

**THE IMPACT OF PRIVATIZATION TOWARDS ECONOMIC DEVELOPMENT IN TANZANIA**

**A CASE OF TANZANIA CHAMBER OF COMMERCE, INDUSTRIAL AND AGRICULTURE**

**By**

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**AUTHOR'S DECLARATION**

I, **Josephat Msafiri**, do hereby declare that this proposal is my own original work and that it has not been presented and will not be presented to any other higher learning institutions for similar or any other academic award.

.....

Signature

.....

Date

**CERTIFICATION**

I, the undersigned, certify that I have read and hereby recommend for acceptance by the Institute of Accountancy Arusha a proposal entitled “The Impact of Privatization Towards Economic Development in Tanzania: A Case of Tanzania Chamber of Commerce, Industrial and Agriculture” In partial fulfilment of the requirement for the award of Master’s Degree in business administration of leadership and governance of Institute of Accountancy Arusha

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## **ABSTRACT**

This research proposal centers on the assessment of the Influence of Privatization on Economic Development in Tanzania, specifically delving into the case study of the Tanzania Chamber of Commerce, Industrial, and Agriculture. In order to systematically address the research objectives, the proposal employs various modes of analysis tailored to each specific objective or variable associated

with the Impact of Privatization on Economic Development. To guide the research, relevant research questions were formulated, serving as the foundation for data collection.

The study conducts a comprehensive review of theories and empirical literature, aligning them with the research to contribute to the existing knowledge gap. A conceptual framework is adopted to illustrate the conceptual ideas of the study, interconnecting them through the use of study variables. Utilizing a case study design, the research collects both primary and secondary data through questionnaires, interviews, and documentary reviews. The researcher employs non-probability sampling, specifically the purposive sampling technique, to select a sample size of 100 from a population of 150. Descriptive analysis is applied to analyse preliminary data, while multiple regression analysis is used to measure relationships among variables. The findings of the study reveal a significant and positive relationship between economic productivity and economic advancement, indicating that improving economic productivity positively influences economic development. Effective economic resource management is strongly correlated with economic development, emphasizing that skilful resource management contributes to economic growth. The study also highlights a positive connection between the capital market and economic development, suggesting that capital market involvement plays a beneficial role in economic development. It concludes that harnessing employees' capabilities similarly impacts economic development positively. In summary, the research on the impact of privatization on economic development in Tanzania acknowledges a multifaceted interplay of factors influencing the outcomes of this transformative process. Privatization across various sectors of the Tanzanian economy yields mixed results, reflecting both positive and negative implications for economic development.

## **Table of Contents**

<b>ABSTRACT .....</b>	<b>3</b>
<b>CHAPTER ONE.....</b>	<b>11</b>
<b>PROBLEM SETTING .....</b>	<b>11</b>
1.1 Introduction.....	11

1.2 Background to the study.....	11
1.3 Statement of the problem .....	13
1.4 Objective of the study.....	13
1.4.1 General objective.....	13
1.4.2 Specific objectives .....	13
1.5 Research Questions .....	14
1.6 Significance of the study.....	14
<b>CHAPTER TWO .....</b>	<b>15</b>
<b>LITERATURE REVIEWS.....</b>	<b>15</b>
2.1 Introduction.....	15
2.2 Definition of Key Terms .....	15
2.2.1 Privatization.....	15
2.2.2 Privatization policy.....	15
2.2.3 Economic development .....	16
2.2.4 Economic growth.....	16
2.3 Theoretical Literature Reviews .....	17
2.4.1 Studies from Abroad.....	17
2.4.2 Local studies .....	19
2.5 Conceptual Framework .....	20
2.6 Operationalization of variables .....	21
<b>2.6.1 Economic productivity .....</b>	<b>21</b>
<b>CHAPTER THREE.....</b>	<b>22</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>22</b>
3.1 Introduction.....	22
3.2 Research Design .....	22
3.4 Target population.....	23
3.5 Sampling Procedures and Sample Size .....	23
Sampling Procedures .....	23
Sample Size .....	23
3.6 Data Collection Methods/Research Instruments .....	24
3.6.1 Primary Data Collection Methods.....	24
Interviews.....	24
Questionnaires .....	24
3.7 Data Management and analysis.....	25
Data Management.....	25

Data editing .....	25
Data coding .....	25
3.8 Data Analysis .....	25
<b>CHAPTER FOUR .....</b>	<b>28</b>
<b>ANAYSIS AND PRESENTATION OF THE FINDING .....</b>	<b>28</b>
4.1 Introduction .....	28
4.2 Respondents rate .....	28
4.2 Characteristics of the respondents .....	28
4.2.1 Respondent's gender .....	28
4.2.2 Education level .....	29
4.2.3 Experience of the respondents .....	29
4.3 Descriptive Analysis .....	30
4.3.1 To determine the productivity impacts of privatization in economic development. ....	30
4.3.2 To ascertain the resource management impacts of privatization in economic development .....	31
4.3.2.1 Available properties .....	31
4.3.2.2 Utilization of properties .....	32
4.3.3 To identify the capital market impacts of privatization in economic development .....	32
4.3.3.2 Stock .....	33
4.4 Inferential analysis .....	34
4.4.1 Correlation analysis .....	34
<b>4.5 Factor analysis .....</b>	<b>35</b>
<b>4.5.1 EFA for Economic development .....</b>	<b>36</b>
Table 4.12: EFA for Economic development .....	36
4.5.2 Factor analysis on Economic Productivity .....	36
4.5.3 Factor analysis on Economic resource management .....	37
<b>Table 4.14: EFAfor Economic resource management .....</b>	<b>37</b>
4.6 Regression model Analysis .....	38
4.6.1 Regression analysis on productivity impacts of privatization in economic development .....	38
4.6.2 Regression analysis on resource management impacts of privatization in economic development .....	40
4.6.4 Regression analysis on the capital market impacts of privatization in economic development .....	41
4.7 Hypothesis testing .....	43
4.8 Discussion of the study .....	47
4.8.1 To determine the productivity impacts of privatization in economic development .....	47
4.8.2 To ascertain the resource management impacts of privatization in economic development .....	48
4.8.3 To identify the capital market impacts of privatization in economic development .....	50
<b>CHAPTER FIVE .....</b>	<b>53</b>

<b>SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>53</b>
5.1 Introduction.....	53
5.2 Summary of the findings.....	53
5.3 Conclusion of the study.....	54
5.4 Recommendation of the study.....	55
<b>REFERENCE .....</b>	<b>56</b>
<b>APPENDICES .....</b>	<b>59</b>
Appendix I: Questionnaire.....	59

## LIST OF FIGURES

Figure 2.1 Conceptual framework.....	23
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## LIST OF TABLES

Table: 3.1 Sample Size to be used.....	27
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## **LIST OF ACRONYMS AND ABBREVIATIONS**

**CPR** - Common-Pool Resource

**FDI** - Foreign Direct Investment

- GDP** - Gross Domestic Product
- GNP** - Gross National Product
- OECD** - Organization for Economic Cooperation and Development
- SOEs** - State Owned Enterprises
- SSA** - Sub-Saharan Africa

## CHAPTER ONE

### PROBLEM SETTING

#### 1.1 Introduction

This study aims to examine the impact of privatization towards economic development in Tanzania. To instigate with, this introductory part this chapter presents the background of the study, statement of the problem, research objectives, and research questions, significance of the study and organization of the proposal.

#### 1.2 Background to the study

Privatization, which involves the transfer of assets or services from the public to the private sector, represents just one facet of various processes. It is often synonymous with deregulation, wherein a heavily regulated private company or sector undergoes a reduction in structure. The handover of government services or assets to the private sector is termed privatization, as outlined by Adair et al. (2015). This may involve the sale of government-owned assets to private entities or the relaxation of legal constraints on competition between publicly and privately owned enterprises. Privatization, as observed by Kan and Aftab (2017), may also encompass the transfer of services previously provided by the government.

The rationale commonly cited for privatization is the belief that privately owned businesses, governed by market forces, are inherently more efficient. The historical context of privatization includes Germany's extensive privatization of public assets from 1933 to 1937, during the National Socialist Party administration. Baum et al. (2018) highlight the sale of state-owned enterprises in various industries, and the shift of public services, particularly those related to social services and the labor market, to the private sector.

In sub-Saharan Africa (SSA), privatization unfolded in distinct waves, with some nations undertaking these initiatives earlier than others, as noted by Bell (2019). The initial wave, from the late 1970s to the early 1980s, involved predominantly francophone West African nations. The second wave, comprising both Anglophone and Francophone countries, commenced in the late 1980s. Bell (2019) emphasizes the influence of international financial institutions on these programs, although Brown (2015) asserts that substantial progress was limited until the late 1990s. The "late starters" formed the last wave, initiating privatization efforts in the early to mid-1990s. Among these nations, Tanzania, Burkina Faso, and Zambia exhibited strong political commitment to privatization, while Cameroon, Ethiopia, and Sierra Leone made notable progress during the 1990s, according to the findings.

Between 1991 and 2001, a limited number of State-Owned Enterprises (SOEs) in Sub-Saharan Africa (SSA) underwent privatization, with South Africa, Ghana, Nigeria, Zambia, and Cote d'Ivoire being the notable countries where privatization occurred (Brown, G. 2016). Cook and Kirkpatrick note that African nations privatized a smaller percentage (approximately 40%) of their SOEs compared to Latin America and transition economies. Privatization predominantly favored specific industries, including textiles, cement, food processing, alcoholic beverages, and metal products, often neglecting smaller businesses in manufacturing, industry, or services. Jefferson's (2014) report suggests that smaller SOEs were frequently targeted for privatization in SSA's early stages due to their perceived ease of sale.

In the late 1990s, certain political conditions evolved. More SSA states embraced significant economic changes, facilitated by the World Bank and the IMF, where privatization played a crucial role (D'Souza et al., 2014). The population gradually accepted privatization and associated reforms. Political liberalization, marked by multiparty elections, deviated from previous statist policies, providing room for the implementation of privatization programs (D'Souza and Megginson, 2014). The fiscal crisis of the 1990s and the weak financial position of SOEs in many SSA nations, including Tanzania, further facilitated the sell-off of state-owned enterprises.

Currently, privatization is nearly ubiquitous worldwide, with over 11,332 state-owned businesses privatized globally since the early 1980s. The majority of these privatizations (78%) occurred in Eastern Europe, 2% in OECD nations, 12% in Latin America and the Caribbean, 5% in Sub-Saharan Africa, 2% in Asia, and 1% in Arab nations (Ellerman, 2017). By the end of 1996, over 2,700 transactions were reported to have been completed, with a combined sales value for all of Sub-Saharan Africa just under US\$2.8 billion.

