

STRATEGIES AND CHALLENGES OF ECONOMIC DIPLOMACY ON INDUSTRIALISATION IN TANZANIA

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ABSTRACT

Economic diplomacy is cited as one of the modern strategies to boost economic development in the world. Tanzania, since the 1990's, changed from political diplomacy to economic diplomacy to revitalize the economic sectors, including industrial development. This study, therefore, was set to examine the implication of economic diplomacy on industrialization in Tanzania. The study employed a qualitative research approach to collect data from the selected departments of the Ministry of Foreign Affairs and East African Cooperation, Tanzania Investment Centre, Members of academic staff from the College of Business Education, University of Dodoma, and Mozambique-Tanzania Centre for Foreign Relations. Similarly, documentary reviews from the government Ministries were carried out to complement primary data. The findings revealed that economic diplomacy has played a significant role in industrial development in Tanzania by employing strategies such as leaders' attendance to international conferences, the building of facilitative international environment, and offering incentives for investments. Likewise, the study

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noted that economic diplomacy for industrial development is faced with several challenges, including, among others, low availability of data, low aggression, mentality and prioritization of industries and standards of commodities. The study concludes that economic diplomacy strategies are still relevant in bringing about industrialization in Tanzania. The study recommends that there is a need to revisit government policies, networking with other countries, and strengthen institutional frameworks to widen the role of economic diplomacy in industrialization.

1.0 INTRODUCTION

The quest for industrialization and its development has been a global agenda. The agenda is born out of the potentialities of industrialization to transform the economy from primary production to tertiary production (Msami & Wangwe, 2016). Hence, industrialization describes the transition of an economy from one based on agricultural products to one based on producing manufactured goods. It occurs when a machine-intensive economy has displaced a labour-intensive one, and all manually labour-intensive tasks have been replaced with the use of modern technology to allow for mass production (Lugina, 2020). Industrialization unleashes dynamic, competitive forces that help with international trade, the efficient use of resources, and the creation of income and jobs (Kitojo, 2020; UNIDO, 2017). In Europe, the industrial sector provides employment opportunities to 32 million people, accounting for 68% of the European Union's exports (European Commission, 2017). Similarly, experience from Asian and African countries reveals that it can create a demand for raw materials from the mining and agricultural sectors and thus integrate the formal and informal economy of the country (Prakash, 2019).

Given the importance of industrialization to the economy, countries worldwide adopted policies with strategies that promote the dream of industrialization. The European countries, for example, promoted the single market, digitization of the economy, the capital market union, and circular economy action plan to sustain industrial development (European Commission, 2017). Regional blocs such as the Southern Custom Union (SACU), East Africa Community, and Southern Africa Development Community are among the attempts to fasten industrial development in the region of Africa (Kapunda, 2014). In the same way, Asian countries implemented several economic objectives to resuscitate industrial development. The economic objectives include expansion of manufacturing employment, expanding the scales of production to reap scale economies, vertical

diversification into higher-technology sectors, expanding and deepening inter-sectoral linkages, acquisition of cutting-edge technologies and the development of research (R&D) capabilities by domestic producers, and increasing international market share (Chang & Zach, 2018).

To attain economic development in both developed and developing countries, particularly in the industrial sector, the role of economic diplomacy cannot be underestimated (Kamata, 2013). Diplomacy is among the key strategies used by the government in ensuring the promotion of development through the establishment of diplomatic relations with other countries together with regional and international organizations. With the importance of diplomacy in most African countries after independence in the 1960s, the implementation of foreign policy was based on the principles of equality, non-alignment, freedom, and Pan-Africanism. In the 1990s, all the African countries had attained their political independence. This supported African countries to make their political liberation, which geared development efforts.

Tanzania, in the early days of independence diplomacy, was meant to support the political liberation movement of other African countries, including Zimbabwe, Mozambique, and Namibia (Chachage & Cassam, 2010). Kamata (2013) refers to this kind of diplomacy as liberation diplomacy. This was regarded as one of the key strategies used by Tanzania to promote the political liberation of African States from 1961 to the 1990s (Msami and Wangwe, 2016). During this period, Tanzania did not have a comprehensive written foreign policy; instead, the conduct of diplomacy and other foreign relation matters were guided by the set of articles and presidential seculars and proclamations, including No. 2 of 1964, Arusha Declaration of 1967 and Tanzania policy on foreign affairs of 1967 (Kasyeta, 2017; Kamata, 2013). Thus, liberation diplomacy emphasized promoting African unity and liberalization of African countries from colonial domination (Kamata, 2013).

