

Center for International Private Enterprise

ECONOMIC REFORM

Case Study

No. 0504 August 9, 2005

Improving Governance in Tanzania: The Role of Business Advocacy Coalitions

As with many post-colonial African countries, Tanzania has continued to struggle with a host of political, social, and economic challenges since gaining its independence in 1961. For the past decade, the East African country has been undergoing a transformation to a private sector-led market economy and a democratic multi-party system. It continues to grapple with the challenges of building effective institutions and creating balance between government, civil society, and market institutions. Throughout the process of political reform, business associations, as advocates for private sector development, often have insufficient capacity to advocate for the needs of their members.

In 2002, CIPE began working with local business groups in Tanzania to strengthen the governance process and improve private sector participation in policymaking. CIPE aimed to invigorate business associations to conduct advocacy programs and to initiate the passage of laws that would address private sector issues. On a broader scale, CIPE aimed to institutionalize public policy advocacy within the private sector by facilitating a structural change within government institutions.

At the project's end, CIPE and its partner organizations accomplished the initial goals of institutionalizing the advocacy process and reforming the structure of government; the foundation has been laid for sustained private sector participation. However, the future of this participation and its effectiveness will depend on the ability of Tanzanian business associations to capitalize on the momentum that has been created. The advocacy process must be continued at the grassroots level. The way forward will not be easy, but it can ultimately be successful if the cooperation that has been created is sustained.



published by the
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The Center for International Private Enterprise is a non-profit affiliate of the U.S. Chamber of Commerce and one of the four core institutes of the National Endowment for Democracy. CIPE has supported more than 800 local initiatives in over 90 developing countries, involving the private sector in policy advocacy, institutional reform, improving governance, and building understanding of market-based democratic systems. CIPE programs are also supported through the United States Agency for International Development.

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Introduction

As with many post-colonial African countries, Tanzania has continued to struggle with a host of political, social, and economic challenges since gaining its independence in 1961. For the past decade, the East African country has been undergoing an economic transformation from a centrally-controlled, state-led economy to a private sector-led market economy. At the same time, it has been working towards a democratic transition to a multi-party system. Today, it continues to grapple with the challenge of building democratic and economic institutions and creating balance in the relationship between government, civil society, and market institutions.

Tanzania's government structure is highly centralized and bureaucratic. Corruption remains a problem, despite President Mkapa's campaign to rid the government of corrupt ministers in the late 1990s. Even after years of financial and technical support from international donors, institutional barriers to reform persist at every level of government. At the same time, business associations, as advocates for private sector development, often have insufficient capacity to address a growing number of economic issues.

In 2002, CIPE began working with local business groups in Tanzania to strengthen the governance process and improve private sector participation in policymaking. CIPE aimed not simply to invigorate business associations to conduct advocacy programs or even to initiate the passage of laws that would address private sector issues. More importantly, CIPE aimed to institutionalize public policy advocacy within the private sector by facilitating a structural change within the institutions of government.

From the onset of the program, it was clear that in order for public policy advocacy to be institutionalized within Tanzania's regions, there had to be an acknowledgement by the public sector of the importance of the business community's role in the policy debate. This was paramount even to the passage of some pro-business legislation, in that the passage of laws does not change the structure or framework of government, but rather establishes initial results that can ultimately lead to structural changes. The impact of passing laws to promote business development was not minimized, but rather was taken in the context of the broader issue of long-term changes in government's attitude toward private sector institutions. In other words, it was not enough to change the rules that governed private sector growth. Business associations had to lead the charge to change the rules that governed the making of these rules, and there were three key elements to this process.

First, it was crucial to begin changing the mentality of business associations and the government. Because of the

government's centralized structure, Tanzania's private sector felt it had little power to influence legislation. With limited access to information, no process by which the government could accept input, and a lack of knowledge as to how the political process worked, the private sector was unable to influence policy. Over time, this led to a perception in the business community that it could not have an impact on legislation at any level of government.