Global privatization yields varying effects, influenced by the chosen privatization model. According to Fernandez (2015), distinguishing the effects of privatization from broader economic trends is challenging. In competitive industries with informed consumers, privatization often enhances efficiency, as suggested by World Bank studies in the early 2000s. Green (2017) indicates that increased industry competition leads to improvements in output, profitability, and efficiency. While these efficiency gains result in a one-time rise in GDP, they also contribute to sustained economic growth through enhanced incentives for innovation and cost reduction.

### **1.3 Statement of the problem**

Privatization, a strategy involving the transfer of resources and responsibilities from the public to the private sector, has emerged as a factor with the potential to significantly influence growth initiatives. In recent times, privatization has gained acceptance across various political structures globally, spanning every continent. The formalization of property rights through privatization serves as a valuable tool for instigating fundamental structural change, as it directly enhances individual incentives. A well-defined free market relies heavily on property rights, allowing individuals to make decisions in their own interests (Hager and Lord, 2018).

Economist Hernando de Soto (2015) posits that modern market economies foster growth because widespread, formal property rights facilitate extensive, low-cost exchanges, leading to increased specialization and productivity. Beyond these benefits, privatization may enhance credit availability for the private sector, improve efficiency, offer fiscal relief, and promote broader ownership, all while creating robust incentives for heightened productivity (King, 2018).

The impact of privatization is multifaceted. According to Estache (2018), it should not serve as a means to settle future debts or finance new government expenditures. Instead, privatization allows nations to address existing debt, subsequently lowering interest rates and fostering increased investment. King (2018) suggests that the government, through privatization, begins collecting taxes on all privatized businesses and reduces overall expenditures by downsizing the public sector. This process breaks the cycle of excessive borrowing and continuous debt growth. Despite numerous prior studies, no research has investigated the impact of privatization on economic development within the Tanzania Chamber of Commerce, Industrial, and Agriculture. This notable gap in knowledge forms the foundation for the present study.

### **1.4 Objective of the study**

#### **1.4.1 General objective**

Examine the impact of privatization towards economic development in Tanzania: A case of Tanzania Chamber of Commerce, Industrial and Agriculture (TCCIA)

#### **1.4.2 Specific objectives**

- i. To determine the productivity impacts of privatization in economic development
- ii. To ascertain the resource management impacts of privatization in economic development
- iii. To identify the capital market impacts of privatization in economic development.

### **1.5 Research Questions**

- i. What are the productivity impacts of privatization in economic development?
- ii. What are the resource management impacts of privatization in economic development?
- iii. Is there capital market impact of privatization in economic development?

### **1.6 Significance of the study**

The study is very important as it enables actors to use this theoretical knowledge and become a reference material for academic endeavours. The study findings will also be used as an entry strategy to introduce the new approach for improvement that can be made on the privatization laws and regulations and how will it be after improvement. Moreover, the study might be useful to policy makers in their efforts to improve privatization policy in Tanzania.

## **CHAPTER TWO**

### **LITERATURE REVIEWS**

#### **2.1 Introduction**

This chapter presents the theoretical framework, theories, empirical review from various studies and publications and conceptual framework of the study.

#### **2.2 Definition of Key Terms**

##### **2.2.1 Privatization**

Privatization is the process involving the transfer of ownership and control of government-held assets and services to private individuals or entities. This transformation entails converting publicly owned or state-controlled assets and services into privately owned and operated entities, with the primary goals of enhancing efficiency, cutting costs, and fostering competition. The underlying expectation during privatization is that the newly appointed private owner will manage and operate the entity more effectively, resulting in improved profitability and overall performance (Fine, G.J., 2014).

The methods employed for privatization can vary and may include outright sales, leasing arrangements, contracting out services, and divestiture. Examples of privatization encompass the sale of state-owned companies, the outsourcing of public services like waste management and transportation, and the leasing of government properties (Megginson, 2014). While critics argue that privatization may lead to job losses, reduced accessibility of services for marginalized groups, and a decline in government revenue, proponents contend that private enterprises can deliver services more efficiently at reduced costs, generate employment, and stimulate economic growth.

##### **2.2.2 Privatization policy**

The privatization policy involves a governmental decision to shift the ownership and operation of public assets, goods, or services from the public sector to the private sector. Its primary aim is to enhance the efficient utilization of resources and stimulate economic growth by tapping into the expertise and incentives of the private sector. The implementation of privatization policies encompasses various objectives, including the improvement of efficiency and productivity. This is driven by the belief that private sector entities are more adept at efficiency and productivity compared to their public sector counterparts. According to Megginson (2014), privatization policy seeks to achieve this goal by transferring public assets and operations to private companies.

Another objective is the reduction of the financial burden on the government. Privatization endeavors to alleviate the government's financial responsibilities by transferring the ownership and operation of public assets to the private sector, where they can be managed more efficiently. Additionally, the policy aims to encourage private sector investment and attract foreign direct investment (FDI) to bolster economic growth. Furthermore, fostering competition is a key objective of privatization policy. By introducing competition within a specific industry, it is anticipated that services will improve, prices will decrease, and customer satisfaction will increase, as suggested by Rossi (2012).

Examples of privatization policies include the sale of government-owned companies, outsourcing public services to private entities, and granting concessions to private firms for infrastructural developments.

### **2.2.3 Economic development**

Economic development is the progression through which a country, region, or community enhances its economic performance and infrastructure, striving for sustainable growth, elevated living standards, and increased well-being for its residents, as articulated by Djankov and Murrell (2012). This multifaceted process involves a spectrum of activities, policies, and investments aimed at boosting productivity, fostering innovation, attracting investments, generating employment opportunities, enhancing education and health services, and overall, elevating the quality of life. Various metrics, including gross domestic product (GDP) growth, increases in foreign direct investment (FDI), and advancements in human development indicators such as education and health, serve as benchmarks to gauge economic development. This transformative journey can be steered by diverse factors like governmental policies, natural resources, human capital, infrastructure, and technological advancements, as highlighted by Djankov and Murrell (2012).

### **2.2.4 Economic growth**

Economic growth is the term used to describe the expansion of the production of goods and services within an economy over a specific timeframe. This expansion is quantified by the rise in the gross domestic product (GDP) or gross national product (GNP) of the economy (Brown, G. et al., 2016). Generally perceived as a positive phenomenon, economic growth brings about several benefits, including the creation of job opportunities, increased incomes, and enhanced living standards. Various factors can act as catalysts for economic growth, including heightened investment, advancements in technology, improved trade conditions, and supportive government policies. It is essential to note, however, that rapid economic growth can also have adverse consequences, including ecological harm, social disparities, and economic instability (Brown, G. et al., 2016).

## **2.3 Theoretical Literature Reviews**

The following is the theory that ought to be used in the research impact of privatization towards economic development the neo-classical economist theory was used to explain the concept.

### **Neo-Classical Economist theory**

The Neo-Classical Economist theory, formulated by Tanyi and Welch (1997), asserts the roots of privatization theory in the beliefs of neo-classical economists. These economists advocate for minimal government interference in the economy and uphold the superior performance of the private sector. According to this theory, prosperity is expected to "trickle down" to all levels of society in a free-market economy devoid of state intervention. Government involvement in the economy is deemed unnecessary and detrimental to progress, hindering economic development. The concept of privatization as an economic policy emerged in the mid-1960s within the framework of neo-classical economic principles, emphasizing economic liberalization and a reduced state role.

Cook and Kirkpatrick et al. (2011) highlight that since its inception, privatization has been sporadically implemented by various nations worldwide as a development strategy. Notably, Ghana privatized numerous state-owned enterprises in 1966 with support from the World Bank. Although privatization gained momentum in the early 1980s in Britain under Prime Minister Margaret Thatcher, it later extended to developing nations like Tanzania under the conditional ties imposed by the IMF and World Bank as prerequisites for securing loans for structural adjustment programs.

In contemporary times, privatization has become a global phenomenon. From the mid-19th century to the 21st century, over 11,332 state enterprises have been privatized globally, with 78% from Eastern Europe, 2% from OECD1 nations, 12% from Latin America and the Caribbean, 5% from Sub-Saharan Africa, 2% from Asia, and 1% from Middle Eastern nations (Adair et al., 2015). By the end of the 2000s, over 2,700 transactions were completed, totalling almost \$2.8 billion in sales value for Sub-Saharan Africa.

## **2.4 Empirical literature review**

### **2.4.1 Studies from Abroad**

Crosby and Murdoch (2015) conducted an investigative research study examining the influence of privatization on infrastructure growth in Côte d'Ivoire. The focus was on 81 privatizations, predominantly within the electricity sector and other potentially competitive markets like agriculture, agro-industries, and services. The outcomes indicated that post-privatization, businesses exhibited improved performance

surpassing what would have been achieved under public ownership. Privatization positively impacted economic welfare, leading to substantial benefits such as increased output, investment, labor productivity, and intermediate-input productivity, with annual net welfare benefits amounting to approximately 25% of pre-sale sales.

In a similar vein, Brown (2015) concentrated on the impact of privatization on financial productivity in Ghana. The study, involving 212 privatized organizations, reported positive outcomes, including increased employment and compensation, alleviation of balance of payments pressures, enhanced allocative and operational efficiency, stimulation of local capital markets, increased foreign direct investment (FDI) inflows, widespread quality gains for consumers, and relief on the balance of payments.

A more recent study by Aftab and Kan (2017) employed a mixed research approach, utilizing questionnaires and interviews to explore the connection between private sector participation, institutional reform, and electricity sector performance across 18 Latin American countries from 1971 to 2010. The findings emphasized the necessity of well-designed and stable sectoral institutions for improved electricity sector performance, irrespective of the degree of private participation. Privatization was linked to efficiency and quality enhancements, while accessibility was strongly correlated with regulatory quality.

Harrison and G. Jefferson (2014) conducted a survey of 308 privatized companies in 84 countries from 1982 to 2000. The study revealed that 78% of workers faced job losses post-privatization, potentially exacerbating income inequality. However, the report suggested that total employment could recover if the privatized company improved efficiency after the initial restructuring phase. D'Souza et al.'s (2014) study on privatization in India over a 20-year period from 1989 to 2009 contradicted the notion that privatization led to a decline in employee compensation.

The impact of privatization on prices and service accessibility can vary for different income groups. D'Souza and Megginson (2014) noted that increased competition accompanying privatization could lead to price reductions, benefiting consumers if efficiency improvements result from private management. However, if prices were initially below the cost-recovery level, they might rise. The distributional impact depends on how different income levels consume the goods and services of privatized firms. Fernandez highlighted that in infrastructure industries, privatization often leads to price increases and improved service quality. Wealthier consumers may benefit more from subsidized services, potentially affecting them more than lower-income groups. Nevertheless, the end of illegal connections may burden poorer customers more if accompanied by privatization in the electricity and water sectors.

