



ANNUAL RESEARCH DISSEMINATION WORKSHOP REPORT

Prepared by

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1. Objectives of the meeting

The Science, Technology and Innovation Policy Research Organization (STIPRO), a non-governmental think tank devoted to policy research in science, technology and innovation (STI) in Tanzania, held a Research Dissemination Workshop on Friday, the 30th September 2016 at Classic Hall, Blue Pearl Hotel, Ubungo Plaza, in Dar es Salaam. The workshop attracted total number of fifty participants being representatives from government institution and ministries, academic institutions as well as from the private sector.

The major objective of the dissemination workshop was to present and discuss results of two most recently completed research undertakings on subsistence farming; one focused at global value chains and commercialization, and the other addressing the 'lock-in syndrome' in the process of structural transformation for increasing agricultural productivity. This was accompanied by presentations of two papers on industrialization; one being on some conceptual and practical issues about Agriculture and Industrialization and the other being a historical review on pitfalls in the process of Africa's Industrialization. .

2. Summary of the Presentations

2.1 Presentation 1: Agriculture and Industrialisation: Some Conceptual and Practical Issues

By Dr Bitrina Diyamett, Executive Director, STIPRO

The presentation focused on two main conceptual and practical issues. Firstly, the presenter stated that Tanzania was currently emphasizing on industrial development in order to reduce poverty and achieve middle income status by 2025. She made reference to a number of papers that provided evidence on the importance of industrialisation in ensuring sustainable growth of a country. However, in order to achieve this, the government was required to focus on the development of the manufacturing sector, especially agro-processing, so as to transform the primarily agricultural based society into the one based on manufacturing of goods and provision of services.

Secondly, Dr Diyamett discussed the two schools of thought that explain how industrialization can be stimulated through agriculture. The first one is called the "pre-requisite" school of thought, which emphasizes that agriculture grows first, and then industrial development follows after a short time lag. The second school of thought is called "concurrence", whereby it is argued that growth of the two sectors happens concurrently, benefiting from each other through backward and forward linkages.

It was then reported that many studies on structural transformation indicate that the pre-requisite approach was used by most of the now developed countries of the West. However, newly industrialized countries advocate on the use of concurrence approach; a model that is being proposed for poor countries that are currently embarking on the path towards industrialization. The agro-industrial complex development in Denmark was cited as an example of the concurrence model of approach used in introducing innovations in form of machinery and equipment for milk and meat processing (Edquist & Hommen, 2008). It was then argued that the demand - pull created by an agro-industrial complex stimulates businesses and thus many agro-processing plants tend to be located close to their major sources of raw materials. Consequently, their immediate socio-economic impacts tend to be exerted in rural areas, radically alleviating rural poverty.

The presenter concluded by recommending that following the concurrence approach, focus should neither be on agriculture nor industry, but on agro-industrial complexes. Therefore, in a country like Tanzania, there was a need of identifying a number of commodities that will lead to the development of agro-industrial complexes that will give Tanzania a comparative advantage in terms of market potential, both local and export, through creating effective linkages between farmers and processors.

Discussion

A participant highlighted on one issue that was impeding industrialization in Tanzania, which is the approach used by the government in addressing industrialization needs. The participant pointed that the government has been focusing on the needs of individual actors in different sectors, instead of taking a holistic approach that will facilitate the creation of systems that will engage all actors from different production sectors. Vietnam was cited as an example where the government was successful in agro based industrialization through a holistic approach.

Another participant highlighted on the missing link between research institutions and the private sector, by pointing out that what in most cases what was happening in 'knowledge institutions' was not related to what was going on in the private sector, which means that the private sector continued to lack knowledge and skills that were required for growth in the manufacturing sector. Participants suggested that the government should find ways of linking research institutions and private sectors so that knowledge generated can be shared between the two sectors.