The second element involved the institutionalization of a systems-based advocacy process within the country's regions. If the private sector's mindset about advocacy were to be changed, it would have to come through business associations that served Tanzania's regions, as they already had some capacity to mobilize grassroots support. This process provided Tanzanian business associations with a framework in which to plan, implement, and evaluate public policy advocacy initiatives.¹

The third aspect involved initiating structural changes to the governmental process, thereby changing what Mark Schreiner of Washington University in St. Louis calls the "meta-rules" or the "rules for making rules."² In Tanzania, the government adhered to a number of rules that affected the process of making laws. One of the oldest and most entrenched was the centrality of its approach, meaning that the national government initiated laws and passed them down to the regions with little regard for private sector input. In order for the advocacy effort to be sustainable, significant changes in the structure and process of Tanzanian government had to occur, which meant that the rules by which government made rules for society had to be altered.

Schreiner's concept of meta-rules grew out of earlier work by Nobel Prize winner Dr. Douglass North. North contends that two concepts form the substance of economic growth. The first is "secondary institutions," which he defines as rules on property rights. The second is "fundamental institutions," which North defines as "basic ground rules...and basic decision rules with respect to political decision making."³ The latter can be referred to as meta-rules. In a political context, Schreiner states that "...a law that sets the requirements for a new law is a meta-rule. The prefix meta indicates that the root concept (in this case the Tanzanian Government) acts upon itself."⁴

Among a number of programs designed to increase private sector participation in the process of government was the Tanzania Advocacy Partnership Program (TAPP), funded by the U.S. Agency for International Development (USAID) and implemented by Pact. CIPE participated in the program as an implementing partner. CIPE worked with six regional branches of the Tanzania Chamber of Commerce, Industry, and Agriculture (TCCIA) and numerous other business

associations in Iringa, Mbeya, Morogoro, Ruvuma, Rukwa, and Tanga Regions to strengthen their capacity in association management, governance, and advocacy. The program was designed to empower the private sector to address issues of importance to the business community and thus initiate reforms at the regional level.

CIPE also partnered with the Economic and Social Research Foundation (ESRF), a local think tank, to provide the business associations with information on the policy and budget process at the local level and to strengthen their policy analysis skills.

Within two regions, four districts achieved structural changes within government that ensured sustainable private sector participation in policymaking. In the remaining regions the advocacy coalitions were so buoyed by their success in changing specific policies that they did not focus on the long-term strategy of promoting the establishment of a private sector process for providing input. Certainly, the positive steps taken by almost all the advocacy coalitions were important, but without an overall strategy to modify governmental structure, such successes could be isolated victories with insufficient follow up.

Addressing Governance Challenges in Tanzania

When CIPE began training Tanzanian business associations in basic management and advocacy in 2002, few local associations engaged the government in a public policy dialogue because they did not see how business could have an effective voice in the policymaking process. Two years later, business associations in 33 districts of Tanzania were actively providing input to the government on laws that affected business. The government was listening and continues to welcome this input.

From 2002-2004, CIPE conducted three training programs and provided technical assistance in business association management and advocacy to business association leaders in six regions of Tanzania: Iringa, Mbeya, Morogoro, Rukwa, Ruvuma, and Tanga. The programs improved participants' skills in strategic planning, membership development, and advocacy enabling them to design and implement targeted advocacy campaigns at the local level.

To initiate a working relationship between government officials at the regional and district levels, CIPE and a coalition of business associations (led by the regional office of the TCCIA) sponsored a series of public-private dialogue (PPD) conferences in each of the six regions. The PPDs served as a forum for private sector associations to demonstrate to the government and the community that the business sector is ready to take on greater responsibilities in helping the government create business-friendly policies and regulations.

Initially, there was a concern that government officials would simply ignore the events and decline to participate. As an observer at one of the conferences remarked, the willingness of the two parties to come together was an achievement in and of itself. In the end, private and public sector participation at the PPDs was strong, with top regional and district administration officials attending. In most cases, the regional commissioner chaired the meetings.