Additionally, research carried out across Latin America indicates that the privatization of utilities has, indeed, improved the accessibility of services, particularly for the impoverished rural population (as observed in Torero and Pasco-Font's study on Peru (2020) and Rosellon's research on Argentina (2019)). The infusion of private investment capital has frequently resulted in an expanded network coverage, as evidenced by Fine's findings in 2014. Privatization has demonstrated positive distributional effects when it leads to a substantial increase in accessibility without a concurrent significant rise in prices. However, it is common for notable price hikes to accompany the enhanced service access.

Shirley's research in 2013, spanning 18 emerging and transitional nations, revealed that privatization yielded net fiscal benefits within the range of 1% of GDP. The primary fiscal advantage of privatization in various countries stemmed from the elimination of subsidies. Subsidies for critical infrastructure services often resulted in the restricted availability of low-cost services, disproportionately affecting poorer households that had limited or no access to these services, while wealthier households enjoyed the cost benefits. Privatization indirectly benefits the impoverished by retaining higher revenues when it curtails these subsidy outflows (Klein, 2018). The fiscal impacts on income distribution are indirect and manifest through alterations in revenues and expenditures. Specifically, privatization may influence real income, adjusted for taxes, by differentially reducing the tax burden across households or by facilitating increased access by the poor to government services funded by new tax streams.

#### **2.4.2 Local studies**

Additionally, Bell (2019) conducted an assessment of the economic impacts of privatizations in Tanzania, employing a case study research approach and utilizing interview data collection techniques. The study applied neo-classical economic theory to analyze the outcomes. The research findings indicated a notable improvement in the operating and financial performance of the divested companies. Interestingly, a substantial proportion of commercial state-owned enterprises had ceased operations prior to privatization consideration; however, three-fourths of these businesses resumed operations after the privatization process in both countries. The study highlighted significant productivity gains, attributed partly to workforce reductions and enhanced capacity utilization. In most cases, there was a substantial increase in post-sale investments, production, sales, and value-added. The overall conclusion was that the performance of privatized enterprises met and even exceeded expectations.

Similarly, Temu and Due (2016) examined Tanzania's privatization experience, focusing on a group of businesses and conducting an in-depth analysis of post-sale performance. Out of the 158 companies divested by the end of 1999, 136 (34% of the 395 state-owned enterprises in the pre-privatization

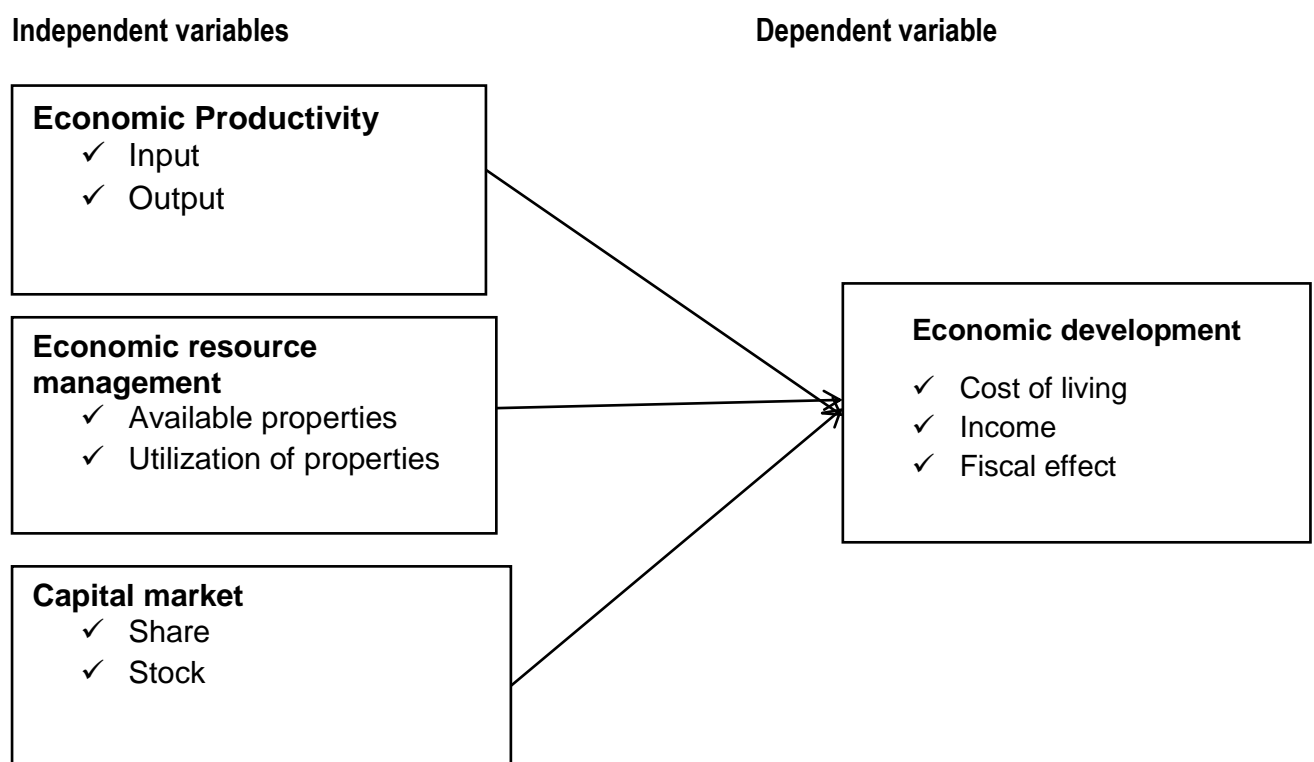
universe) had been sold, while 115 had been shut down or liquidated. Additionally, 24 had been leased, 8 had been placed under management contracts, and the remaining companies were yet to be sold. More than half of the purchasers were "indigenous" or of African descent, accounting for over two-thirds of the total purchases, with Tanzanian residents of Asian heritage constituting the remaining buyers. Notably, well-known South African companies such as De Beers, South African Breweries, and R. J. Reynolds Tobacco SA acquired the higher-value companies.

Temu and Due (2016) described "privatization by exhaustion" in their 1998 study as the tortuous, protracted negotiations that frequently lasted years between potential buyers of even the most wasted assets and an endless line of officials. They also documented the extremely poor physical and financial condition of Tanzanian manufacturing firms prior to privatization. They came to the conclusion that privatization "has raised government revenues, reduced subsidies to SOEs, and forced businesses to run more effectively." (339) in their second study, published in 2000, they discovered a 48% decline in employment levels across 16 privatized companies.

## 2.5 Conceptual Framework

It is a process of getting -together of ideas that are broadly defined and on purpose structured to give attentiveness, way of thinking, and mechanism for the arrangement and understanding of data. Conceptual framework must have variables which are more specific and measurable; these are dependent variable and independent variable.

**Figure 2.1 Conceptual framework**



**Source: Researcher constructs and reviewed literature (2023)**

## **2.6 Operationalization of variables**

### **2.6.1 Economic productivity**

Economic productivity refers to the output or efficiency of goods and services produced by an individual, business or country in relation to the resources used. It is measured by the amount of goods and services produced per unit of input (such as labor, capital, or land) MacGregor, B. (2018). Higher labor productivity means that an individual worker can produce more output in the same amount of time, while higher capital productivity means that a business can produce more goods and services with the same level of assets. Overall, higher economic productivity is important for sustaining economic growth, increasing living standards, and achieving greater global competitiveness MacGregor, B. (2018).

### **2.6.2 Economic Resource Management**

Privatization is a favored solution to many common-pool resource (CPR) management challenges in social-ecological systems, especially in CPRs subject to open access property regimes. CPRs defined by the two core challenges which are; high rivalry regarding resource appropriation (i.e. subtract ability; the benefits of appropriated resources are captured only by the appropriator) and low excludability (difficulty in excluding resource appropriation) (Poteet et al. 2010).

Privatization is an effort to sidestep these challenges by altering the formal, and potentially informal, institutional arrangements that govern CPR systems through incentivizing restricted groups or individuals to resolve the challenges by giving them varying degrees of exclusive rights (Demsetz 2017; Ostrom 2020; Schlager and Ostrom 2012). Similarly for public goods (low rivalry and low excludability) such as clean air, investment costs and innovation fall to the individual if they are not provided by the group (e.g. government), but the benefits are shared across all resource users, leading to 'free riding', a lack of investment (e.g. lack of incentives) and slower gains in resource use efficiency that might be expected where both costs and benefits are internalized (Cornes and Sandler 2014).

### **2.6.3 Capital Market**

Capital market is a financial market where companies, governments, and other organizations can raise long-term funds from investors. It includes stocks, bonds, and other securities that are bought and sold by investors Adair, et al. (2015). Capital markets provide a way for companies to finance their growth and expansion plans, as well as for investors to earn returns on their investments. Some of the major participants in the capital markets include investment banks, brokerages, and institutional investors.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter presents the procedure through which the research study is to be conducted. It entails what has been done and the manner in which it has been done. The chapter comprises of the research design, population of the study, study area, sampling technique, sample size, data collection techniques and data analysis techniques.

#### 3.2 Research Design

This part describes the form that the researcher followed for conducting the whole study. Case study research design was used in this study. Case study was applied because it is using a smaller sample for an in-depth analysis of Tanzania bureau of standards. Research design is the plan showing the approach and strategy of investigation aimed at obtaining relevant data, which accomplishes the research objectives and provides answers to the research questions (Cohen, & Morrison, 2017).

#### 3.3 Research Approach

To gather pertinent information, the study employed a combination of qualitative and quantitative approaches during the data collection phase, as outlined by Rajasinghe (2020). The qualitative data sought to enhance the quantitative findings by offering supplementary information and narrowing down the extensive research field into a more manageable topic. The incorporation of both approaches allowed the researcher to address the limitations inherent in each, creating a more comprehensive framework that utilized a mixed design for data collection instruments. The quantitative approach involved gathering numerical data through closed-ended questions in the questionnaire, while the qualitative approach utilized structured interviews to elicit underlying reasons and opinions from respondents in the field.

### 3.4 Target population

The targeted populations of this study are 150 employees from Tanzania Chamber of Commerce, Industrial and Agriculture and it includes departments like procurement management unit, internal Audit, finance and accounting department, information communication technology department and Investment department. Researcher used the above-mentioned departments in this study because they are directly linked with organizational economic activities in the organization but also are the group of respondents who can provide answers required to make conclusion of the study.

### 3.5 Sampling Procedures and Sample Size

#### Sampling Procedures

Sampling involves choosing a subset of sample units from a larger population to make broader inferences about the entire population. In this research, the method employed for selecting the study area was purposive sampling. Specifically, purposive sampling was utilized to identify and include participants from key departments such as procurement management, internal audit, finance and accounting, information communication technology, and the investment department. The selection of these individuals was deliberate, considering their pivotal roles in the overall privatization process. As stated by Drost (2011), purposive sampling is guided by the researcher's judgment, aiming to include individuals who can provide the most valuable information to achieve the study's objectives.

