''a World Bank type of institution'' and is 63 million over 10 to 15 years. Complying with their standards is difficult, as they are extremely scrutinized and accounted to the dollar. ''You have to be flexible to bend to the will of the big boys.'' At the same time, this provided many opportunities for creating a network and they are still in close contact with organisations like Microsoft and the American Embassy. ''They brought in Microsoft, Intel, Cisco, they brought everybody in.'' ''Got the best help you need.'' They sometimes call UO to ask for advice how to deal with certain Tanzanian practices. ''Pro bono of course.'' He wants to maintain the relationship with them, because if they have an ICT project in Tanzania, R.J. expects them to call him first. For instance when they had issues with certain governmental officials, UO advised them ''let it go. This is one fight you are not going to win.'' Also, ''we had one time a launch of a project and they didn't have food. They had biscuits and sweet and soda. And we were in the rural areas without giving them rice and meat.'' They invited local heads and chiefs and they did not understand that biscuits and sweet was not enough. So R.J. helped them to sort out the problem.

State level

''The regime change primarily brought in a change of mind-set and work ethics.'' ''Nowadays, there is a little bit more professionalism maybe and a little bit more fear instilled in them that we are chasing up on what you are doing. We are not going to take everything on face-value and the people of who are suspected of doing these kind of games. And if you are caught out, you are going to be in trouble. So that also changes the mind-set of the people inside that you don't get away with stuff as easily as before.'' He stresses that only a few individuals were corrupt, not the whole system. He also thinks that the low salaries of the civil servants incentives them to get involved in corrupt practices. Nowadays, people get caught more often, also from corruptive practices in the past. ''Nothing actually gets erased'' and it was only buried. People get into trouble of what they did in the past and some companies even have gone bankrupt because of it, while auditors are being prosecuted or penalised as well. ''Because in reality, they can't fix the problem. And this is what most people have become to learn today. That bribing your way into less taxes or whatever, doesn't necessarily help you. Because the documents are never gone. So you solved it for today, but down the road some auditor could come in and; here is your bill. You paid 10 million and it should be 18.'' ''And they know exactly why you paid 10 million; you paid somebody off to do this.''.

UO is involved with the municipality, the TRA, the TCRA, indirectly with the Ministry of Communication and Infrastructure, the Constructors Registration board (which allows UO to work on construction sites) and the voluntary association Tanzania Internet Service Providers Association (TISPA). Every telecommunication company has to deal with the TCRA and provides licenses that are valid for 5 to 10 years. The time to process the application takes 9 to 18 months. However ''TCRA is a well-run machine. They know what they are doing.'' The main reason for the long process is due to the nature of the communication industry that is classified under National security. ''You get vetted by the National Security Service as well, before getting approval for your license'' and the TCRA has many independent departments that needs to approve it. During this period there is continuous communication and ''you go back and forth. It is not a 9 months of total silence.'' Hence, R.J. understands why it takes that long and says the TCRA is more open. It might be frustrating for new entrants, but ''you don't want (foreign) extremist having access to the communication channels.'' ''Since they are an independent state agency, they are not your traditional civil servant. They're a little bit more open.'' Processing time is influenced by the amount of business a company already has done. ''If you are a known entity, it is much easier than a totally unknown entity.'' But R.J. has not experienced any corruption or that people pay allowance fees.

The TRA is it bit more difficult. ''One of the biggest issues that we personally have with the tax authority have, and this is I think the tax law, is that the different departments of the tax authority are independent of each other.'' So if the company pays too much tax (due to a mistake) to this department, it cannot use it to pay the tax at another department. Still, the company will need to pay each department, as they have to power to close the bank account of the company. This leads to a lack of liquidity and could cause operational problems. If you manage to convince one of the senior

managers at the TRA, it will be highly scrutinized, which also takes a lot of effort and time. The chances of winning a case in court would also be minimal. Hence, this rigidness of the TRA could lead to serious problems. However during audits from the agents once a year, the TRA could give some leeway when a mistake is made. ''Most of the small companies do not have the manpower to do things properly.'' Penalties can get waved, if you show it was an honest mistake.

He explains that even though corruption is illegal and it has been reduced, it is still quite common. Especially when it concerns the state's money, it ''is a big boo-boo. That could get you into serious trouble.'' However, it still happens that a civil servant asks 10% commission for it. It requires effort to set this up, as ''you need to have a relationship somehow. I can't be just random.'' According to him, it usually starts with tipping a civil servant for his services. Tipping is common in Tanzania and they even have a word for it: ''Tagrema'' which loosely translates to ''a thank you.'' It mainly originates from the third President who supported the gift giving process and it is socially expected and accepted. ''Usually happens post-transaction, not pre-transaction.'' But after the first transaction, the civil servant will expect a reciprocate and he or she will work harder to get a tip again. ''So usually, I would say corruption doesn't happen the first time. You need to have the relationship prior for it to happen.'' ''He is not supposed to expect it. Then you give it. But he does.'' ''He knows exactly the amount he is getting. That is why he is doing it.''

Nowadays, it has become a lot harder. ''There are other who do that kind of stuff. But it has become harder and harder and harder throughout the years. Not just due to the regime change, but through the course of time.'' The government agencies are beginning to understand that disrupting the relationships is also disrupting the relationships and there is a lot of job rotation going on at these agencies. ''The minute you change, that means that people have to build new relationships.'' It might also happen that after you paid the allowance fee, you still do not get the tender due to scrutiny of the superiors and discontinuing the contract. He is happier with the new system, as it is more fair towards the entire population, instead of a few individuals. ''This system is more fair and it benefits everybody involved. Because the old system that used to be deployed many many years ago, where for example 2 dollar pen gets off for 10 dollars, is not helping anyone. You are putting money from the state that could be used for better things, medicine, hospital, schools, etc. to end up in people's pockets. And what are they doing with this money? Buying cars, buying houses, traveling, that sort of things.'' However, he recognises that it is sometime necessary to get things done in Tanzanian. ''They say corruption is bad. Yes, corruption is bad. But sometimes it's necessary.''

R.J. stresses a clear distinction should be made between paying allowance fees to individuals in public organisation and private companies. While allowance fees in the public sector are illegal and plain corruption, it is legal to pay a ''commission,'' unless is it restricted by the company's policy (not by the Tanzanian law). If UO delivers a service to a company, there is usually one person in the company that is responsible for the project or service that receives a commission. This person is called the ''gatekeeper'' and will protect the business relations, as he or she profits from maintaining it. ''In the private sector, the facilitation fee works all the time. Because for example I want to get into a hotel and set up my services in that hotel. I could literally go and tell the IT manager if he has the power to

connect to me, I will make sure 10% of the fee you guys pay, I will give it back to you in cash.'' R.J. writes it down on the bill, which makes it a legal transaction. However, the IT manager would try to bury it somehow and often successfully. ''So your gatekeeper protects you from the senior management. So you are paying the gatekeeper, whoever it is. It could be the head of IT, could be the manager, could be the CEO, could be anybody. That could be your gatekeeper, that guys protects you from getting kicked out of the place. You could be providing shit service, but he will always defend you, because he is getting a kickback from it. Until the day somebody realizes he is getting a kickback from it, so he is always defending them. But they have no way of knowing on their side.'' ''You bought his loyalty. The more he protects you, the more money he makes.'' A 10% commission fee is normal and with a continuous invoice service, 10% will be paid to the gatekeeper each time, whether that being weekly, monthly, quarterly or yearly. ''The person that is receiving the invoices and the bills and everything, is the person that is the gatekeeper.'' He recognizes this increases the price for the client, which results in the gatekeeper to defend it somehow to his superiors. ''If I am going to share my profits with you than you better jack up the price.'' If they find out, the gatekeeper will probably get fired. These kind of things usually come to light when the client is not happy with the services and will start to ask questions. At UO, it is actually written down in the policy that employees that wielded in new clients receive 5 percent of the fee, so they formally institutionalised it. However, at most companies, it is illegal according to the companies' policies.

We talk a bit why tribalism does not seem to play a significant role in Tanzania and why it does in neighbouring countries. ''In Kenya, the fathers of the contemporary opposing leaders were the President and the vice president. They had a fall out and since then, their tribes are going at each other. Their tribes literary hate each other.'' This used to be the case in Tanzania before the first President Nyerere as well and even tribes like the Chaga fought among themselves. But ''once Nyerere came into power, he broke all that up. He used all those sons of those chiefs as civil servants, ambassadors, ministers, government employees and they all went to school together. So they grew up as brothers, without any justification of going back home to be a chief. So nobody held the urge of going back home and be a chief. So today being a chief, which is your right, there are actually people who are born in chiefdom. But you never know, because it is something that is forgotten. Basically it was erased, Nyerere just erased it.'' ''He pulled it off marvellously. He just erased chiefdoms. Today, they have fake chiefs, but you are like; yeah who really listens to you.'' R.J. argues that the colonists used the chiefs to control the tribe by granting them favours, which led to the corruption common in many African countries. After the colonial era, it seems that while the presidents used only people from their own tribes for the vacant governmental positions to consolidate their power, while in Tanzania, it was a mixture of every tribe and each tribe felt represented in the national government. On top of that, the chiefs and their sons were physically removed from their tribes to govern in Dar es Salaam or to go to boarding schools in other parts of the country. For instance, the chief of the Hehe tribe became the national speaker of Tanzania after following boarding school. By doing this, Nyerere made the chiefs lose their identity with the tribes and be part of the nation according to R.J. ''So you yourself as the chief are running away from your own responsibilities.'' '' You either bought into that and you survived. Or you didn't buy into it and we don't know what happened to you.'' By doing so, ''there was very little

killing, if any. That is why there is no bloodshed.'' This is different in other countries in Africa and even in Zanzibar, where there is occasionally still bloodshed. ''That value of what a chief would be in South Africa or in Uganda, has been diminished in Tanzania.'' The Baganda in Uganda are the biggest tribe and their chief is not allowed to get involved into politics, because his people would only vote for him. But the government is okay with granting him some land to keep him quiet. ''And he has his Kingdom in Kampala, which is the capital. He has a part of the capital as his kingdom, where he is the law.'' ''Give him that little freedom, and he doesn't meddle with your normal politics.'' It's ''like the Vatican.''

Interviewee	Marry Minja
Company	Aksa Organic products
Function	Founder and managing director
Location company	SIDO Estate – Vingunguti, Dar es Salaam
	Sam Nujoma road, Dar es Salaam
Contacts	+255754668910
	marryminja95@gmail.com
Date of the interview	18 May, 2017
Location of the interview	Liquor shop, Nelson Mandela road, Dar es Salaam
Got in contact through	Professor Abraham Temu/SIDO

Background

Marry is the founder and managing director of Aksa Organic products. She has a Chaga background, like many other entrepreneurs. At the moment she produces liquor made from pineapple, oranges and ginger. Her company is located at the SIDO site near the airfield, where many start-up are located and supported by SIDO. She also owns a liquor shop, where she sells many different types of liquor ranging from beer, wine, whiskey, liqueurs, mix-drinks and obviously her own. This shop is located at the Sam Nujoma road, where I met her for the interview.

Company level

Marry started her company in 2015. Prior to that she did taxation for a construction company, but she says she always had an ambition to start her own company. She started to do research on what other people were doing and wanted to produce something different from them. Most of her competition use chemicals to get the flavour and aroma and she wanted to differentiate her products by using solely organic materials. In addition Marry uses the tinctuai, fine spirit and various spices to differentiate her product from others. Initially she obtain the general recipe of producing fruit liquor from SIDO, but got additional training from a man who lived in Germany to change the recipe.

Marry uses solely organic fruits to produce her products and will produce around 250 bottles per day. Currently she is waiting for a bottling machines, as she had to start packaging in bottles instead of sachets die to governmental policies. The first step of producing pineapple liquor is buying the pineapple from the organic farmers and negotiating the prices. Next after the pineapples are delivered, they are selected based on whether the pineapple is intact and the freshness. Then they are washed, pealed by hand and dried for a few days. Next the juice is extracted by a pressing machine and boiled to kill the bacteria. Consequently the substance is filtered and mixed with water, fine spirit (ethanol) and tinctuai (enhancing taste and aroma). Then it needs to settle for 90 days. Next it is filtered again, checked on the quality, packed, labelled and send to the shop. The filtering for the production of pineapple liquor is done by the same machine, but the filter itself is changed during the different steps. Also the same machines are used for the other liquors, but Marry says they need to be cleaned

thoroughly before she can start producing one of her other products. The machines she uses now are from Canada and India, but were arranged by SIDO. In the future she wishes to purchase a labelling machine, but lacks the capital at the moment.

At the moment the company counts 4 employees, of which one does mainly the bottling, 1 the inventory and 2 the production. When the new bottling machine arrives, she thinks she can expand her production to roughly 10 employees. The liquor is made in batches and each product is made a couple of times per month, depending on the market demand. There are not general meetings, but Marry discusses various things with her employees during lunch time. ''During lunch time we start to share ideas and ask each other, how are we producing, how are finding the market, so and so…'' ''I give them the change to say whatever they thinks we need to do.'' In addition, the employees need to work in the absence of Marry sometimes and but has to check up on them a couple of times to keep them motivated, showing a somewhat medium egalitarian management style and a minor level of professionalism.
Most of the ideas involve product innovations by tasting the drinks of the competition. After asking whether some employees provided some process improvement ideas that were implemented, she said no.

Marry followed some training courses at SIDO and occasionally sends some of her employees to one or more of these courses as well. In addition, one of the employees works part-time at the company and has a full-time job at a large brewing company called Konyagi. He is an experience process operator, who not only does the production, but trains her staff as well. Hence, he acts both as a process operators and a training consultant. She also came into contact with him though her social network (without an allowance fee) and she thinks that his employer Konyagi does not know he has a side-job at Aksa Organic Products (however it appears to be quite common in Tanzania). Her goal is to have at least 2 employees that knows how to follow each step, in case one of them gets sick or leaves the company.

The workforce have a mix of ethnic backgrounds, where one is from Dodoma, one from Mtwara and 2 from the Kilimanjaro area. Three of them are older than 25 and one is 27. One is a former colleague, but she got into contact with the rest through her friends and family. She would discuss with them which characteristics she is looking for and they would simply propose someone when they think it fits the description. This acts as an accountability mechanism as well, as she would say to her contact: ''you get me one, you have to guarantee,'' which seems to be passed on to her employee. There are no fees involved here, as it is a ''friendly gesture.'' All the employees live close-by as well. Advertisement does not work according to her, as many Tanzanians would apply for the job. Unemployment is high. She still encounters that some individuals visit her shop or call her to ask whether they can work for her.
I ask her whether she thinks she can trust her employees and whether this has changed over time for some of her employees. ''You can trust them, but you have to monitor them to determine whether he or she is actually trustworthy. But so far, there have not been any issues and she is happy with her

employees.'' However, one woman has been fired in the past, who was running the liquor shop. Shortly after she was hired, the sales of the shop drop. After some check-ups, Marry found out she would open the shop late and close it early. Marry confronted her and gave her another chance by offering her to get trained at SIDO to do the production. She declined however and decided not to show up. After a while she came back to ask or even beg for her old job. But Marry refused to hire her again, as she hired someone else already. This shows a fatalistic and synchronic attitude of this employee that was met by severe consequences. Marry explains that because her employees have a contract, firing can be difficult as the rules are strongly in favour of the Tanzanian workforce. You need to have a very strong reason for firing someone and you have to provide a written warning, which counts as evidence when the employee will go to sue you at the labour court. The costs for these processes are very high, but luckily the employee did not pursue this, as she realised it was her own mistake. Besides this, she is also somewhat afraid that one of her employees might leave the company with the recipe to either sell it someone else or to start a company for him- or herself. She thinks this makes trusting her employees completely, difficult. ''There are some things I am not disclosing to my employees.'' At the moment, she has no relatives working at the company, but she wishes to employ her daughter after she graduates, who can than be the manager and will know all the ins and outs of the production process. Now only the experienced employee from Konyagi knows the entire production process. I asked her whether employees make any mistakes and what the consequences would be she said: ''It never happened, or I don't know when it happened (laughing a bit).'' Only one girl broke the machine once, but this was not due to misbehaviour and she showed remorse. So they just discussed it, but also explained that if it would happen again, she would deduct something from her salary.