The presentations and discussions at the conferences underscored the unity of purpose between public and private sectors with respect to the development of local economies. A significant achievement was an acknowledgement by public sector participants that the private sector should have a role in the decision-making process. The resolutions made at the conclusion of the PPDs demonstrated a sense of commitment by both parties to work together.

The success of the events stemmed in part from the strong message that President Mkapa has been sending to his administration: "Those in government must unlearn the prejudices and inhibitions of the past, unlearn the experiences of central planning and control, and learn the new culture of a business-friendly public sector." More importantly, the PPDs became catalysts for the initiation of structural changes within the government that allowed the private sector to play a role in policymaking.

Following the PPDs, the business coalitions conducted issue-specific advocacy campaigns, developed policy position papers, and conducted business roundtables on specific issues affecting the private sector in their regions and districts. The regional coalitions played a mentoring role to the district coalitions, sharing the knowledge and tools gained through their participation in the training and technical assistance programs.

The coalitions achieved remarkable success with limited resources. As an example, one of the Tanga Region's many successes has been the creation of a regional business council (RBC), which is the first of its kind in Tanzania. In most districts, the public and private sectors have agreed to establish similar consultative mechanisms that lay a strong foundation for continued dialogue. Several districts succeeded in getting local government to remove nuisance taxes, improve the functioning of regulatory agencies, and improve services.

The TAPP program culminated with a Lessons Learned Workshop in Iringa in December 2003. Participants presented lessons learned from their PPDs and advocacy campaigns and compiled a toolkit to advise other business associations conducting advocacy initiatives.

Tackling Organizational and Logistical Challenges

Before advocacy campaigns could be initiated, several key challenges commonly observed in transitional

economies had to be addressed. The first challenge was the lack of basic understanding of public policy advocacy best practices. Because the private sector had long been absent from the policy debate, a historical paradigm for advocacy did not exist. For this reason, it was necessary to build the institutional framework for advocacy first within TCCIA and then through its partner organizations in the regions.

The second challenge was the lack of trust between the public and private sectors. Within the public sector, many politicians and bureaucrats were far more comfortable with a centralized form of government than with a participatory political system that would empower the private sector. The private sector had concerns about public policy advocacy, in that it was a new and untested process by which the visibility of associations would be raised. Before the TAPP program, the only associations with visibility were the national ones, with that visibility limited to the national level vis-à-vis the central government. TCCIA was the only association with a strong regional presence. Other strong associations, such as the Tanzania Confederation of Industrialists (CTI) had their membership base concentrated in the capital of Dar es Salaam.

Despite its regional presence, TCCIA had no formal process for gathering input from its member chambers in the regions. To overcome this challenge, it was necessary to adopt a systems-based approach to advocacy that would allow for the integration of regional chambers of commerce and business associations into the advocacy process, while at the same time establishing a partner (rather than adversarial) relationship with local government.

The third challenge focused on the logistical barriers to working in the regions. Road and communications infrastructure outside Dar es Salaam made traveling to the regions, and communicating once there, difficult. In addition, the regional chambers of commerce had little capacity to support the process, as TCCIA's structure provided little funding and/or programming support. In spite of previous donor support that had contributed significantly to building the organizational structure of the regional and in some cases district chambers, these organizations were still weak, had few programs, limited financial means, and low visibility.

To address these obstacles to private sector advocacy, it was first necessary to focus on building the capacity of the participating associations. CIPE needed to determine the capacity of the national associations including TCCIA, the regional chambers, and those in the districts.

Organizational Assessments

The initial step was an organizational 'diagnostic' assessment of business associations and chambers of commerce to assess their capacity and determine potential partners. The diagnostic assessment was used as a guide to

design program activities and provide a baseline against which progress over the two-year project period was measured. A CIPE team visited Tanzania in March 2002 to conduct the baseline assessments. Regions visited included Dar, Tanga, Morogoro, Iringa, and Mbeya. In addition, the results of each individual assessment were shared with the individual associations/chambers to allow them to use the results in building their own organizational capacity.