#### Sample Size

The sample size of 105 was include the procurement management unit, internal Audit, finance and accounting department, information communication technology department, user department and suppliers.

**Table:3.1 Sample Size to be used**

Category	Targeted Population	Sample size
Managing director	01	01
PMU Staff	10	09
ICT Department	16	10
Internal Audit	7	5
Finance and accounting department	21	15

Suppliers	25	25
Investment department	70	40
<b>Total</b>	<b>150</b>	<b>105</b>

**Source: Construction of the Researcher, (2023)**

### **3.6 Data Collection Methods/Research Instruments**

For the purposes of this research study, both primary and secondary data were collected and utilized. Primary data involves those that collected by the researcher himself, whereas secondary data are those that are collected by other sources and may be available to the researcher.

#### **3.6.1 Primary Data Collection Methods**

Many different methodologies can be used for as a data collection tool. Most are based around a core set of basic tools. These include interviews and questionnaires.

#### **Interviews**

In this study the researcher used interview and in particular face to face interview with all the Head of procurement management unit, internal Audit, finance and accounting department, information communication technology department and Investment department. Interview method of data collection is useful with people who do not have enough time to concentrate on reading and responding to questionnaires which require them to write. It involves structured or unstructured or semi-structured interview whereby in asking questions, the researcher may follow a sequence of identical questions for every respondent or it may not use predetermined questions Creswell (2018), The interview technique is useful to such categories of respondents, so that the researcher himself or the interviewer also assumed the responsibility to note down the answers from the respondent.

#### **Questionnaires**

The researcher used structured questionnaire. Such questionnaires was administered to selected respondents and they were requested to answer at their convenience and then the researcher collected the answered questionnaires. Close ended questions featured in the questionnaires. The use of questionnaires is seen to be useful to collect information from a wide area Bryman (2014).

The researcher distributed and collect questionnaires for the purpose of ensuring anonymity of the respondents in order to extract more information from the respondent.

### **3.7 Data Management and analysis**

#### **Data Management**

In this study a researcher properly edited, coded, summarized and organized data and information into tables that accurately understood by any user or reader of this research. Data management defines as a systematically organizing mass of raw data to be collected in manner that will facilitate analysis of data (Kothari, 2004). It also includes identifying and correcting errors in the data, coding the data and storing them in appropriate form (Drost, 2011).

#### **Data editing**

Editing was done to ensure that the data are accurate, consistent with other factor gathered uniformly entered, as completed as possible and well arranged to facilitate coding and presentation. The process of data editing was done to make correction to the mistake that could occur. Some of the respondents may have missed to answer the questions by mistake.

#### **Data coding**

The questionnaires were coded in a numeral form and filled in SPSS program. SPSS was used to make coding by assigning names to variables and data set was filled in numeral form Coding referred to the process of assigning numerals or other symbols to answers so that responses could be put into a limited number of categories or classes. Coding required for efficient analysis and through it the several replies that might be reduced to a small number of classes which contain the critical information required for analysis (Dorst, 2016).

### **3.8 Data Analysis**

Data analysis is the process of rearranging and condensing information such that it can be used publicly. Dorst (2016). The three key phases of the data analysis were planning the data, descriptive analysis, and testing the hypotheses. Data was gathered, coded, and put into SPSS. The submitted data's accuracy has been confirmed. Following internal consistency validation of the scale variables, the scale variable scores were averaged to get mean scores for each respondent per scale parameter measurement. Descriptive and inferential statistical techniques were used to analyse the data. According to Kothari (2015), descriptive statistics provide us with methods for quantitatively and graphically showing data that provides an integrated perspective of the data obtained.

The first specific research objective was to determine the influence of economic productivity from privatization on economic development. To do this, the researcher will collect primary data from the questionnaire, analyse it using descriptive analysis, and then present the results using percentages and

frequencies. Next, the researcher applied use inferential analysis to ascertain the nature of the relationship between the independent and dependent variables.

The second specific research goal is to ascertain the effects of economic resource management on economic development, this objective was descriptively analysed, in which data was provided by proportion and frequency to help readers comprehend the research. Additionally, the researcher used inferential analysis, such as correlation analysis to determine the strength and direction of variables and multiple regression analysis to determine the current relationship between variables.

The third specific objective is to identify utilization of capital market by government and private sector on towards economic development. To analyse the data from this objective, descriptive analysis was used. The data was presented in terms of percentages and frequencies while inferential analysis applied to determine the final relationship between the independent variables and the dependent variable.

Where by  $Y$ = economic development,  $\beta_0$ = Constant,  $(\beta_1, \beta_2, \beta_3, \beta_4)$  = Regression coefficient of independent variables,  $\varepsilon$ = Error term,  $X_1$ = economic productivity,  $X_2$ = economic resource management,  $X_3$ = capital market.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Whereby;

$Y$ = economic development,

$\beta_0$ = Constant,

$\beta_1$ = Regression coefficient of economic productivity

$\beta_2$ =Regression coefficient economic resource management

$\beta_3$ = Regression coefficient of capital market,

$\varepsilon$ = Error term,

Where by

$Y$ = economic development,

$\beta_0$ = Constant,

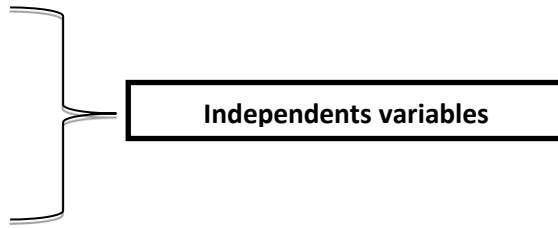
$(\beta_1, \beta_2, \beta_3)$  = Regression coefficient of independent variables,

$\varepsilon$  = Error term,

$X_1$  = Economic productivity

$X_2$  = Economic resource management

$X_3$  = Capital market



## CHAPTER FOUR

### ANAYSIS AND PRESENTATION OF THE FINDING

#### 4.1 Introduction

This section encompasses the examination and display of the results obtained. The examination of the research was showcased in connection with individual objectives. The researcher employed a descriptive analytical approach for each distinct objective, performed correlation analysis, and subsequently utilized the technique of multiple regression analysis to gauge the association between the variables that stand independently and the variable that is reliant within the study. In this context, this chapter comprises three segments: initial analysis, comprehensive data analysis, and regression analysis.

#### 4.2 Respondents rate

In this study all the questions were filled and returned to the researcher for further analysis. This enabled the researcher to draw conclusion from the obtained sample size.

**Table 4.1 response rate**

Sample size	Response %	Non response%
105	100%	0%

**Source; Research data (2023)**

#### 4.2 Characteristics of the respondents

This section summarized the demographic characteristics of the respondents including gender, age, education level and experience of the respondents. As indicated on appendix I.

##### 4.2.1 Respondent's gender

The research aimed to determine the gender distribution of participants employed at the Tanzania Chamber of Commerce, Industry, and Agriculture, the location of the study. The findings of this examination indicate that a larger proportion of the participants were male, while a smaller portion were female. This inference is drawn from the dataset acquired from 105 participants, indicating that out of the total, 70 participants (constituting 60.6%) were male, whereas the remaining 35 participants (accounting for 33.3%) were female, as detailed in Table 4.2.

**Table 4.2 Respondents Gender**

	Frequency	Percent
Male	70	60.6
Female	35	33.3
Total	105	100.0

**Source;** Research data (2023)

#### 4.2.2 Education level

The analysis of participants' educational backgrounds was conducted in a meticulous manner, revealing that 70.5% of the surveyed individuals possessed educational qualifications at the bachelor's degree level or higher. This significant proportion of respondents underscored the prevalence of employees with bachelor's degrees and advanced education. Meanwhile, 17.2% held diplomas, and 12.3% held certificates, indicating a relatively smaller percentage of participants with diploma and certificate-level education.

**Table 4.3 Education level**

	Frequency	Percent
Bachelor and above	74	70.5
Diploma	18	17.2
Certificate	13	12.3
Total	105	100.0

**Source;** Research data (2023)

#### 4.2.3 Experience of the respondents

The data presented in Table 4.4 revealed that 30 participants, accounting for approximately 28.5%, possessed work experience of one year or less. Furthermore, 28 respondents, constituting about 26.1%, reported having experience spanning from over one year to five years. Additionally, 47 participants, corresponding to around 45.1%, indicated having work experience exceeding five years. This information collectively signifies that a significant portion of the workforce holds experience of more than a year.

**Table 4.4 Experience**

	Frequency	Percent
One year and less	30	28.5
one year to five years	28	26.1
Above five years	47	45.1
Total	105	100.0

**Source; Research data (2023)**

### **4.3 Descriptive Analysis**

The researcher employed descriptive analysis to examine the data, with the objective of deriving meaningful, comprehensible, and desirable findings that effectively convey the content and purpose of the study. This analytical approach was adopted to extract significant results and ultimately formulate conclusions from the investigation. The research employed a descriptive technique to scrutinize the findings, presenting the data in terms of frequency and percentage distributions. The survey instrument utilized a Likert scale format, encompassing response options ranging from "strongly disagree" (1) to "strongly agree" (5). In the process of interpreting the descriptive analysis, the researcher grouped "strongly disagree" and "disagree" responses together as "disagree," while also combining "strongly agree" and "agree" responses as "agree." The application of descriptive analysis was instrumental in dissecting the findings acquired through the case study, culminating in the articulation of definitive study outcomes.

#### **4.3.1 To determine the productivity impacts of privatization in economic development.**

The primary aim of the research investigation was to assess how privatization influences the productivity aspect of economic development. To attain this goal, the researcher concentrated on various factors connected to the productivity effects of privatization, which in turn have an impact on economic advancement. The productivity variable was further broken down into its constituent sub-variables, namely Input and Output. These particular aspects were scrutinized and then outlined in the subsequent manner.

##### **4.3.1.1 Input**

In the table provided as Table 4.5, the examination revealed that 65.1% of the participants concurred that the input value contributed to productivity, thereby promoting economic advancement within the organization. Meanwhile, 14.3% or 15 individuals maintained a neutral stance, and 21.4% or 22 of the total surveyed participants expressed dissent with the notion that the input value attributed to productivity contributes to organizational economic development.

**Table 4.5 Input**

	Frequency	Percent
Strongly Disagree	6	6.2%
Disagree	16	15.2%
Neutral	15	14.3%
Agree	44	42.1%
Strongly Agree	24	23%
Total	105	100%

**Source: Research data (2023)**

#### 4.3.1.2 Output

According to the data presented in Table 4.6, it can be observed that 73.3% of the participants agreed that the output generated effectively enhances productivity and contributes to achieving economic development. On the other hand, 14.3% of the respondents expressed a neutral stance, while the remaining 12.1% disagreed with the notion that the produced output adequately boosts productivity and leads to economic development.