Following the social, economic, and political change of the 1990s, when most Africans had attained independence, Tanzania adopted a foreign policy focusing on economic diplomacy to secure the core national interest as a sovereign state (Kweyamba, 2022). Hence, economic diplomacy refers to any diplomatic activity that promotes the state's economic interests in exports and investments (URT, 2001). It also includes diplomacy that uses economic resources to achieve specific foreign policy objectives. Economic diplomacy was highlighted in a foreign policy in 2001 to promote economic development (Kamuzora, Tendega, & Bwana, 2022; Magoma, 2019). The new foreign policy was geared towards enabling the country to face the new development challenges inherent in the changes brought by the process of globalization and the influence of market-led economies. Economic diplomacy in Tanzania involves steering international processes towards contributing to Tanzania's economic development efforts on aspects such as technological assistance, industrialization, promotion of foreign trade, and investments (Saleh, 2015).

The economic diplomacy policy was curved to correspond to the Tanzania Development Vision 2025, which was developed in the late 1990s to guide Tanzania's economic and social development to 2025. The Tanzania Development Vision 2025 aspires to transform the economy from a low productively agricultural economy to a semi-industrialized economy and middle-income country characterized by high quality and sustainable livelihoods; peace, stability, and unity; good governance and the rule of law; an educated and learning society; and a strong and competitive economy (URT, 1999). The vision was further reiterated in the Second Five Year Development Plan 2016/2017-2020/2021, which emphasizes the nurturing industrialization of the economy to 8.2% (URT, 2016). In an attempt to nurture the industrial economy, the Second Five Year Plan,

the government targeted to make heavy investments in energy and strategic transport infrastructure, revive non-performing factories, effectively utilize and add value to its rich natural resource endowments and establish geographical advantage-based industry in the Southern African Development Community (SADC) and East African Community (EAC). The plan also aims to draw Asian sunset businesses to the country so that they may benefit from the region's cheap labour pool, as well as to sustain basic industries based on a large deposit of resources like coal, soda ash, natural gas, and iron ore, as well as computer-based industry (Kitojo, 2020). Tanzania will undoubtedly need to employ its economic diplomacy strategy to carry out its ambitious industrialisation objective. Hence, the word strategy has been employed in this context of economic diplomacy to describe what and how business must be conducted to realise the industrial development in Tanzania.

The industrial development in Tanzania is a matter of concern for the welfare of the nation. Lugina (2020) noted that industry contributes 8% to the Gross Domestic Product (GDP) and about 25% of total Tanzania's export value. Despite the significance of the sector to the economy of the country, studies revealed that industrialization is lagging behind in service in its contribution to the GDP (Mkwizu & Monametsi, 2021). In addition, it was discovered that only 2.7% of Tanzanian workers were employed in manufacturing industries in 2010, compared to 12–14% of workers in other nations with the same per capita income as Tanzania and a manufacturing labour force share that was ten times greater than Tanzania's (Mbelle, 2016). Such an industrialisation trend in Tanzania prompts the need to examine the implication of economic diplomacy to the industrial sector. The persistence of this undesired trend of industrial development may weaken the strategies and triumph over the challenges for economic diplomacy.

Most studies conducted in Tanzania have focused on general diplomacy and economic development (Khamis, 2020; Magoma, 2019; Ndimbwa & Emmanuel, 2013). For example, the study by Magoma (2019) focused on the significance of diplomacy and economic growth in the areas of tourism, trade, and foreign direct investment. There are several different types of diplomacy, including gunboat, public, commercial, intermediate, financial, digital, and economic diplomacy, as stated by Leguey-Feilleux (2017) and Saleh (2015). Chang and Zach (2018) argued that each type of diplomacy has a different implication for industries and human development. As a result, each form needs to be investigated separately for enhancing strategic relations for Tanzania to attain global goals (Sustainable Development Goals), regional agenda (African Development Agenda 2063) and the national vision (Tanzania Development Vision 2025). The few available studies on economic diplomacy focused on investments and capital accumulation across sectors of the economy (Saleh, 2015; Kamata, 2013). From the reviews made, it can be seen that there is a scarcity of studies on the implication of economic diplomacy on the specific sector of the economy, such as industrial development in Tanzania. For policy guidance and recommendations on the strategies and challenges of the particular sector of the economy, research on economic diplomacy and the relevant sector may be required. In a similar vein, the summit's purpose is to influence the current diplomatic trend to carry out the nation's policy objectives on industrial development. Thus, this study examines economic diplomacy's implication on industrial development in Tanzania.