The level of organizational development of many of these regional business associations was so low that it was impossible to accurately assess the organizations based on the international best practices model. In these cases, the CIPE team did not try to administer the full diagnostic, but instead conducted semi-structured interviews using a reduced set of questions. The team conducted full organizational assessments of 15 business associations (11 district/regional associations and four national associations) and semi-structured interviews with an additional 16 organizations.

The diagnostic assessments and interviews revealed that most of the associations had few members and did not provide adequate programs and services. Most of the associations were not financially sustainable as they could not generate enough revenue (through dues and non-dues income) to support full-time staff or to respond to the needs of members. They needed to expand their membership base and dues income, and simultaneously generate revenue through income-generating services and activities. This was not an easy task given the fact that TCCIA considered the regional chambers their main source of revenue and demanded a percentage of regional membership fees. TCCIA intended to provide each chamber an "allocation" of funds to conduct programs, but the process for doing so, as well as the impetus to provide funding, was not defined.

In addition, most of the associations lacked strategic plans and comprehensive programs of work. Organizational goals and objectives were not clearly articulated or available in a format that the organizations could provide to potential members. In all but a few instances, advocacy efforts were carried out at a basic level and implemented haphazardly. There was no evidence that association representatives understood the advocacy process. The findings from these assessments were used to develop a comprehensive set of programs and activities to build overall organizational sustainability.

Best Practices in Management and Governance

CIPE then conducted two basic business association management training programs for regional and district business associations in Morogoro and Mbeya (August 2002). These five-day programs were designed to transfer business association management and governance skills to executives and leaders of business associations and chambers of commerce. They also highlighted the role of business

associations in a democracy, where associations and chambers serve as the voice of the business community. The program included sessions on strategic planning, membership development and recruitment, organizational governance, advocacy, and the role of business associations in democratic society. It also gave business association executives the opportunity to acquire new skills as well as network with other business associations in Tanzania.

A total of 64 association and chamber leaders received technical assistance along with staff from nine regions (target regions plus Dodoma, Coast, and Dar es Salaam). The participants represented 38 associations from 22 districts. Approximately half of the participants came from district, regional, or national TCCIA branches. The remainder came from a wide range of associations representing businesswomen, farmers, transporters, contractors, miners, small business owners, and savings cooperatives.

Intensive Advocacy Training

In response to feedback on the basic training programs, CIPE added a second intensive advocacy program to train a core group from the six regions so they could take the lead in organizing coalitions and transferring advocacy skills to other members of the business community. The follow-up organizational assessments showed that this approach greatly enhanced the capacity of the organizations that participated.

CIPE organized a four-day intensive advocacy training program in Morogoro for executive officers and leaders of regional branches of the TCCIA and two national business associations (January 2003). Training sessions focused on how to engage the business community in policy debates, formulate policy recommendations, and implement a formal advocacy process. The advocacy sessions included group work sessions where participants identified advocacy issues, developed policy position papers, and drafted press releases. The final day of the program was a planning session for the first major activity in each region's advocacy initiative: a public-private dialogue (PPD) conference.

Based on feedback from participants, CIPE provided more detailed information on the legislative process, which included copies of Pact's Legislative Roadmap and a companion guide explaining policy and budget processes at the local level (village, district, and region) produced by the Economic and Social Research Foundation (ESRF).

Need for Public-Private Dialogue

The key to success in the economic and democratic transition of Tanzania is to reform the process through which government decisions are made. The public-private sector dialogue conferences were conceived to sensitize the local business community and local government (elected officials and civil servants) to the benefits of ongoing dialogue

between the private sector and government and the role of business associations (as grassroots business organizations) in voicing the needs of the private sector.

Based on diagnostic assessments and basic training programs, CIPE determined the staff and leadership from the regional branches of TCCIA were the best suited to play a coordinating role in forming business coalitions, transferring advocacy skills to others in the business community, and organizing advocacy initiatives - including the public-private dialogue conferences.