**Table 4.6 Output**

	Frequency	Percent
Strongly Disagree	5	4%
Disagree	9	8.1%
Neutral	15	14.3%
Agree	47	45%
Strongly Agree	29	28.3%
Total	105	100%

**Source: Research data (2023)**

#### 4.3.2 To ascertain the resource management impacts of privatization in economic development

The study's secondary goal involved determining how privatization influences resource management within the context of economic development. The investigator identified two variables that contributed to achieving this research aim. These variables encompassed accessible assets and the effective utilization of these assets.

##### 4.3.2.1 Available properties

The data presented in Table 4.7 indicates that 72.1% of the participants agreed that adequate resources and economic assets are present within our organization to support economic development. On the other

hand, 10.4% of the respondents, equivalent to 11 individuals, remained neutral in their opinion. The remaining portion of participants, accounting for 17.1%, expressed disagreement with the idea that our organization possesses the necessary resources and economic assets to foster economic development.

**Table 4.7 Available properties**

	Frequency	Percent
Strongly Disagree	7	7.1%
Disagree	11	10.4%
Neutral	11	10.4%
Agree	39	37.1%
Strongly Agree	37	35%
Total	105	100.0%

**Source: Research data (2023)**

#### 4.3.2.2 Utilization of properties

The analysis presented in Table 4.8 demonstrates that 81% of the participants concurred with the idea that the utilization of resources as established by the organizational management contributes to the improvement of economic development trends. On the other hand, 14.3% maintained a neutral stance on this matter, while the remaining 5% expressed disagreement with the notion that resource utilization mechanisms set by the organizational management have a positive impact on economic development trends.

**Table 4.8 Utilization of properties**

	Frequency	Percent
Strongly Disagree	2	2%
Disagree	3	3%
Neutral	15	14.3%
Agree	45	43%
Strongly Agree	40	38.1%
Total	105	100%

**Source: Research data (2023)**

#### 4.3.3 To identify the capital market impacts of privatization in economic development

The study's third aim revolved around recognizing the influence of privatization on economic development within capital markets. To achieve this goal, the researcher established various benchmarks concerning

capital market behaviors. This approach facilitated the researcher in arriving at conclusive results. These benchmarks encompassed aspects like Share and Stock.

#### 4.3.3.1 Share

The participants also expressed their opinions regarding share ownership. According to the data in Table 4.9, it was revealed that 91.1% of the respondents concurred that having shares contributes to the economic advancement of the organization. Meanwhile, 4.7% of the participants remained impartial on this matter, and an equal percentage of 4.7% disagreed with the idea that share ownership supports the economic development of the organization.

**Table 4.9 Share**

	Frequency	Percent
Strongly Disagree	0	0.0%
Disagree	5	4.7%
Neutral	5	4.7%
Agree	70	67%
Strongly Agree	25	24%
Total	105	100%

**Source: Research data (2023)**

#### 4.3.3.2 Stock

The analysis conducted based on the data in Table 4.10 indicates that 63.6% of the participants expressed agreement with the idea that the existing economic institutions possess an adequate supply of resources to effectively conduct economic operations within the nation. Meanwhile, 19.3% of the respondents adopted a neutral stance on this matter, and 17.1% of the participants disagreed with the notion that the current economic institutions possess sufficient resources to facilitate economic activities within the country.

**Table 4.10 Stock**

	Frequency	Percent
Strongly Disagree	7	6.6%
Disagree	11	10.5%
Neutral	20	19.3%
Agree	43	40.1%
Strongly Agree	24	23.5%
Total	105	100%

**Source: Research data (2023)**

#### 4.4 Inferential analysis

The primary aim of this research was to assess the influence of privatization on the economic advancement within Tanzania, focusing on the case of the Tanzania Chamber of Commerce, Industrial and Agriculture (TCCIA). The researcher not only aimed to reach a conclusion about the study but also aimed to evaluate the degree of interconnectedness among various factors. To achieve this, the researcher employed inferential analysis, a statistical technique used to ascertain the impact of specific variables as predetermined in this study.

Inferential analysis is geared towards addressing inquiries about the broader population and the samples that were not directly examined during the study. In this phase, the researcher aimed to establish the interconnectedness between the independent and dependent variables of the study. To achieve this, the researcher employed bivariate correlation to quantify the intensity of the relationships among the variables. Moreover, multiple regressions were also employed to uncover the underlying nature of these relationships.

##### 4.4.1 Correlation analysis

The researcher employs the correlation matrix to examine potential connections among variables. This involves utilizing the correlation coefficient, which portrays the magnitude and orientation of the interrelation among the variables under investigation. The correlation coefficients span from +1 to -1 within a range of one to one. As outlined by Taylor (1990), when the correlation coefficient approaches closer to 1 in either direction, the association becomes more robust, signifying a heightened linear connection between the two variables. A positive correlation coefficient denotes that an elevation in the initial variable corresponds with a rise in the second variable, while a negative correlation coefficient suggests an opposite linkage, wherein one variable increases as the second variable declines.

**Table 4.11 Correlation of the variables**

		Economic Productivity	Economic resource management	Capital market	Economic development
Economic Productivity	Pearson Correlation		1		
	Sig. (2-tailed)				
	N		105		
	Pearson Correlation		.888**	1	

Economic resource management	Sig. (2-tailed)	.000			
	N	105	105		
Capital market	Pearson Correlation	.887**	.926**	1	
	Sig. (2-tailed)	.000	.000		
	N	105	105	105	
Economic development	Pearson Correlation	.859**	.782**	.842**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	105	105	105	105

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: Research data (2023)**

The association of the study's variables is demonstrated in table 4.11. The results indicated a favorable connection between economic productivity and economic advancement  $r=0.859$ ,  $p\text{-value}=0.000$ , suggesting that economic productivity yields a constructive influence on economic development, and its implementation would consequently affect economic development. Moreover, the outcomes unveiled a robust positive correlation between the management of economic resources and economic development, yielding an  $r=0.782$ ,  $p\text{-value}=0.000$ . This suggests that effective economic resource management fosters a positive impact on economic development, and its application would similarly influence economic development. Furthermore, the study's findings displayed a positive correlation between the capital market and economic development, displaying an  $r=0.842$  and  $p\text{-value}=0.000$ . This indicates that the capital market exerts a positive impact on economic development, signifying that the incorporation of employees' capabilities would likewise impact economic development.

**4.5 Factor analysis**

The primary aim of this research was to perform a value chain assessment on how privatization influences economic development in Tanzania, focusing on a specific case, the Tanzania Chamber of Commerce, Industrial and Agriculture (TCCIA). In order to accomplish this objective, the investigator identified three separate factors as independent variables for analyzing the effects of privatization on economic development. Utilizing SPSS Version 20, Principal Factor Component Analysis (PFCA) was conducted on indicators related to economic productivity, effective management of economic resources, and the performance of the capital market. Before executing PFCA, the appropriateness of the data for component analysis was evaluated, and a review of the correlation matrix showed the presence of multiple coefficients equal to or higher than 0.3.

#### 4.5.1 EFA for Economic development

The assessment of the "Economic development" variable encompassed the evaluation of three distinct indicators or parameters, namely Cost of living, Income, and Fiscal effect. In order to delve deeper into the investigation, all entities underwent both Principal Component Factor Analysis (PCFA) and Confirmatory Factor Analysis (CFA). As detailed in Table 4.12, the investigation revealed that the Bartlett's test of sphericity yielded a p-value (Sig) of .000, and the Kaiser-Meyer-Olkin (KMO) values surpassed the threshold of .6 for each individual sub-variable, thus confirming the sufficiency of the sample for analysis. In line with Pallant's guidelines (2005), the prerequisite for data to be suitable for factor analysis necessitates the presence of correlations within the correlation matrix that stand at a minimum of  $r=.3$  or higher. Additionally, the Bartlett's test of sphericity should attain statistical significance at  $p<.05$ , and the Kaiser-Meyer-Olkin value should attain or exceed .6. In light of these criteria, the data employed in this study was deemed appropriate for subsequent analytical procedures.

**Table 4.12: EFA for Economic development**

Item code	Item	PCFA	EFA	Status
V601a	Cost of living	0.610	.702	Retained
V601b	Income	0.745	.805	Retained
V601c	Fiscal effect	0.792	.826	Retained

**Source: Research Data (2023)**

#### 4.5.2 Factor analysis on Economic Productivity

The study focused on two fundamental factors, Input and Output, to assess the impact of economic productivity on the development of the Tanzanian economy within the context of the Tanzania Chamber of Commerce, Industrial and Agriculture. Principal Component Analysis (PCA) was applied to these variables as part of the methodology. The application of PCA aimed to achieve the study's objective. The software employed for analysis was SPSS Version 20. Prior to conducting PCA, an evaluation of the data's suitability for factor analysis was carried out. Examination of the correlation matrix indicated the presence of multiple coefficients equal to or exceeding 0.3. All elements demonstrated satisfactory factor loadings above 0.6, leading to their inclusion in subsequent analyses.

**Table 4.13: EFA for Economic Productivity**

Code	Items	PCFA	EFA	Status
V202	Input	0.647	.710	Retained
V202	Output	0.806	.841	Retained

**Source: Research Data (2023)**

### 4.5.3 Factor analysis on Economic resource management

The researcher used two indicators to measure the variable, which were available properties and utilization of properties towards economic development.

This variable was effectively assessed using factor analysis. To establish variable loading, items from the analysis were subjected to principal component analysis (PCFA). Prior to running PCFA, the data was reviewed for its suitability for component analysis, and an inspection of the correlation matrix revealed the presence of multiple coefficients of .3 and higher. The results showed that all of the items had acceptable factor loadings above 0.6 hence were all retained for further analysis.

**Table 4.14: EFA for Economic resource management**

Code	Items	PCFA	EFA	Status
V303	Available properties	0.678	.714	Retained
V303	Utilization of properties	0.653	.706	Retained

**Source: Research Data (2023)**

### 4.5.4 Factor analysis on Capital market

The third purpose of this study was to identify the capital market impacts of privatization in economic development. The study used two factors to achieve this goal: share and stock. This variable was effectively assessed using factor analysis. To establish variable loading, items from the analysis were subjected to principal component analysis (PCFA). Prior to running PCFA, the data's suitability for component analysis was assessed, and a look at the correlation matrix revealed the presence of numerous coefficients of .3 and higher. The results showed that all of the items had acceptable factor loadings above 0.6 hence were all retained for further analysis.

**Table 4.15: EFA for Environmental factor**

Code	Items	PCFA	EFA	Status
V402	Share	0.739	.850	Retained
V403	Stock	0.828	.819	Retained

**Source: Research Data (2023)**

#### 4.6 Regression model Analysis

Basing on the regression model assumptions, in this study employed regression analysis for each sub variable on the independent variable the purpose was to check that at what extent the independent variable affects or influence economic development.