2.2 Presentation 2: Learning and Upgrading within Agricultural Global Value Chains: The case of the Tanzanian Avocado Farmers

By Neema Risha, STIPRO Assistant Research Fellow

The presenter started by pointing out the main objective of the research, which was to provide empirical evidence into the learning process and upgrading opportunities available to farmers in Tanzania participating in global agricultural value chains (GVCs). The case study was conducted in Kilimanjaro region and focused on farmers that formed part of the outgrower scheme operated by Africado Company Limited. The study used open-ended interviews and a structured questionnaire to collect information and data from 100 farmers.

The presenter pointed out that the study found evidence of 'some' learning and upgrading amongst avocado farmers in Kilimanjaro region. This was observed through a significant improvement in avocado grades produced by the farmers, which was reflected through issuance of international certification to some of the farmers. It was further observed that farmers were increasingly replacing coffee trees with avocado trees but the presenter questioned the sustainability of avocado farming for export amongst small scale farmers if Africado continued to be a monopolist buyer.

The presenter concluded by stating that the participation of avocado farmers in the out grower scheme has enabled the farmers to penetrate international markets. This was only achievable through investment made to raise the capabilities of the small scale farmers which would have not been easy to achieve by farmers on their own. Therefore, operating in a GVC provides the farmer with opportunities to learn and upgrade their produce within an agricultural value chain.

Discussion

A number of the participants pointed out that there were many similar opportunities for crop upgrading through processing in the country, the onus being on Tanzanian investors and farmers to organize themselves and cooperate with external investors so as to fully utilize the available opportunities.

A representative from the Ministry of Agriculture thanked the presenter and pointed out that such studies were important in informing the government on various initiatives by the private sector. Consequently, the representative from the Ministry invited the representative of avocado farmers to visit the Ministry Headquarters for further discussions on how the government can increase its

assistance to the avocado farmers so that they maximize utilization of the skills that they have acquired through participating in GVC in improving further their levels of production.

2.3 Presentation 3: Explaining persistence of subsistence farming as a 'lock-in': *Lessons from the Tanzanian rural poultry industry*

By Dr Vera Florida Mugittu, Managing Director, MUVK Development Solutions Ltd and STIPRO Research Associate

The presentation was focused at observations made upon analyzing the innovation structures and processes in rural poultry industry in Tanzania in an attempt to explain the reasons behind the tendency to sustain low innovation despite the existing market incentives.

Dr. Mugittu stated that, currently, there was too much reliance on natural breeding amongst rural poultry populations that hinders scalability and growth. This, she explained, was largely due to the traditional farming system, which does not allow the introduction of external genetic sources of chicken. Furthermore, she stated that poultry production in the traditional system was largely socially driven thus limiting its market potential. For example, the pricing mechanism was socially determined and less directed towards profit oriented production. She also argued that there was the tendency of allocating fewer resources towards poultry production such that any attempt to push for more resources to be allocated would require that either a new source of such resources is introduced or the existing household priorities have to be reorganized, which is in itself is a very complex exercise.

In order to address those challenges, she proposed that there should be increased levels of interactions between rural poultry producers and other agencies such as buyers in the urban areas so as to expand the market and stimulate innovation. Rural farmers should be “pushed” from being subsistence farmers by encouraging increased demand from other consumers outside their localities so as to stimulate increased production which will eventually transform the poultry sector from subsistence into commercial production. She concluded by stating that the *status quo* in industries dominated by poor producers was considered to be insufficient to initiate transformative innovation processes unless there is a significant increase in market demand of the product(s). If this is happens, there will be an increase in levels of production in the poultry sector contributing to income generation, employment and economic growth.

Discussion

Most of the participants were in agreement that the arguments presented were supposed to provide a link between rural producers and urban consumers in order to transform rural poultry farming. Furthermore, most of the participants were also of the opinion that there was a much larger demand for poultry products in urban areas which can be greatly met by rural producers if they will be incentivized to move from subsistence production into commercialization production.