Marry provides for some of her family members occasionally, by taking some cash from the company. Besides paying for the tuition fees for her 2 children, she also has paid some of the medical bills for her brother, sisters, uncles and aunts. This does not happen a lot, as he tries to minimize it. Or otherwise she ''would already be dead (speaking of her company).''

The production at the company starts at 8:00 and the employees go home after cleaning at around 16:00. She explains that her employees are late sometimes, but if they have a good reason and it does not happen too often (more than twice a week), she is okay with it. Hence, she has never fired an employee due to punctuality issues. The company has a bookkeeping and has a planning that is written down and shared with the employees. The employees receive their salary on a monthly basis and in cash. ''They do not want to open an account, so what do I do?'' Employees can negotiate their salary, but this is also influenced by the government, as it has certain salaries for a certain level of skills. If salary is too low, they can take you to labour court.

In the past Marry hired a business consultant to write a 5 year plan. She explains to me she want to learn from his expertise, which seems to be the only reason to have such a plan. In addition, she wishes to start making wine and juices as well, but her facility is too small at the moment.

Rules at the company are limited. The only rules that are present are about punctuality and hygiene, such as cleaning the equipment, the employees' hands and the right clothing. These latter rules are also imposed by the TFDA and the TBS and rules originating from Marry is thus very limited.

Civil society

The pineapples are from one farmer in Iringa and the ginger and oranges are from farmers in Tanga and Zanzibar. These supplies are limited to organically-grown fruits, so only a few farmers are able to provide these. She has written contracts with only the pineapple farmer concerning the quality of the products, but will have to negotiate the prices at each order. Prices fluctuate per season and she determines the price in Dar es Salaam first before she negotiates with her suppliers. She initially came into contact with these farmers though the Tanzanian Organic Agriculture Movement, which is a small and young organisation that links the solely organic farmers with buyers. In addition, they provide workshops and also have charters in various East African countries, e.g. Kenya, Rwanda and Ethiopia. After Marry called them, they visited her in Dar es Salaam to set up the agreement, but also to create a trust-bond. Marry thinks trust is very important for doing business in Tanzania, as she does not have the time to visit their farms and rather calls them to place an order. ''You can go there if you wish. But if you trust them, you can just call them.'' So far, she has not experienced any issues with her suppliers, as she is able to pay less than the agreed price (she pays after delivery through MPesa) when some of the raw materials are not in order. This requires a certain level of trust and it does not lead to discussions, as ''the person I am dealing with, are very understandable,'' and ''you have to be sincere.'' But ''I don't lie,'' as ''I am a Christian, so I don't do that.'' She has never come across with any bad intentions from the farmers; if it happens, she would give them a second chance. The raw materials are transported by bus or by a transport company and Marry needs to pick it up at their terminal.

At the moment, the company packages the liquor plastic bottles. Previously, she packaged it in small sachets, which were cheap and thus moved fast. However, the government had forbidden it, as many drivers used those sachets on the road, got drunk and eventually ended up in many accidents. The plastic bottles cost Tzs 120 each and can be obtained from Dar es Salaam, Arusha and Mbezi. She would simply call them up to place an order and they would deliver it within a few days. However, ''sometimes they are in time, sometimes they are not.'' the plastic bottles are easier to obtain, because the low income of the people in Tanzania makes the market for plastic bottles significantly bigger.

Even though the plastic bottles are relatively cheap, the alcohol makes the plastic erode after 6 months and the liquor will start tasting like plastic. The bottles need to be finished quickly, but some prefer use the alcohol for a longer period of time. Glass would be better suited for this and Marine wishes to use both plastic and glass bottles to capture both markets. However, there is only 1 glass bottle producer in Tanzania, who is solely focussed on the large buyers and require a minimum order of 20.000 bottles. In addition, they only have one mould that can be used by everyone and various others that are patented by these large buyers. Hence, she is currently arranging a deal with a manufacturer in Nairobi that offers 10 different designs and is willing to deliver in smaller quantities for Tzs 255 per bottles. She is happy with the diverse set of options as ''you must have something to differentiate between you and the other people.'' She thus tries to differentiate in taste, but also to use solely organic products. She came into contact with this company through a friend of her. Then she choose the model and asked for the factory to send a sample. Both sides will sign a contract when they have decided on the prices of the bottles and transport

Lastly, machines are hard to come by. Recently she has found a larger bottling machines through SIDO and it will arrive in 2 weeks from the moment of the interview. In addition, she wishes to buy a water filtering machine, as she uses distilled water instead of tap water. However, she has been unable to find one and does not have the money to buy it yet.

The customers are supermarkets, wholesalers, individuals visiting her shop and other retail shops. In addition, she has 2 individuals in Mbeya and Arusha that sell her product on a commission basis. They simply called her, as they obtained her telephone number via their social network. Marry did not trust it completely from the beginning and went to Mbeya and Arusha to meet them, to get to know them better and to see where they live. This is important to create a trust bond according to Mary, because ''what if he runs away with your product? Who are you going to ask?''

These buyers can simply call and place an order. She will deliver her drinks using her own car and has to hire a big car from individuals she knows when she has larger order. She visits potential customers door-to-door and present them with a sample of her product. ''Face-to-face is very important,'' because people like to know the face behind the product. In addition, some of her customers were obtained through referrals.

She occasionally receives feedback from the supermarkets, wholesalers and small shops. She actively approached them and they provided her with feedback that she actually implemented. When something is wrong with the product, customers will call her and she will either replace it or refund the money. Also, some customers complained that the alcohol percentages was too high, so she changed it from 40% to 35%. She points out that TBS needs to be informed as well, so they will adjust their documents as well.

She finds it difficult to predict customer demand. This is affecting her business as well, as she want to keep enough raw materials in stock, but she also does not want to have to many, as the raw materials can easily go overdue. Hence, she pays attention to her inventory management, but is struggling to do so due to the difficulty of the market forecasts.

She also mentions there is a lot of competition, although this has been reduced due to the restriction imposed by the government about the packaging material, as some have run out of business. She does not collaborate with these competitors, but she did receive advise of an employee of Konyagi on where to find the packaging material. This was rather informal however, as she already knew this person, but she paid him something for his information.

State level

The company is involved with various governmental organisations, such as the common BRELA, municipality, TRA, TFDA and TBS, as well as TOAM. This latter organisation is an organic food organisation that supports the supply and demand of organic food exchanges, as well as providing workshops.

The others are organisations that require licenses and approval. Especially TFDA is strict, as they inspect both the product and the location by making surprise visits. In addition, the company needs to provide flowcharts of the production process and a detailed recipe. Yet, they do not only punish, but

advice the company to improve the production process as well according to Marry. Obtaining the TFDA and TBS license is difficult, as getting TFDA approval can take up to 6 months and the TBS requires TFDA approval for starting the application process that also takes up to 6 months, which would add up to 1 year in total. She thinks that applying for these 2 licenses is difficult and time consuming, but also argues that these organisations should work together "under the same umbrella," as they are checking the same things. Also TFDA is mandatory and TBS is voluntarily or "promotional", but as almost all products have TBS approval, it becomes a necessity to compete in the market. "The parameter is one. One is for sufficient food (TFDA), one is for promotional (TBS)." "TBS was optional, but now you have to, as many competitors do it as well." Enforcement is done through surprise visits at the company, but also at her buyers. Hence, if they would find products without TFDA or TBS approval, they will could get penalized as well and will have to tell where they got their unlicensed products from.
The application process for the other licenses is relatively easy according to Marry.

For a longer period of time Marry was packaging her liquor in small sachets. Due to the low volume, the sachets were cheaper than the larger bottles and it was easier to capture a larger amount of customers, as the purchasing power of the customers is usually low. However the government banned these sachets abruptly overnight. She heard the ban is, because the youth was using it to drink during workhours and when they are driving. Now they are not able to use it for these purposes anymore. Yet, she is not sure whether this policy will work, as she thinks the larger bottles will be bought by a group instead of individual users. This led to a loss of 20 million Tzs, as she had to destroy her sachets, both empty and filled ones, that were in stock. Hence she is about to purchase a bottling machine that can handle 6 to 10 bottles each time. The minimum requirement for these bottles, is 200 mL, so the machine will be able to handle this minimum. She says the ban of the sachets is disappointing, but also realizes this is incurred by the government and says: "what can you do?" "Government is government; politics is politics. They can do whatever they want." "They can say whatever without doing a great research and realising what will be the outcome." If one does not follows these rules, they will be taken to court. Agents of the TFDA and TBS are the main inspectors that will check for these.

Some customers request to buy without VAT, but this is not allowed. Therefore Marry is reluctant to do so. She heard that other entrepreneurs have been taken to court or they had to pay outstanding taxes back. She thinks that the enforcement has increased under the new regime. However she also has a somewhat different explanation to tax evasion than commonly heard. She thinks that people do not understand that taxes are for the development of the country and she believes that many people are reluctant to pay it do to a lack of understanding what the purpose is of paying taxes. "They don't know where their money ends up." Hence, according to her, it is also a matter of educating the people. I also ask her whether it would be beneficial to know people in these organisation. She answers: "It is not a question of knowing the right people. It is a question of knowing the procedure." However this is seems to me to be a breeding ground for corruption. In addition, Marry seems somewhat evasive about allowance fees and corruption and does not like to talk about it.

Case 10: De Niza Health Food Products

Interviewee	Allen Njau
Company	De Niza Health Food Products
Function	Founder and managing director
Location company	SIDO estate, Dar es Salaam
	Mbezi Juu, Dar es Salaam
	Dodoma
Contacts	+255758796889
Date of the interview	16 May, 2017
Location of the interview	News Café, Dar es Salaam
Got in contact through	Allen Mombo

Background

Allen is a very active entrepreneur, who has started various companies. He always had passion for food-processing, but after not being selected for starting a bachelor in food-processing, agricultural business and industrial engineering, he choose to computer science instead. He consequently has set up his own ICT company that develops software for the private industry and the government and that company still exists. Around the same time, he took over the animal farm of his father after he passed away and had a successful sunflower oil business. However due to governmental regulation, this became a difficult industry. Around the same period he started an MBA in marketing and his final project was honey processing, as food-processing was his main field of interest due to the agricultural background of his family. He thus decided to start processing honey in 2014 and registered his company in 2015. The focus of the interview was on the honey business, but some experience of him as an entrepreneur at the other companies were also discussed. Funny fact: like many other Tanzanian entrepreneurs, his tribal background is Chaga.

Company level

Allen has been an entrepreneur since 1998, when he has set up the ICT company and when he took over the animal farm of his father. The ICT company still exists and Allen closed his father's animal farm in Bagamoyo with the intention of moving it to Dodoma. Allen thinks the market demand will increase, as the government has recently moved to the capital city, which is centrally located. In addition, his main honey collection centre is located there as well, which will make supervision easier. Also visiting the beekeepers will be easier, as traveling from Dodoma to Kigoma takes 6 hours, while from Dar es Salaam takes 2 days. He is reluctant to move the honey processing facility to Dodoma however, due to potential conflicts with government officials, which will be discussed at the state level.

Previously Allen was processing his honey at a different location, which was determined to be unfit for production by the TFDA. He thus moved his production to the SIDO estate in Dar es Salaam near the airport and is still awaiting new approval. Unfortunately, this estate only has a limited number of production facilities and some entrepreneurs have to share it. ''There you have to share.'' For this

reason, Allen only produces once a month for one or two days and has to rent the room for a week to position his equipment and raw material, but also to comply with the high quality standards that Allen has set. Allen can produce around 1000 jars per day, but the total amount depends on his market forecasts.

The companies counts 5 full-time employees and 3 part-time employees who ware district officers that collect the honey in their designated areas. The production is sequentially segmented by Allen in "receiving, processing, storage and dispatch." Each step is filled in by one employee, albeit the processing step by 2 employees. Allen wants his employees to be focussed on one particular step, but he also mentions they need to be flexible when one step requires extra hands at a particular moment. When necessary, Allen occasionally hires extra employees for a day. As Allen only produces once or twice a month, the full-time employees also do the delivery, the recruitment of beekeepers in the villages and a bit of sales (although Allen does most of the marketing).

Allen pursues a very egalitarian management style. He has been inspired by various sources, including lean management and 'taking people with you' by David Novak. In addition, he subscribed to Harvard Business Review and watches various YouTube movies about management. From these sources, he learned about sequential production processes, nurturing initiatives from the workforce, sharing responsibilities and promoting teambuilding. Decisions can be made by the employees and Allen expects them to come up with solution rather than problems. " I also train them on lean thinking. There is one book from Womak on lean thinking, that I normally tell them, try as much as you can. If you come with a question, you must provide with a solution. Just don't blame anyone, or don't ask me a question, because I don't have the answers. What I need is your fist idea." "They can make their own decisions. That is the lean thinking I sad. I normally tell them once you come to me, I like more of the solution. You don't come with the problem, so that they give you the solution." As an example, an employee proposed to use another route during the rain season, which was longer, but he expected the shorter route to be flooded.

This requires a professional attitude from his workforce and they seem to be able to cope with this after a few months working at the company. In addition, Allen lets the employees rotate among the production stations, including Allen and his position. This means that Allen sometimes does the receiving step and one of his employees is the manager. "Formally they used to get scared, but once you do them more than two time, and they see you are friendly to them, and after they do much better they get bonus, they do it very good. Because if they do better, they get a bonus. But if someone misses one [step] of the process, we normally tell them you also are punished. You [have] missed the bonus! Even if the production goes well, you [can] miss the bonus. Because if you miss one of the steps, you now miss one of the steps in quality production system." There is thus a remunerative control system present at the company, Yet, teamwork is highly promoted as well, showing a normative control system. This come forth by the teambuilding games Allen organises once every three to four months or after some cooperation issues. "After teambuilding games, you must have a solution."

Allen prefers to give them responsibility. Initially he kept many responsibilities to himself, but this became too busy, especially in combination with his ICT company. This led to delays, which incentive him to distribute some of his responsibilities to his workforce. However, either Allen, his wife or his

sister has to be present during production, as the employees would otherwise do nothing and go on social media. ''In Tanzania, you cannot. Either my wife is there present, or my young sister is present.'' Also ''for the food safety, one of us has to be there.''

Also Allen handles mistakes a bit mildly. ''With small mistakes, we normally warn them.'' ''There are some mistakes we warn them, there are some mistakes we tell okay, the punishment will be that you will not receive any bonuses for three months. The is this one, where we deduct it from your salary. But we normally don't encourage punishment. I normally tell my employee that it is good to have good ethics and we do not prefer to lead by loss. I prefer you being under ethical behaviour.''

Allen proudly explains that his business is a family business and that his previous successful sunflower company (and partly his current ICT company) provided him with the opportunity to provide for some of his family members and friends. ''The sunflower oil business grew very well and it gave me the opportunity to take care of my family, sending my young sister actually to study at the university for a degree for her masters. After that I took care of my elder sister, who is an industrial engineer now. And for one of my sister for her doctor in medicine.'' He and his wife has set up the honey processing company, which is actually named after her. The sunflower company was set up by Allen and his young sister. In addition, after his father past away, who paid for their colleges fees and occasionally sent money to their village, Allen took over this responsibility. He paid for his older sisters' degree in medicine and industrial engineering and his younger sister to study food-processing technologies. Besides that, he paid for the tuition fees for three extended family members that live in the village her originates from (which later turns out to be the children or friends of his father), where one became a lawyer. This also resulted in reciprocal help from them. For instance, the employees get regularly health check-ups to prevent contagious deceases in the production area. This is facilitated by his sister, who either does it herself or friends from medical school. The lawyer now helps Allen and his company, as he said to him ''you don't have to pay me anything. But anything related to law, just send to me.'' Lastly, his younger sister with the food-processing degree is one of the five full-time employees, who is the quality inspection manager and handles most quality issues and TFDA/TBS related issues. Allen explains that every (formal) food-processing company should have someone with a food technology background or one that followed a course in food-processing at SIDO. ''For the Tanzanian food-processing, you must have one for quality inspection. That's when I engaged my young sister. But I do pay her. She is one of the full-timers.'' I ask him whether paying these tuition fees laid a big burden on the sunflower business, but he explains that he discontinued this company due to governmental restrictions.