Regression analysis is used to analyze the relationship between a single dependent variable and several predictor variables (Kothari, 2014). Therefore, the F-test was used to define the validity of the model while R squared was used as the measure of the model goodness of fit. According to J. Pallant (2005) when evaluating each of the independent variables if the **Sig.** value (p-value) is less than .05, then the variable is making a significant unique contribution to the prediction of the dependent variable. If greater than .05, then you can conclude that variable is not making significant unique contribution to the prediction of your dependent variables and indicated on the table below.

##### 4.6.1 Regression analysis on productivity impacts of privatization in economic development

The initial goal of this research was to assess the productivity impacts of privatization in economic development. The researcher initiated this goal from two perspectives: input and output. The researcher derived one hypothesis (H01) from this aim, which was tested inconclusively using multiple regression analysis.

*H1. There is significant contribution between productivity impacts of privatization and economic development.*

**Table 4.15 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.568 <sup>a</sup>	.623	.333	.25229

a. Predictors: (Constant), input and output

**Source: Research data (2023)**

The findings indicate that the model is more supportive to the extent that independent variables influence the economic development. The model is supported by .623 R square, which is equivalent to 62.3%. The research study indicated that input and output impact and facilitate economic development.

**Table 4.16 ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.521	3	6.840	16.076	.000 <sup>b</sup>
	Residual	42.974	101	.425		
	Total	63.495	104			

- a. Dependent Variable: economic development
- b. Predictors: (Constant), Input and output

**Source: Research data (2023)**

From the table 4.16 above indicating that the model was significant due to significant sign of p-value= 0.000 which means that the model is significance as the p-value is less than 0.05.

**Table 4.17 Coefficients**

Model	Unstandardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Coefficients		
(Constant)	1.453	.341		4.261	.000
1			Beta		
Input	.391	.111	.329	2.614	.010
Output	.474	.100	.296	2.727	.008

- a. Dependent Variable: Economic development

**Source: Research data (2023)**

$$\text{From } Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \varepsilon$$

$$\text{Then } Y = .145 + .391X_2 + .474X_3 + .252$$

Where by Y= Economic development,  $\beta_0$ = Constant,  $(\beta_1, \beta_2, \beta_3)$  = Regression coefficient of independent variables,  $\varepsilon$ = Error term,  $X_1$ = Input,  $X_2$  = Output

The coefficient figures of multiple regressions shown in the table above demonstrate how the model is supportive or how independent variables influence the dependent variable; the regression model tested how various stated organizational factors such as Input and Output can influence Economic development.

According to the findings, the Input is sufficient in contributing economic development by 0.391, which is equivalent to 39.1%, and the association is significant at p-value= 0.010. Furthermore, the study found that output has a relationship with economic development and is very essential in the economy, output contributing economic development by 0.474, or 47.4% and the relationship is significant at p-value= 0.010.

#### 4.6.2 Regression analysis on resource management impacts of privatization in economic development

To ascertain the resource management impacts of privatization in economic development at the Tanzania Chamber of Commerce, Industrial and Agriculture (TCCIA), the researcher developed two sub variables that were required for testing and revealing the hypothesis, and finally, results indicated a positive relationship between resource management impacts of privatization and economic development. The study developed hypothesis (H02) and tested it using multiple regression analysis, as indicated in the tables below. The sub variables were the available properties and utilization of properties.

*H02. There is significant contribution between resource management impacts of privatization and economic development.*

**Table 4.18 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559 <sup>a</sup>	.513	.293	.20720

a. Predictors: (Constant), available properties and utilization of properties

**Source: Research data (2023)**

According to the model summary, the field findings show that the model is supportive to the extent that independent factors influence or affect the dependent variable positively. The model has .513 R square support, which is equivalent to 51.3%. The available properties and utilization of properties all have an impact on economic development, according to the conclusions of this research study.

**Table 4.19 ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.872	3	6.624	15.336	.000 <sup>b</sup>
	Residual	43.623	101	.432		
	Total	63.495	97			

a. Dependent Variable: economic development

b. Predictors: (Constant), available properties and utilization of properties

**Source: Research data (2023)**

From the table 4.19 above indicating that the model was significant due to significant sign of p-value=0.000 which means that the model is significance as the p-value is less than 0.05

**Table 4.20 Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.801	.326		5.533	.000
	Available properties	.412	.082	.014	.149	.002
	Utilization of properties	.530	.070	.339	3.268	.001

a. Dependent Variable: Economic development

Source: Research data (2023)

$$\text{From } Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$

$$\text{Then } Y = .801 + .412X_1 + .530X_2 + .207$$

Where by  $Y$ = Economic development,  $\beta_0$ = Constant,  $(\beta_1, \beta_2, \beta_3)$  = Regression coefficient of independent variables,  $\varepsilon$ = Error term,  $X_1$ = Available properties,  $X_2$  = Utilization of properties,

The coefficient figures of multiple regressions shown in the table above demonstrate how the model is supportive or how independent variables influence the dependent variable; the regression model tested how economic development can be influenced by various stated factors such as Available properties and Utilization of properties. According to the data, the available properties sufficiently contribute economic development by .412 percent, or 41.2%, and the relationship is significant at  $p$ -value = 0.002.

Furthermore, the study revealed that Utilization of properties has a relationship with economic development and is very important in the organization, the use of Utilization of properties contributes to economic development by 0.530, which is equivalent to 53% and significant by .001.

#### 4.6.4 Regression analysis on the capital market impacts of privatization in economic development

The third research objective was to identify the capital market impacts of privatization in economic development. Researchers identified capital market as the factor that ought to influence or impact the economic development by doing so capital market splinted into the indicators influencing or affecting economic development such as Share and Stock. From this purpose, the researcher created hypotheses (H03), which were tentatively explored using multiple regression analysis.

*H3. There is significant contribution between capital market and economic development.*

**Table 4.21 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
-------	---	----------	-------------------	----------------------------

1	.649 <sup>a</sup>	.604	.376	.17140
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a. Predictors: (Constant), Share and Stock

**Source: Research data (2023)**

The data from the field, as reported on the model summary, indicate that the model is supporting to be generalized, and it is supportive by .604 R square, which is comparable to 60.4%, as shown in the table above. As a result of this research investigation, it was concluded that share and stock had an impact on economic development.

**Table 4.22 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	25.027	3	8.342	21.904	.000 <sup>b</sup>
1	Residual	38.467	101	.381		
	Total	63.495	104			

a. Dependent Variable: Economic development

b. Predictors: (Constant), Share and Stock

**Source: Research data (2022)**

From the table 4.22 above indicating that the model was significant due to significant sign of p-value=0.000 which means that the model is significance as the p-value is less than 0.05

**Table 4.23 Coefficients**

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients		
	(Constant)	.170	.329	Beta	3.560	.001
1	Share	.716	.080	.147	1.451	.005
	Stock	.444	.092	.296	2.424	.017

a. Dependent Variable: Economic development

**Source: Research data (2023)**

$$\text{From } Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

$$\text{Then } Y = .170 + .716X_2 + .444X_3 + .171$$

Where by Y= Economic development,  $\beta_0$ = Constant,  $(\beta_1, \beta_2, \beta_3)$  = Regression coefficient of independent variables,  $\varepsilon$ = Error term,  $X_1$  = Share,  $X_2$ = Stock

The coefficient figures of multiple regressions shown in the table above demonstrate how the model is supportive or how independent variables influence the dependent variable; the regression model tested how economic development can be influenced by various stated factors such as Share and Stock.

The second study discovered that Share has a relationship with economic development by a coefficient of 0.716, which is equivalent to 71.6% and significant by .005. Finally, an examination of the sub variable of stock revealed that stock contribute .444 to stock, which is equivalent to 44.4%, with a significant level of p-value .017.

#### 4.7 Hypothesis testing

From the table above the analysis were also used to test the hypothesis of the study from which the following was observed

**Table 4.24 Hypothesis summary**

Dependent variable	Hypothesis	Independent variables	Significance	Nature of relationship	conclusion
Economic development	H01	Input	Significant	Positive	Accepted
	H02	Output	Significant	Positive	Accepted
	H03	Available properties	Significant	Positive	Accepted
	H04	Utilization of properties	Significant	Positive	Accepted
	H05	Share	Significant	Positive	Accepted
	H06	Stock	Significant	Positive	Accepted

**Source: Research data (2023)**

Researcher was interested to get respondents opinion regarding the trend of privatization on economic development. *Respondents commented that Privatization Trends in East Africa, like many other regions, has experienced varying degrees of privatization in its economies. Privatization involves the transfer of*

ownership and control of state-owned enterprises (SOEs) to the private sector, with the aim of improving efficiency, reducing government intervention, and encouraging competition. The extent and success of privatization efforts can vary significantly from one country to another due to factors such as political, economic, and social considerations.

**Respondent G added that** Tanzania, as of my last update, had embarked on some privatization efforts but had taken a cautious approach compared to some other countries in the region. The government under President John Magufuli was focused on increasing public revenue and reducing corruption. This led to increased scrutiny of natural resource contracts and a reassessment of the role of foreign investors in key industries.

Respondent L commented that however, it's important to note that the stance of governments and economic trends can change. Since 2021, there might have been developments in Tanzania's approach to privatization and economic policies. It's recommended to consult more recent and reliable sources to get the most up-to-date and accurate information. If you're specifically interested in the latest information about privatization trends in the Tanzanian economy, I recommend checking official government sources, reputable economic news outlets, and reports from international financial organizations such as the World Bank and the International Monetary Fund. These sources can provide insights into any shifts in policy and their impact on the Tanzanian economy.

**Furthermore, researcher asked respondent to give their opinions on the extend of privatization which affects economic development in Africa**

Respondent V commented that privatization and its impact on economic development in Africa have been subjects of significant debate and analysis. The extent to which privatization affects economic development in the continent can vary based on several factors, including the context of each country, the industries being privatized, governance structures, and the overall economic landscape.

**Respondent M added that contextual Variations:** Africa is a diverse continent with countries at varying stages of development, political stability, and institutional capacity. Privatization's impact can differ based on these contextual factors. While some countries have successfully used privatization to attract foreign investment and enhance efficiency in sectors like telecommunications and energy, others have faced challenges due to weak regulatory frameworks, corruption, and inadequate infrastructure.

Respondent X commented that Privatization can foster competition and market efficiency. Opening up state-owned enterprises (SOEs) to private ownership can lead to improved operational efficiency,

innovation, and better service delivery. However, successful privatization requires robust regulatory oversight to prevent monopolistic tendencies that can emerge when a single private entity gains too much control over a vital sector. Critics argue that privatization can result in job losses, especially if private entities streamline operations for efficiency. Balancing the economic benefits with social concerns is crucial. Governments must ensure that the process includes provisions for retraining and supporting those affected by job cuts, while also considering the potential for enhanced employment opportunities through private sector growth.