1.1 Objectives

1. To find out the extent to which the economic diplomacy strategies promote industrial development in Tanzania

2. To examine the diplomatic challenges that hinder industrial development in Tanzania

2. THEORETICAL FRAMEWORK

Economic diplomacy builds on the Networking Theory to realize its potential for industrial development. The theory was propounded by Barnes (1954) in his work titled class and committee in Norwegian Island Parish to explain the relationships between people, groups, organizations, and national states. It also explains how various connections are made regarding economic, social, and political activities (Onday, 2016). The Network Theory spans a broad range of disciplines, including sociology, mathematics, political science, philosophy, economics, and epidemiology. With the various disciplines, the Network Theory portrays the relationships of trust and official interaction in the aspects of technology, money, labour, and profits among nations Barnes (Barnes, 1954). These development aspects are salient in gauging the extent of investment in industrial development through economic diplomacy.

The Networking Theory has recently been incorporated into the development perspective, including, among others, industrial development (Bologth & Toth, 2018). In this paper, networking is referred to as local and external countries' interaction in the aspect of economic diplomacy as well as industrial development. According to Mujis *et al.* (2010), economic networks create social capital for an individual's country when shared with an external country. The Networking Theory, therefore, describes the impact of national struggles on the development of industries when mutually shared with other countries. The interaction is based on the fact that the development of industries in developing countries, where Tanzania is not an exception, cannot be a matter of a single nation but rather the cooperation of many nations. Accordingly, Networking Theory is referred to as the situation in which developing nations like Tanzania share efforts with developed countries to carry out struggles for industrial development (Gallas, 2012).

The Networking Theory, according to Bologth & Toth (2018), provides a model of industrial development that involves processes and linkages between one country and another. In reflection, the model recognizes the industrial development services of a country like Tanzania and its external connections. In addition, the linkages between Tanzania and external countries are also specified as representatives of demand that influence the deployment of industries. These linkages are the products of the influence of Tanzania's development environment. Thus, the Tanzanian industrial development environment involves technological capacity, social relations, power structures, and traditional norms and practices. The linkages produce information services and goods for the development of industries in the country. Thus, the Networking Theory may be presumed to indicate Tanzania's efforts toward the development of industries. The theory broadens the industrial development networks of Tanzania and more developed industrial nations. Under economic diplomacy, the flexibility of industrial development is based on the investment of industries through the use of multipurpose technology and methods that are operated by skilled workers within the local country when shared with external parties (Balogh & Toth, 2018).

Through the networking theory, it can be further explained that industrial development depends on the economic image of advanced and less industrial countries. It is indicated that networking of industrialization efforts between the two different economic development nations in the precursor of the development of industries encourages cooperation that benefits all economies in terms of economic diplomacy (Czarnecka-Gallas, 2012). The country's budgets for industrialization, for example, which are extremely ambitious, require additional sources of finance from donors to support this eagerness. The yearly budget increase has created greater demand for commercial

borrowing to increase domestic revenue directed to industrial development. Industrialization commitments have led to a reorientation of domestic funds and resources from other countries to prop up the ambition of industrial development. While young industrial countries like Tanzania were seen as disadvantaged in the past, networking in industrialization has created new chances for young industrial countries to engage in advanced quality industries for market needs and sustainability.

The Network Theory in economic Diplomacy recognizes efforts in the development of industries of individual countries as dependent on the shared resources of other members of an established network (Balogh, Toth, & Torok, 2018). The industries in young, growing countries such as Tanzania get access to countries with advanced industries via their position in the network (Magoma, 2019). The relevance of Networking Theory is its position to influence the ability to innovate, which is the function of technological capacity and financial strength, as well as its internal industrial power and the influence from external powers (Mujis *et al.*, 2010). In the Networking Theory, industrial development networks spread override territories, including countries in the continents and those outside the continents' networks. Economic diplomacy as the bridge to industrial development may involve small-scale and large-scale industrial countries among the networked countries. The Networking Theory has a broader view of the networks and is not limited to a single country.