The rest of his workforce are a mixture of men and women, but most of them are young due to the unemployment among this particular group. At the beginning, ''among the beekeepers, I looked for one who was doing good. I recruited two of them and trained them for production.'' Nowadays he hires employees that are trained at SIDO, where he request of list of 10 to 15 people who took a course who he then interviews. He consequently lets four to six work at the company for one to three month to see how quickly they learn and how they cope with the quality standards. There is a large turnover, as most of his employees are very well trained and other companies know this. "People already know that if I steal an employee from Mr. Njau, he or she will be good.'' Many have left to another company

that proposed a better offer, especially the most skilled and talented ones. Even though Allen thinks this is a big challenge, he does not have a strategy to prevent his employees from leaving.

Allen has a significant amount of production schemes, product tracking systems, rules and regulations to maintain the high quality he is achieving. At each production station there a flowcharts present with pictures. In addition, he tracks each product based on the barcodes, which also includes the region where the batch of honey came from. Samples are taken when the company receives the honey for inspection. Employees need to clip their nails, wear special clothing and hair nets, man are obligated to shave or ''you must wear a total ninja cloth, they are forbidden to wear perfume as the honey will absorb it and employees are obligated to do regular health check-ups to deter contagious deceases in the production room. Windows need to be closed to prevent dust from coming in and the jars are thoroughly sterilized before they are filled with the honey. Machines are calibrated and checked every three months, as ''the cost is much cheaper'' and the jars are sterilised. Before they start production, Allen has a small meeting where he discusses the ethics of the company and how the employees should behave towards each other. Lastly, Allen has developed a code of conduct that every employee has to sign that includes thinks like when someone is caught stealing, the contract is terminated. ''Now we have written out the new policies. If you are caught stealing anything, it is bye and termination. That one has no forgiveness. But not only termination; we normally take them to the police and they have to pay back. So normally if you take anyone to the police, their family will come and pay back the amount.'' Hence, an accountability mechanism based on the family is present here as well.

Even though the management style is egalitarian, Allen has a hard time trusting them. The turnover is high, which is not beneficial to create trust bonds. Some employees have been caught stealing jars of honey. For instance, when employees had to deliver a shipment of jars, they would sell it to someone else along the way. However this is easy to track for Allen, as he documents the numbers and buyers have to sign when they receive an order. They often do not tell to keep the money for themselves and Allen has to fire them. These employees thus seem to have difficulty with understanding that Allen keeps track of the jars and the consequences to stealing. Others would actually tell Allen, who will receive the revenue eventually, and proudly explain that they have sold an extra batch. However the original customers will receive a shipment that is less than ordered. Again, these employees seem to have a hard time with understanding the consequences of these actions. Nowadays Allen tries to let the customers pay through bank account or check to prevent using cash as much as possible.

Other forms of stealing happens when one employee (the receiver) needs to let the samples be inspected at the TFDA and the TBS. This costs money and Allen would give this employee cash to let the samples checked. However they could forge the inspection ticket and keep the money for themselves. ''Because taking them to the quality inspection, you have to pay. Now if you give them money, they might force them to keep the money. That happened to me.''

Employees at the company show a synchronic time attitude. Employees are occasionally late and when this is getting out of control, Allen would deduct it from their salary. Also after pay-day, employees

tend not to show up, especially among the young employees that work there only for a month or two. ''It is very normal that you pay salary today. The next day, they will not come. Even for a week. Especially with these newcomers, when they get their first cash. They go to the bar and drink a lot and once he comes back, he smells like alcohol. So you cannot use him or her.'' ''You have to sit with them, to give them a huge orientation and let them become aware of their money.'' Sometimes they have a 'valid' reason, for instance when a female employees needs to stay home as her husband said so. But usually they don't have a good reason.

Allen partly covers this by hiring employees through a guarantor, who will either pay back the salary or will make sure the employees will show up the next day for a small fee. Often these guarantors are family members or know the family members of the employees. ''So if one of the employee is missing, I normal call the guarantor.'' Some employees propose to work for free to make up for the loss, but Allen does not allow this. In fact, Allen has started with firing employees when they do not show up for work (after pay-day) without a valid reason. I ask them if this happen a lot and he says ''very often. In Tanzania very often. Hiring and firing.'' In the last year, it happened 18 times. It also happened that employees found another job, but were reluctant to tell Allen, as they feel guilty that Allen has treated and trained them so well. Hence, such individual not know how to go about quitting and rather don't communicate it at all. Allen explains about the larger turnover ''it is painful that you have trained them a lot.''

Allen has a clear goal, as he want his company to grow to 25 employees and exporting 25 tonnes to foreign countries in 5 years. When he started the company, he used money from his other companies and did not have a loan or an investor. At the moment, he searching for an investor, as getting a loan is very difficult and expensive. Besides that, he also competes in various entrepreneurship competitions, where he once won $1000,-. In addition, his sister and him are currently investing to start a rice or meat packaging company and to open a cassava farm. However the government has moved to Dodoma recently and this is affecting his business. Funny thing is actually that he uses the Porter 5 forces model to investigate the opportunities and challenges that come with it and he has used this many times in the past.

Civil society
Allen receives honey from 211 beekeepers that have 500+ beehives. He has developed quite a unique business model, where he owns and develops the beehives and rents them to the beekeepers. Contracts have been set up to protect the property rights of the beehives and to assure the quality. This latter point is also the reason why he does not allow the beekeepers to use their own hives. ''That is for traceability and safety. If I allow them to have their own hives, sometimes you will find they are dirty or they do not meet the quality of the standard. So I normally provide them with the hives.'' These hives have some special features compared to commonly used hives in Tanzania. For instance, there is a net that keeps the honey and the bees separated, which ensures that the queen cannot contaminate the honey with eggs and small dead bees. It is also built to deter dust and other insects from the environment. In addition, he has built in chips that weighs the honey, in order to determine

the harvesting time. Lastly, the hives contain GPS chips in case the hives are stolen or when the beekeeper decides the sell the hive that is actually owned by Allen. He bought these chips from eBay and Alibaba and has created the system himself. The beekeepers do not know this, as they will probably remove the chips, showing a clear lack of trust that has been violated in the past by some beekeepers. There are some errors however, so Allen is still developing new hives. Besides these hives, Allen has also developed software called hive tracking that keeps track of these features, the owners, the governmental inspections, the characteristics of the hives and the environment.

The beekeepers live in the areas of Kigoma, Dodoma, Katavi and Tabora and Allen is developing a suppliers' base in Djombe and Iringa. There is a large inflow of new suppliers, but also a large outflow. Allen has developed high quality hives and some of the beekeepers and competitors know this. It often happens that the beekeepers sell the honey to other honey collectors at a higher price without the knowledge of Allen, which is also illicit according to the contract. In addition, some of the beekeepers have bought off the contract and the hive to start for their own and selling the honey or hive for a higher price. Allen can still buy the honey from them, but at this higher price. He thinks this is especially an issue in Kigoma, as it is close to Rwanda and Kenya and many collectors from these countries are buying from initially Allen's suppliers. As a result, Allen only works with 7% to 8% of all the beekeepers he ever worked with.

Yet, Allen has a steady inflow of beekeepers. He is registered at and works closely with the department of Forest and Beekeeping at Ministry of Resources and Tourism. Allen has set up a software platform for them that connects all the important stakeholders ranging from the people of TBS, TFDA, SIDO, a professor from the UDSM department of chemical process engineering and the so-called district officers. This is to increase the quality and to expand his network, which has been made available due to his programming and ICT skills. In addition, he has various whatsapp groups to enhance the communication between the stakeholders. These district officers are government officials that work for the Ministry of Resources and Tourism and their task is to check the quality of honey at all the (registered) beekeepers in their designated area. Yet, they also have a contract with Allen, which seems to me like a side business of them. For Allen specifically, they manage his collection centres, store and label the honey and do various quality measurements. In addition, they train potential beekeepers for Allen for a small fee and Allen thus has an abundance of suppliers. One of the main problems of these district officers is that they also sell Allen's honey at a higher price to other honey collectors. Allen receives a fair share of the money, but they also keep some of the money for themselves. One eventually even terminated the contract. As Allen says: "It is like I created the opportunity for him." I ask him how he could stop losing his suppliers, but replied "sometimes you just have to accept that, there is no way."

The main issue with such a large turnover is maintaining the high quality standards that is required by Allen and the government officials. Some honey collectors tell Allen they are beekeepers, but later on it becomes clear they do not have the knowledge for it. Some also mix their honey with cheaper and poor quality honey that contains dead insects and dirt. Also some dilute it with water, but the honey starts to ferment when the honey consists of 21% water. Lastly, some harvest it too early, which makes the raw honey to start ferment as well. Hence, the inspector would then determine it is not right for

human consumption. It will be destroyed instead of given back, which incentivises them to improve the quality. Some of the beekeepers would get angry and want the honey back to sell it elsewhere. ''But the punishment has to be there. This is not good for human consumption, so you cannot sell this so someone.''

After collection, the honey is as quickly as possible filtered at the collection area by the district officers, as the honey crystallizes over time that hinders the filtration. Then, the honey is transported to the packaging site in Dar es Salaam. This needs to happen overnight, as the honey starts to ferment due to the heat and the sun. Allen is limited to only a few transportation companies, as most of them do not have the adequate storage facilities and are focussed on large corporations. He has set up contracts and overall, they are reliable transport companies. In addition, he is currently drawing up a contract that allows him for airfreight during the day. Lastly, due to the various contacts he has in the government, he can get cheap transport via government officials only for a small fee.

The customer base consists of small shops/retailers, bakeries and office agents that buy in bulk and sell to office people. Allen delivers once per month and has his own drivers who do other jobs for other companies as well. It does not sell to supermarkets yet, as Allen moved his processing unit about a year ago to the SIDO estate, but this requires TFDA and TBS approval again. ''Once you change the premises, you have to start over. Which means you have to pay again.'' (further discussed at the state level). Yet, most of the volume goes through retailers and their small shops, as most Tanzanians would buy from these local shops. Initially Allen had hired a marketing person, but he was not very successful. Hence, he does it himself now by targeting strategically located retailers, such as at the bus stops. Occasionally, some of his employees find customers as well, but to a significantly lesser extent. Some of the retailers also buy in bulk to sell to other retailers in the area. Some end-users also called him, asking whether they could his honey close to his home, as he or she bought one at a bus stop. If he receives various calls from the same area, he will try to sell his product to some of the retailers in that area. Some improvements were obtained by market research as well, as Allen quickly introduced squeeze bottles after some office workers explained they would prefer this to take into the office. Also some retailers indicated that the wanted that the code would entail from which region the honey comes from, i.e. TBR stand for Tabora and KGM for Kigoma, as this would help them to sell to specific market groups that have preferences for this. He obtained this information through meetings with some of his retailers to discuss some of the issues they are facing. He has also reduced the jars to smaller quantities, to let the product move faster. Lastly, Allen actively tries to increase trust by inviting some of the retailer and end users during the production process to show how they work and to explain that his employees do health check-ups at the hospital. ''After that, they started trusting us.''

Besides being active, Allen is also very knowledgeable, as he reads many books about Lean Management, about entrepreneurs like Richard Branson or article of the Harvard Business Review, and implemented various tools into his business. ''I am reading books a lot.'' For instance, lean management taught him to forecast the market demand by determining the sales trend of his customers and actively call his customers to ask what they expect to sell in the near future. ''So I study the market order and so forth. And also I do check with my customers.'' Six sigma has taught him to

standardize the production process. KanBan gave insight in the management and maintenance of his machinery and Kaizen continuous improvements during production.

The competition has increased according to Allen, also from Kenya and Rwanda. He thinks that the government in these countries are incentivising entrepreneurship and exports, while the Tanzanian government is mainly focussed on quality and control. ''Their government is doing so much on trade facilitation for their entrepreneurs. It is quite different for our country.'' ''Our country only focusses on control and compliance, so there is so much regulation. So it is not that easily. But the government does not do anything of the trade facilitation.'' However, the markets in Tanzania are far from saturated, especially high quality honey. His sister is actively looking for markets where bad honey is being consumed where often people get sick such as stomach-ache and diarrhoea. The honey often contains dead insects and dirt. She found out that some use dirty and old clothing the extract the honey by soaking it in hot water and the squeeze the water out. She would then provide a sample, which is enough to obtain new customers.

State level

Allen explains that the Tanzanian business environment is not favourable to SMEs, although this has changed due to the new regime change. During most of the years Allen was an entrepreneur, the Tanzanian economy has been an ''extractive economy,'' where only a few benefitted at the expense of the general population. ''So from to political institutions to the economic institutions, they don't favour us.'' Neo-patrimonialism was present where people sponsored politicians in return for favours according to Allen. Allen experienced this when he had to wait to buy a piece of land for a few years, while (ex-)politicians would simply obtain the land for free. This also happens with many other resources, such as governmental contracts. Also large enterprises, both owned by (ex-)politicians and rich citizens used and bribed the government to deter new entrants. ''They try as much as they can to eliminate new entrants.'' ''They will bribe the government, the Tanzanian Revenue Authority. You will find that they corrupt the land management authority, so it will not be easy for you to register your land for industrial purposes. Sometimes when you transport your honey, it will be captured by the Tanzanian Revenue Authority people. So you have to provide all the certification and when you get it, you find it is delayed between one to two weeks.'' Hence, there were many barriers along the way, which would increase the price of his product three to four times. ''Sometimes you have to bribe them to release.'' It also happened that he lost customers, as it took too long for Allen to deliver and customers diverted to other producers. After one of the political leaders started producing sunflower oil, the barriers became too big, which ended in Allen's sunflower oil company going bankrupt.

Yet, Allen knows some civil servants at the TRA who has helped him quite often. They are friends dating back from the university, as this university was the only one that provided a degree in tax management. ''They help me a lot.'' ''I normally tell them, when one of my cargo is somewhere, please can you help me to check. And sometimes they tell me: Okay, I know someone is doing business in that place. I think he has caused this trouble. But you don't have to worry. Just wait, you cargo will be released. You don't have to pay anything.'' As most of them are his friend ''most of them don't charge [Allen].'' Yet, he

needs to maintain the relationship. ''You can just offer them beer, or roasted meat. They are just satisfied.''

Nonetheless, the new political regime is changing the business environment. ''Though the political system currently us trying to change these things. Actually right now, things have changed. Right now I have not encountered so many barriers and they have been eliminated along the way. So things now are starting to move.'' ''For me I think it is for the better since this new political regime has come. Things work much much more easy for me than before.'' ''To me, what I see. Sometimes I normally like to read about the political system. Previously most of the African regimes are extracting. Now this one is trying to work as inclusive political and economic institutions that the mass of the people get access to their share of the country. But only those few who know where the opportunities are. Because now most of the Tanzanians, sometimes even those produce anything, they will only blame about the political regime and so on. For those who show initiatives, now to me things have become so easy because of the regime change. This regime has given me so many. The land, now I have purchased now was so so cheap.'' According to him, the big companies are losing power, which is redistributed to the SMEs.

Allen sees these political changes as an opportunity and uses various books and tools to analyse the opportunities that arise from these changes. He uses the Porter 5 forces model often, for instance to determine whether to move away from Kigoma or not, but also reads books like 'why nations fail.' He came to the general conclusion that the new regime offers more opportunities to him. Yet, most people in Tanzania are still focussed on the political and economic issues, instead of seeing it as an opportunity according to Allen. He thinks that this is because the economy is down and the people have less purchasing power. However. He thinks that education also plays a pivotal role in seeing opportunities instead of barriers. He thinks that is why many entrepreneurs have a Chaga background, as this is by far the most educated group in Tanzania (is true based on various sources on the internet, as the Chaga were one of the first to adopt Christianity and the educational system back in the colonial era). That is why many Tanzanians are unable to see the opportunities. As a result, many Chagas end up in important positions in companies and the government.

However, he think that the government does not like the Chaga people, as they have that many businesses compared to other ethnical groups in Tanzania. ''Now we are seen as the people who are taking each and everything and the opportunities. Because we are the people who are much more educated and people who held different positions in the government and in the private industries.''