A major aspect of the PPDs involved business coalitions known as local coordinating coalitions (LCCs). The regional TCCIA took the lead in organizing the LCCs, who then orchestrated the conferences, with the regional TCCIA playing the key coordination role.

CIPE worked closely with both groups to plan the events. CIPE's discussions with TCCIA focused on defining planning steps and drafting and refining budgets and agendas for the public-private dialogue conferences. A CIPE consultant also visited the six regions to review the local planning process. In two regions, the CIPE consultant attended the conferences.

Six regional PPDs took place in March and April 2003. They were the first step to constructive dialogue at the district and regional levels. Public and private sector representatives from every district in the region attended the conferences. The PPDs served as a forum for private sector business associations to demonstrate to the public sector, the business community, and the public at large that business associations are ready to take on greater responsibilities in helping the public sector define and continuously refine the policies, procedures, regulations, and programs that will lead to a business environment that stimulates growth and development, provides jobs, and creates wealth in Tanzania.

Developing a Model for Advocacy: Creating Advocacy Coalitions

To overcome the inherent challenges to developing a sustainable public policy advocacy effort within the target regions, CIPE focused on a coalition approach that it has used successfully in other areas of the world. This approach allows business associations to gain both confidence and strength in their relationships with government by providing a process-oriented model that facilitates the development of grassroots support for business initiatives.

Public policy advocacy coalitions, defined as a group of business associations and private sector institutions that collaborate to develop a unified legislative program, are integrated into the mainstream of public policy development. They are remarkably effective purveyors of public opinion.

In the United States and many other western countries, public policy advocacy coalitions are integral to the legislative process. Since the early 1980s, coalitions of business

associations have played a key role in the creation of public policy. More recently, these coalitions have begun to take root in many of the world's transitional economies. Typically, the development and growth of coalitions has proceeded more slowly in African countries, where the development of coalitions was impeded by the relative instability of both public and private sector institutions. Still, the advocacy coalition process continues to expand throughout transitional economies, and the results are evident in the growth of private sector institutions.

However, amid the success of advocacy coalitions, some notable failures have occurred. CIPE's research indicates that in a majority of cases, the breakdown of the coalition process was caused by the lack of a systems-based approach to public policy advocacy. Even in the United States, business associations were slow to comprehend the critical relationship between the development of coalitions and the overall advocacy process. Initially, many organizations viewed the creation of coalitions as an end result instead of a step in a broader process. These organizations quickly learned that the development of coalitions outside the framework of a systems-based process ultimately lacks the momentum to ensure sustainability and effectiveness. CIPE studied this process carefully, and in 2000 it pioneered the development of a systems-based advocacy process for use in transitional economies. This approach led to the success of coalition efforts in countries as diverse as Montenegro, Romania, and Russia.

This approach has played an integral role in the ability of Tanzanian associations to institutionalize public policy advocacy. The advocacy system consists of thirteen steps that are segmented into three categories. The first category, strategic planning, includes the training of an advocacy team as well as the identification, prioritization, and analysis of issues. The second category is implementation, which includes the creation of a public policy advocacy agenda, the launch of the agenda, the initiation of policy campaigns focusing on specific issues within the agenda, and direct advocacy to gain support from public officials and grassroots supporters. The third category is evaluation, which allows the business association to measure the impact of its activities.

However, even with the establishment of a systems-based approach and the publication of a toolkit for use by Tanzanian associations, a major challenge remained. Many of the association leaders still doubted that the process could be implemented on a national level in Tanzania - let alone on a regional or local one. Officials within TCCIA openly expressed reservations about the applicability of the program given the country's current situation.