3. MATERIALS AND METHODS

This study employed an explorative research design to collect, analyze and interpret data on economic diplomacy and industrialization in Tanzania. Explorative design is employed when enough is unknown about the phenomenon (Saunders, Lewis, & Thornhill, 2007). Similarly, the study used a qualitative approach. In this approach, data are more presented in the form of words than numbers to enable in-depth understanding and flexibility in describing the social reality from the subject's perspective (Khamis, 2020).

Data from the Ministry of Foreign Affairs and East African Cooperation (MoFA-EAC) and three selected Tanzanian higher education institutions were gathered through interviews and assessments of documentaries. Twenty informants from the MoFA-EAC and Tanzanian higher education institutions were interviewed for the study. The study, in the first place, had interviews with a total of 8 key informants who are the heads of departments from MoFA-EA. The selected heads of departments were the African Department, Asia and Australasia Department, Multilateral Cooperation Department, Regional Cooperation Department, Europe and Americas Department, Middle East Department, Policy and Planning Department, and Economic Diplomacy Department. In the second place, the study interviewed 12 key informants selected from higher learning institutions in Tanzania. The selected higher learning institutions were the College of Business Education, the University of Dodoma, and the Mozambique-Tanzania Centre for Foreign Relations. The key informants from the MoFA-EAC and higher learning institutions were selected for their practical and academic experience in diplomacy and industries in Tanzania.

The study also supplemented key informants' responses with information from reviewed documents such as reports on industrial growth from the Ministry of Industries Trade and Investment (MITI), Tanzanian Foreign Policy 2001 from the MoFA-EAC, and grants and investments report from Tanzania Investment Centre (TIC). Tanzania Integrated Industrial Development Strategy 2025 and journals were also reviewed on aspects related to technology, human resources, finance, materials information, and marketing. Data were collected from March

to July 2022. With the purpose of advancing the discussion on Tanzania's industrial growth and economic diplomacy, the information gathered through interviews and the review of documents was thematically evaluated. This analysis method provided readers with a relevant and practical interpretation of the data (Elo *et al.*, 2014).

4. PRESENTATION OF THE FINDINGS AND DISCUSSIONS

This part presents and discusses the findings based on the research objectives that focused on economic diplomacy strategies and diplomatic challenges to industrial development in Tanzania. Thus, based on research objectives, data were collected mainly using interview and documentary review methods. The study focused on capturing opinions, feelings, and facts related to economic diplomacy strategies and challenges for industrial development in Tanzania.

4.1. The economic diplomacy strategies and industrialization

The economic diplomacy strategies are enshrined in the Tanzania foreign policy of 2001. According to the policy, practical tactics for economic diplomacy include creating a supportive domestic climate, forming an international partnership, redefining bilateral diplomacy, bolstering multilateral diplomacy, and encouraging regional economic integration (URT, 2001). Key methods for promoting economic diplomacy strategies include Kweyamba (2022) branding, international broadcasting, international conferences, and international exhibitions, particularly during Tanzania's sixth presidential term, when President Samia Suluhu Hassan strongly emphasised development through economic diplomacy. President Samia Suluhu Hassan has understood the ethos of the trade gravitational theory in words and deeds for Tanzania to harvest enormous benefits from economic diplomacy, according to Kamuzora *et al.* (2022). Thus, the objective of this subsection was to find out the extent to which the economic diplomacy strategies promote industrial development in Tanzania.

It is documented that creating a facilitative internal environment is a crucial economic diplomacy strategy (URT, 2011). Building a facilitative environment involves establishing an interface between internal and external growth and development factors (Kamuzora, Tendega, & Bwana, 2022). The data collected through interview and documentary review methods showed that the facilitative environment had been built to promote investments by providing incentives to potential industrial investors. According to the sources, Tanzania divides investment into leading and priority industries when offering incentives to potential investors. In an interview, the informants disclosed that the leading sectors for incentives are agriculture, mining, infrastructure (road building, bridge construction, airport construction, electricity generation, telecommunications, water services, and backup services to mining), and export processing zones. On the other hand, the informants' evidence indicated that the priority industries are air transportation, office buildings, commercial development, microfinance institutions, export processing, geographical special development areas, human resource development, manufacturing, natural resource development, including fishing, restoration and expansion, radio and television broadcasting, tourism, and tour operations. This categorization aids the provision of incentives to investors from Tanzania or foreign on industrial development.

