

# Stakeholder collaboration in community-based organizations (CBOs): The case of a sanitation CBO working in Dar es Salaam, Tanzania

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**Abstract**

This thesis focuses on the study of the stakeholder relations of PHAST Ujenzi, a community-based organization (CBO) that provides sanitation services in a slum area of Dar es Salaam, Tanzania. My research aims at describing how this CBO has established and maintained relations with different stakeholders, and it looks for highlighting interests, benefits, and challenges in such collaborations. Additionally, my study aims at contributing to the Stakeholder Theory literature, by providing relevant information on how Non Profit Organizations, in particular CBOs, build up relations and collaborate with different stakeholders. Thus, I will revise the main ideas proposed by stakeholder theory concerning the stakeholder concept, stakeholder salience, and stakeholder management, and I will analyze to which extent these ideas can be applied when studying the stakeholder relationships of a CBO.

In order to address the questions of this research, I make use of literature on stakeholder theory and on CBOs. The main research approach of this thesis is qualitative case study research by taking a single case study as unit of analysis. In addition, this study takes elements of the action research approach, as I have close relationship with the researched organization and my study might bring up certain actions and practices that could be implemented later on. In this thesis, I used two methods for collection of data. I collected data through in-depth semi-structured interviews carried out with members of the CBO and current stakeholders. In addition, I took field notes through participant observation in most relevant meetings/workshops where CBO and other actors interacted.

This study revealed that PHAST Ujenzi is a CBO that emerged with the participation and support of different actors such as local authorities, community, and a local NGO who instantly became stakeholders. Currently, the group has direct and indirect relations with local CBOs/NGOs, suppliers, international donors and organizations, and media. By analyzing these CBO's stakeholder relations, it was possible to conclude that in some cases, stakeholder theory can serve to examine the stakeholder relationships of a CBO, even though this literature stream focuses mainly on business corporations. For example, similar than in businesses, a CBO would find it useful to relate with stakeholders because this might bring more organizational flexibility, more impactful products and services, and less probability of negative actions triggered by outsiders. In addition, attributes to identify salience of stakeholders (power, legitimacy, and urgency) and stakeholder management techniques such as bridging can also be relevant for CBOs. Nevertheless, some stakeholder theory elements should take into account CBOs' reality. For instance, CBO stakeholder models for identifying and for assessing salience might differ from the models proposed for corporations. Moreover, reasons that explain why to engage with stakeholders such as profit maximization and less competition are not as relevant when talking about CBOs. Finally, CBOs' stakeholder relations are strongly influenced by values and moral commandments since the moment they are established, which might not be the case for several business corporations.

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**Keywords** Community-based organizations, stakeholder, stakeholder theory, relationship, collaboration, salience, influence, stakeholder management, slum

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# 1. INTRODUCTION

## 1.1 Background of the study

Urbanization is now a trend affecting all continents. According with a report by United Nations published in 2014, there are 54% of people who live in urban areas (United Nations 2014). Although Europe (72% urban), Northern America (82% urban) and Latin America (80% urban) remain as the most urbanized regions, Asia and Africa are urbanizing faster than these places. Currently, 48% of people in Asia, and 40% of people in Africa live in cities and it is estimated that Asia will be 64% urban, and Africa 56% urban by 2050 (United Nations 2014).

Rapid urbanization impose greater sustainable development challenges. The World Bank estimates there are around 1 billion city dwellers that live in informal settlements, most of them living in Asia and Africa (World Bank 2014). As an illustration, in developing countries, “33% of the urban population lives in informal settlements, with sub-Saharan Africa having 62% of its urban population living in slums” (UN Habitat 2013, p. 112). In fact, urbanization has turned to be synonymous with slum growth in these regions (Isunju et al. 2011). These slum dwellers have to survive under precarious conditions, facing problems such as meagre infrastructure, poor housing conditions, lack of resources, insufficient health services, spread of mortal diseases, and high exposure to environmental hazards.

For instance, in Dar es Salaam, Tanzania, urban challenges are part of the everyday life of this city. Dar es Salaam is the main port of this country, and it is the country’s center of commercial and manufacturing activities (Kiunsi 2013). The city has about 4 million people from which 80% live in informal settlements (Schermbucker 2013). Poor sanitation infrastructure is a good example of the challenges the city faces. It is estimated that only around 20% of the population has access to an improved sanitation facility, meaning a facility that is safe and cleanable. Consequently, the spread of diseases such as cholera, malaria and diarrhea is very common.

In the last years, due partly to the incapacity of governmental institutions to address these challenges, local communities have mobilized to create solutions to these issues. Therefore, a great number of community-based organizations (CBOs) has emerged. According with Bayne-Smith et al. (2008, p. 251) “these organizations are typically developed by a combination of individuals, groups, community leaders, and professionals in response to the failure of the larger society to meet the needs

of those communities". These organizations often collaborate with other constituencies to address different issues, and often gained the trust of a great variety of actors, that provide organization members with support needed (Bayne-Smith et al. 2008). In this way, the creation and strengthening of CBOs stands as an ambitious solution to urban challenges that can benefit extensively not only city dwellers but the whole world population.

As an illustration, in Dar es Salaam, efforts to tackle this difficult reality have come into place, and different actors have mobilized in order to propose and implement solutions that can improve their living conditions. In Keko Machugwa, a slum area in this city, a group of mostly women gathered into a community-based organization (CBO) called PHAST Ujenzi, to find solutions to their sanitation challenges, and engaged into organized activities planned and implemented with the participation of several stakeholders. Members of this group are currently on a constant search of strategies to strengthen their organization, and to ensure that their activities can scale up and cause a broader impact.

It is widely known that a way to make an organization stronger is to engage and collaborate with different stakeholders and to start and sustain constructive relationships with them (Freeman et al. 2008). These ideas have been studied extensively in the business field. Business scholars affirm that introducing stakeholder thinking into the firm's operation has proved to be highly beneficial for both the organization and its stakeholders (Freeman et al. 2008). Moreover, it has been highly recommended to consider the interconnectivity among business and all stakeholders for ensuring business success (Freeman et al. 2008). Academics have then published extensive research dealing with the stakeholder concept, stakeholder management and stakeholder collaboration (Laplume et al. 2008); all these ideas have gathered under Stakeholder Theory, an academic literature stream that has mostly focused on the stakeholder relationships of big business corporations (Laplume et al. 2008).

Consequently, there is very limited information on this topic linked with small firms, family businesses, and non-profit organizations (Laplume et al. 2008). For example, it is challenging to relate to the ideas and concepts proposed by stakeholder theory when analyzing the stakeholder relationships of a grassroots community group operating in an informal settlement such as PHAST Ujenzi, as characteristics of organizations at the grassroots level differ greatly from the features of larger corporations.

Therefore, it is highly recommended to analyze stakeholder relationships from the perspective of small organizations (Laplume et al. 2008). For instance, exploring which concepts from stakeholder theory could be used in a grassroots context, and proposing alternative ideas to analyze stakeholder relationships, could help to make stakeholder theory more comprehensive and could also provide tools for small organizations to scale up their operations and cause a greater social impact.

## **1.2 Research questions and objectives**

This thesis will focus on the study of the stakeholder relations of PHAST Ujenzi, a CBO operating in a slum area of Dar es Salaam, Tanzania. My research aims at describing how this CBO has established and maintained relations with different stakeholders, and it looks for highlighting interests, benefits, and challenges in such collaborations. I will mostly concentrate on analyzing the relationships of PHAST Ujenzi with four different stakeholders: Local Authorities, Center for Community Initiatives, Keko Youth, and Global Dry Toilet Association of Finland. The first two actors are very important for this CBO as they have influenced all CBO's activities in a great extent; the latter two actors are less influential, but they have gained great importance for PHAST Ujenzi during the last year.