Despite these reservations, TCCIA ultimately supported the concept. Organizational assessments and technical assistance began in mid-2002. In the program's first

year, consultants visited each of the six regions to create organizational benchmarks. While the directors of TCCIA's regional branches were supportive of the concept, they too had reservations about its applicability. Because the branches were relatively low in organizational capacity, the idea of implementing a major advocacy program, or any major program for that matter, was daunting. At the same time, TCCIA failed to articulate a strategy as to how it intended to empower the branches to undertake the necessary activities. The regional and district TCCIA branch directors looked for direction from the national office in Dar es Salaam, but for the most part this direction failed to materialize.

The initial organizational assessments did little to alleviate TCCIA's concerns. As expected, the chambers within the target regions showed a significant lack of capacity in most of the areas covered by CIPE's diagnostic evaluation process. As a result, the initial strategy focused on organizational development prior to the initiation of the advocacy project.

Once assessments were completed and strategic plans were created that would move the TCCIA branches toward sustainability, the leadership of the national association had to approve the process. This approval would change the way TCCIA viewed its branches because it would provide each branch with more autonomy and empower the regional director to make more decisions at the local level. Thus, it was essential that the regional TCCIA branch directors be well-trained, professional representatives for the private sector. This required substantial technical assistance, as well as empowerment by the TCCIA leadership.

Within a few months, TCCIA's leadership approved a new direction for its branches, enabling work on the advocacy process to begin in earnest. Technical assistance raised the regional business associations' awareness of the process, but the real challenge was more psychological than functional. It was one thing to understand the systems-based approach to advocacy, but quite another to believe that it could produce results. For this reason, it was not until the implementation phase that the associations began to visualize success. Early successes were assured by focusing on issues where consensus was easily built and the associations could gain immediate visibility. These initial successes helped infuse the associations with confidence to take the next step and begin to believe that the advocacy system could achieve the desired results. This model was solidified with each progressive step made by the associations.

The success of the regional coalitions had the same effect on TCCIA's national leadership, initiating a ripple effect in which the enthusiasm of the branches had a favorable impact on the views of the national association.

Institutionalization of an Advocacy System

CIPE conducted follow-up organizational assessments and interviews with the business associations that participated in the CIPE-TAPP program (October 2003) to measure the impact of the project.

By the end of the program, it was clear that the regional advocacy coalitions had achieved significant results, but had they accomplished the initial goals of institutionalizing the advocacy process and reforming the structure, or meta-rules, of government? Analysis of the results clearly indicates that both of these goals had been addressed.

The baseline assessment showed that at the regional level, not one association or chamber had ever developed or submitted a policy position paper to government. Most associations had never participated in a coalition to advocate for change. CIPE-TAPP training and technical assistance introduced a process-oriented approach to advocacy that changed the way business associations interact with their members, other associations, the public, the press, and government.

CIPE's advocacy training helped the regions in Tanzania by:

- Replacing a top-down governance approach with grassroots advocacy.
- Improving the quality of grassroots input into national and local advocacy issues.
- Enabling business associations to become more proactive in identifying and acting on problems faced by their members.
- Encouraging business associations to work together for the first time and form coalitions to effectively influence public policy. A majority of associations benefited from their participation in the business coalition by joining forces to create a stronger voice of the business community.
- Making advocacy skills a strong selling point for business associations to attract new members.
- Helping the business community understand the importance of researching the issues and finding data to develop policy positions.

Participants stated that the most important lesson they learned was that one must prepare a case before going to government - be concise and to the point. According to its own account, prior to the CIPE-TAPP program, one TCCIA branch noted that it used to dialogue without data and make a lot of noise, but it did not get results. CIPE advocacy training helped the business community understand the importance of researching the issues and finding data to develop policy positions. They described this new approach as systematic

and scientific – an approach that gained the respect of the local administration and the local business community.

The regional advocacy coalitions developed and implemented advocacy plans of action that included the preparation and distribution of policy position papers, publicity campaigns, and roundtable meetings between the public and private sectors in 33 districts in the six target regions. In addition, district business roundtables brought together key public and private sector officials to discuss issues identified by the business community.