In the same vein, the Tanzania Investment Centre (TIC) is mandated with the power to offer incentives to investors, including the industrial sector. TIC was established through the Tanzania Investment Act No 38 of 2015 to coordinate, encourage, promote and facilitate investment in the country. The informants revealed that incentives given by TIC include the recognition of private

property and protection against non-commercial risks based on the fact that Tanzania is an active member of MIGA (Multilateral Investment Guarantees Agency). Likewise, Tanzania is also a member of The International Centre for Settlement of Investment Disputes (ICSID), so investors have unrestricted rights to International arbitration in case of dispute with the government. Furthermore, it was reported that foreign investors enjoy reduced import tariffs on project capital items (5% import duty for investments in priority sectors and zero% for investments in Lead Sectors). Also, it was indicated that foreign investors receive favourable investment allowances and deductions, i.e. capital allowance (100%) on industrial buildings.

Furthermore, the reviewed reports show that in 2011, Tanzania began implementing a long-term strategy, namely the Tanzania Integrated Industrial Development Strategy. The strategy identifies and provides the direction of policy instruments available to steer the process of industrialization in the desired direction (URT, 2011). According to the informants, this strategy, along with other policies and government guidelines, has attracted investors and capital from all over the world to the industrial sector. Good economic policy strategies have enabled investment growth in the manufacturing industry. The findings in Table 1 reveal that before 2019, Foreign Domestic Investment (FDI) was growing tremendously. According to the informants, the FDI slowed down due to the eruption of Corona Virus Disease, commonly known as COVID-19. During this period, FDI across countries was halted as the countries had to undergo a lockdown strategy. The informants added that COVID-19 locked down international borders and airports. Thus, there was little movement of people across countries to promote investment for industrial development. The informant revealed that while countries adopted a lockdown strategy amidst COVID-19, Tanzania did not adopt a lockdown strategy. Hence, the fact that Tanzania did not adopt a lockdown strategy, according to the informants, enabled the country to record high FDI compared to other neighboring countries that did not record any FDI due to total lockdown.

Table 1: FDI for Manufacturing Industries in Tanzania

S/N	YEAR	FDI in USD Millions)
1	2017	461
2	2018	786
3	2019	706
4	2020	127
5	2021	620

Furthermore, the findings in Table 1 indicated a slight increase in FDI in 2021 compared to 2020. The increase is accentuated by using a branding strategy at the diplomatic level. In the diplomacy context, according to Kweyamba (2022), branding is the government's statement to the foreign audience aimed to change the attitude of the foreign people toward a specific nation and its people. Thus, branding seeks to promote the nation's image positively in international forums such as seminars, conferences, exhibitions, and meetings. The informants noted that most developed countries are hostile to Africa. Some investors from developed countries have wrong notions about Africa. The informants highlighted that those investors assume that Africa is a continent of diseases like ebola, war, corruption, and poverty.

Further, the informants added that some investors assume that any country from Africa experiences similar challenges. With such a negative perception of Africa, the sixth President of

Tanzania, Samia Suluhu Hassan, has participated in several global fora that the president has used to talk about the beauty of investing in the country. The international forums the President participated in include the World Expo 2020 Dubai, the Climate Change Conference in Glasgow in 2021, the One Ocean Summit in 2022 held in Brest City in France, and the Royal Tour Presidential Documentary. Kweyamba (2022) added that President Samia Suluhu Hassan uses the attended international fora to brand the country to foreigners to invest in Tanzania because it has a long history of being a peaceful nation with loving and caring people.

Furthermore, the informants asserted that economic diplomacy is salient to economic development including industries. The informants revealed that economic diplomacy in Tanzania connects and attracts big businesses (wealth and politically connected), Small and Medium-sized Enterprises (SMEs), and trade associations and chambers of commerce. Similarly, the informants added that economic diplomacy increases collaboration between state and non-official agencies on World Trade Organisation (WTO) issues. The WTO facilitates the negotiation of free trade and, preferential trade agreements, and double taxation avoidance, which in turn create necessary conditions for industrial development. Also, it is noted that promoting exports and inward investment creates a conducive environment for industrial development. Similarly, the economic diplomacy through the African Growth and Opportunity Act (AGOA), Tanzania won access to the United States market for four industrial sectors. The sectors include industrial products from textiles, agro-processing (horticulture, spice, and edible nuts), leather goods, and footwear. Thus, the highlighted importance of economic diplomacy in Tanzania cements the assumption laid earlier by networking theory to the economic development across the sectors, including industries.