Additionally, my study aims to contribute to the stakeholder theory literature, by providing relevant information on how Non Profit Organizations, in particular CBOs, build up relations and collaborate with different stakeholders. Thus, I will revise the main ideas proposed by stakeholder theory concerning the stakeholder concept, stakeholder salience, and stakeholder management, and I will analyze to which extent these ideas can be applied when studying the stakeholder relationships of a CBO. Afterwards, based on my findings in the empirical part, I will propose alternative ways that stakeholder theory can use to study the relationships of a grassroots CBO.

The following is a description of the questions that will be addressed in this thesis. The different objectives of the research are also mentioned:

- *How does a Community Based Organization working on sanitation collaborate with different stakeholders?*

Goals that are meant to be achieved with this question:

- To explain how a CBO starts and sustains relationships with stakeholders.

- To identify CBO's interests when engaging with stakeholders.
  - To identify CBO's stakeholders and their interests.
  - To identify benefits that CBO gets through collaboration with stakeholders.
  - To identify benefits that stakeholders get through collaboration with CBO.
  - To identify challenges and negative aspects in the relationship of CBO with stakeholders.
  - To contribute to stakeholder research on stakeholder management in non-profit organizations.
  - To contribute to CBO research by providing new insights on how CBOs relate with stakeholders.
- *How does stakeholder theory fit for analyzing stakeholder relationships of a Community Based Organization?*

Goals that are meant to be achieved with this question:

- To study what concepts from stakeholder theory can be applied when analyzing stakeholder relationships of a CBO
- To propose alternative ways to analyze the stakeholder relationships of a CBO
- To make Stakeholder Theory literature more comprehensive by providing models and ideas that can apply not only to business corporations but to non-for-profit organizations such as CBOs.

### **1.3 Outline of the thesis**

Following the introduction of this research, I will present an overview of the most important academic literature on the main subjects affecting this study, stakeholder theory, and Community Based Organizations in chapter 2.

In chapter 3, I intend to construct grounds for the empirical study, so I will describe the case studied in this research: PHAST Ujenzi as a Community-based organization. In this section, I will also introduce the research methodology used in my study. Therefore, in the first two sub sections, I will describe the local context and the social and economic circumstances around the group, and I will provide general information about PHAST Ujenzi and its activities. In the third sub section, I will present the main research approaches used in this thesis, case study research and action research, and



I will explain data collection methods and analysis plan. Finally, in the fourth subsection, I will discuss ideas around the trustworthiness of this study.

In chapter 4, I will provide information on my findings. The first subsection will contain a description of the stakeholders of PHAST Ujenzi. Next, in the second and third subsections I will focus on four stakeholders: Local Authorities, Center for Community Initiatives, Keko Youth, and Global Dry Toilet Association of Finland. Thus, the different forms of collaboration between this CBO and these stakeholders will be explained in the second subsection, and challenges faced in these relationships will be described in the third subsection.

The discussion and theoretical implications of my study will be enlighten in chapter 5. In the first subsection, I will discuss the nature of Stakeholder Theory, concept, and justification when applied to the reality of a CBO. In the second subsection, I will analyze how stakeholder models proposed by researchers of Stakeholder Theory reflect the reality of the stakeholder relationships of a community-based group. In the third subsection, I will study how the different strategies to assess the salience of stakeholders apply in the case of a CBO who wants to evaluate the importance of the actors it relates with. Lastly, in the fourth subsection, I will comment on the different methods to manage stakeholder relationships proposed by stakeholder theory, and I will compare these approaches with the way CBOs manage their relationships.

Lastly, conclusions of the study will be presented in chapter 6. I will start by summarizing my main findings and discussion points, and I will finalize by providing information on the limitations of this study and by giving suggestions for future research.

## **2. LITERATURE REVIEW**

The following literature review goes through the most important ideas concerning stakeholder theory, and community based organizations. The first part discusses the stakeholder concept from a firm's perspective. By using stakeholder theory, I will provide a definition of stakeholder, and I will introduce a common stakeholder model of the firm. In addition, I will describe different methods to identify and assess the salience of stakeholders. Finally, I will briefly discuss most common trends on managing and engaging with stakeholders.

In the second part, I will revise literature related with community-based organizations. I will introduce the concept and main features of this type of organizations, and I will link these ideas with the concept of stakeholder, bestowing most common ideas on the relations between these organizations and their stakeholders.

### **2.1 Stakeholder theory**

In the management literature, stakeholder theory began developing intensively during the 80's, when scholars came to realize various transformations that were influencing business operations and business' legitimacy in society. For instance, consumers were presenting openly and loudly several complains and demands; activists and environmental movements were leading campaigns to denounce certain business attitudes and actions; communications and media were spreading rapidly among people; competition among businesses was increasing; and the resource market was internationalizing in a great extent (Laplume et al. 2008).

Edward Freeman analyzed profoundly these changes and new trends from a business perspective, and summarized his ideas on the book *Stakeholder Management: A Stakeholder Approach* published in 1984. After the publication of this book, researchers considered Freeman as the Father of Stakeholder Theory, as he was the first person who managed to develop a business stakeholder approach, combining concepts of disciplines such as corporate planning, corporate social responsibility, and systems theory (Laplume et al. 2008).

### **2.1.2 The stakeholder concept**

According with Freeman (1984), businesses need to take into account the emerging trends previously mentioned, in order to be able to keep operating and gaining profits. As a result, businesses are invited to pay attention to the different actors that were leading these new tendencies, the so-called stakeholders. Stakeholders can be internal (owners, customers, employees, and suppliers), and external (governments, competitors, consumer advocates, environmentalists, media, among others) (Laplume et al. 2008), and Freeman defines these actors as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman 1984, p. 46).

According to Freeman (2001), managers have to gain the support of their stakeholders and need to understand how their companies can influence or be influenced by others, in order to achieve the corporate objectives (Freeman & McVea 2001). It is therefore crucial for a manager to focus on the relationships of the firm with its stakeholders, by finding ways to balance and to integrate the multiple relationships and objectives that a firm can have (Freeman & McVea 2001).

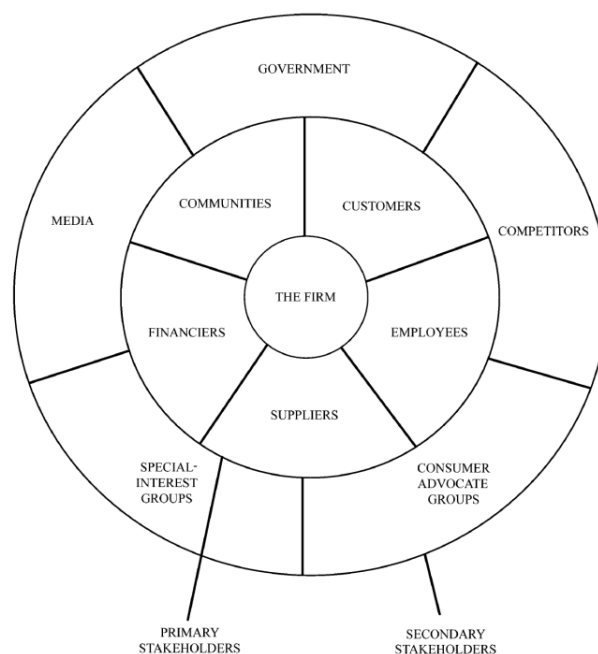
There are three major approaches on the study of the stakeholder concepts that were identified by Donaldson and Preston (1995). The descriptive approach intends to define business features, actions, and tactics; with this approach, it is possible to answer questions on how the corporation is managed, in which way the members of the board consider corporate constituencies, and how managers think about managing (Donaldson & Preston 1995). The instrumental approach intends to find the ways in which the corporation can achieve its objectives by linking stakeholder thinking with managerial practices; several studies on corporate social responsibility use this approach and work with different methodologies to convince that stakeholder principles and practices can help the corporation to achieve its traditional objectives (Donaldson & Preston 1995).