Allen thinks that the government should put more focus on trade facilitation. Now, they are mainly focussed on compliance and control, such as the bureaucratic policies and processes TFDA and TBS. He experiences a lot of competition from Kenya, as the government gives them more opportunities and incentives to trade, both locally and internationally. Allen proposed and even developed a traders platform for department of Forest and Beekeeping at Ministry of Resources and Tourism, which functions well and receives positive feedback form many users. Therefore, many other governmental organisations should adopt platforms that increases the collaboration between the government and the private sector according to Allen.

The company does not have TFDA and TBS approval. His previous processing facility did not meet the standards of the TFDA anymore due to tightening of the regulations and both certificates were thus revoked. As a result, Allen is not able to sell to the supermarkets and large wholesalers anymore. In addition, he moved to the SIDO estate that does meet the requirements, even though he needs to share the location. ''The quality of the processing room was not good, so I had to move to the government place, which is called SIDO.'' Each company that applies for TFDA certifications needs to have on quality inspection person with a degree in food science and technology working or one that followed particular SIDO courses, working at the company to comply.

Unfortunately, Allen has to go through the procedure again, which lasted last time 1 full year and the current process is similar. Also he needs to pay the fees again. ''Once you change the premises, you have to start over. Which means you have to pay again.'' It takes roughly 6 months to obtain the TFDA and one needs this certificate, before the application process of the TBS can be started, which also takes 6 months. Now, he is just waiting for the result of the TFDA and Allen thinks ''there are so many bureaucracies.'' Allen says they are making various excuses, ranging from rechecking documents, extending a due date, more samples, interviewing the beekeepers, meeting the quality inspection officer (his sister), resending the flowcharts and telling they lost it. They also claim that the test result are not in order without explaining what was wrong with the sample. Allen explains that they would say ''we have found something not normal, just bring another sample. But once you ask them okay, give me that report of the quality inspection, so I can also take it to someone else, the would reject this and say, just bring another sample.'' He also expects they just tale the jars of honey for their own consumption. ''You take three jars of each packaging size and they would later say take them again.'' ''Of course they will use it.''

I ask him whether the process could be speeded up by paying an allowance fee, on which he says yes ''but you have to pay a lot.'' ''If you go there and meet the right person. An you offer him Tzs 1.000.000,-, which is equivalent to $5000,- they can the facilitation very quick.'' But meeting the right person that is authorized to give approval is essential, because it could also happen that someone accepts the money when he or she is not able to provide approval. ''But you must know the right person, because if you offer that to the wrong person, you will have to offer it again to another person. So you have to know who is the right person to give him this one.'' If one would still bring it to market, he or she risks being penalized or end up in prison. Yet, these agencies hardly check the small retail shops. In addition, someone can bribe the police consequently as well according to Allen.

I ask him why he does not move to the SIDO estate in Dodoma, but the ''SIDO in Dodoma is not as well equipped as the one in Dar es Salaam.'' But there is a more important reason to stay in Dar es Salaam and not move to Dodoma. ''Our former Prime minister actually has a processing plant for honey also in Dodoma. Now to prevent the conflict of interest and so forth, I decided not to make it at Dodoma.'' I ask him why this would be a conflict of interest. He says: ''In African countries, it is normally. We have those conflicts, especially with political leaders.''

Case 11: Anepa Food Products Ltd.

Interviewee	Anna Toroka
Company	Anepa Food Products Ltd.
Function	Founder and managing director
Location company	Nelson Mandela road, Dar es Salaam
Contacts	0784295208
	anepaproducts@gmail.com
Date of the interview	19 May, 2017
Location of the interview	Mlimani mall
Got in contact through	Professor Abraham Temu/SIDO

Background

Anna Toroka has a food-processing company that produces sunflower cooking oil, peanut butter and honey. She started in 2006 with producing peanut butter and honey and consequently added sunflower cooking oil. I meet her at the Mlimani mall to talk about her business.

Company

Anna Toroka is an older lady that started her company in 2006 with producing peanut butter and packaging honey, and added sunflower oil to her product portfolio. Prior to opening up her company, she was a civil servant and had a salary, although this was not a lot of money. Therefore she and her husband started the company on the side add a ''supplement'' to her salary by investing their own money and without any loan. She reinvested most of her profits into the company. This was at her home in Oysterbay, but they moved out of the city to an industrial location out of the city close to where they live now. They own both properties now. Her husband was also growing sunflowers in the area of Dodoma. She saw the opportunity to process the sunflower seeds into oil besides the peanut butter and honey, and decided to take this opportunity. However this is only a small part of the business, as her husband does not grow a lot and she only buys additional sunflower seeds from the neighbouring farmer in Dodoma.

Her production facility consist of a processing room, a stow for the raw materials and a stow for the finished products. She has various machines, such as an oven, a filter for the honey and a grinder for the peanut butter. Additionally they have a crushing/filtering machine in Dodoma and the oil is transported in large 220L containers, to be refilled in smaller containers in Dar es Salaam. Additionally she rents a small shop where she started selling her products from, but added many more products later on. I ask her why she produces 3 types and she says that it is mostly honey. ''Honey is more profitable than the others and less cumbersome.'' But sometimes her products do not move that fast, so it is better to have more different products according to her.

The company count 4 additional employees next to Anna and her husband. One of them works full time at the small shop and is paid a monthly salary. The other three are part-time workers who are paid per day, but they work 4 days a week throughout the year. She says she can only employ 3

production employees, due to the limited amount of machines. But she is reluctant to hire full-time producers, because she want to keep her current employees that are used to working 4 days a week. However she has not asked them if they want to work a day extra. Anna sets targets for at the beginning of the day, which have to be met. Yet, when targets are not met, Anna will re-evaluate whether the targets where too ambitious or not, so they seem to be not very strict. The full time employee has a contract, while the three part-time workers do not.

The company does not have a formal hierarchical structure and the way of communication between Anna and her part-time employees seem rather egalitarian. They have daily contact and the communication is informal and face to face. Each have their own daily tasks, but the tasks are rotated among them. So every woman knows all the steps of the three production processes. Also the women cooperate well with each other. One of the reasons for the egalitarian communication could be the ages of her employees. All of them are ladies and housewives of working husbands with a low income and the wives want to earn a bit extra as ''a supplement.'' One of them is 60 years old and the other two are around 40 years old. The full-time employee is in her 30s. Status through age plays an important role in the Tanzanian society and there seems to be mutual respect towards each other and an egalitarian management style that could be (partly) caused by the small age gap.

This seems to be translated in a professional attitude of the employees. They do not have to be reminded or guided a lot and Anna says they are ''equal.'' When they make a mistake, they would just discuss it, for instance when one did not close the lit properly and ants crawl into the peanut butter. She had to show it once and did not make the same mistake again. However, she later says that two of them require a bit more guidance, as they are less concerned with quality, when the for instance add burned nuts to the peanut butter process. Yet, ''they work quite independent.'' Anna feels comfortable to leave them to do their work and they are motivated even without the presence of Anna. They are also allowed to make their own decisions, especially during Anna's absence. ''Sometimes I make the decisions. Sometimes, especially if I am not there, they make the decision. When I come, they inform me.''

Anna's employees also come up with improvements that have been implemented: ''the day before yesterday, one said: sister, these bottles are not good, the cover is not so good and this and that. When I looked at them, I said yes. So next week I am going to buy other ones.'' Yet most of these improvements seem based on the taste of the product and not process improvements. I ask her whether she could give an examples of an improvement of the work environment, which she answers with yes, but consequently gives some examples of product improvements. She tried some of these, but were unsuccessful and not implemented. '' One came with the idea of sugar free peanut butter. They tried it, but the peanut butter did not separate properly.'' And Anna consequently says that most ideas come from her, as she has followed various trainings at SIDO. So in general, ''we collaborate well. We discuss when something is not good. They give suggestions and give new customers''

Her employees are all from the neighbourhood and are married to their working husbands. However their pay is small and the money they earn at this company acts as a welcome ''supplement.'' They address her with ''sister'' or ''dada'', which means they trust her and see her as one. She came into

contact with them through referrals, but one applied at her by simply visiting the shop. Anne prefers to employ people from the area as she thinks it is easier to handle them and share their issues. ''You know where they come from. When they tell you about something, you can countercheck.'' She also uses the community for marketing, as the community members promote her products. In fact, she is a member of a group of roughly 30 women that support each other. Each donates the same monthly amount, which is used to help finance funerals and weddings, as this is a Tanzanian tradition. In addition, the group share their problems with each other and Anna also uses the group to promote her product. ''If you have a problem, you come to me. If I have a wedding, I will tell you.'' Some of the group members buy her product and refer it to their social network and she thinks this groups is important for her to sell the products.

She prefers female employees, because she want to help women and had a bad experience with one male employee who was constantly on their phone. "The women are more motivated and focussed than man.'' She does however hires a man when heavy tasks need to be done at the company. Her employees are all from a different tribe and only speak Swahili. Ethnical background does not play any role at the company.

New employees need to show their capabilities for one trial day. When they do not perform well, she would tell them the same day. But, she would say the demand and hence the production is low ''so they don't feel bad, because they are my neighbours.'' Only one ladies has ever been 'fired.' Anna had to repeat the same thing many times and ''she was not very quick.'' This shows that production goes before taking care of her community members. She is happy with the rest of her employees and ''the other ones do good work.''

The company does not have any rules other than hygienic rules. This includes wearing special clothes, hairnets and washing their hands. She things this is important for ''maintaining quality products.'' During production, she thinks it is important to work clean and that the packaging material is cleaned as well. She want to ''make sure the processing unit is cleaned to maintain the quality. Quality is very important.'' She does not take samples during or after production, except for the water content in the honey. This is also done by her employees.

Anna followed various paid training courses at SIDO and her employees followed a few free training courses. In addition, the HACCP trained her employees for a day at the company.

The full-time employee that works at the shop is paid a monthly salary and receives money for food and transport. They production employees are paid on a daily basis, as they want to spend the money directly. It has never happened they did not show up. ''They are being paid per day, so they know they would lose their job and money.'' Employees are occasionally late. However, they need to reach their daily targets. However, if they reach it in time, they can go home early. Otherwise, they have to stay. They also receive lunch from Anna and a transportation fee. This gives her the flexibility to reduce the days of production when the demand is low, which has happened in the past. However, it also occurs she pays them for a full day when they work 1 or 2 hours less due to a low demand because she knows them and she knows their problems.

Civil society

The honey comes from the Tabora area on the West side of Tanzania, where many beehives are located. She knows two beekeepers that also collect the honey from other beekeepers. She trust them and they are reliable in terms of time and quality. Whenever Anna wants to purchase a new batch of honey, she can simply call them up. They will collect the honey and this will be transported by a third party transport company. Anna needs to pick up the honey at the hub of the company in Dar es Salaam. She hires someone with a small truck to transport it to her shop. Money is transferred through MPesa or TigoPesa before delivery, but so far, they have always delivered the honey. It happened twice in those years the honey was not good based on the colour and on a ''superficial'' check by Anna. She simply returned the honey, without any consequences. She says honey can be preserved for 2 to 3 years, so she suspects that they sold the honey to other producers.

She got into contact with the beekeepers initially by the Ministry of Forest, as they provided Anna with their telephone numbers. After calling the beekeepers, they visited Anna in Dar es Salaam to discuss the prices, the quality and way of transportation. Now, she needs to renegotiate the price each time and buys a large quantity each year. She has to save for this throughout the year. Anna has never been to Tabora.

The honey is inspected by the TFDA and TBS at the beekeepers once every 6 months, in addition to the inspection at Anna's company. So far, the honey has always been up to the standard.

The peanuts are bought at the Kariakoo market. She uses the same two suppliers each time, as she already trusts them. However, it occurs a few times that the quality of the peanuts is bad and it is mixed with debris. If this happens, she and her employees need to sort it out, although she gets a partly refund for this. If there is too much debris, Anna will give the peanuts to the chicken. Trusting the peanut suppliers even though the quality is not always as good, seems contradicting to me. Trust seems to be a good relationship, irrelevant of the quality he provides.

Prices fluctuate, because the growth of the peanuts depend on the season. She has to negotiate the each batch she buys at the market. If the prices are too high, she will produce less. This is also because she will increase the price of the peanut butter because of it and this lowers the demand of her customers. Production is mainly based on the amount in stock and, hence, indirectly on market demand. In case of a large increase or order, she is sometimes unable to deliver.

The sunflower are from their farm near Dodoma. Anna also buys the sunflower seeds from the neighbouring farmers, but the total amount is still low. She has a crusher/filter at the farm and the oil is transported in 220L or 100L barrels, to be refilled in Dar es Salaam.

The customers are small shops, wholesalers and a few supermarkets. These were mainly acquired by physically visiting them and presenting the product. She says this is the normal way of selling your products in Tanzania, as they want to see and taste it. When they want to order, they would call Anna. She would immediately deliver, even though it would be for one buyer and the order are as little as two or one item, which seems inefficient to me. At the moment, she only covers a small part of Dar ans wishes to expand. She is reluctant to use a sales person however and wants to do it herself.

In addition, she does the delivery herself by using her car when it is available, a taxi or a bajaj. The car is a family car that is not dedicated completely to the company, so it is not always available. A new car is the first upcoming investment she want to make. ''If I would have my own transport, it would be easier to visit the shops and have my products in the car.'' However, she is struggling now due to the struggling economy and does not have to money to buy one yet. Her children have advised her to use Instagram as well, as marketing through Instagram is upcoming in Tanzania. She wants to start doing this in the near future, but has not done it so far. Besides Anna being the main person to market the products, she has a small shop to sell her products. Initially it was intended to solely sell her products, but she is also selling others now.

These buyers all pay in cash upon delivery, except for the supermarket. They pay in check and often a month after delivery when they have sold most of her products. This is limiting the amount of cash at her company, which is hindering her to buy her raw materials in larger bulk quantities. However, they have the power to dictate this, as they buy in bulk, which is attractive for many producers.

Anna has put her telephone number on the label and is called by some consumers sometimes. Reactions are mixed, where some are positive and some complain about the products. She keeps track of these complaints and is able to track it down to which batch and supplier it came from. She communicates this to her suppliers, but without any consequences and they do not seem to care a lot according to Anna. One of the main complaints is that the colour of the honey turns dark after roughly 8 months. However, Anna argues that the honey is still eatable then.

Competition has increased in the recent years, as many entrepreneurs saw how much profit one could be made with honey. This lead to severe copying behaviour and a tough market to be in now. ''Competition is high right now.'' Anna's sales have been reduced in half. Some of her customers choose to sell the products of competitors, while other stayed loyal to her brand.

She does not collaborate with competitors. ''Now it is a free market.'' She asked to share information about acquiring the packaging material, because ''we don't have packaging materials. That is a big problem in Tanzania.'' However they did not want to tell her. ''They wouldn't tell you much.'' Luckily, she managed to find out that one of her competitors was buying from Kenya cheaper, so she decided to start buying these plastic jars from Kenya as well. Anna thinks that her sales are hampered by a lack of differentiated packaging material and wishes she would have more alternatives. ''Everybody has the same packaging materials and everything looks the same.'' Also, she would like to start producing the honey in small sachets, as this will move her product faster.

Previously, she sold the honey in glass jars. However, the glass manufacturer is only producing for the big beer brands. Many small producers of any kind of food or drinks is struggling to find packaging materials because of it.

State level

Anna's company is involved with the TFDA, TBS, BRELA, the municipality and the TRA. She does not pay VAT over her products and only income tax over her salary, which somewhat surprises me. She says that it is allowed not to pay taxes when the revenue is under a certain level. At first she says it is

100.000 Tzs per year and later changing it into 100 million Tzs. ''Below that, you just pay income tax.'' I find out later this is actually true: http://www.tra.go.tz/publications/Taxes%20and%20Duties.pdf

Anna does not know how to go through the processes of the TRA, TFDA and TBS and she has hired a consultant to do this for her. These organisations require a lot of money and the need for the consultant only adds to these costs. She says ''we are fighting, because they are taking a lot of money.'' ''For TFDA you pay in dollars, a 100 dollars'' which is a bog burden on her company in addition to the consultant. Also the TRA requires money up front, based on the estimation that your company grows. ''So when it is not growing, you pay too much taxes.'' These organisations made some surprise visits at the company. Now the TFDA and TBS are satisfied, but this also means that she need to deliver the sample herself for inspection, which requires time and transportation money.