4.2 Diplomatic challenges of industrial development in Tanzania

The current Tanzanian development agenda has engaged industrial development as a modern strategy in the context of diplomatic priorities. Characteristics of industrial development depend on different factors associated with the structure of the country, its sectors, and its reflection in the global economy. Industrial development in advance requires interactive efforts from various nations, including, among others, establishing networks in the market, labour, technology, information, material, and finance. As explained in the foreign policy document, cooperation on development through economic diplomacy may centre on industrial development as an essential base of prosperity (URT, 2001). This part of the study aimed to examine the diplomatic challenges that hinder industrial development in Tanzania. The study's specific goal was to conduct a critical analysis and discussion of the challenges identified by respondents and to interrogate written documents related to industrial development in the context of Tanzania's economic diplomacy.

The development of Tanzanian industries in terms of structure changes, growth, and link with other countries has historically lagged (Kasyeta, 2017). The findings revealed that Tanzania has no better record than the rest of the world regarding industrial development. The industrial development in the country has continued to operate poorly and slowly because most foreign investors preferred to invest in other countries in Africa because of their better physical, capital, and administrative infrastructure. Also, it is revealed that the nature of one East African country or any other part of Africa differs in terms of efforts in the development of industries. For instance, the difference in power supply, road infrastructure, exchange rate, investment rate, diplomatic arrangements, and policy consistency is less stark in Kenya compared to Tanzania (Wangwe and Msamia, 2016). It has been revealed further that other factors contribute to the slow development

of industries in Tanzania, including small market sizes, low agriculture production, high illiteracy, and a continued low-skilled labour force in entrepreneurship and agriculture production. The persistence of these factors has led to the ownership of the means of production resting in the hands of foreigners. With this, foreign-owned companies concentrate on capital-intensive production, such as the repair of machinery for metals and metal reproduction, tobacco, textiles, and car assembly. Therefore, the foreigners' approaches to industrial activities limit Tanzanians' opportunities in employment and business and slow the development of domestic industries.

It is revealed further that with the economic and socio-political shift that has occurred in the domestic and international scene, Tanzania's Foreign Policy focuses on economic diplomacy to achieve its developmental plans and national interests, including, among others, industrial development (URT, 2001). Despite Tanzania's development efforts, the trend of global economic diplomacy to the development of industries in Tanzania is hampered by several factors, as elaborated below.

Availability of data

Economic diplomacy uses data as the major source of information that supports networking in the development of industries in Tanzania. The expectation is that information sharing is one of the developmental activities between one nation and another. The information kept, or that can be retrieved in Tanzania is either outdated or not relevant. Respondents from the selected departments in foreign affairs and East African cooperation noted that various institutions in Tanzania interact with others from a development perspective but have no good experience with the latest data and information. The ornamental status that attracts tourists, for instance, is not sufficiently designed, displayed, and kept for future use in its original form. It was discovered that the country's investments, trade, exports, and tourism attractions were hampered by a lack of relevant, reliable, and valid data. The Tanzania Industrial Competitiveness Report of 2012 asserts that the key challenges and opportunities for industrialization in Tanzania do not include a detailed quantitative analysis of the drivers (URT, 2012). This is because of the lack of reliable and comparable data for some relevant indicators for structural factors like infrastructure, investment, innovation, and productivity. This implies that there are kinds of data that are missing in the country that, in broader terms, hinder industrial development, such as inadequate human skills information, environmental consequences of industrial growth, and industrial data in the country. This shows that Tanzania lacks the analysis of such data, which limits macro-perspectives and interventions for industrial development.

Low aggression

The interaction between one nation and another in terms of development requires keenness, tireless efforts, and an understanding of what each group demands. For example, the Tanzanian business needs advertisements of available commodities and opportunities. However, these requirements on the part of Tanzanians have not been appealing compared to other African countries, for instance, Kenya and Nigeria. With this regard, it was revealed by the key informants in the Asia and Australasia department that when workshops, conferences, and economic forums are prepared and conducted in cooperation with various international communities, only a few Tanzanians appear for them. This implies that there is an indication that Tanzanians are slow in intervening in

businesses and advertising their development opportunities. Thus, Tanzanians are called to be more aggressive in capturing business opportunities at regional and internal avenues, which is necessary for industrial development.