Finally, the normative approach studies the functions of the corporation, and states “moral and philosophical guidelines for the operation and management of the corporation” (Donaldson & Preston 1995, p. 71). This means that normative studies on stakeholder theory, intend to give advice to corporations about what they should or should not do, and justify these advices by stating simply that it is the “right” or “wrong” thing to do. This normative approach is identified as the core of the stakeholder theory by Donaldson and Preston (1995).

### 2.1.2 Who are organization's stakeholders: towards a stakeholder model

The following figure makes a representation of the firm and its stakeholders according with Freeman and Harrison (2008). There is a division between primary stakeholders whose demands need to be prioritized by the corporation as they have a bigger influence on the firm, and secondary stakeholders who do not have a direct relationship with the firm but who can affect the relationships that the firm has with its primary stakeholders (Freeman et al. 2008). These authors affirm that in the case of primary stakeholders, it would be difficult to think of a business whose main relationships do not include customers, employees, suppliers, financiers, and communities (Freeman et al. 2008).

**Figure 1**  
**Stakeholder model: primary and secondary stakeholders**



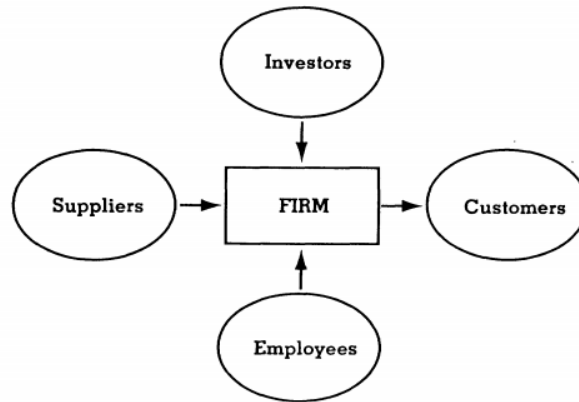
*Source: (Freeman et al. 2008)*

It is especially important to understand this map as a dynamic representation that can change according with every company, because the definition of primary and secondary stakeholders depends pretty much on the nature and activities of each firm (Freeman et al. 2008).

Moreover, Donaldson and Preston (1995) represented what it means to think of the corporation from a stakeholder perspective, and proposed a model to illustrate this approach. They argued that in the past, it was believed that investors, employees and suppliers contributed inputs to the corporation that were transformed into outputs to benefit the corporation's customers; the benefit received by

customers was the biggest, and other stakeholders only received compensation or a so called “normal” benefit for their inputs (Donaldson & Preston 1995). The next figure represents such a scenario:

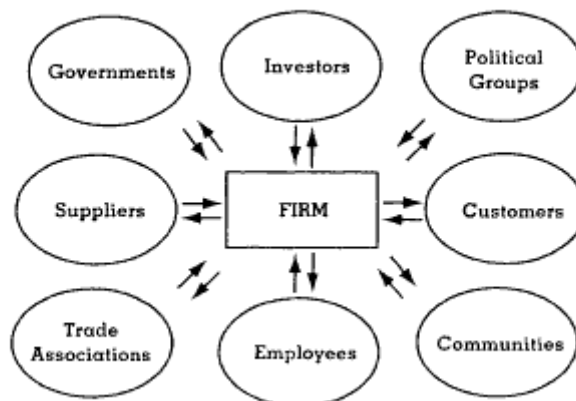
**Figure 2**  
**Contrasting Models of the Corporation: Input-Output Model**



*Source: (Donaldson & Preston 1995)*

The stakeholder model attacks these premises, and proposes instead a scenario where all stakeholders relate with the company with certain interests and waiting for benefits that are not necessarily bigger or with more relevance than the interests and benefits expected by other stakeholders. In the following figure, one can realize a new reality, where the corporation interacts with a larger number of stakeholders who give inputs but who also receive outputs from the corporation, and where relationships (represented by same shape and size arrows) are not necessarily unequal if compared with other stakeholders (Donaldson & Preston 1995).

**Figure 3**  
**Contrasting Models of the Corporation: The Stakeholder Model**



*Source: (Donaldson & Preston 1995)*

### 2.1.3 Managing relationships with stakeholders

The meaning of stakeholder management has been widely discussed in the literature (Freeman et al. 2010). Preston and Sapienza (1990) define this concept as “the proposition that business corporations can and should serve the interests of multiple stakeholders” (Preston & Sapienza 1990). In this way, stakeholder management is understood as the behaviors and strategies that the firm undertakes, in order to address the interests of its different stakeholders (Freeman et al. 2010). Preston and Sapienza mentioned also that stakeholder management requires “the balancing of multiple (and at least partially conflicting) stakeholders’ interests” (Preston & Sapienza 1990).

The reason why it is important for a company to manage the relations with its stakeholders is well explained by Harrison and St. John (1996); from an instrumental point of view; companies that develop different techniques to manage their relations with stakeholders have better outcomes than companies who do not get involved in such activities (Harrison & St. John 1996). Usually, these outcomes lead the company to have a higher profitability or/and to increase its value. Additionally, there is a normative reason why the company should think of managing its stakeholders which lies on the fact that it is simply “the right thing to do”. This idea finds its support from philosophical and moral basis that claim recognition of stakeholder interests, and from increased media and civil society involvement on the activities of corporations (Harrison & St. John 1996). The following table summarizes these ideas:

**Table 1**

**Justification for Stakeholder Management**

---

**Instrumental Perspective (“We should do it because it will pay off in the end”)**

Enhanced ability to predict/control the external environment  
Higher percentage of successful new product/service introductions  
Higher levels of operating efficiency  
Fewer incidents of damaging moves by stakeholders (i.e., boycotts, strikes, bad press)  
Less conflict with stakeholders resulting in fewer legal suits  
More favorable legislation/regulation  
More reasonable contracts  
Higher entry barriers leading to more favorable competitive environment  
Higher levels of trust  
Higher levels of profitability?  
Greater organizational flexibility

**Normative Perspective (“We should do it because it is the right thing to do”)**

Moral and philosophical basis for recognition of stakeholder interests  
Increased media power and heightened interest in corporations  
Statutes that allow board of director consideration of a broader group of stakeholders

---

*Source: (Harrison & St. John 1996)*

Before entering into the study of the different strategies that have been proposed to manage relationships with stakeholders, it is necessary to go deeper on the identification and salience of stakeholders. Part of the scholars who have contributed to the stakeholder theory, have dedicated their research on answering the questions of who can the firm consider as a stakeholder, and to which stakeholders the firm should pay attention to (Mitchell et al. 1997). Therefore, I will present the ideas of Mitchell et al. (1997) who developed a method for a firm to identify stakeholder salience. Then, I will present a more recent study carried out by Jones et al. (2007) that presents a striking alternative to the widely used and recognized model of Mitchell et al. (1997).

### **2.1.3.1 Stakeholder Salience**

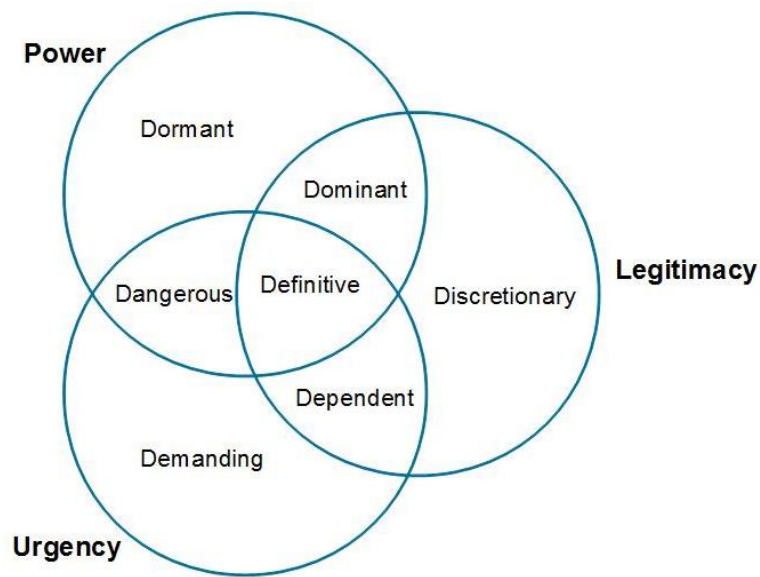
Previously, I have defined the concept of stakeholder, I have also presented common stakeholder maps for a company, and reasons why a firm would need to consider its stakeholders. It is therefore important to define, which of those aforementioned stakeholders the company needs to prioritize, and which stakeholders the firm should have clear and effective ways to relate with.