In the recent years she has not paid any allowance fee, but has than that in the past. ''Maybe a long time back, but now everything is on the table.''

According to Anna, TBS and TFDA measure the same things. ''I don't know the difference. I asked once: what is the difference? How they have different equipment? Nobody knows the difference.'' She thinks that people would be more okay with it, if they would understand the purpose of it. This lack of understanding is caused by the TBS. While TFDA reports back what exactly the have measured, the TBS does not do that. Hence, TBS is very intransparant. According to her, the TFDA and the TBS should work closer together to save time, costs for Anna and the costs from their side. She thinks that ''TBS was meant for a company to grow and to compete. Now everybody has TBS, so there is no advantage anymore.'' She also explains that producers need a property to produce from if one wants TFDA approval. However, some are producing from their homes and it is hard for them to start a business. That is also one of the reason why SIDO has incubator areas, but these are expensive according to her. Some producers take advantage of TFDA and TBS, by tampering the certificates for the products. She heard this from some of the supermarket owners. They would visit the supermarket to check all the products. They would write down the names of the products and companies and head back to the office to check in their system or books, whether these companies and their products are actually registered. We agree that this take a lot of time and it would be better if they could check it in the supermarket. She says it is ''still not 100% working'' and has only improved the quality a bit. If they are not registered at TFDA and TBS, the supermarket could and the producer will be penalized.

At the moment, the company is struggling, which is mainly due to the new President according to Anna. She says that due to his government, the economy is down and the purchasing power of a lot people has gone down. ''People don't have money in their pockets.'' ''My business is going through challenges because of the new government. There is no money. So it's a challenge, but I keep going. I don't want to close the business. I have been doing it for about 10 years.'' Yet, she does see some positive sides of the new President, as he is trying to make the system fair for everybody instead of a few people. Previously ''people took advantage of the system'' and ''they were buying from us, but at the expense of a lot of other Tanzanians. So I think he is doing right.''

Interviewee	Marine Simba
Company	Simba Soy products
Function	Founder and Managing Director
Location company	SIDO estate Dar es Salaam
Contacts	
Date of the interview	25 May, 2017
Location of the interview	SIDO estate Dar es Salaam
Got in contact through	Professor Abraham Temu/ SIDO

Background

Marine Simba the owner and managing director of Simba Soy Products. As the name of the company suggests, it produces various products that are made from soybeans, ranging from soy bread, soymilk, soy drinks, soy-based nutritious products for mall nutritious people and soy flower. I meet her at her company at the SIDO estate in Dar es Salaam near the airport, where various other small companies are located. Somewhat to my surprise, a good friend of her is at the company as well and joined us. She owns her own company as well, where she produces flower from grain, so she gave some insightful examples as well.

After the interview, I get a tour through the company. There were various machines present, such as a pealing/grinding machine, filtering machines, a mixing machine and a large oven. The work space looked a bit unorganized, with many different types of cutlery laying around. This could be because I went to the company in the afternoon and they were already working the whole day. Still, it looked to messy to efficiently work.

Company level

Marine started in 2012 with making soy bread. She works as a civil servant and her husband also had a job. Now he is close to retiring, which motivated Marine to start her own business. She likes to have the business as a back-up. She did some market research and consequently started the course for soymilk at SIDO. This organisation provides many courses and one can chose which product one wants to make.

Now the company has grown to 13 employees excluding Marine. The company has a four layered hierarchical structure where Marine is the MD. The second layer consists of 1 HR manager, 1 sales manager and one operational manager. Three other salesmen report to the sales managers, while 2 senior operators report to the operational manager and 5 junior operators work under them. The company produces all the products each day and generally 2 are producing bread, 2 soymilk, 1 all the other products and 2 perform the packaging. I ask her why she does not produce 1 product each day and she says she does not have enough machinery to keep everybody busy. Nonetheless, all the production employees know how to produce all products, as she rotates them to keep them motivated. She says she learned this from SIDO.

Marine communicates with her employees through individual conversations during work and meetings. Occasionally she uses a phone, but most of the time the employees are present at the company, which makes face-to-face interactions easier.

The management style seems hierarchical with a bit of egalitarian discussion. Decisions are coming from Marine that only communicates this with the people from the second layer and so on, but discussion between them is possible. ''Decisions always comes from me as the boss. They can advise me, but not make a decision. I can allow them to share the decision.'' She also says that ''if they make a mistake, I need to be harsh,'' indicating a coercive management style. Nonetheless, a paternalistic attitude is present at the company as well. She gives her employees food or drinks at the end of the week and they receive something extra during feasts. I ask her if this is a bonus, but she emphasizes ''it is not a bonus, but a gesture, a present.'' They also receive a raise in salary; ''if you get a god profit, you have to give them salary raise. Everybody should get a raise to be fair.'' However some favouritism seems to be present as well, as some receive an extra bonus, without the rest knowing it. ''Don't tell anybody. Keep it a secret.'' She does say however this is for her hard working employees and that the ''lazy'' employees do not receive this. I ask whether she treats her employees equal and she replies that ''not all the employees are equal'' and some are more important to her, which seems to be based on motivation. ''She or he is lazy, but can change. But you have to be very harsh.'' Marine does not fire them however and gives them some time to improve, as she thinks ''they can change.''

Concerning the meetings, she says it is a ''must.'' According to her ''if you cannot communicate with your subordinates, you kill your business.'' She adds to this that ''you have to listen to them, to know their problems, their challenges, maybe you are underpaying them.'' The topics do not only include the business, but personal and family issues can be discussed as well, which shows that she cares for her employees. During these meetings she asks ''how are they selling the products, how are they communicating with the customers, what are the challenges they face in the market'' and says that ''everybody will talk and share their ideas.'' To me this seems to be mainly focussed on the marketing, so I ask her if she also discusses issues about the production process. She says yes, but is unable to provide me with some examples. At a later moment, we discuss if the employees come up with ideas for improvement, which are again only focussed on the end product and marketing, instead of operational improvements. I also ask her whether they came up with ideas that were implemented. She answers with ''probably,'' but she is unable to provide me with a clear example. Hence, there seems to be a lack of discussion and innovation concerning business improvements and the focus lays on marketing.

Marine came into contact with the current employees mainly through referrals from friends and family, but she also used advertisement and some simply visited the shop to look for work. One other possibility according to her would be through referrals from fellow entrepreneurs, which are usually family members of these entrepreneurs. However, this is usually involved with paying a fee to even speak to them as ''they want money for it.'' I ask her how she determines whether she wants to hire someone and she appears to have some well-defined thoughts. She says that for salesmen, she would

look for their CV, customer care, present-ability, smartness and communication skills. A production employee mainly has to have some years of experience.

Employees are in their early 20s or around 30 years old and a mix of man and women. I asked her whether it would be possible for me to talk to one of her staff, but she says that they only speak Swahili. Her employees originate from different tribes, but do not speak their tribal language anymore and this does not play a role in the Tanzanian society anymore. ''Different people from different regions. We don't rely on tribalism.'' Marine and her friend both originate from the Chaga tribe. Even though Chagas have a good and entrepreneurial reputation in Tanzania, she does not use this for marketing, as this will not have an effect according to her. I ask her whether she feels more Chaga or Tanzanian and she convincingly says ''we feel more Tanzanian. We don't like to mention our tribe'' and ''my product is from Tanzania.''

She avoids hiring family members, as ''they will kill your business.'' She does however help her family members with lending or giving money. ''We are the ones who are supporting them. Sometimes they say they do not have money to cultivate their lands or for harvesting their product or raw material. So you have to advance them (talking about family and not the farmers).'' In return, they support the company by promoting the product or buying it. Her mother gets ''first priority,'' but she also helps her sisters and brothers.

She has a clear preference for older employees, as ''the youth is very very dangerous. They don't like to work. They need only money, without making any sweet.'' Yet, she has to hire them anyway due to a lack of skilled and older labour and an abundance of jobless youth. ''Tomorrow you can get another young employee.'' Also, ''it is easy to get employees. Maintaining them is too difficult. Many are only after money, not to make your grow.''

According to Marine the youth does not have any commitment to their work due to a lack of family responsibilities. ''Older people have more commitment then the youth, as they have more responsibility towards their families. The youth does not have any responsibilities.'' This severely leads to motivational issues at the company and ultimately to conflicts. The younger employees ''don't like to work'' and sometimes ''they are doing nothing, looking at something talking on playing with their phone. Then there is a conflict between them.'' These youngsters continuously looking at their phones, is one of the main issues with the Tanzanian youth of today. ''Chatting is their main interest of the youth.'' ''You have to constantly tell them to stop doing nothing and start working.'' This shows there is a clear lack of professionalism among the younger employees. Marine she tries to be present as much as possible, but this is not always possible. ''When you are not there and you are away, they use their time for chatting, because you are not there. It is a big problem for us, to control that. To control this, you select the older one to control the younger ones.'' Also these older employees take their work more seriously. Hence, this lack of professionalism is countered by giving their managers status and authority through their age. Whether this has a positive effect on the employees remains questionable, as this is only increasing the hierarchy at the company and seems to be stifling the development of a professional attitude.

After hiring the employees receive on-the-job training from an experienced training consultant that is temporarily hired. Occasionally SIDO provides free training sessions and Marine sends some of her workers to these sessions. She also received the recipes from SIDO, which are written down and the employees constantly consult this according to Marine. Yet, she thinks that SIDO could do more, for instance by provide an environment where entrepreneurs can learn from each other. Also the rent of the building that she is in is high according to her, which results in a low profit. Her friends that has her own company as well, is located elsewhere due to the high rent of SIDO.

During production, Marine measures (or estimate more or less) the conversion rate, as the know how much product they should more or less get from their inputs. She trusts her employees with doing it correctly and has not experienced her employees stole from her. Also the company keeps track of where the beans came from, in case something is wrong with the batch. Marine lets her employees write these things down, but does not have a planning. She simply starts producing when the stocks are low, because the market demand fluctuates a lot. She says she produces more than a 100 breads per month, which seems low to me, but also like a broad estimate. It seems she does not exactly know how much of each product she produces each week or month.

Employees are paid monthly and in cash. So far it has never happened that some employees did not show up after receiving their salary, but they have heard from other entrepreneurs this happens. She does pay them in advance occasionally, when they are low on money. ''You assist them to solve small problems.'' Because ''if you don't pay in small amounts, they will steal your products.'' However it has never occurred someone stole from the company.

Employees are usually in time, but they are given some leeway when they have a valid reason to be late. ''As an entrepreneur, you have to be human. It can't happen every day. If it is happening 1 or 2 times per week, it is okay.'' Giving a warning that contains the potential of losing their jobs usually works according to Marines, which shows a bit of a coercive control mechanism. ''People change, as they are afraid of losing their work.''

Marine wants to expand to other products and her husband owns 50 acres of land in Bagamoyo. She wants to plant cassava, soy beans and trees. She want to integrate the soy beans into her supply chain to make more profit. At the moment, she is still employed part-time as a civil servant, but will retire in 3 years. Miss also has some pigs, chickens and cows, a pineapple farm and is a beekeeper. In the future, she want to start processing pineapples in pineapple juice. The reason they have this wide range of products, is simply because they ''saw the market potential.'' That is the reason why she asks me where she could buy a sausage machine.

Marine would be okay when an employee start her own business, even if they would start producing the same products. ''The market is big enough.'' She sometimes mentors other entrepreneurs as well, but it has not happened that one of her employees started their own company.

Civil society

The soy beans are bought from various farmers from Songea, Sumbawanga and Mbeya. They have set up contracts to ensure the quality they need. When these standards are not met, Marine can return the soy beans or negotiate a new price. ''They could get angry, but we have already told them what we want.'' Usually she calls when there are issues like these or for ordering a new batch. Yet, the cooperation extends further. Marine visits these farms once or twice per year to check how they are cleaning, sorting and packaging the soybeans and to give them advice. ''We direct them on how to sort out the good ones.'' She does this for two reasons: to improve the quality of the supplies and to create a trust bond between them. Cooperation is clearly present over the value chain.

Prices fluctuate per season. Soy beans can be preserved for one year, so wish to buy the beans in bulk for the whole year. However, a lack of capital is limiting this and they are forced to buy the soy beans once every 3 to 4 months and, hence, sometimes at a higher price.

The soy beans are easy to obtain, as well as they packaging materials. Machines are more difficult to obtain. Her friend has some pigs and she ask whether I know where she could get a sausage machine.

After delivery, soy beans need to be sorted from small rock and the poor quality beans. I ask why the farmers cannot deliver them in better quality, even though they visit the farms each time. She says that they do not have the cleaning machines, the time and the understanding of what quality is required. That is why she visits them and the quality has been improving so far. Also changing to another farmer would not change it, as they would all deliver it in this state.

The items are distributed by the sales team and Marine. They do not have their own transport and use Dala Dalas (busses), boda bodas (motorcycles) and bajaj (tuctucs) to transport small order and hire small vans with chauffeurs that are readily available in the streets for larger shipments. They will even start delivering 1 item, which makes the transport costs in terms of time high. Also delivery during the rainy season is more expensive, as they will have to use a car or a taxi.

The customers are small shops, wholesalers, homes, friends, small restaurants and even hospitals. The company does not have TFDA and TBS approval yet, which makes selling their products to hospitals a bit odd. Currently Marine is in the process of obtaining TFDA and TBS, which will open her market to supermarkets and bigger wholesalers as well. New customers are obtained through the salesmen, which visits them to present the products. When they wish to order, they need to call Marine instead of one of the salesmen. She thinks this is better for selling more and to create trust. In addition, she uses broachures, trade fare called Nani Nanis and Saba Sabas, and workshops for reaching out to new customers. Many current customers recommend the soy products to other customers as well, which have resulted in many additional customers. Her main customer base in Dar es Salaam, but she also sales through the salesmen to Arusha, Morogoro and Nairobi. Sometimes she receives feedback from her customers and she says she has even changed her product or the packaging material based on their input. The customer base is growing and the market is not saturated yet. She could easily expand to sell more products, but she does not have the capital to do this.

State level

The company is involved with only a few governmental organisations, such as BRELA, the municipality, the TRA and SIDO. At the moment, both ladies are in the process of acquiring TFDA and TBS approval. They say the process is ''very very difficult'' and takes up a lot of time. They mention it is easier in Kenya, which is one of the reason they have a better economy. Yet, for Marine it is easier to obtain it, as she is located at the SIDO estate. This area is already designated as an industrial area, so the TFDA is more inclined to give them approval. Also SIDO supports the entrepreneurs during the process. Bertha has only followed some courses at SIDO and is complaining about the TFDA process more than Marine. She does her production in the back yard of her house, which also makes it more difficult to get approval. It is not a designated industrial are and the TFDA is more motivated to say the property is inappropriate to produce. She is renovating a room in her house to meet TFDA requirements. She thinks ''the rules are too tight'' and that ''everybody is complaining about TFDA and TBS.'' ''If they want Tanzania to be industrial, they have to lower the regulations.'' They do understand though that it is important to have these organisations to check the food and drinks consumers use.

Both ladies competed in a entrepreneurship's competition of the TPSF. Marine has won 4.000.000 Tzs and Bertha won 9.000.000 Tzs. With the money, they started their companies. This organisation also helps them with advising how to market their products. Nonetheless, they say a lack of capital is the main hindrance of their growth.

The rules have always been there, but the enforcement of TFDA and TBS, and also the TRA, has increased since the new President took office according to both ladies. Yet only the larger organisations such as supermarkets, hotels and restaurants require these approvals. The TFDA and TBS occasionally visits these companies to check whether they meet the regulations. If not, they will get a fine or will have to close the shop. Small shops often do not display products without TFDA and TBS and ''they can keep it in the box'' and out of sight. Also there are many and they take small orders, so it is impossible for these organisations to check them all. Marine also mentions a SIDO certificate helps to sell to these small shops. Yet, having TFDA and TBS opens the markets to more buyer that also buy in larger quantities.

The new President is stimulating the small industries according to these ladies, ''by offering the chance of getting money from the banks. Some banks which are selected to guide the entrepreneurs to get loans, so that they can start their small industries.'' However, one does still need collateral in the form of a house, car or land. Usually men in Tanzania own these properties, which makes it harder for a female entrepreneur to get a loan. They think that a lack of capital is hampering their growth, as the market is not saturated and they have enough plans to expand.