Change in the Governmental Structure

It was clear from the outset of the Tanzanian advocacy effort that real change would come through the development of a permanent and transparent process to ensure private sector input into government policies and regulations. While there was preliminary success in changing the meta-rules within particular regions, most of the advocacy coalition's successes occurred in the area of policy. While these successes should not be minimized, they must be recognized as potentially isolated victories that occurred within the context of a particular program. Without significant process changes within government, the sustainability of this effort proved difficult after funding from the CIPE-TAPP project ended.

Nevertheless, public officials view the private sector in a more positive light because of this initiative. TCCIA is now recognized by local government as a leader of the wider business community. Two regions, Tanga and Iringa, managed to move past the creation of visibility and actually achieve changes in the governmental structure that were favorable to the private sector. For example, in the Tanga Region, a regional business council was established, making it the first region in Tanzania to establish such a forum. In the Songea Rural District (Ruvuma Region), a public-private "team" was formed to work together for the development of private enterprise in the district. In the Mpanda District (Rukwa Region) a new infrastructure committee was formed, which includes equal public-private representation down to the village level.

In the Nkasi District public-private sector task forces were established to find solutions to the issues of poor household water supply and the poor state of road infrastructure and telecommunications services in the district, while in the Rungwa District (Mbeya Region) the district councilor allotted two non-voting seats on the District Council to the private sector.

While these successes are impressive, the coalitions have much to do to ensure that significant structural changes are made and sustained. More meta-rules alterations could have been achieved had there been the focus and/or framework for these changes to occur. There are three primary reasons why some districts had success in policy areas but were less

effective in causing structural/process changes. First, it was apparent that business association representatives were focused more on policy changes than process changes. This was due partially to a lack of understanding that structural changes within government lay the foundation for future policy changes. Second, because of the project's structure, policy issues became the advocacy coalitions' focus. The project's results indicators were based on success in the policy area instead of the structural area, and even in the two districts where structure was changed to a minimal degree it appeared to be accidental rather than strategic. Finally, because of a lack of experience in public policy advocacy, a number of the coalitions substituted "activity" for "results." Certainly, these coalitions launched some successful initiatives that achieved higher visibility and credibility with both members and government, yet most failed to achieve sustainable results that could have come from changes in the governmental process. This being the case, it remains to be seen whether or not the coalitions can maintain their momentum into the future.

Empowerment of Associations

The CIPE-TAPP program raised the profile of local business associations, especially the TCCIA. The program resulted in extensive press coverage of both PPD conferences and advocacy campaigns, including TV, radio, and print media coverage. Second, it increased awareness in the business community of the role business associations are playing as advocates for business. Finally, it led to increases in paid members and the establishment (or revitalization) of 14 district branches of TCCIA in six regions. In Mbeya Region, civil servants are now actively encouraging local business people to join TCCIA and other business associations.

The increased visibility enjoyed by the associations has facilitated a more transparent relationship between government officials and the business community. For example, in Nantumbo District of Ruvuma Region, the district council told the private sector that its proactive approach made his job easier, while in Mbeya, district commissioners who attended the public-private dialogue conference left the event promising to do everything in their power to promote the establishment of TCCIA branches in their respective districts. The advocacy campaign in Mbeya and the favorable response at the highest levels – from the president to the regional commissioner to the district commissioner – continue to change attitudes. The TCCIA reported a visible change, with government officials no longer just paying "lip service" to the idea of the private sector being a partner in development.

Policy Impact

The regional coalitions also achieved significant policy successes. For example, the Songea Urban District Council

(Ruvuma Region) succeeded in getting the government to initiate a feasibility study for improving the electricity supply in the district, while the Tunduru (Ruvuma Region) business coalition succeeded in getting the government to speed up land valuations and the processing of title deeds.

In addition, the Songea Rural (Ruvuma Region) transporters researched the rules guiding operation of a weighbridge and used that information to show that the officials operating the weighbridge were not following the proper procedures. The Roads Department acted swiftly to rectify the situation.