#### **a. Salience model: The Latent, Expectant, and Definitive Stakeholders**

Mitchell et al. (1997) developed three attributes that managers can look at when evaluating the level of importance that each stakeholder has for the firm: power, legitimacy, and urgency. Power is defined as the ownership of valued resources or capacity to lead to desired effects; legitimacy is defined as the social recognition and expectation of such a relationship; and the urgency is defined as claims that are time sensitive or very significant (Mitchell et al. 1997).

Then, stakeholders can be classified depending on the number of attributes that they possess, and managers will tend to give major importance to the relationships with those stakeholders that possess the major number of attributes (Mitchell et al. 1997). Mitchell et al. (1997) developed a scheme to classify the different types of stakeholders that the corporation can have, according with the attributes that the stakeholders combine. The following figure shows three interconnected circles representing each of the attributes and the seven possible types of stakeholder salience.

**Figure 4**  
**Stakeholder salience**



*Source: (Mitchell et al. 1997)*

Mitchell et al. (1997) identify three cases when the salience is low: the dormant, discretionary and demanding stakeholders called “latent”. These stakeholders’ only possess one attribute and are hardly ever considered by the firm. When a stakeholder possess power on the firm is called dormant, this means the stakeholder can impose its will over the firm, but they usually do not do it because the relationship with the firm is not socially recognized and their claims are not very relevant (Mitchell et al. 1997). There can be different types of power: coercive (those who possess guns), utilitarian (those who possess money), symbolic (those who can control the media) (Mitchell et al. 1997). These authors suggest managers not to forget totally on this type of stakeholders, because of their ability to get another attribute, and to cause then higher impact on the firm.

The discretionary stakeholders are those who possess legitimacy but that do not have any power on the firm and their claims are not consider critically important by the company (Mitchell et al. 1997). These are usually the recipients of philanthropy aid by the firm, and make a big part of the corporate social responsibility actions of the firm (Mitchell et al. 1997). Finally, the demanding stakeholders are those whose claims are urgent to the firm and who do not possess any power to influence the firm or whose relationship is not recognized by society (Mitchell et al. 1997). Normally these stakeholders are ignored by managers and are very unlikely to be considered if they do not look for any of the other attributes (Mitchell et al. 1997).



The stakeholders possessing two attributes are called “expectant” stakeholders, and contain dominant, dependent, and dangerous stakeholders. These stakeholders receive higher attention from the firm. Dominant stakeholders are those who possess resources and knowledge to influence the firm and whose claims are socially recognized (Mitchell et al. 1997). Examples are local authorities, creditors, and employees. These stakeholders are considered very important by managers and firms have usually a formal way to relate with them, such as Human resources departments, Corporate boards including community leaders, creditors, etc. (Mitchell et al. 1997).

The stakeholders who have urgent and legitimate claims are called “dependent stakeholders”, because they need other actors to become more relevant for the firm. As they do not have power, it is likely that the firm ignores their claims, unless they are supported by other actors (Mitchell et al. 1997). This is the case of communities affected by environmental hazards caused by the activities of certain company. Normally, these communities have little or no power to make company pay for the damages. Therefore, they need to align with another actor, to get firm’s recognition of their complaints. Furthermore, “dangerous stakeholders” are the ones who can exercise power over the firm and whose claims are urgent but not legitimate (Mitchell et al. 1997). These stakeholders can use coercive means to make firms attend their claims, and examples can be terrorist attacks or wildcat strikes (Mitchell et al. 1997).

Finally, the stakeholders possessing all three attributes are called “definitive stakeholders”, and these are the ones who require the highest attention from the firm’s managers (Mitchell et al. 1997). All expectant stakeholders can easily become definitive ones, so it is advisable that managers pay great attention to all three categories of expectant actors. Finally yet importantly, the stakeholders who do not possess any attribute are consider non-stakeholders but can also be called potential stakeholders, as they might be able to acquire one or more attributes (Mitchell et al. 1997).

#### **b. A revision of the salience model: the role of stakeholder culture**

Jones et al. (2007, p. 150) recognize the salience model proposed by Mitchel et al. as “parsimonious and with intuitive appeal”. However, they call for a revision of this model, and introduced the concept of “stakeholder culture” as a factor that highly influences the way in which managers prioritize and evaluate the relevance of a stakeholder (Jones et al. 2007). A stakeholder culture is defined as the group of beliefs, values and practices in a company that have emerged and matured for managing the relations with stakeholders (Jones et al. 2007). These authors identify three main stakeholder cultures:

corporate egoist, instrumentalist and moralist (Jones et al. 2007), and build an alternative salience model by using the attributes proposed by Mitchell et al. (1997): power, urgency, and legitimacy.

**Table 2**  
**Comparison of Stakeholder Salience Models**

Stakeholder Attributes			Mitchell et al. (1997)	Mitchell et al. (1997)	Stakeholder Culture Type		
Power	Legitimacy	Urgency	Stakeholder Type	Stakeholder Salience	Corporate Egoist	Instrumentalist	Moralist
Yes	Yes	Yes	Definitive	High	High	High	High
Yes	Yes	No	Dominant	Moderate	Moderate	Moderate	Moderate
No	Yes	Yes	Dependent	Moderate	None	Moderate	High
Yes	No	Yes	Dangerous	Moderate	High	High	Moderate
Yes	No	No	Dormant	Low	Moderate	Moderate	Low
No	Yes	No	Discretionary	Low	None	Low	Moderate
No	No	Yes	Demanding	Low	None	None	None
No	No	No	Nonstakeholder	None	None	None	None

*Source: (Jones et al. 2007)*

In a firm whose culture is corporate egoist, managers aim is to achieve short-term shareholder wealth maximization, and therefore power is considered as the most relevant attribute (Jones et al. 2007). Powerful stakeholders will always have influence in corporate outcomes; therefore, stakeholders who possess at least power, will have moderate attention from the firm (Jones et al. 2007). Those stakeholders whose claims are both powerful and urgent will receive high attention by egoist managers since they are the ones most capable to impose their demands in the firm. Finally, stakeholders who do not possess power are not considered important by firms with egoist culture, as they do not affect directly corporate outcomes (Jones et al. 2007).

Jones et al. (2007) argue that firms whose culture is instrumentalist tend to pursue self-interest but are also concerned with moral behaviors as they can serve to achieve the corporate goals. Therefore, power remains as the most important attribute, but legitimacy becomes also important as it is related with moral values and practices. Urgency increases salience in the same case than corporate egoists, thus stakeholders who possess at least power are moderately salient and those whose claims are also urgent are considered to have high salience. Stakeholders who have legitimacy will have some importance to managers in instrumentalist cultures because of their capacity to influence the image of the firm, and those stakeholders whose claims are both legitimate and urgent will be considered as moderately relevant (Jones et al. 2007).

Moralist firms consider stakeholder interests as very relevant and are concerned about them. Therefore, legitimacy is the main driver of salience for managers in moralist companies. This means that stakeholders whose claims are legitimate will have at least moderate salience for a firm's manager. Urgency increases salience just like in the cases above, which translates into high salience for stakeholders who possess both legitimacy and urgency. Power remains also important as it might eventually help certain stakeholder claims to become legitimate. Therefore, stakeholders who have only powerful claims have low salience (Jones et al. 2007).

