The effect of the regulatory framework on the competitiveness of the dairy sector in Tanzania

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Abstract:
Purpose - The purpose of this paper is to assess the effect of the regulatory framework on the competitiveness of the dairy sector of Tanzania. More precisely, it attempts to identify the main regulations governing the dairy industry and examines areas in which they overlap. The paper explores the effect of the regulatory framework on the business enterprises operating in the sector and highlights ongoing initiatives for harmonisation of the regulations affecting the dairy sector. Design/methodology/approach - The study that culminated in the paper was qualitative in nature, being based on case studies of two enterprises operating in the dairy industry, secondary data, in-depth discussions with industry stakeholders through personal interviews and focus group discussions. The paper also draws on observations made of the advocacy project that is going on to review regulations in the dairy sector. Findings - The dairy sector in Tanzania is facing significant regulatory challenges, leading to the high cost of doing business. The main regulatory burdens facing the sector are: multiple inspections of premises, multiple testing of products, multiplicity of licences for premises and products, and the use of regulations as a source of revenue. Bureaucratic roadblocks add costs to businesses and reduce the competitiveness of products and services, as well as the potential for business expansion and job creation. While the private sector appears to succeed in creating awareness of the issue, it has not yet succeeded in pressurising the government to take action to bring about policy change. Practical implications - The findings of the paper will inform policy makers and the private sector on how the regulations affect the competitiveness of the dairy industry. The paper will also aid advocacy initiatives by private sector organisations by providing empirical evidence concerning the damaging effect of the regulatory framework and will contribute some ideas on how to carry forward the ongoing dialogue between the private and public sector. Originality/value - The paper fills the gap resulting from the lack of empirical evidence regarding the impact of the regulatory framework on the competitiveness of the private sector in the context of a developing economy. It demonstrates how systematic research on advocacy issues raised by the private sector could be used to generate evidence that informs and motivates policy change. The paper also applies the theory of regulation to a specific industry to show how regulatory reforms could be attained.

Keywords:
Competitiveness; Dairy sector; Policy change; Regulations