**Respondent E**, in certain sectors, such as infrastructure, privatization can attract much-needed investment for expansion and modernization. Private sector participation can help alleviate the burden on governments' limited fiscal resources, allowing them to focus on other essential services like education and healthcare. However, careful negotiation of contracts and monitoring of service quality are essential to avoid exploitation and ensure long-term benefits.

**Respondent B** One challenge associated with privatization is the potential exacerbation of income inequality and limited access to essential services. In sectors like healthcare and education, privatization might lead to increased costs that disproportionately affect low-income populations. Governments should implement policies to ensure that essential services remain accessible to all segments of society.

**Respondent N added that** Privatization can attract foreign direct investment (FDI) by offering opportunities for foreign companies to enter new markets. This infusion of capital can contribute to economic growth and technology transfer. However, the benefits of FDI might not materialize if there isn't a conducive business environment, including transparent regulations, political stability, and protection of property rights.

In conclusion, the extent to which privatization affects economic development in Africa is nuanced and dependent on a multitude of factors. It can be a powerful tool when executed with careful consideration of the country's context, regulatory frameworks, and the balance between economic gains and social welfare. Privatization's success hinges on transparent governance, effective oversight, and a commitment to ensuring that the benefits are broadly distributed across society

Moreover, respondents commented on **how economist perceive privatization and its impact in economic development**

Respondent F stated that Economists have long held diverse views on privatization and its impact on economic development. Privatization, which involves the transfer of state-owned enterprises into private

hands, is often seen as a crucial step in economic liberalization and modernization. Its effects on economic development are complex and multifaceted, generating both positive and negative outcomes depending on the specific context, policies, and implementation.

**Respondent z commented that** one prominent argument in favor of privatization is its potential to enhance economic efficiency. Private ownership is believed to introduce competition and market discipline, which can lead to greater productivity, improved resource allocation, and innovation. When private firms operate in competitive environments, they are incentivized to streamline operations and invest in research and development to stay ahead, ultimately driving economic growth.

Economists also emphasize that privatization can facilitate increased access to capital and technology. Private firms often have better access to financing through stock markets and banks, enabling them to undertake investments that can fuel economic expansion. Additionally, private ownership can encourage technology transfer and adoption, further contributing to overall economic development.

**Respondent M added that** however, critics of privatization caution that it can exacerbate wealth inequality. The process can lead to the concentration of wealth in the hands of a few individuals or groups, potentially marginalizing vulnerable populations. This unequal distribution may hinder inclusive economic growth and result in social unrest.

Another concern raised by economists pertains to the need for effective regulation post-privatization. As state control diminishes, there is a risk that private firms might exploit their newfound freedom to the detriment of consumers or the environment. Ensuring proper regulatory frameworks is essential to prevent market failures and to maintain fair competition. Certain sectors, such as utilities and essential services, are considered natural monopolies or public goods. In these cases, privatization can be contentious. Economists debate whether these sectors should remain under public control to ensure equitable access and prevent profit-seeking behavior that could compromise affordability and availability.

**Respondent Q added that** It's important to note that the impact of privatization varies based on the specific economic, social, and political context. Successful privatization requires careful planning, transparent processes, and institutional capacity. Additionally, economic development is influenced by a multitude of factors beyond privatization, including education, infrastructure, governance, and trade policies.

In conclusion, economists approach the topic of privatization and its impact on economic development with a range of perspectives. While privatization can foster efficiency, innovation, and access to capital

*and technology, it also raises concerns about inequality, regulatory challenges, and the appropriate treatment of natural monopolies. The overall effects are contingent on the careful design and implementation of policies, as well as the broader context within which privatization occurs.*

#### **4.8 Discussion of the study**

##### **4.8.1 To determine the productivity impacts of privatization in economic development**

The first objective of the research study was to determine the productivity impacts of privatization in economic development. In order to achieve this objective researcher focused on several issues that relates to the productivity on of privatization which influence economic development, The variable of productivity involved sub variables such as which are Input and Output. The analysis showed that 65.1% of the respondents had agreed that the value of input injected on productivity facilitates economic development in the organization, 14.3% equal to 15 respondents stayed neutral and 21.4% equivalent to 22 of the total respondents participated in the study disagreed with the statement that the value of input injected on productivity facilitates economic development in the organization. the analysis indicated that 73.3% of the respondents had agreed that the produced output sufficiently raise productivity thus attain economic development, 14.3% stay neutral while the remaining 12.1% disagreed that produced output sufficiently raise productivity thus attain economic development.

The study findings were resembling to the study findings obtained by other scholars such as MacGregor, B. (2018), commented that economic productivity pertains to the effectiveness or yield of commodities and services generated by an individual, enterprise, or nation concerning the resources employed. It is quantified by the volume of commodities and services yielded for each unit of input (like labor, capital, or land). Enhanced labor productivity denotes that a single worker can generate a larger output within a given timeframe, whereas heightened capital productivity signifies that a business can manufacture increased goods and services using the same quantity of assets. In general, augmented economic productivity holds significance in maintaining economic advancement, elevating quality of life, and attaining heightened global competitiveness.

Moreover, Ostrom (2020), investigated the impact of productivity resulting from privatization on economic development is a complex and multifaceted phenomenon that has been subject to significant debate among economists and policymakers. Privatization, the transfer of state-owned assets to private ownership and control, can potentially influence economic development through its effects on efficiency, investment, competition, innovation, and distribution of wealth.

Privatization can enhance economic productivity by introducing market mechanisms and competition. When previously state-controlled enterprises transition to private ownership, they often become more efficient in their operations due to the need to meet market demands and generate profits Adair, et al. (2015). Private ownership tends to align incentives more closely with profit generation, leading to improved resource allocation and better utilization of factors like labor, capital, and technology. Increased productivity resulting from privatization can stimulate investment and innovation. Private firms are often more responsive to market signals and are driven to invest in technology, research, and development to stay competitive. This can lead to the introduction of new products, improved production processes, and overall economic growth.

Sandler (2014), privatization introduces competition into sectors that were previously monopolized or controlled by the state. Competition incentivizes firms to operate efficiently, offer better products and services, and respond to consumer preferences. This competitive pressure can lead to dynamic market conditions, fostering productivity gains and economic development. While improved productivity is a potential positive outcome of privatization, its impact on wealth distribution requires careful consideration. In some cases, privatization might lead to wealth concentration among a few individuals or groups, exacerbating inequality. Effective policies and regulations are necessary to ensure that the benefits of increased productivity are shared across the population, promoting more inclusive economic development.

Sandler (2014), added that it's important to note that the effects of productivity resulting from privatization are context-dependent. The success of privatization efforts depends on factors such as the regulatory environment, the competitive landscape, the specific industry, and the capacity of institutions to oversee and regulate private entities. Poorly executed privatization can lead to negative consequences, such as reduced access to essential services or regulatory capture by powerful private interests. In conclusion, the productivity gains from privatization have the potential to significantly influence economic development. Enhanced efficiency, increased investment, innovation, and competition can contribute positively to overall economic growth. However, careful consideration of wealth distribution, regulatory frameworks, and the broader economic context is crucial to ensure that the benefits of increased productivity are shared equitably and contribute to sustainable economic development

#### **4.8.2 To ascertain the resource management impacts of privatization in economic development**

The second objective of this study was to ascertain the resource management impacts of privatization in economic development. The researcher established two variables that enhanced accomplishment of the research objective. These variables are including available properties and utilization of properties. Study

findings indicated that 72.1% of the respondents had agreed that within our organization there is available resources and economic properties to facilitates economic development, 10.4% of the respondents which is equal to 11 respondents hat stayed neutral while the rest of the respondents which is 17.1% had disagreed that the within our organization there is available resources and economic properties to facilitates economic development. Furthermore, study findings indicated that 81% of the respondents agreed that the economic development trend enhanced by the resource utilization mechanisms settled by the organizational management, 14.3% stay neutral while the remaining 5% have disagreed that the economic development trend enhanced by the resource utilization mechanisms settled by the organizational management.

The results of the study were similar to those obtained by other researchers, just like the findings of other scholars, for instance. Temu and Due (2016) commenced that resource management plays a crucial role in the context of privatization and its impact on economic development. Privatization involves the transfer of state-owned assets and enterprises into private hands, thereby altering the control and utilization of valuable resources. The effectiveness of resource management within the privatization process can significantly shape economic development outcomes.

Argentina (2019), effective resource management in privatization involves allocating resources, such as capital, labor, and technology, to their most productive uses. Private ownership introduces market mechanisms that incentivize efficient allocation. Private firms, driven by profit motives, are more likely to allocate resources based on market demand and supply conditions, leading to better resource utilization and economic growth.

Temu and Due (2016) added that a well-managed privatization process can attract domestic and foreign investment, fostering innovation and economic growth. Private ownership encourages investors to inject capital into newly privatized enterprises, enabling modernization, technology adoption, and research and development efforts. These investments contribute to increased productivity and competitiveness, which are integral to economic development. Resource management through privatization can enhance competition within industries. As state monopolies transform into private entities, market forces drive firms to optimize their resource utilization to stay competitive. This competitive pressure encourages innovation, cost efficiency, and quality improvements, all of which collectively contribute to economic development.

Shirley's (2013), stated that regulations must be designed to curb monopolistic practices, ensure fair competition, and protect consumer interests. Weak regulatory environments can lead to resource

concentration, market distortions, and negative economic effects. Resource management during privatization also has socioeconomic implications. While efficient resource allocation can boost economic growth, there's a need to address potential negative social impacts. For instance, job losses resulting from restructuring can have adverse effects on communities. Smart resource management involves considering the broader welfare implications and implementing policies to mitigate negative consequences.

In conclusion, resource management within the context of privatization significantly influences economic development. Efficient allocation, increased investment, innovation, enhanced competition, and effective regulatory measures collectively shape the outcomes of privatization on a nation's economic growth. A balanced approach that considers both economic benefits and potential social costs is essential for successful resource management in privatization and its positive impact on economic development.

#### **4.8.3 To identify the capital market impacts of privatization in economic development**

The third objective of this study was to identify the capital market impacts of privatization in economic development. In order to attain this objective, the researcher developed several criteria related to the capital market practices which enabled the researcher to meet conclusion. Those criteria included Share and Stock. Study findings showed that 91.1% of the respondents had agreed that share ownership on economic endorsement facilitates economic development of the organization while 4.7% of the respondents had stayed neutral and 4.7% of the respondents had disagreed that share ownership on economic endorsement facilitates economic development of the organization. Moreover, 63.6% of the respondents had agreed that available economic institutions have sufficient stocks to run economic activities in the country, 19.3% of the respondents had stay neutral and 17.1% of the respondents had disagreed that available economic institutions have sufficient stocks to run economic activities in the country.