The figure above summarizes all these ideas and it shows clear differences if compared with the model proposed by Mitchel et al. (1997). Particularly important is the relevance that power has for corporate egoists and for moralists; in egoist cultures, stakeholders who are not powerful will never be considered as important, and in moralist cultures stakeholders whose claims are legitimate have moderate salience, and those whose claims are both legitimate and urgent have high salience.

### **2.1.3.2 Trends on management of stakeholders**

Once the firm has analyzed and concluded which stakeholders are more significant and which actors deserve attention from the firm, it is important to come up with ways to manage the relationships with those stakeholders. Traditionally, corporations have chosen to implement *buffering* tactics that aim to lessen the impact that stakeholder actions can have on the firm (Harrison & St. John 1996). These tactics are reactive to any change in the organizational and external environment, and are meant to foresee vicissitudes or alleviate certain situations when changes could not be predicted or avoided (Harrison & St. John 1996). Mostly, this way of managing relationships aims at responding to stakeholder needs and demands, when these are exteriorized or discovered (Harrison & St. John 1996). Harrison and St. John (1996) mention market-forecasting, inspection of raw materials, special departments, and public relations as examples of this technique.

The alternative technique proposed by Harrison and St. John (1996) is called *bridging*. This strategy arises when stakeholders are interdependent, and when it becomes rather impossible for the firm to manage individual relationships (Harrison & St. John 1996). When a firm decides to use bridging as a management technique, it links with its stakeholders into partnerships whose main purpose is to pursue common goals (Harrison & St. John 1996). Companies leave their reactive strategies on the site, and instead, get into a more ambitious purpose: the creation of mutual objectives and the co-design of suitable ways to achieve them.

Customer involvement in design teams is a good example of this bridging strategy (Harrison & St. John 1996). Usually, if companies work with buffering techniques, they undertake product design and testing by conducting external market research, and ensuring to comply with international standards (Harrison & St. John 1996). The bridging strategy calls companies to abandon these tactics, and involve directly customers into design and production processes. When customers are directly involved, it is easier to get their current opinions, knowledge, and feedback on a product, it is also expected that information would be collected in less time and with more accuracy, and it is therefore likely that company will benefit in greater extent than when using buffering techniques (Harrison & St. John 1996).

In this way, Harrison and St. John (1996) invite companies to think of establishing partnerships with all their stakeholders, whether they are customers, suppliers, competitors, government, communities, activists, or unions. They argue that when thinking of a management strategy, the firm should identify its stakeholders, define the strategic importance (salience) of these actors for the firm, and then embark on the design and implementation of bridging techniques according with nature of relationship (Harrison & St. John 1996).

Additionally, there are authors who have come up with other ways to manage relationships with stakeholders, and have created different methodologies with sequential steps to be followed. For instance, Gable and Shireman (2005), created an interesting three-phase methodology, that invites companies to prepare their organizational structure to become stakeholder friendly, identify relevant stakeholders, link their salience with a strategic plan, and finally execute and monitor the agreed plan.

These authors recommend different strategies to manage stakeholder relationships, depending on the significance the stakeholder has for the firm. The figure below lists some of the techniques recommended by Gable and Shireman (2005):

**Table 3**  
**Stakeholder management strategies**

<b>Mode</b>	<b>Sample Action</b>
Track	Monitor, Compile Actions
Inform	Annual Report, Quarterly Communiqué
Consult	Back Channel Dialogue
Support	Strategic Philanthropy/Sponsorship
Collaborate	Joint Project (informal)
Partner	Joint Project (formal)
Network	Joint Project (formal or informal with several groups)

*Source: Gamble and Shireman (2005)*

Companies should decide what way of managing relationships with their stakeholders is more effective (Gable & Shireman 2005). If the ideas of Gable and Shireman (2005) are linked with the ideas of Harrison and St. John (1996), we can extract from the figure above that tracking, informing, consulting, and supporting modes are more related with the buffering strategy. Instead, collaboration, partnering, and networking are bridging techniques that invite the firm to engage in interdependent relationships with its stakeholders, and that involve the firm and the stakeholder in an intrinsic way.

Bridging techniques are also advised by Ann Svendsen (2010) who emphasizes the need of collaboration between the firm and its stakeholder, and builds her ideas on a collaboration approach that “sees stakeholder relationships as being reciprocal, evolving and mutually defined” (Svendsen 2010, p. 3). Svendsen (2010) argues that collaborating with stakeholders is also a source of opportunity and competitive advantage, as company will be more capable of reacting accordingly in a changing environment.

## **2.2 Community-based organizations (CBOs)**

In this section, I revise literature on Community-based organizations. First, I will describe the concept of CBO, its different elements and characteristics. Then, I will review the ideas around stakeholders linked with CBOs, and I will discuss on common patterns existing in relationships between CBOs and their stakeholders.

Authors living in developed countries have studied CBOs extensively, and there is a wide range of literature concerning CBOs established in countries such as United States, Canada, and Australia (Fontan et al. 2009, Rich et al. 2001, Marwell 2004, Fredericksen & London 2000, Brown et al. 2000, Jones 1992). Although CBOs operating in a developed context differ in a great extent from those operating in developing areas, there are basic ideas on the CBO definition and its main features that could be applied in both situations. Therefore, I will discuss on the ideas given by these authors, but I will also describe and analyze other ideas from scholars who have been studying CBOs working in developing countries (Tukahirwa et al. 2011, Meshack 2004, Jones 1992, Lee 1998).

### **2.2.1 What is a community-based organization?**

It has been challenging to define precisely what a community-based organization is. In the literature on the third sector, there is a wide range of terminology that refers to this concept, and there are several definitions that describe these type of organizations from different perspectives (Loza 2004). For instance, CBOs have also been called community associations, voluntary associations, non-for profits, or nonprofits (Loza 2004).

The definition of CBO is linked to the community concept as this element defines the nature of such organizations. Lee (1998) argues that “a community is a group of people with face to face contact, a sense of belonging together, and shared interests and similar values” (Lee 1998, p. 994). The same author explains that when talking about informal settlements in cities, a community consists of people who live in a geographically defined area, feel related to this place, and share an interest in improving their living conditions (Lee 1998). Following the concept of community, Lee (1998, p. 994) defines a CBO as “voluntary membership associations of beneficiaries formed to achieve a set of common goals that benefit the members, who reside within a geographically defined neighborhood”.

Likewise, Brown et al. (2000) argues that CBOs are established in response to specific needs or issues that were identified by community members. Organized around values such as mutuality, empathy, trust, and solidarity, these organizations seek to mobilize resources to satisfy their needs and/or overcome their challenges (Brown et al. 2000). These groups are usually concern with social, environmental and cultural matters, and are committed to ensure community participation as a way to promote social change (Brown et al. 2000).

Meanwhile, Loza (2004) claims that CBOs gather five common characteristics: they are formally organized, private, not for profit, self-governing, and voluntary. The same author claims that people with common interests who pursue the benefit of the community where they live create CBOs (Loza 2004). These organizations carry out activities related with housing, disability and health projects, and provide services that intend to protect vulnerable populations such as women and the old (Loza 2004).

Concerning the activities that CBOs undertake, Marwell (2004) further states that there are three kinds of activities that CBOs undertake: service provision, community building and electoral politics. Firstly, service provision aims at supplying the community with amenities absent in the area (Marwell 2004); secondly, community building concerns the restructuring of the often ragged and distressed neighborhoods where this organizations work (Marwell 2004); and thirdly, electoral politics involve all actions whose purpose is to influence government decisions (Marwell 2004).