The Iringa districts achieved success by advocating for strict enforcement of the Weights and Measures Act to ensure transparency in market transactions and to safeguard the health of workers who must lift sacks far exceeding weight limits. The Iringa campaign gained national attention and spawned similar campaigns in the Southern Highlands Zone. District commissioners in Iringa Region were charged with the task of ensuring that all those responsible educate the rural population so market transactions would be carried out using standard weights and measures. The chairmen of district councils enacted bylaws to enforce the use of weighing machines in their areas.

Sumbawanga Town (Rukwa Region), achieved its goal of removing nuisance taxes and reducing bureaucracy by initiating an advocacy campaign that focused on the impact these taxes had on prices. In Rukwa Region, the regional commissioner contributed TSh 300,000 (\$300) to TCCIA Rukwa's fund for the development of a border trading center. This was the first time that a regional council had contributed money to a TCCIA initiative.

The tangible results noted above not only increased the visibility and credibility of the regional associations, but also that of TCCIA. This helped TCCIA understand the importance of its regional branches' contribution to its overall success while also establishing a funding mechanism that ensured the sustainability of each branch organization.

The Way Forward

While the regional associations increased their overall capacity and developed advocacy coalitions that achieved notable successes, the way forward will still be challenging due to a variety of factors. First, funding for the initial project, which was provided by the USAID through Pact, ended. This happened at a time when sustainability of the regional advocacy coalitions was not yet ensured. While the initial results were impressive, the empowerment of the private sector depends on the initiation of a successful advocacy process over the long term. With this in mind, the lack of continued support may undermine the initial results.

A second challenge to private sector participation is the Tanzanian government's ongoing willingness to respond to

input from the business community. A baseline of cooperation has been established, but unless TCCIA's regional coalitions aggressively continue their efforts, the current momentum may be lost. In many transitional countries, government tends to lose interest in private sector input unless the input can be sustained over time. Without the appropriate resources to sustain the effort, government officials may not respond in the future.

Another factor that contributes to this challenge is the government's past track record. TCCIA's interventions prior to this project were largely minimized by government officials that were willing to listen but not respond. This is a common tactic in transitional economies and one that can erode the private sector's confidence. It remains to be seen whether or not the government is willing to enter into a sustained dialogue with the business community. The meta-rules have been changed, but without continued focus, the governmental structure could return to its former self.

A third challenge to private sector participation continues to be the lack of a modern communications network. While the situation within business associations has improved, it is still difficult for them to communicate with their members and government. Telephone networks are expensive and lack adequate switching mechanisms, and computer technology in many of the regions is basic at best. Even in areas where business associations have access to up-to-date computer and telecommunications technologies, most of their members do not. To compound the problem, most of the national, regional, and local governmental units do not have access to modern technology or telecommunications systems either.

A fourth challenge to private sector participation will be the ability of the national business associations, specifically TCCIA and the Confederation of Tanzanian Industrialists, to put aside their competitive mindset for the good of the business community. While each organization provides "lip service" to cooperation, the reality is that they remain highly competitive and in most cases are concerned more about credit than about the private sector's needs.

There is no doubt that the foundation has been laid for sustained private sector participation. However, the future of this participation and its effectiveness will depend on the ability of TCCIA and other national associations to capitalize on the momentum that has been created. The advocacy process must be continued at the grassroots level and the private sector's message must continue to be distributed through the local media. The way forward will not be easy, but it can ultimately be successful if the cooperation that has been created is sustained.

¹ A detailed overview of the advocacy process is included in the addendum to this case study. The process incorporates the best practices of international advocacy organizations and has been used extensively by CIPE in more than ten countries.

² Mark Schreiner, "Meta-Rules," Economics and Sociology Occasional Paper 2268 (paper, presented at the AAEA annual meeting, 2001).

³ Douglass C. North (1994) "Economic Performance through Time," *American Economic Review* 84, no. 3 (1994): 359-368.

⁴ Schreiner