The results of the study were similar to those obtained by other researchers, just like the findings of other scholars, for instance Megginson (2014), capital markets play a crucial role in the process of privatization and significantly influence economic development. Privatization, which involves the transfer of state-owned assets to private ownership, can be greatly impacted by the dynamics of capital markets. This process often involves selling shares of state-owned enterprises to private investors through initial public offerings (IPOs) or other market mechanisms. Here's a breakdown of how capital markets impact privatization and its effects on economic development in six paragraphs:

Harrison and G. Jefferson (2014), commented that privatization provides an avenue for governments to raise funds by selling state-owned assets to private investors. Capital markets, consisting of stock and bond markets, offer these investors a platform to purchase these assets. When privatized companies go public, they can raise substantial capital through the sale of shares, which can be reinvested in other developmental projects. The availability of capital from the capital markets encourages economic growth by financing infrastructure projects, technological advancements, and job creation. Private ownership often leads to increased efficiency and competition. As privatized companies become publicly traded, they are subject to market pressures, shareholder demands, and increased scrutiny. These factors drive management to streamline operations, improve corporate governance, and innovate to remain competitive in the market. The competition and efficiency improvements can contribute to economic development by driving productivity gains and fostering innovation across industries.

Moreover, Harrison and G. Jefferson (2014), added that privatization can democratize wealth ownership by allowing ordinary citizens to become shareholders. When privatized companies go public, their shares become accessible to a broader range of investors, including retail investors. This broader ownership base can help distribute wealth more evenly and promote financial inclusion. As more individuals participate in the capital markets, they can accumulate wealth, invest in education, and contribute to economic growth in the long term. Capital markets attract foreign investors seeking opportunities in privatized assets. Foreign direct investment (FDI) is often attracted to economies that offer privatization opportunities, as it enables investors to gain exposure to new markets and industries. The influx of foreign capital contributes to economic development by boosting domestic investment, creating jobs, and facilitating technology transfer. Additionally, the participation of international investors can lead to greater market integration and exposure to global best practices.

Aftab & Kan (2017), the process of going public necessitates adherence to stringent disclosure and transparency standards. To attract investors, privatized companies must provide accurate and timely financial information, as well as adopt robust corporate governance practices. This enhances investor confidence and encourages long-term investment. Improved corporate governance and transparency can lead to stronger institutions, reduced corruption, and increased investor trust, all of which are crucial for sustained economic development. The privatization process can stimulate the development of capital markets within a country Demsetz (2017), as more companies go public, the demand for well-functioning stock exchanges, regulatory frameworks, and financial intermediaries increases. Governments often work to strengthen these aspects of the capital market to support the privatization process. The

development of a robust capital market ecosystem not only facilitates privatization but also attracts domestic and international investors, leading to a more diversified and resilient economy.

In conclusion, capital markets play a pivotal role in shaping the outcomes of privatization and its impact on economic development. Through increased access to capital, efficiency improvements, wealth distribution, foreign investment, enhanced corporate governance, and market development, capital markets contribute to fostering sustainable economic growth and prosperity in both developed and developing economies.

## CHAPTER FIVE

### SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents the summary of the findings of the study, conclusion and recommendations. The general objective of this study was to examine the impact of privatization towards economic development in Tanzania: A case of Tanzania Chamber of Commerce, Industrial and Agriculture (TCCIA), this study drew on the specific objectives as indicated below.

- i. To determine the productivity impacts of privatization in economic development
- ii. To ascertain the resource management impacts of privatization in economic development.
- iii. To identify the capital market impacts of privatization in economic development.

#### 5.2 Summary of the findings

The overall objective of the research work was to the impact of privatization towards economic development in Tanzania, then exerted the specific objective which were To determine the productivity impacts of privatization in economic development, to ascertain the resource management impacts of privatization in economic development and to identify the capital market impacts of privatization in economic development.

For the purpose of delivering research objective to a conclusion, research study conducts different mode of analysis to each specific objective or variable that's sector, then exerted the specific objective. Study reviewed different previous studies in order to identify the gap and to work on it then study identified the research gap and focused on the research gap to fill it with a concrete finding. To address this objectives researcher developed relevant research questions which were used as the basis of data collection. The study used Neo-Classical Economist theory to show the applicability of the theory to the economic development. The study used case study research design so as to accommodate with the available resources to conducting study. The study had a sample size of 105 respondents which were selected by using purposive sampling technique. to ensure that data are well collected the researcher used questionnaire and interview guide to collect the primary data and secondary data were collected by reviewing journals, reports and articles. The collected data were subjected to different analysis method such as descriptive analysis, correlation and multiple regression. The results indicated a favorable connection between economic productivity and economic advancement  $r=0.859$ ,  $p\text{-value}=0.000$ , suggesting that economic productivity yields a constructive influence on economic development, and its implementation would consequently affect economic development. Moreover, the outcomes unveiled a

robust positive correlation between the management of economic resources and economic development, yielding an  $r=0.782$ ,  $p\text{-value}=0.000$ . This suggests that effective economic resource management fosters a positive impact on economic development, and its application would similarly influence economic development. Furthermore, the study's findings displayed a positive correlation between the capital market and economic development, displaying an  $r=0.842$  and  $p\text{-value}=0.000$ . This indicates that the capital market exerts a positive impact on economic development, signifying that the incorporation of employees' capabilities would likewise impact economic development.

### **5.3 Conclusion of the study**

In conclusion, the study on the impact of privatization on economic development in Tanzania highlights a complex interplay of factors that shape the outcomes of this transformative process. Privatization, as witnessed in various sectors of the Tanzanian economy, has yielded mixed results, indicating both positive and negative implications for economic development.

On the positive side, privatization has contributed to increased efficiency and competitiveness within industries. The introduction of private ownership and market-driven forces has often led to streamlined operations, improved productivity, and innovation. As privatized entities adapt to the demands of the market and strive to attract investment, they are more likely to introduce modern technologies, management practices, and international standards. These improvements enhance the overall economic landscape by fostering growth, creating jobs, and promoting sectoral advancement.

However, the study also underscores challenges and concerns associated with privatization. In some instances, hasty or insufficiently regulated privatization processes have led to issues of market dominance, lack of equitable wealth distribution, and limited benefits to marginalized communities. Moreover, the transition from state to private ownership requires careful consideration of regulatory frameworks and mechanisms to ensure fair competition, prevent monopolies, and safeguard public interests. Failure to address these challenges can result in adverse consequences for economic development.

In conclusion, the impact of privatization on economic development in Tanzania is a multifaceted phenomenon that requires a nuanced understanding of its effects. It is crucial to harness the potential benefits of privatization while proactively addressing challenges through effective regulation and stakeholder engagement. By learning from past experiences, implementing sound policies, and prioritizing long-term economic sustainability, Tanzania can leverage privatization as a tool for driving growth, enhancing sectoral performance, and improving the overall quality of life for its citizens.

#### **5.4 Recommendation of the study**

Based on the study's findings regarding the impact of privatization on economic development in Tanzania, several recommendations emerge to guide policy decisions and optimize the outcomes of privatization processes.

Firstly, it is crucial for Tanzanian authorities to ensure a transparent and well-regulated privatization process. Establishing clear guidelines and regulations for the privatization of state-owned enterprises will enhance investor confidence and mitigate potential risks. Comprehensive due diligence and assessment of potential investors' capabilities should be carried out to ensure that privatized entities are operated efficiently and contribute positively to economic growth.

Secondly, a balanced approach to privatization is recommended. While privatization can bring about efficiency gains and encourage market competition, it's important to strike a balance between privatization and the government's role in providing essential public services. Retaining strategic control over certain sectors can help maintain stability, prevent monopolies, and safeguard the interests of the citizens. Additionally, the proceeds generated from privatization should be effectively channelled into critical areas such as infrastructure development, education, and healthcare, ensuring that the benefits of privatization reach a broader segment of the population.

By implementing these recommendations, Tanzanian policymakers can navigate the challenges and opportunities presented by privatization to effectively promote economic development, attract investments, and ensure that the privatization process contributes to the broader goal of sustainable and inclusive growth.

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## APPENDICES

### Appendix I: Questionnaire

#### Dear respondent

My name is **JOSEPHAT MSAFIRI**, a student from Institute of Accountancy Arusha. I am perusing Master's Degree of Science in \*\*\*\*\*. I am currently undertaking academic research on the Impact of Privatization Towards Economic Development In Tanzania: A Case of Tanzania Chamber of Commerce, Industrial and Agriculture. I humbly request your participation in the achievement of this study. Your contribution is highly honored and of huge importance and I promise to keep them anonymously.

Your responses regarding the following questions will enhance the researcher to complete his study effectively. The information will be useful only for the academic purposes not otherwise.

#### **PART I: BACKGROUND INFORMATION (V100)**

The information to be provided will only be used for research purposes and confidentiality will be adhered.

Please tick (√) the most appropriate alternatives.

Please tick (√) the most correct answer

#### **(V101) You're Gender**

Male

Female

#### **(V102) Your age**

18-25

26-33

34-41

42-49

50 and above

#### **(V103) Your education level**

Primary level

Secondary level

Certificate

Diploma

Advance diploma/degree

Master's degree

PhD

**(V104) Working area**

PMU/Supplies

Technical

Accounting and Finance

User department

Other

**(V105) How long have you being working in your company?**

Below 1 Year

1 - 5 Years

6 - 10 Years

More than 10 Years

**PART II: To determine the productivity impacts of privatization in economic development (V200)**

Please indicate your level of agreement or disagreement with each of the given statements. For each given statement below please circle the number that best describes your view on your organization.

<b>V201 Productivity</b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The value of input injected on productivity facilitates economic development in the organization	1	2	3	4	5
<b>V202 Output</b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The produced output sufficiently raise productivity thus attain economic development	1	2	3	4	5

**PART III: To ascertain the resource management impacts of privatization in economic development (V300).**

Please indicate your level of agreement or disagreement with each of the given statements. For each given statement below please circle the number that best describes your view on your organization.

<b>V301 Available properties</b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Our organization there is available resources and economic properties to facilitates economic development	1	2	3	4	5
<b>Utilization of properties</b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Economic development trend enhanced by the resource utilization mechanisms settled by the organizational management	1	2	3	4	5

**PART IV: To ascertain the resource management impacts of privatization in economic development (V400)**

Please indicate your level of agreement or disagreement with each of the given statements. For each given statement below please circle the number that best describes your view on your organization.

<b>V401. Share</b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
Our organization there is available resources and economic properties to facilitates economic development	1	2	3	4	5
<b>V402 Stock</b>	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The economic development trend enhanced by the resource utilization mechanisms settled by the organizational management	1	2	3	4	5

**INTERVIEW GUIDE**

What is the trend of privatization on economic development?

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To what ***extend of privatization affects economic development in Africa?***

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***How does economist perceive privatization and its impact in economic development?***

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**THANK YOU VERY MUCH FOR YOUR TIME**