In addition, CBOs have had a relevant role on poverty reduction and development matters throughout the history and this has also influenced the way in which literature has defined these groups (Rich et al. 2001). For example, Lee (1998) defines CBOs as organizations that provide basic infrastructure and services in low-income settlements, and as groups that emerged as an alternative to the failing state delivery systems. Likewise, Tukahirwa et al. (2011, p. 584) define CBOs as “not-for-profit grassroots organizations with local membership that work to develop their own communities”, and Brown et al. (2000) mention that the ultimate goal of CBOs is to achieve community development, by ensuring community participation, democratization, and empowerment of all members.

### **2.2.2 CBOs and their stakeholders**

There is also some literature analyzing the relations of CBOs with different stakeholders. Fontan et al. (2009) explain that CBOs are usually linked with other community groups, NGOs, public organizations, and businesses, in order to accomplish their goals. Mostly, studies have concentrated on analyzing the relation between CBOs and government, service providers such as schools and hospitals, NGOs and businesses (Loza 2004, Brown et al. 2000, Rich et al. 2001, Jones 1992, Fontan et al. 2009, Fredericksen & London 2000).

The literature covering CBOs working in developing countries is still very narrow. The relations of these organizations and its stakeholders has been little investigated, and if we deepen on CBOs

providing services such as housing and sanitation, the information on stakeholder collaboration is even more limited (Tukahirwa et al. 2010, Schaub-Jones 2008).

Therefore, there is a need to understand more deeply the features around the relationships between CBOs and their stakeholders, and the way they have collaborated throughout the time. According with Loza (2004), collaborating in this context, implies combining and exchanging resources, talents and skills in order to create strategies to address community problems. I will therefore describe how this collaboration has developed between CBOs and Government, NGOs, and businesses. The ideas presented by the scholars so far, provide a sufficient background from which to analyze the relations of a CBO with these types of stakeholders. I will also describe the main discussions on this topic, mostly regarding challenges.

#### *a. Relations of CBO with government*

In principle, CBOs and government institutions share a common goal: to promote community development by improving living conditions of community members (Fontan et al. 2009). The relations between CBOs and government are pretty much linked with this objective. Usually, CBOs emerge as a response to poverty, unemployment, and underprivileged circumstances. When government has not been capable to cover community members' needs, CBOs are created in order to build alternative solutions to benefit the local population (Fontan et al. 2009). Collaboration between CBOs and government is then highly suggested (Rich et al. 2001).

Government has regularly big interest in working together with CBOs for a great variety of reasons:

- CBOs are more capable of delivering services to grassroots level groups that might not be easily reachable by government institutions (Fredericksen & London 2000)
- CBOs understand better local conditions, gather information and data on local living standards, and are therefore more capable of customizing projects and programs according with community needs (Fredericksen & London 2000, D'Cruz & Mudimu 2013, Rich et al. 2001)
- Implementation of projects and programs can be carried out more rapidly by CBOs, as they operate in the target areas and have direct links with community members (Fredericksen & London 2000).



Even though this relationship is very convenient for government, D’Cruz and Mudimu (2013) argue that community groups should engage the state at all levels in order to operate effectively and to achieve desired goals. Fontan et al. (2009) support this idea, and explain that government usually provide funding to these groups and organize technical advice for implementation of projects and programs. Government also ensures effective operation by teaching CBOs about strategic planning, indicators of success, and accountability (Fontan et al. 2009).

Nevertheless, there are certain challenges that need to be addressed in order to ensure both parts benefit from such relationship. For instance, CBOs complain that accessing government funds is usually constraint by bureaucratic barriers and other administrative obstacles (Tukahirwa et al. 2011, Rich et al. 2001). On the other hand, programs started with support of certain local administration might be stopped once a new administration is elected; this imposes a lack of continuity of projects and programs started in collaboration of CBOs with government (Fontan et al. 2009). Other challenges are related to lack of communication and mistrust due to different educational backgrounds and life views (Rich et al. 2001).

#### ***b. Relations of CBOs with NGOs***

The relations between NGOs and CBOs have been studied deeply (D’Cruz & Mudimu 2013, Lee 1998, Tukahirwa et al. 2011), as scholars have observed that usually NGOs collaborate broadly with CBOs. In general, NGOs ease everyday operations of CBOs, by providing technical advice and access to funding (Lee 1998).

D’Cruz and Mudimu (2013) argue that NGOs are “bridges” between CBOs and the formal world (government and well-established organizations). CBOs usually acquire skills and knowledge from NGOs, and learn about all bureaucratic procedures and technicalities that can make their work more effective (financial management, accounting, project management, monitoring and evaluation) (D’Cruz & Mudimu 2013). At the same time, once CBOs acquire such knowledge and skills, it is easier to connect with professional entities, and work together to achieve more ambitious goals (D’Cruz & Mudimu 2013).

Similarly, Lee (1998) claims that NGOs are “intermediary institutions” between CBOs and governmental institutions and international donors. Lee (1998) explains that government institutions and donors support financially CBOs mainly through NGOs who serve as guarantors and advisors.

The same author explains that NGOs stimulate, facilitate, and support the initiatives of these CBOs, so they can achieve their goals and improve their life standard (Lee 1998).

Although the relationship between CBOs and NGOs can bring many benefits, there are also certain negative effects that have been identified by scholars. One of the challenges is the CBO's dependency on resources provided by NGOs (Tukahirwa et al. 2011, Lee 1998). Occasionally, CBOs get use to the presence of an NGO who is providing constant technical and financial support, and group members do not acquire the necessary skills to work independently. Once NGO decides to withdraw from community, CBOs face many issues due to their lack of capacity to leverage resources on their own and to implement activities without help from outside (Lee 1998, Tukahirwa et al. 2011).

Another disadvantage consists on the possible discontinuity of projects and programs that were initiated with support of NGOs. When an NGO does not plan carefully its withdrawal, and when CBO is not well prepared to take responsibility, usually projects are stopped causing big harm to all community members (Lee 1998).

Similarly, an additional difficulty concerns the CBO's agenda that is sometimes constraint according with NGOs and donors funding policy, operations rules, and preferences. Therefore, CBO activities are all conditioned, which can threaten the accomplishment of the most acute goals. This also compromises sustainability of projects and programs started by CBOs, as there is little motivation to continue once NGOs or donors have stopped providing help (Tukahirwa et al. 2011).

### *c. Relations of CBOs with Businesses*

According with Loza (2004), relationships between CBOs and businesses have gained strength during the last years. Both businesses and CBOs have started to realize that engaging with each other can be beneficial for both the company and the community, so managers and community leaders have initiated projects to collaborate, in order to achieve certain goals (Loza 2004). In this way, businesses contribute to CBOs by providing money, products, services and human resources such as time, skills and leadership, in order to ensure CBOs can achieve their social and economic objectives (Loza 2004).

In addition, CBOs serve as learning platforms for businesses, as they gather knowledge on local resources and conditions, and this can be key on developing innovating and sustainable products or

services (Loza 2004). Loza (2004) explains that this collaboration can also help companies minimize their risks, as problems and potential challenges can be identified more easily while working together with CBOs.

Likewise, CBOs can also find beneficial to link with businesses. CBOs can get financial support and capacity building services from corporations (Loza 2004). Usually, CBOs can benefit from company's advice on governance and management, they can also receive information on different areas, and they can get skills and knowledge on new technologies (Loza 2004). All these elements ensure increasing capacity of these community groups.

A good example of this collaboration is provided by Tukahirwa et al. (2011) when talking about CBOs who concentrate in construction and waste management activities in an informal settlement in Kampala, Uganda. CBOs from this city have started relationships with businesses to leverage necessary financial and technical resources to carry out their activities. In this way, businesses support CBOs by providing funds, equipment, and tools, and by supporting on the organization of sensitization and awareness raising events in the community (Tukahirwa et al. 2011).

Even though collaboration between CBOs and businesses can be beneficial for both parties, it can also be very challenging (Loza 2004). Usually, programs that are initiated in collaboration with businesses can represent high financial and time costs for companies (Loza 2004). Furthermore, CBO's agenda could be strongly influenced by company's interests, affecting negatively the wellbeing of community members (Loza 2004). Hence, there is a need of strong commitment and effective communications channels so trust can be built and sustainability of endeavors can be ensured.