Mentality and prioritization of industries

The market that exists globally is determined by a mutual understanding of the advantages one continent or country gains from another. However, the mentality that the market in Asia is richer than Europe and the African market is poor marks a deniable difficulty in industrial development, especially in less industrial countries like Tanzania. The interaction between these continents reflects a cooperative mindset regarding technology, labour, information, and even finance. The basis of cooperation, diplomacy, and development assistance between countries and states, Chinese, Indian-African, and European, is determined by political ideology and security interests. In prioritization, one of the approaches to industrial development is determined by the influence of well-industrialized countries (Kamuzora *et al.*, 2022). For instance, developing countries take an Asian or European approach. In the Asian approach, the emphasis is on agribusiness sectors. During the Ujamaa and Socialism periods in Tanzania, this approach was emphasized more. Tanzania has recently changed its roots in this era of globalization by combining Asian and European techniques in facilitating industrial development.

Standards of commodities

The world market sets some standards for export and import commodities that the products of a country such as Tanzania cannot afford. This is referred to as trade protectionism in economics. It has been revealed that most of Tanzania's goods and commodities are from non-official sources, mainly agricultural products. With that, Tanzania appears unfit to take advantage of its agricultural products and related opportunities. On the positive side, significant progress has been made in food safety management in the fisheries sector, where restrictions on export markets in the past have driven efforts to achieve compliance with international standards. Compliance of horticultural products with international norms is essentially ensured through controls by private exporters and third-party certification. Most exporters of these products use foreign laboratories to carry out pesticide residue testing, especially when this is required by a foreign market regulator or buyer. However, the efforts to make Tanzanian products meet the required standards in terms of goods and commodities are still inadequate. This calls into question the country's efforts to engage in diplomatic cooperation and industrial development.

Low competitive power, materials, and human resource development

In the era of globalization, industrial production is growing. In the development of industries in Tanzania, international competitiveness has become critical because most countries around the world are opening their economies in terms of industries and trade. There are other prominent reasons that lead to the problem of competitiveness in industrial development, including the emergence of new technology, which requires individual countries to participate directly in the global flow of inputs and products through organizations and networking. Tanzanians must not persevere in their domestic competition. Thus, industrial development should go beyond this scope through technological advancement, marketing improvement, and efficient production with

sufficient labour. The efforts to build labour capability were motivated by skills, and competitive human resources are critical. This information is similar to the report of the National Environment and Management Council (NEMC) that asserts that industrial development depends greatly on the availability and accessibility of raw materials and energy resources, skilled manpower in specialized fields, infrastructure systems that are supportive of industrial establishment and operations, and the capability of industries to produce products that can compete at local and international markets (URT, 2017). The findings from the study indicate that for Tanzania to compete with outside industrial countries, there is a need to evaluate and improve the materials available, resources, technology, and the kind of networking and its benefits in the development of industries.

5. CONCLUSIONS AND RECOMMENDATIONS

Tanzania, since 2001, has adopted economic diplomacy in her foreign policy for economic development. Thus, Tanzania has laid down different strategies for implementing economic diplomacy for development, including the industrial sector. According to the study's findings, economic diplomacy strategies are still helpful for advancing Tanzania's industrialization. However, there are diplomatic challenges that hinder the efforts, including inadequate data, undecided mentality, the prioritization of industries, the standards of commodities, and low competitive rates. The following recommendations were made in light of the findings and conclusion of the study:

- i). It is recommended that there is a need to revisit government policies and internal institutional structures by prioritizing industrial projects, digitalizing the economy, improving coordination, including public-private partnerships (PPPs), and improving efficiency in industrial development and management.
- ii). There is a need to improve competition by developing human resources regarding skills, knowledge, communication and technological know-how. This aims at smoothening the engagement in diplomatic cooperation, which enhances industrial development.
- iii). There is a need to intensify Tanzania's commodities by advancing industrial development and taking advantage of its products to achieve competition with international standards.
- iv). For future studies, the study suggests that since the current study was limited to one sector of the economy and industry, further studies can be conducted on other sectors for more comprehensive policy advice and recommendations for the economy in Tanzania. The sector could be tourism, agriculture, and mining, which are the backbone of the economy in Tanzania. The study in such a context is vital as the country prepares to develop a new Tanzania Development Vision after the first Tanzania Development Vision 2025 expires.
- v). Further research can be conducted on more than one country using a mixed approach for more comprehensive findings informed by diplomatic initiatives across the globe. This recommendation stems from the fact that the current study was conducted in Tanzania using a qualitative approach, thus limiting the generalization of the findings to other parts of the world due to contextual differences.

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