Case 13: Mobistock

Interviewee	Amour Shamte
Company	Mobistock
Function	Co-founder and managing director
Location company	Msikitini street 26, Dar es Salaam, Tanzania
Contacts	+255759359090
	shamtea@gmail.com
Date of the interview	30 May, 2017
Location of the interview	Msikitini street 26, Dar es Salaam, Tanzania
Got in contact through	Simon Vestegaard

Background

Amour is a Tanzanian man that enjoyed high school in Kenya and moved to the United States to follow military college and University for a program in Marketing Management. After that, he returned home and started the company Connect, where he sold and distributed physical pre-paid cards for the major telecom providers in Tanzania. During this period, he recognized a market deficit, which he decided to fill with his current company Mobistock. He partnered up with a second equity holder, which is a friend, but is not involved in the management of the company. I met him in Michocheni B, an area in the north of Dar es Salaam. The offices used to be a big house. This is commonly seen in Dar es Salaam, as using an office building requires a company to furnish and lay the electricity network, while a house already has this. Besides Mobistock, Amour owns a club/event management company for events and movies.

Company level

Mobistock has a unique business model, which Amour calls a ''consolidated vending'' model. It buys pre-paid utility telecom services in bulk from all the major telecom providers in Tanzania, i.e. Vodacom, Tigo, Airtel, Smile, Zantel and Smart. These services are consequently combined in Mobistock pre-paid units in the back office of their application and servers and sold to the end-users under the name of Mobistock. Even though these users buy and use the hardware under the name of Mobistock, they technically use all the hardware and towers of the major telecom network providers. The major advantage for the user is that this is expanding the coverage and quality of their services. In addition, small shop owners do not have to have pre-paid cards of all network providers in stock, as the Mobistock pre-paid cards cover all these network providers.

Prior to starting Mobistock, Amour owned a company called Connect that provided the sales and distribution of pre-paid cards of the major telecom companies. During this period, he found that most small shop owners in the poor areas did not have enough capital to have enough pre-paid cards of all the telecom providers in stock, which could easily be $10,- per card or around 25.000 Tzs. ''Due to their limited capital, they had to anticipate on the local demand for each of the individual service providers. That was a major problem for the poorer and smaller distributors.'' He then decided to start Mobistock in 2013, that would target this poorer class of Tanzanian citizens, by offering pre-paid cards for as little as 20 Tzs and by setting up their own hardware in these targeted areas. Yet the uptime (time when the

system is running correctly) was only 70% and they were struggling with connectivity, equipment downtime and blackouts of the electricity networks, while the maintenance costs were severe. So in 2015, they decided to stop using their own equipment and start renting the hardware of the major telecom providers, ''which was the smartest thing we have done''. This required a certain amount of customers which was not met yet, so they had to "take a leap of faith.'' But this decision accelerated the sales and this amount has been surpassed, while at the same time increasing the uptime to 98% and enlarged the coverage. So now they are targeting the niche market segment of the poor, which is different from the major telecom providers. Besides the importance of making money and creating profits, Amour thinks it is really cool he helps out the poor people to stay connected by offering low-priced, fast-moving and well-functioning telecom service.

The company counts 12 full-time employees, i.e. 1 sales and operations manager, 4 customers care employees, 3 account managers, 1 administrator and 2 engineers. They have clear job description, but no targets or KPIs. Amour thinks that not all Tanzanians will feel comfortable with working under these targets, which could lead to the loss of members of his staff. They do have reviews and could get a raise. Yet team-work is essential according to Amour and employees communicate via meetings, face-to-face conversations, calls, emails and WhatsApp. Even though there is a hierarchy present, the control systems seems rather normative and the employees have a professional attitude. Amour says ''they work very independently.'' A case in point are the engineers who are usually not in the office and determine their own working-space and hours.

In addition to these full- employees, the company has around 14.000 sales agents. There is a clear hierarchical structure in place, where sales and operations manager manages the team leaders, the team leaders the superagents and the superagents the regular agents. These team leaders and superagents have designated regions for which they are responsible. The sales and operations manager meets with the teamleaders twice a month and sales targets are set each month based on the previous monthly sales by the account managers, which are communicated downwards through the chain.

Yet, the dynamics among this group of employees seems egalitarian. There are various meetings and agents communicate about issues within their regional group using WhatsApp. Amour is in these groups as well to follow these issues, but usually does not intervene; in 99% of the cases the group can solve their own issues. They use the emoticons to show each other quickly what the status of the issue is. This shows a professional attitude from the agents. In addition, the control system is remunerative, as their salary is solely commission based and proportional to the amount of sales. When sales targets are met, the teamleaders and superagents receive and additional bonus. They are also allowed to determine their own working hours, which is possible due to this business model and management style.

Competition is present between the groups, as they can look at each other's monthly results, which shows some individualistic traits. This competitiveness is not stimulated by rewards however. Swahili is the main language that is spoken among the full-time employees and the agent, but occasionally

also English. I ask why he thinks I haven't encountered anyone yet that speaks in their tribal language. According to him "It is just not something that we do in Tanzania." "You rarely bump into that" "It is excluding, as we are not from the same place. It is shunned upon. I can't speak in a language that half of my staff do not understand. So yeah, it is just not done." According to Amour, this holds true for all Tanzanians, even if they have the same tribal background. Yet, it is Tanzanian tradition to pitch in for a wedding or a funeral. However, this is not asymmetrically divided according to Amour.

Groupings are not visible within the company and everybody cooperates well. All of them are Tanzanians and there is a mixture of males and females. Most of them are young and come from the University. Most of them were hired through referrals and recommended by family, friends or acquaintances of the employees, but based on their individual skills. They are consequently trained by the more experiences employees, both when they will become full-time employees and agents. The customer care employees were superagents previously with good results though, as this position requires knowledge about "what happened on the ground." Agents can be promoted to superagents by performing well, in which they will be assigned to their own region to manage. Hence, promotion and status seems to be reached through achievement, although the hiring shows a bit of ascribed status and particularism. Also Amour avoids to hire family members, as this could get complicated according to him. Amour does not provide for any family member and they are self-sufficient. He adds to that "that you have to be pretty stupid to provide for your family members through your company."

Innovative ideas usually come from the employees, teamleaders and superagents. Often Amour wants to change the strategy somewhat such as increasing sales or increasing brand visibility. A plan is then drawn up and proposed during one of the meetings by these employees, as they know the local markets better. "You give the direction of what you want and they come up with the ideas."

Conflicts at the company occur, but these are mainly operational and not due to misconduct of the full-time employees. When this happens the relevant employees will get involved in a discussion and the decision will be based on majority according to Amour. This has also led to decisions that Amour was initially (partially) opposed to. There is an open communication and "everybody keeps the persons in the loop that need to be in the loop." All employees have signed a code of conduct, but so far, nobody misbehaved.

Misconduct among the superagents and agents has occurred though. They would either get greedy and overcharge the pre-paid, theft, purposely stealing agents from another tree are among the malpractices among them. When this happens they are fired. They receive this information through the customer care, which acts in this case as an accountability structure to the agents as well.

The full-time employees are paid monthly and through bank account. The agents are paid by the superagents, who transfer the money through MPesa or TigoPesa to the account of the company. Health insurance is provided to some of the senior staff, but not all. Also employees are allowed to be late, as long as they finish their tasks.

Amour does not want to use a loan to grow his company, as it is growing sufficiently already. It would be useful for rapid growth, but Amour thinks he will then "lose control of what you are doing." He is

also reluctant to open up a company abroad, as requires to know the telecom providers and ''it would take a long time to get everything up and running in another country.''

Civil society

One of the key aspects of the company is the usage of the hardware and the broadbands of the major service providers. Yet, they are at the same time their competitors. Amour was already in business in the telecom industry and knew many important individuals within these large organisations. He used these contacts to set up meetings with the important managers to present their ideas. ''We had a good track record, as we did physical voucher distribution. So we already knew the player and that speeded up the process.'' It was quite a ''ground-breaking'' idea, but all providers were open to it and consequently set up deals that were written down and signed in contracts. ''Ultimately, it was a situation where they benefitted and they benefitted. If one decided not to get involved, it would be the only one and would miss revenues because of it.'' So far, these companies have been very cooperative and it is not susceptible to the vertical networks. I ask Amour why. One of the reason for this is that all the transactions are digital and measurable, which makes contract enforcement easier. Over time the prices and quality have remained constant. Whenever changes occur, this happens industry wide, so no one can gain a competitive advantage due to market fluctuations.

Consequently, the application was built. This was partially done by their own engineers, but mainly by engineers from abroad, as these skills are generally lacking in Tanzania.

Now the company operates nationwide. It uses small shops in the urban areas for their point of sales, but also USSD is used for sales. Web sales are not profitable yet, as the people are not used to buying online and it is lacking adequate payment gateways. There are many feedback and accountability mechanisms in place. Customers and end-users can contact either the customer care service or their agents. So if one of them fails, the other can be approached and they keep each other accountable in this manner. Also customers are occasionally asked to fill in a questionnaire. Also everything is digitalized, which makes it easier to track down issues. Amour shows me many graphs and statistics for the various regions and explains that he receives notifications or alarms when something out of the ordinary happens. ''If someone would top of 1.000.000 Tzs, I would know something is off. Average is about a 100 Tzs.'' ''So it might be a fraudulent top off.'' Also Amour uses the trend of this data to look for any inconsistencies. ''Once you know the trends, you can pick these things up easily.''

State level

The company is involved with various organisations, such as the regular TRA and the municipality, but also the Tanzania Communication Regulatory Authority (TCRA). According to Amour the TCRA is ''extremely'' accessible and cooperative. However, prior to starting Mobistock, he was already working in the industries and already knew the right people in this organisation and others. These particularistic relationships helped him to get into contact with the right people, which was not only effective in reaching the goals, but also efficient and less time consuming.

Amour does not know anybody in the TRA or the municipality. He says that every time one visits one of these organisations, you always encounter different individuals. He says that this is disrupting the

creation of close relations with these individuals and, hence, short-cuts. Also he has never been involved in any practices related to corruption. The rules are simply put and there is not a lot of grey area within these rule, such as the 30% profit tax that applies to every company. And ''if somebody is taking a short-cut, good luck, because it is not lasting very long.'' The new President has ''thrown out everything that was illegally done. So good luck when you are not saving up for the day you have to pay it back.'' He thinks that most people are not preparing for being caught, which makes them running out of business. So for these people, it is a big shift. But if one was already following the rules, you will almost not notice it according to Amour. This show that the government is making a shift to stricter and universal law enforcement.

The nature of the telecom industry doesn't allow one for cutting short, as everything is digital and registered according to Amour. "We are dealing with entities that are standard'' and there is not a lot of wiggle room, because everything is digitalized and ''easy to track.'' He mentions that it would be different when one is dealing with laptops for instance. He also mentions that the entrance barriers for telecommunications are severe.

Case 14: Guavay

Interviewee	Ahad Katera
Company	Guavay
Function	Co-founder and CEO
Location Company	Gongo la Myoto
Contacts	+255755502597
	http://guavay.com/
Date of the interview	31 May, 2017
Location of the interview	Costech building, Bagamoyo road, Dar es Salaam
Got in contact through	Buni Innovation hub, Paul Mandela

Background

The Buni Innovation hub is an initiative of Costech that supports post-graduate entrepreneurs by providing an office space, information and contacts to investors. I went there to meet the manager Paul Mandela, who got me into contact with a few entrepreneurs. Unfortunately, many were not operational yet or were working in non-tech industries. Luckily, Ahad started in producing in 2015 and was willing to meet me for a short interview, as he was very busy at the time to develop a business plan for investors and to obtain a patent on his product that holds throughout the East African nations. I asked Ahad if I could record this interview, but he said he did not want to be recorded due to these investment and patent processes.

Company level

Ahad Katera is a young entrepreneur who started Guava to turn organic waste into fertilizer. He founded the company with three other entrepreneurs and the four of them, all of them being Tanzanian, have a background in industrial engineering, microbiology, business administration and biotechnology.

During the study at the university, Ahad was part of a research program, where he set the first steps for this project (it remains unclear if the others were involved as well already). He then continued with the project and turned it into a company.

At the moment, the company is producing 10 to 15 tonnes of fertilizer per month. In doing so, the company is solving two problems. First the company takes part in solving the problem of the huge amount of organic waste that is produced in the city of Dar es Salaam, which reaches up to 0.75 million tonnes of organic per month. The current population of Dar es Salaam is 5 million and it is estimated that this will double within 10 years. The amount of waste will grow with it. The second problem he solves is that lack of nutrients in the soil. He sell the fertilizer to farmers, who are also producing the food for the growing population of Dar es Salaam.

In July 2014 they started to set-up the plans, by doing research into various fields, ranging from production, marketing, legislation and others. The production facility was finished in Augustus 2015 and has been producing ever since. The production is running okay, but the focus now is process and product improvements. Ahad explains this is required to start scaling up the production.

Ahad is the CEO of the company, while the micro-biologist is managing quality and R&D, the business administrator is responsible for the marketing and the bio-technician is the production manager. They have 5 employees, of which 1 is the supervisor and the other 4 are the production employees. They are all under 30 years old and live close to the plant. The supervisor already had some experience in compost processing, while the others did not have any experience. They got into contact with the employees by posting the position at the local ward office. Various individuals applied and were selected during the application process, based on the pre-determined criteria.

Since the start of the production, three people have left. Two got a better job offering, while the third had a conflict with the supervisor and production manager. This person had a hard time with the hierarchical structure of the company and listening to what he had to do. This person was still in probation period of the first 6 months, so it was not hard to let him go.

The employees got training on the job and did not receive any external training. As the company is in the start-up phase, the founders also needs to figure certain things out. That is why they try to let the employees come up with their own ideas as well. Ahad says they improved certain steps in the process based on their input. He explains that because the founders have a university degree, they try to solve the problems by taking a theoretical angle. This is in contrast with the employees, who take a more practical approach to solving problems and process optimization. Usually these ideas involved technical improvements, simplifying steps, maintenance and different methods of the selection of the raw materials. These initiatives are not rewarded by bonuses or promotions yet.

When ask whether they propose the ideas by themselves, he said the employees were simply asked by the managers and supervisor if they had some new ideas or had some issues. These were discussed during the yearly, quarterly, monthly and weekly meetings, as well as on any regular moment. During the weekly meetings, only the supervisors and employees were involved. They would usually come up with the ideas and issues very easily according to Ahad. In addition, they would come to the managers and supervisors by themselves, but I am not sure to what extent this is true.

The tasks of Ahad as a CEO seem to be very wide. This could range from assisting any of the other managers, assisting with decision-making, strategic planning for the next 4 years and attending events and fundraisers.

At the moment the main bottle neck is quality. Also obtaining new suppliers and customers is troublesome.

In 2015 the group attended the Dutch Design Week in Eindhoven, the Netherlands. He returned this year to talk with potential Dutch and other investors. He hopes to obtain new investments from them, but they are still in the early stages of negotiations.

40% of the company is owned by the founders, who all invested an equal amount of money for an equal amount of shares. The other 60% is held by various investors and other stakeholders. Besides these investments, they also reinvest the profits back into the company.

The employees have not been involved in an accident so far. They did however made some mistakes. These issues would be discussed with the supervisor initially and if it cannot be solved, it moves up to the production manager, the CEO and eventually at a board meeting with the founders.

It sometimes happen that people are late. This first response would be what the reason for this. After some discussion and a few warnings, the employees changed their behaviour for the better. The supervisor and production managers also spend some time having discussions with employee who would like to go home early for several reason and Ahad thinks they ask this a bit too often.

However, whether it is about time issues, ideas, problems and the like, they like to pursue a very interactive management style with their employees. He says that many of the tasks are well defined and structured and that this could lead to some boredom among the employees. However, he tries to involve and engage them by providing them with surprise lunches, some days off and pursuing close relationships with them. Concerning the latter, he tries to be friendly by choosing his wording, but also discuss non-company related topics like their families and spare time. As a result, he thinks it is easier to manage them, they work harder, they trust each other more and they feel responsible and part of the team.