### **3. DATA AND METHODOLOGY**

#### **3.1 Context: sanitation in Dar es Salaam, Tanzania**

This thesis focuses on the study of the stakeholder relations of a community-based organization working on sanitation in an informal settlement of Dar es Salaam, Tanzania. Informal settlements, also called slums, emerge as overcrowded, unplanned areas where access to services is minimal, proper infrastructure does not exist, and majority of economic activities are informal (Isunju et al. 2011). People living in these areas are usually below the poverty line, living under higher risk of disease, mortality, and misfortune (Isunju et al. 2011). Commonly, these conditions are the result of a weak government that was not able to implement structural plans to provide effective services and enforce development measures (Isunju et al. 2011).

Poor sanitation infrastructure is also a common characteristic of these areas. Currently, this is a critical development topic, considering that there are around 2.5 billion people in the world who do not have access to improved sanitation facilities, from which around 700 million live in cities (WHO/UNICEF 2014). In urban areas, slum dwellers are usually obliged to use unhygienic pit latrines, polythene bags, or open drains, which creates the basis for disease threats and environmental pollution (Isunju et al. 2011).

Tanzania is a country located in Sub-Saharan Africa with a population of approximately 40 million. Of the total population, 25 percent of people live in cities, but the urban population is increasing quickly, at around 5 per cent a year (Ndezi 2009, p. 77). In Dar es Salaam, the situation reflects the characteristics presented above. Dar es Salaam is the main port of Tanzania, and it is the country's center of commercial and manufacturing activities (Kiunsi 2013). The city has about 4 million people from which 80% live in informal settlements (Schermbucker 2013). Administratively, the city has three districts, Ilala, Kinondoni, and Temeke, each with its own local government. Temeke is the district that concentrates most of industrial activities, and it is also the area that gathers the majority of low-income population (Kiunsi 2013).

Dar es Salaam has a huge development deficit and does not provide citizens with adequate infrastructure and services such as piped water, sewers, drains and solid waste collection (Kiunsi 2013, p. 322). Therefore, only around 20% of the population has access to an improved sanitation facility, meaning a facility that is safe and cleanable. Most of the pit latrines used by the community

are neither improved nor properly functioning, and emptying services are not readily available. Consequently, there are frequent outbreaks of diseases such as cholera, malaria and diarrhea (Schermbucker 2013).

Unfortunately, very few efforts have been made to change this situation. The government spends about 90% of the sanitation budget in the maintenance of the sewage system and only 10% in supplying sanitation services to the rest of the city (Gugu 2011). This means that more than three million people have been left alone to find a solution for their sanitation needs (Gugu 2011). Hence, there is a high need to find solutions to this sanitation challenge.

### **3.2 Case: PHAST Ujenzi, a CBO working on sanitation**

In recent years, efforts to tackle this difficult reality have come into place, and different actors have mobilized in order to propose and implement solutions that can improve such an alarming situation. In Keko Machungwa, a slum area in Dar es Salaam, the community decided to take the initiative to solve these issues, and supported by a local NGO, Center for Community Initiatives, started to organize themselves into community-based organizations, each with a different focus.

Keko Machungwa is an informal settlement in Dar es Salaam, located in Miribuani Ward, Temeke Municipality. There are approximately 15000 inhabitants living in this area (Schermbucker 2013). Temeke “is the municipality with the highest prevalence of poverty and is also the one with the lowest population density and fastest population growth rate in Dar es Salaam” (Gugu 2011). In 2011, community-based groups conducted a research to find out about the sanitation conditions of people living in this slum, and concluded that even though there was a good coverage of latrines, majority of them were not functioning properly (Schermbucker 2013). The situation gets worse when flooding occurs, a phenomenon that is very common because of slum location next to a water canal.

PHAST Ujenzi was established after this research, and their main goal was agreed to be on finding and implementing solutions to the sanitation challenges in Keko Machungwa. PHAST Ujenzi has 12 members, majority women, some working as construction technicians, and some others doing profiling work. This CBO has worked with the support of several stakeholders, especially a local NGO, Center for Community Initiatives (CCI) that has provided permanent support mainly on capacity building. In addition, PHAST Ujenzi belongs to the Tanzania Federation of Urban Poor, a platform that gathers a great number of CBOs all working on different urban planning issues. PHAST

Ujenzi, as part of this Federation, also makes part of Slum Dwellers International, a transnational organization that supports the creation of community groups to tackle development issues in their living areas (D’Cruz & Mudimu 2013).

PHAST stands for Participatory Hygiene and Sanitation Transformation. According with a report by WHO (1997), “it is an innovative approach designed to promote hygiene behaviors, sanitation improvements and community management of water and sanitation facilities using specifically developed participatory techniques” (WHO 1997, p. 1). Therefore, PHAST Ujenzi has been carrying out construction of improved sanitation facilities and hygiene education activities for the last 5 years by following this approach. The group involves community members in a great extent, following the PHAST method on participatory planning.

In the beginning of 2013, CCI served as a bridge between PHAST Ujenzi and Aalto University students, with the main goal to create a space where Aalto students and CBO members could gather and create innovative solutions to the sanitation challenges faced in Dar es Salaam. I was part of the group of Aalto students that worked together with this CBO on a project that could help the group to develop their organization and to scale up their activities.

In June 2013, we all agreed on the need of introducing business thinking into PHAST Ujenzi activities, and decided to apply for funding from the Finnish Ministry of Foreign Affairs to implement a three years project with the support of a Finnish NGO, The Global Dry Toilet Association of Finland. The project includes trainings on dry sanitation technology and business, construction of dry sanitation facilities, educational campaigns, and sales of fertilizers collected from the dry toilets built (urine and compost).

With the introduction of these activities, it is expected that PHAST Ujenzi will soon turn into a community-based enterprise. Currently, I work for The Global Dry Toilet Association of Finland as a project Coordinator, and I am in charge of supporting the business development of PHAST Ujenzi. My main tasks are to provide advice and support to CBO members, so that they can start gaining the skills and knowledge required to run a social enterprise. My work is mostly done from Finland and I only go to the field once or twice per year. This CBO has the major responsibility of planning and implementing activities.

PHAST Ujenzi is currently on the process of transition, and there is a need to understand deeply how organizational dynamics have been so far, and how relations with stakeholders have developed. Thus, this research work will examine how this community-based organization has been engaging with different stakeholders before the introduction of business thinking.

### **3.3 Method: case study research**

In this sub-section, I will introduce the research methodology used in my study. In the first part, I will present the main research approaches used in this thesis: case study research and action research. In the second part, I will explain data collection methods: semi structured interviews and participant observation. Afterwards, I will briefly explain my analysis plan in the third subsection. Finally, in the fourth subsection, I will discuss about the trustworthiness of this study.

#### **3.3.1 Research approach**

In this section, I introduce the main research approach of my study. The main goal of this research is to explore and understand how the case CBO starts relationships with its stakeholders and collaborates with them. Additionally, the study intends to revise how Stakeholder Theory fits for studying these CBO stakeholder relationships. I make use of qualitative case study research in order to achieve such goals.

Lee (1999) explains that qualitative research is mostly used when research aims at exploring little understood occurrences (exploratory), when it intends to clarify cause-effect issues (explanatory), or when it aims at describing certain processes or situations (descriptive). As mentioned above, in the case of my study, my goal is to understand deeply how a CBO has started and maintained relations with other actors, and how these stakeholder relations could be explained better by Stakeholder Theory. Thus, I will mostly explore and describe little understood processes, by providing information on how a specific CBO establishes and nurtures relationships with its stakeholders, and by studying how Stakeholder Theory could be used to analyze such relationships.