2.4 Presentation 4: Industrialization in Africa: Past experiences and Lessons from Three selected countries

By Lanta Daniel, STIPRO Assistant Research Fellow

The presentation focused at the status of industrialization of three countries, namely Ghana, Kenya and Tanzania, before and after independence. The purpose was to try to learn from past mistakes, while reinforcing the success stories in the current industrialization agenda. Information gathered was largely based on secondary sources. It was informed that prior to independence, all the three countries focused on the production of raw materials for industries in Europe and although Ghana and Kenya had industries, these were largely foreign owned and agricultural based. This trend continued even after independence as the countries implemented the so called import substitution industrialization strategies up to mid-1970s. The three countries, however, faced economic problems in the mid-1970s to 1980s as results of the oil crisis, which negatively affected industrial productivity and growth in these countries. During the 1990s, the countries liberalized their markets and continued to make various efforts towards industrialization. In the current period Kenya is doing much better when compared to Tanzania and Ghana, because it has been able to attract a much greater foreign capital towards its industrial sector.

The presenter concluded by stating that before initiating any new industrialization policies and strategies, there was a great need to reassess all the measures that have been taken in the past in order to avoid repeating the same mistakes.

Discussion

Some of participants warned that this was not the first time African countries were embarking on industrialization. If no assessment was done on why industrialization was not successful in the past, those countries were most likely to make again the same mistakes. Participants gave examples on past attempts made in the country such as having various five year development plans and agreements under the former East African Community. In particular, participants highlighted some issues that halted the industrialization attempts in the 90s such as insufficient electrical power generation and human capital have still not yet been fully resolved. They cautioned that if the current industrialization strategy does not address these issues, history will be repeated. However, some of the participants expressed their concern about developing countries ratifying some of the universal conventions that have been set by industrialized countries, which may actually be a hindrance towards industrialization.

All the presentations are available on STIPRO's website ([Link available here](#))

Appendix

Workshop Timetable



STIPRO RESEARCH DISSEMINATION WORKSHOP

DATE: FRIDAY, 30TH SEPTEMBER 2016

PLACE: CLASSIC HALL, BLUE PEARL HOTEL, UBUNGO PLAZA, DAR ES SALAAM

TIME	EVENT	RESPONSIBLE
08.30-09.00	REGISTRATION	ALL
SESSION CHAIRPERSON: PROF. CHARLES VENANCE LUGOMELA, UNIVERSITY OF DAR ESSALAAM		
09.00-09.05	A word from the STIPRO Board Chairman	Dr. BitrinaDiyamett, Executive Director STIPRO
09.05-09.10	Welcoming remarks	Eng. Happiness Mgalula, Board Member, STIPRO Board of Directors
09.10-09.40	Presentation I: Agriculture and Industrialization: Some Conceptual and Practical Issues	Dr. BitrinaDiyamett, Executive Director, STIPRO
09.40-10.25	General Discussion	All
10.25-10.30	Group Photo	All
10.30-11.00	TEA/COFFEE BREAK	ALL
11.00-11.30	Presentation II: Addressing the 'lock-in' in Subsistence Farming: The Case of Tanzanian Rural Poultry Industry	Dr. Vera Florida Mugittu, Managing Director, M Development Solutions Ltd and STIPRO Research Associate
11.30-12.15	General Discussion	All
SESSION CHAIRPERSON: PROF. PROSPER NGOWI, MZUMBE UNIVERSITY		
12.15-12.45	Presentation III: Learning and Upgrading within the Agricultural Global Value Chain: The Case of the Tanzanian Avocado Farmers	Ms. Neema Risha and Mr. Heric Thomas, Assistant Research Fellows, STIPRO
12.45-13.30	General Discussion	All
13.30-14.30	LUNCH BREAK	ALL
14.30-15.00	Presentation IV: Industrialization in Africa: Past Experiences and Lessons from Three Selected Countries	Ms. Lanta Daniel, Assistant Research Fellow, STIPRO
15.00-15.45	General Discussion	All
15.45-16.00	Closing remarks	Dr. BitrinaDiyamett, Executive Director, STIPRO
16.00	REFRESHMENTS AND DEPARTURE	ALL