The supervisor makes the decisions and the workers always have to consult him. Nevertheless, sometimes the decisions are past further upwards in the chain.

The employees have contracts with the company and there are written policies on how to behave within the company. The main complaint the employees have, is that they would like to increase their salary. Ahad is going to look at this after he got additional investments, although he also believes the salary is comparable to the rest of the market. Also there are no bonuses handed out at the moment, as the company is not operating at full capacity yet. He would like to use bonuses to increase the motivation, but he says that the KPI's need to be determined first and those need to be based on full capacity of the company.

Civil society level

The company needs various resources, ranging from organic waste, bags, machines, capital and space. It does not have any trucks now, but wishes to purchase these in the near future. They also need to invest in new machines and make initial plans in the form of architectural drawings to scale up the production process. Besides the factory in Gongo la Myoto they also have an office in the Costech building, where they do the general management of the company.

The organic waste comes from food markets, restaurants and homes. They are picked up and delivered to the factory in Gongo La Myoto by external delivery service. This location is also purposely chosen along the way towards the garbage dumpsite located at the outskirts of Dar es Salaam. Ahad tells me the suppliers of the organic waste were easy to obtain by just visiting them. They have set up contracts with the suppliers, containing specifics about volume, quality, types or organic waste, way of communication, pick-up time and contract expire date. When problems occur, Ahad thinks there are two ways of solving them, i.e. by talking to them on a friendly basis or using the contracts to argue their point. He prefers to pursue former method, as he wishes to maintain friendly relations with them. However, he had to use the contract in some occasions or had to even terminate it. However, the organic waste is free and they need to bring it to the factory themselves. After asking why they would be incentivised to bring the organic waste to the factory instead of the dumpsite, he said they wish to

create less garbage and recycle more. However, for this reason, some were not willing to cooperate with Guavay.

The quantity of incoming organic waste varies per season. Therefore, they have set up a plan for each season. When asked if this would become problems when they will be scaling up, he said that enough sources remain present to approach in the city.

The main customers of Guavay are farmers, including commercial farmers, urban farmers and smallholder farmers. 60% of their customers live in Dar es Salaam, while the reminder lives outside of Dar es Salaam, but within a radius of around 200 km. Customers are approach and obtained through various channels, ranging from door-to-door sales, conferences, television, social media, references and their website. Door-to-door sales is by far the most effective way of selling, as many farmers don't have the means to be approach through the other channels. Currently the demand surpasses the amount the factory can handle, so he has to disappoint some of his customers.

State level

The government has shown some interest in the product, as the product is innovative in East Africa. However, support will only be obtained after they have showcased the concept on a higher scale, so the support will probably obtained after they have scaled up the company.

Currently they are in the process of obtaining a patent, which holds throughout East Africa. Ahad knows people in the organisations that help him through the process. Ahad describes their relationship as a professional relation and they mainly help him with getting the right information. He also does not think the process is lengthy and bureaucratic.

At the moment, the main constraint is finance, mainly to fund R&D. He tries to obtain this by selling shares of the company or obtaining grants. Now they are facing some problems with respect to the quality of the product. First this needs to be improved before scaling up the production process.

Ahad things this is normal for every start-up. While the main constrain a year ago was to obtain market information, the current problem is finance and quality, while the future obstacle will be the scaling up of the process.

Currently they are drafting 2 separate funding proposal for 2 different investors.

Case 15: Jefra

Interviewee	Jeroen Vegt
Company	Jefra Ltd.
Function	Co-founder
Location company	Block G, Plot 343, Himo
Contacts	+255689776756
	jeroenvegt2010@gmail.com
Date of the interview	15 June, 2017
Location of the interview	Block G, Plot 343, Himo
Got in contact through	Dr. Otto Kroesen

Background

Jeroen is from the Netherlands and has been involved with many development project in Tanzania. He is the co-founder of the Sengerema foundation, which helps local Tanzanians with setting up their own companies by providing training and micro-credits. The foundation has created the NGO Young Entrepreneurship Program Tanzania (YEP) to manage the training programs, collect the outstanding loans and develop of the program further. Besides these initiatives, Jeroen founded the company Jefra with Frank Hosea that produces pre-fabricated PET bottles. After leaving Arusha I met Jeroen in Himo, a small town near the border with Kenya where the company is located.

Frank was late for a meeting, but did not communicate this. Jeroen pushed him to call the lady.

Transcript

Jefra Ltd. produces pre-fabricated PET bottles, which they call pre-fabs. Pre-fabs are made from plastic pellets, which are heated up and pressed into moulds to obtain small test-tube shaped bottles. These are sold to various customers in the drink-processing industry, who blow/enlarge these pre-fab into the desired shape.

The machine produces between 1000 and 2000 pre-fabs per hour. The pellets are pre-heated to around 150^0 C and pressed at 300^0 C. Various weights, shapes and colours are possible, depending on the orders of the customers. Weights and shapes are altered by changing the moulds, which are the most expensive parts of the machine ($25.000,-). Changing these moulds also take up a lot of time. Different colours are obtained by a mixing device between the pellet container (700 to 900 kG) and the pressing machine.

It was bought in February 2014 from China and the production started around October 2014.

Jeroen is one of the three shareholders of the company, together with the MD Frank Hosea and an entrepreneur in the import business in Dar es Salaam. Frank does the tasks of stock acquisition, spare parts acquisition, sales, obtaining and visiting customers, planning and managing projects and the employees. However Jeroen advices and helps him with these tasks and is hence transferring his knowledge about running a business to Frank. The third partner is mainly responsible for accounting.

The company counts 2 full-time employees Rafael and Emanuel, who are the operating officers. Both have an education in operating advanced machineries, similar to the applied sciences level in the Netherlands. The machines runs day and night, where each operating officer takes a shift of 12 hours. Jeroen tells me that the main reason for this is, that it takes 4 hours before the machine and the plastic is heated up. Also the 12 hour shifts are not too long, as the work is not heavy and I mainly saw them sitting in the chairs and sometimes checking some things. The machines is turned off Saturday afternoon and turned-on on Monday morning, which means that the machine and plastic needs to be heated up every Monday morning.

Both these operating officers are paid on a monthly basis. During each shift the operating officers are assisted by at least 1 of the 4 part-time worker, who are paid per day. Their tasks include filling the heater with the plastic pellets, filling, labelling and sewing the bags filled with pre-fab and other similar tasks. While there is no work due to for instance a power outage or maintenance, they will go home and will not get paid to reduce production costs. Fortunately they accept this, as they are happy with the work they get. It also sometimes happens that the pellets are polluted with stones or other materials. Then the pellets are sorted by a few women from the neighbourhood, which are also happy with the work they can get.

Previously one of the workers was allowed to help a company in Mwanza with their production, as they had issues with setting it up and under skilled employees. He was allowed to go for 3 days. Instead, he went for 4 weeks. In the mean time, Frank had already hired another person in his place. So when he returned, he found out that he was replaced and demanded a month's pay. He even threatened to go to labour court, but eventually nothing happened.

Jeroen tells me that according to Frank, it is important to employ local people in order to be accepted in the community. Otherwise they might steel from the company. In the near future the company will move to another location and will have to employ other day-workers. But one of the current day-workers is very good and Jeroen, Frank and the third partner are making plans to employ him at to the new location and train him to be the operating officer. This is necessary to have a back-up operator and the company is thinking about buying a second machine to increase production.

Frank's wife is also working at the company and takes on the tasks of office manager. This includes for instance preparing food for the employees and receiving customers.

Jeroen visits the company a few times per year, but is usually not around. During his visits, he is busy setting out strategies, optimizing the production process and sometimes visiting costumers. Every half year the three partners set up targets for the next half year and discuss what kind of investments need to be made, including acquisitions, expanding, hiring, moving, etc. One of the decisions that has been made, was the ordering of 48 tonnes of pellets directly from China, rather than buying it from Dar es Salaam from a wholesaler. Also the company is constructing a new building next to the tarmac road, as the current building is difficult to reach. This building will be smaller than the current one and 3 40 foot containers will be placed next to it for storage. This not only reduces costs of the building, but also increases security. Frank is responsible for the execution of this project, where he oversees the construction, as well as arranging the transport of the 11 tonne machine.

Concerning the production process he explains to me that he think one ''should optimize the production, independent of the demand of the customer.'' One of his tasks is to 'increase the level of abstraction', for instance by not only implementing a planning system, but explaining that a planning system is necessary to communicate the orders, produces goods, stocks, and the like between all the owners and workers. In addition he explains that planning is important, but that flexibility is even more important, due to all sort of external events. According to him Tanzanians generally have a hard time coping with this.

This flexibility becomes clear during a power outage. Customers generally order between 30.000 and 60.000 pre-fabs, but Jeroen introduced that they should produce around twice the amount of the order to increase the pre-fabs in stock. Now generally there is a stock of around 2 to 3 days. This increases efficiency, as changing the moulds for the next order takes a lot of time. However if the order amount has been reached already during a power outage, it is a good opportunity to change the mould. Generally Tanzanians would wait for the power to come back on and doing nothing in the meantime. But now the employees can make this decision themselves.

This flexibility was not present when the previous financial director, who is not employed at this company anymore, was doing the planning. He was very good in planning, but took full ownership and responsibility for the planning and nobody was allowed to interfere with the planning. When he planned to make 60.000 pieces, while the order of the customer was only 30.000, he insisted to complete the 60.000 pieces, even though there was a power outage. This became even more problematic during the night shifts, because the financial director would not be around and the employees did not know what to do, resulting in them to wait and do nothing. Eventually the company decided to let him go and the planning became Frank's responsibility. According to Jeroen this has been a significant improvement and emphasises Frank is a real people manager.

Both of these examples show that it is hard for on manager or owner to give these responsibilities to subordinates. However this also works the other way around according to Jeroen, as the subordinates have problems taking these responsibilities. Therefore he has invested quite some effort in this according to him. As he states: "I believe that if you want to help these people, you need to give them the flexibility and responsibility. Otherwise they will just be cheap labour and I don't want that'' and says that in his experience, the companies and people are hierarchical in Tanzania.

After asking him whether there is a difference between Dar es Salaam and other parts of the country, he replies: ''I think there is a difference between the city and the village. Every extra 10 km away from the city is 5 years back in time. If you go to the villages, you'll be 200 years back in time. Dar has good infrastructure, people are usually educated, parents over there usually have money and, hence, kids are educated. 4 to 5 generations further in Dar. Good sign, because it is not the fault of the people, but due to a lack of development.''

Previously it occurred that all the bags were used, the employees would inform Frank, so he could buy new ones. Jeroen had to explain that it would be more efficient to let Frank know when the bags are almost finished, so he could get new ones before they would run out of new bags.

The understanding of action and consequences is poor in the Tanzanian culture according to Jeroen. He tries to teach them these things and others step-by-step, but it also takes a long time before they

understand it. Therefore he has to repeat it a couple of times, but eventually they will understand it and put it into practice. When asked what would it look like when he would not be there to give this sort of advice, the business practices would be less structured, less planned and more ad hoc.

Investments is also an issue according to Jeroen. One of the employees came with the idea where instead of counting the pre-fab by hand, to buy a scale and weigh the bags to determine the amount using a simple calculation. This scale would cost $750,-, which would be a reason for Frank not to do it. However it goes a lot faster than counting it by hand and Frank had to be convinced that it would be a good investment.

Also previously colours were mixed in the pellet container and they had to finish the container to start a new batch. Jeroen visited a factory in the Netherlands, where he saw a mixing device between the container and the press, where switching between colours was much easier. This would also mean it was not necessary anymore to pre-heat the entire container with the new pellets for the new batch. The mixes costed $2500,- and Frank had to be convinced for this investment.

Frank also bought very cheap pellets. However these were contaminated with rocks and Frank had to manage the ladies that were cleaning them, rather than that he would be on the road finding customers.

Also an electrician had to be hired to install the machine. However Frank hired cheap electricians who didn't have enough knowledge. After several cheap electricians the machine still didn't work and that is when Jeroen had to step in to hire a good electrician. A clear example of 'penny wise, pound foolish' according to Jeroen.

Jeroen thinks that Tanzanians are in general reluctant to spend money, probably due to lack of money in the country. Everything evolves around ''spending as little money as possible'' and Jeroen thinks this is one of the main problems in Tanzania. The third partner also understands that investments are important, as he invested in a small truck to do small and quick deliveries. However Frank is smart enough to understand these investments, but also is able to propose different investments than what Jeroen proposes.

Jeroen says that he started this company with a naïve attitude. He thought it was a simple machine with a simple product, but has encountered many hurdles. The main issue was/is a lack of communication. It also occurred once that the company run out of cash to buy materials and that it had not been producing for 6 weeks when he visited the company. Also a lack of knowledge about the technology was an issue. Also there are 1 or 2 power outages per week. An aggregate for the whole machine would be too expensive, as it uses a lot of energy. But perhaps solar could be used to keep at least the pellets warm during a power outage according to Jeroen.

Frank used to work at a small water plant. When he started the company, this company was the main customer and would take 20% to 30% of the capacity. They even bought 2 moulds of $25.000,- each to meet the demands of this company. However after 6 months the owner mr. Janel decided to stop

buying from them, as Frank as a previous employee was making too much money. This was a big blow at the time, but luckily the relationship is good.

One of the operating officers explain that the pre-heating of the pellets differ according to the weight of the pre-fab as it affects the speed, between 140^0 C and 170^0 C. When asked who came up with the idea to do this, the employee smiled and evaded the questions. Then Frank was asked the same questions and it appeared to both Jeroen and me that he didn't even know this.

Jeroen shows me planning written down by pen in a book. It includes customer's demands, production targets, amount produces, time of production, designated customer, amount of material used, waste and power outages. They plan roughly 3 days ahead. In this way, there is an overview of the stocks. He also points out that at one time the communication was not optimal, as they produced significantly more than required.

One can see quite some stock, both pellets and pre-fab. There is also a lot of trash laying in and around the building. Jeroen says that he will instruct the employees that when they have nothing to do, they should clean the mess. This is important because customers also visit the company.
Frank and Jeroen have a differen starting time of the company

Case 16: Jefra

Interviewee	Frank Hosea
Company	Jefra Ltd.
Function	Co-founder
Location company	Block G, Plot 343, Himo
Contacts	+255689776756
	jeroenvegt2010@gmail.com
Date of the interview	15 June, 2017
Location of the interview	Car; BBC hotel, Himo
Got in contact through	Jeroen Vegt

Background

Frank is a Tanzanian entrepreneur who founded the company with Jeroen Vegt and a third partner and entrepreneur in imports situated in Dar es Salaam. After my tour and interview with Jeroen, we headed out to Moshi where they were going to visit a water company, where they have problems with their blower and are not buying pre-fabs anymore. There I had the opportunity to talk to Frank about the company. During this trip Frank strikes me as an intelligent and enthusiastic man, who is not afraid of sharing his ideas with Jeroen. Later that day we went back to Himo and I met Frank at my hotel, which was next to his house, and continued the interview.

Company level

Frank has a background in micro-biology and first worked at a pharmaceutical company in Mwenge as a manager of a lab-team. He was later hired as a senior micro-biologist at a pharmaceutical company in Dar es Salaam, where he had to work long days, usually until 21:00. He was than approached by a juice company in Rombo, in the Kilimanjaro area, where he decided to move to. Later he worked at a water company, where he gave a tour to Jeroen and some of his students. There Frank and Jeroen talked about the production of pre-fabs and Frank proposed to start the company. They exchanged phone numbers and after a few weeks, Jeroen called Frank to meet, while Frank didn't expect this at all There they decided to start the company, called Jefra (JEroen + FRAnk). Later on a third partner joined the company.

During the drive Jeroen wants to know what the goal of the meeting is. Frank comes with many items to be discussed, such as the pre-fabs, buying their broken blowing machine and that Jefra can blow bottles for them. It becomes clear that Jefra is considering to buy a blowing machine, so they can blow the pre-fabs for their customers and increase the margin. Frank proposed to the water company to buy the broken blower from them, buy the spare parts and start blowing for them. Both Frank and Jeroen see the importance of all these topics, but Frank seems to present them in an unstructured manner. Jeroen eventually comes with the storyline of the meeting.

After they discussed the storyline, Frank explains that it was hard to find money to buy the machine. EFTA would buy the machine for them and would lease it to Jefra, but they needed $70.000,- up front. Jeroen said he was able to pay that amount of money and transferred it to Frank's bank account, so Frank could then order the machine. Jeroen jokes that from that moment, he could trust Frank. Next the machines was ordered in March 2014 in China, but was consequently stopped at the port of Dar es Salaam. Initially the import tax was 40 million Tzs, but they raised it to 80 million Tzs. So they waited for a while, but eventually decided to pay 2 million Tzs to clear the machine from the port, which was basically a bribes

Then the machine was transported to the production building, only to found out that the machine didn't fit through the door. Therefore they had to remove the roof to place the machine into the building. Thereafter it took a month before production started.

Frank explains that he was going to companies making pre-fabs in Dar es Salaam. There he met the operating officers, who are now working for Jefra. As Frank puts it, he stole them from the other company. Initially there were 3 operating officers, but one of them quit. They allowed him to go for 3 days to one of their customers in Mwanza to help them, so he could earn extra money. He came back after a month and demanded his monthly salary. When he did not receive it, he complained the third partner was stealing money from him to Frank. Eventually they decided to let him go.

[The following is discussed at the hotel]
Currently there are 6 employees, of which 2 are operating the machines and 2 are assisting them. There is a day shift and a night shift, where 1 operating officer and 1 assistant is present. Additionally a guard is present during the night and his wife works as an office manager. Frank takes care of the marketing and is usually not around.

Frank doesn't hold many and regular meetings with his employees. There are many issues like power outage, lack or pellets and others, and according to Frank, there is not enough time to hold the meetings. However twice a year there is a management meeting, where all partners and employees are present. During these meetings they discuss the ups and downs of the previous meetings and make plans for the future.

The daily planning is written down in a book, where it is based on customer demand and stocks. Frank is responsible for the planning, but has given Emanuel the task of making the planning and making sure it is followed.

When employees do the opposite of what he says, Frank takes them aside or calls them. He would then warn them, that when they do not change their behaviour, he will have to fire them. He would do this after three warnings, but had to act like this only once. So he has not fired employees due to misbehaviour.

Frank says he finds it difficult to transfer his ideas onto his employees. He wants to optimize the production process and it takes a lot time before his employees are able to grasp what he thinks. Therefore they are busy now to give the employees more responsibility of handling the planning, rather than just instructing them. In this way he wants to try to involve them more in fulfilling the

customer demand. Also Frank gives the example of letting the employees decide when to change the moulds when there is a power outage. In addition he wants his employees to prioritize the customers who have already paid or have bigger orders over the customers who bought on credit or have smaller orders.

Frank also explains that his employees also come up with ideas. Frank initially bought small bags as they were cheaper than the bigger bags. But this gave some difficulties with transportation and increased the costs. So the employees proposed to Frank to use bigger bags and Frank decided to implement this idea. They also proposed to use a lower temperature for the smaller pre-fabs and Frank thought this was a good idea, so they implemented it.

The technical employees who handle the machine are from Dar and the casual workers from the community around the company. According to Frank the employees cooperate well and he has never encountered a conflict between them. If it would occur, he would hear both sides of the story to understand the nature of the conflict and advise them. He also mentions that according to Tanzanian labour law, when employees fight, they can be fired. Frank says he is a bit ''soft'' for them, but that is because he recognizes they are just human and they might have a good reason to be in a conflict.

Frank would like to trust is employees. However he says he finds it hard to completely trust them, as he thinks they have a hard time implementing what Frank wants or thinks, for instance changing the moulds during a power outage or producing paid orders instead of orders on credit. He also often goes to the factory without letting his employees know that he is coming, so they will continue to work when he is not around. Tanzanian are lazy in general and some of his employees showed this. He confronted them with these observations by saying he devoted his life to this company and he expected more than just their laziness, or they would be fired. According to him, the employees responded well to this. Firing would be very easy for the casual workers, but harder for the technical positions. He would have to replace them by employees from other companies, by offering them more salary.

Employees are paid a fixed amount monthly in cash, but it will be done through internet banking within the next couple of months. When asked why he didn't pay per batch, he said this is normal in Tanzania and would not be fair to his employees during power outages and lack of materials.

It has never happened that his employees didn't show up the day after payment. At Frank's previous job, there were many people and it happened sometimes. But because this company only has 6 employees, it would be difficult to keep producing and it hasn't occurred. Also the employees live nearby, which makes it easier to hold them accountable if they don't show up.

Sometimes the employees are late for work. However as the machine runs continuously, the employees have to wait for this person, before he can go home. The employees know this and they sort it out themselves. Frank doesn't interfere much when he finds out they are late, if the machine keeps running; that is what is important to him.

Other rules they have to follow are no smoking, inside, no sex inside, no foul language, misbehaviour or mistreating each other. They have signed a contract for this, which appears to me like a code of

conduct. They follow these rules and Frank thinks this is because they are religious. Within the 3 years they are operating, these things hasn't happened to his knowledge.

When his employees make a mistake, he explains they would evaluate the mistake and come with an action plan to improve it. Asking them questions is important according to Frank in these situations. One time the company found out the pre-fabs busted during blowing at the customer, because the cooler of the press had failed. Consequently Frank discussed this with some of the employees and one of the technicians came up with the idea of blowing a sample before producing an entire batch. This incurred some costs, but the quality of the batches improved.

Also a wrong batch was made, because they described the order by colour and size. But there are many different colours and sizes, so it was easy to mix these up. One of the employees proposed to use codes rather than descriptions and it improved the production as well.

Training is done in-house by the main technical supervisor and additional training is done by Frank and Jeroen.

Civil society

For production PET pellets, colouring agent, spare parts, machine oil, bags, electricity and water for cooling are needed. The pellets are imported in bulk from China by wholesalers and are sold in Dar es Salaam. Prices and quality differ over time, because the bigger companies obtain the high quality pellets and the smaller companies remain with lower quality pellets. Now the company is about to import their first container from China directly to obtain better quality and to lower the prices per Kg by cutting out the wholesaler in Dar es Salaam. The company got into contact with the Chinese supplier through the internet, while Frank visited the supplier in Dar es Salaam.

When the quality is too low, the pellets will be send back to the supplier for a refund. Yet, some batches have a poor quality, but can be cleaned and a new price will be negotiated. Frank is willing to do this under the assumption the this saves money, as the pellets are cheaper. He spends quite a lot of time on managing the ladies that live close-by that sort the pellets; time that he could spend on other issues, such as obtaining customers. One time, this lack of quality led to a conflict and as a result, the company decided to use another supplier. This is possible, because there are many suppliers in Dar es Salaam. At the moment the company has 5 suppliers, who are good. However the prices differ and Frank has to determine who has the lowest price by calling them up. After having bought the pellets they are transported by a third party to the company.

The pre-fabs are delivered to the customer when it exceed a certain amount, while they have to pick them up when the order is below that amount. Therefore there is small truck in the shop. When order exceeds the maximum amount of what the truck can transport, they hire a delivery service as well. There are many of these services and some of them are reliable, while others are not. But because there are so many, it is easy to hire reliable drivers.

The company has various customers in Mbeya, Rombo, Arusha, Moshi and Kibo. They used to have a customer in Mwanza, but that company got bankrupted. Orders range from roughly 60.000 to 100.000 pre-fabs per month. Initially Frank visited these companies to show the product. Through internet is not possible, because there is a poor network. It has also happened that Frank used his social network,

but this doesn't happen a lot. However being introduced by friends to these companies would work better than simply walking into the company, because both parties have a connection already.

Frank says he visits his customers from time to time to obtain feedback. The same day we went to one of their customers who wasn't buying pre-fabs for some time. They found out their blowing machine was not working. Now the company wants to invest in buying their own blowing machine, so they are able to sell blown bottles to their customers, rather than just the pre-fabs. Additionally Frank likes to help their customers on technical issues, so they will keep buying from them. Frank says he has a lot of knowledge about these machines, so he can often solve the problem for them. In this way he increases his own sales.

Frank explains it is important to hire people from the community to increase safety and that people in the community will say good things about the company. Hence it is important to make a connection to the community, so they see the good impact of the company onto the community and they will support the company.

Frank would like to expand to new products by buying a blowing machine and produce blown bottles. He also mentions the company will be moved to a better location and that they want to buy a second pre-fab injection machine. The first machine they bought costed $121.000,-, but they are searching a new supplier, as they think they can buy a second one for $80.000,-.

However the main challenge for expansion is obtaining spare parts. There are not many injection machine in Tanzania, so everything needs to be bought abroad. Now Frank is communicating with the supplier of the first machine through email to obtain the right parts.

Another issue is competing with pre-fab producers who are also importing the pellets in bulk. Because some competitors are both importing and producing, they can sell the pre-fabs at a lower price. The pellets can be bought in China for Tsh 850.000,- per tonnes, but after importing it the price becomes Tsh2.700.000,- with VAT. The pellets are then sold for Tsh4.000.000,-, which increases the price of the pre-fabs compared to the companies who import and produce pre-fabs. That is also the reason why they are currently in the process of importing their own container of pellets from China. The cost for this container was Tsh 60.000.000,- and this is financed by a loan.

State level

Even though the pre-fabs are ultimately used for bottling drinks, TFDA approval is not necessary, as the pre-fabs are semi-manufactured products. National Environment Management Council (NEMC) checks the environmental impact of the production process, where agents of this organisations come and check the plant. For this production process it is easy to comply with their standards, as the water being used will not be contaminated (as it is only used for cooling) and the plastic waste can be reused. Obtaining the certificate is expensive however, i.e. Tsh 10.000.000,-, but has to be paid only once. However upon inspection the certificate can be revoked in the worst case and one has to reapply and pay for the certificate if it wants to obtain a new one.

Sometimes customers ask to not pay with VAT. Not only the customer can get penalized because of buying without VAT, also Frank's company can get penalized for selling without VAT. Therefore Frank

will not sell without VAT, because the penalty is high. However they lose a lot of customers because of this stance, as the customers will look for competitors who accept that request. The reason why people still request for buying without VAT is that it is not very hard to escape from the TRA. They have ways of checking however and they sometimes even inspect during the night. Also they are able to check the records online, if present, which is the case for Frank's company.

Frank heard from other companies that they had to pay an allowance fee for getting something done. However this hasn't happened to him. This is in contrast with what he said earlier about paying extra for importing the machine during the start-up phase of the company.

When ask whether the new President's policies if affecting the business in a certain way, he says yes. Previously a lot of money was free (unregistered I assume) money that circulated, because taxes were not payed. Now people have to pay the taxes which increases production costs and, hence, the prices. Many customers can't afford this increase in prices, which led to a drop in sales for Frank's company. For instance many of the customers were producers of bottled water. Because the prices have increase, many people boil tap water at home, rather than buying bottled water. This led to a decrease in sales of bottled water and, hence, pre-fabs. ''Magufuli want people to work''. Tanzanians are not used to this according to Frank.

On the contrary Frank thinks it is good that the new President is trying to collect more taxes. According to him Tanzania lacks social services, because people are not paying taxes. Now even though Frank is losing some business, he thinks it is a good thing that everybody has to pay taxes. Also he think Tanzanians will need to get to that level (of paying taxes) and the people will get used to it later on.

When asked whether there are aspects of Tanzania affecting businesses and entrepreneurs, he mentions there are many organisations that are basically doing the same thing. He thinks that TFDA and TBS should be combined and perhaps OHSA as well. All these organisations ask a lot of money, while they can be combined according to him. This would reduce the cost significantly according to Frank. Also there are too many legal documents that need to be filled in, which should be reduced.

Frank says that Tanzanians are okay with paying taxes, but it shouldn't be a ''hi-jack or block stone to our development''.

Case 17: Moshi Water

Interviewee	Victor Tieno
Company	Moshi water
Function	Senior manager
Location of the company	SIDO estate, Moshi
Contacts	+255753053130
	Vo32671@gmail.com
Date of the interview	15 June, 2017
Location of the interview	SIDO estate, Moshi
Got in contact through	Frank Hosea

Background

Victor Tieno is a Kenyan manager working in Tanzania. He is mainly involved with the internal management of the company and less with the supplies of raw materials and the distribution of the product. Therefore the interview is focussed on the internal management of the company. I went with Frank who had a meeting with the owner miss Chuchu. At the same time, I saw the opportunity to talk to Victor for a small interview, who is the COO, and a tour through the company.

Transcript

The company is filtering and bottling water for drinking purposes. It runs through 3 filter steps where each step filters other contamination, such as chemicals or biologicals. The water is consequently bottles, labelled and sealed. In the future, the company wishes to diversify to other markets, because the drinking water market is too competitive. They already have bought machinery to set up a tomato sauce production line, but this still has to be set up. Victor is responsible for this project.

Currently there are 25 employees working at the company, in addition to the owner. Victor reports directly to her and manages the other employees. These include one female supervisor, 3 senior operators with many years of experience that support the production team and 20 production employees. Hence, a hierarchical structure is present at the company.

Victor is responsible for product and process improvements, the training of the employees and setting up the production line for the tomato sauce. He tries to talk to employees to come up with ideas, but most ideas to improve the production process comes from him. Whenever employees come up with an idea, they have to consult him first and he will make the decision.

Every morning there is a small meeting with all the employees. They receive the daily planning that follows from the week and monthly planning that has been set up by Victor. Victor says ''they like to work with the planning, because it sets a goal for them.'' They have always reached the daily planning according to Victor, but he says they are also relatively easy to reach. He tries to improve this and hence the production process. On this occasion, the employees are free to speak up with any issues and ideas. However, Victor thinks that speaking in front of a group is limited and Tanzanians would rather not speak out in public and simply perform their tasks. Therefore, he prefers to speak to them

one-on-one and he experiences his employees open up more then. Issues that are brought up are mainly about the nature of the work, as some employees find the work boring and are, hence, a bit unmotivated. I asked whether there were some issues with employees being in a conflict with each other, but this has not happened so far. It seems like they either solve it themselves or they simply do not talk about it.

Besides the daily meetings, the company has a big meeting once a month or once every two months. The discuss the progress of the last month or two, they try to stimulate team building and to discuss problems among team members. How they try to stimulate teamwork remains unclear, as the answer appeared vague.

Victor thinks there is a big difference between Kenyans and Tanzanians when it comes to cooperation and conflicts. In Kenya group disputes are common at every level of the society. This become visible for instance during the elections of the country, which are usually unfair and violent. This is also visible in the company, where groupings are formed based on their tribal background. This is not seen in Tanzania according to him. One of the main reasons for this is that most Kenyans speak in their tribal language and communication between individuals with different tribal background is difficult. In Tanzania, everybody speaks Swahili to each other, which improves the communication between people.

Most of the employees are below 30 years old. Victor says people in this age group are more active and easier to work with. Even though some employees are older than Victor (he is 25), his employees respect him because of his position and age is not an issue. He acknowledges however that this probably would become an issue with older employees. The workforce consist of an equal number of men and women. However ''more energy jobs'' are performed by the man, while the women do the jobs that require speed and precision such as labelling.

One aspect that characterizes the management style at the company is that the employees rotate between the different tasks that have to be performed. ''Employees are here to learn and to get the experience of working in each and every section. So that when someone misses or take a leave or something like that, anyone can occupy that position. That is why I think it is important to change the position each and every time.'' People also work better and get to know each other, which will improve the business and the product according to Victor. When this policy was implemented, this reshuffling met quite a lot of resistance among the employees. ''That was a big problem.'' Some opposed to this and wanted to stay at his position. This was allowed at the beginning and slowly but steady the company shifted to this rotational policy.

The company does not have many rules, ''as this is not common in Tanzania.'' However, the rules that are set, are focussed on hygiene and seems to be thorough. Employees have to wear protective gear and the work space is cleaned every day after production. In addition, the machines are cleaned thoroughly every month and inspected every three months. Victor says it is important, because ''when you work in food production, you have to set the hygienic rules.''

In addition, employees need to be in time. Working hours seem quite punctual and from 8:00 until 17:00. If they are late, they have to opportunity to explain why and if it is convincing, ''they get a notice.'' If not, it will be deducted from their salaries. This irritates some of the employees, but Victor thinks this has significantly improved the punctuality of the employees. So far no one has ever been fired for being too late too often.