In addition, the main research approach of my thesis is case study research. Gummesson (2008) argues that case study research is very useful when exploring issues that are complex and that are poorly understood, which is also why it is a relevant qualitative method. He explains that this approach is highly used in management disciplines where it is common to encounter with

multifaceted, dynamic processes that include a great number of variables and complex features (Gummesson 2008). This study intends to understand deeply the factors that have influenced the relationships of a CBO with its stakeholders, and the ways in which this organization has been able to maintain these relationships. Therefore, it is with no doubt a complex phenomenon, that is little understood so far, especially by Stakeholder Theory, and that therefore adapts very well to the ideas mentioned by Gummesson (2008).

Moreover, Aaltio and Heilmann (2010) explain that “when existing theories concerning the studied phenomenon are inadequate, a case study can help theory formation by constructing the pyramid from bottom to top” (Aaltio, I, & Heilmann, P. 2010). This applies very much in my research, as I intend to fill the existing gap in stakeholder theory literature by analyzing the stakeholder relationships of a small CBO. In addition, I aim at contributing to the literature of community-based organizations, by explaining how the stakeholder engagement processes occur in this special case.

Furthermore, according to Yin (2003), case study research is a beneficial research approach when the research questions are addressing “how” and “why” queries, when the phenomenon studied is currently taking place, and when the researcher has limited or no influence on behavioral happenings (Yin 2003). In the case of my study, I address two “how” questions: my first question intends to explain the ways in which a CBO has linked and related with other actors, and my second question aims at evaluating how stakeholder theory fits for analyzing stakeholder relationships of a CBO. In addition, the focus of my study is on a contemporary issue, an existing organization operating in regular basis.

The last aspect mentioned by Yin (2003) regarding the limited control of the researcher over behavioral events could be somehow debated in my research, because of my current link with this CBO and the possibility I have of manipulating certain situations. However, I will only have limited capacity to manipulate events and behaviors, as my relationship with the group is only temporal, so the use of case study approach is still valid.

On the other hand, I take some elements from action research approach, given my above mentioned involvement with the CBO, and my role in its current transformation into an enterprise. According with Greenwood et al. (1993) in action research, the researcher works as full collaborator with members of an organization, with the main goal to study and transform certain elements in the organization. Greenwood (1999) also explain that action research is an approach where the researcher



is not only aiming at describing, understanding or explaining social reality, but he/she is interested in improving a situation (Greenwood 1999). In general, the main elements and characteristics of action research are “collaboration, incorporation of local knowledge, diversity, case orientation, emergent process, and a link between scientific understanding and social action” (Greenwood et al. 1993).

In addition, Jean McNiff (2013) argues that action research is a continuous process of observing, describing, planning, acting, reflecting, evaluating, and modifying (McNiff 2013) that requires time and great involvement from the researcher. This author explains that researchers doing action research go through all these phases at some stage of their study, thus the process might take several years to be completed.

Some of the action research characteristics relate partly with my research, since I am working as an advisor of this CBO, and my study partially aims at improving a current practice by analyzing the ways in which this group has involved with stakeholders and by examining advantages and disadvantages in these relationships. Moreover, local knowledge (of the CBO members and stakeholders) is critical in my study and there is also a possible link between my findings and social practices that can be promoted or modified.

However, this approach will not be the main guide of my research, as there are certain elements of this method that do not fit with my study. For example, my involvement with the CBO is temporal and not happening in regular basis. Moreover, the group members are doing most of the work by themselves, and I only have an advising role in one specific project. In addition, my research does not go through all the phases mentioned by McNiff (2013) but it mostly focuses on the observing and describing stages.

### **3.3.2 Data collection**

My main role in this study is to do independent research on how PHAST Ujenzi engages and collaborates with its stakeholders, and to study how stakeholder theory fits when analyzing the stakeholder relations of this small CBO. As I am working for The Global Dry Toilet Association of Finland, supporting the enterprise development process of this group, I have the opportunity to be in contact with CBO members and some of its stakeholders in regular basis. Main collection of data was undertaken during a field trip of three weeks in Dar es Salaam, Tanzania, where I participated in meetings and workshops with PHAST Ujenzi members and its stakeholders. This field trip took place

from 14<sup>th</sup> of October 2014 to 9<sup>th</sup> of November 2014. I was partly working for the project on enterprise development, and I collected data while doing my work. Aaltio and Heilmann (2010) argue that in case study research, it is typical to use diverse ways to gather data. Thus, my main methods of data collection used were semi-structured interviews and participant observation.

For data collection, I was accompanied by an interpreter, Mr. Hezron Magambo, who translated from Swahili to English, and from English to Swahili. The interpreter is a Project Coordinator working in CCI. He has been supporting PHAST Ujenzi during the last eight months on tasks related with the construction and entrepreneurship project. Therefore, he has good knowledge on topics and issues discussed, so quality of translations was guaranteed. Nevertheless, some of the meetings and interviews were undertaken in English, so I did not need an interpreter in all circumstances when data was collected.

In addition, I recorded all interviews conducted and meetings attended. The workshops were partly videotaped. Field notes were collected during meetings, workshops, and other situations where PHAST Ujenzi interacted with other stakeholders. For data analysis, transcriptions of recordings were carried out.

#### *a. Semi-structured interviews*

I conducted semi-structured interviews with Phast Ujenzi members, and the four stakeholders I focus on in this research. Lee (1999, p. 62) argues that semi structured interviews “usually have an overarching topic, general themes, targeted issues, specific questions, and predetermined sequence for their occurrence”. Moreover, the same author mentions that in this kind of interviews, the interviewer can add different questions or seek for other issues as conditions dictate (Lee 1999).

In my study, I consider the use of this tool very important, as it served to inquire organizational members and stakeholders about different dynamics in their relationships. Questions were designed to ask about the evolution of stakeholder relationships, the different interests and intentions behind the establishment of these relationships, and the positive and negative experiences when engaging with each other. The semi-structured format of interview gave me the freedom to ask about additional issues and enquire further about potential issues or topics mentioned by interviewees.

I conducted five interviews in total involving PHAST Ujenzi members, and current stakeholders. As I was supporting the CBO business development during my research trip, I was able to meet with PHAST Ujenzi members and with selected stakeholders very often. Hence, arrangement of those interviews was relatively easy. Interviews lasted between forty and sixty minutes. The following actors were interviewed:

<b>NAME</b>	<b>POSITION, ORGANIZATION</b>
Mr. Tim Ndezi	Director, CCI
Mrs. Farida Kibwana	Leader, PHAST Ujenzi
Mr. Anthony Shio	Chairman, Sub-ward
Mr. Cristopher Alfonse Kajo	Secretary, Keko Youth
Ms. Zita Floret	Project Coordinator, Global Dry Toilet Association of Finland

***b. Participant Observation***

Participation and observation can be very useful when research studies focus on phenomena that is not well understood and that involves interpersonal interactions and interpretations (Waddington 1994). The stakeholder engagement processes of PHAST Ujenzi have not been studied so far, so this phenomenon is little understood. In addition, in order to study the dynamics of the relations of this group and its different stakeholders, I needed to consider interaction with CBO members and stakeholders, and also interpretation of their comments and attitudes when relating with each other. Therefore, participant observation was a very useful tool to be used in this study.

Additionally, participant observation was very convenient for this research as I was able to gain firsthand knowledge about the engagement of PHAST Ujenzi with its stakeholders, phenomena that is taking place in real world context, in real time, and without threat of distortions coming from post hoc verbal descriptions (Lee 1999).

When conducting participant observation, I was acting as an “observer as participant”. Lee (1999) describes this type of observer as a researcher that “participates as if he or she were an organizational member and his or her scientific intentions, role, and observational activities are public and not hidden” (Lee 1999, p. 99). In addition, the same author mentions that this kind of researcher can start personal relationships with members of organization and can conduct work together with them (Lee

1999). Following these ideas, I was observer as participant because I was participating in activities carried out by PHAST Ujenzi, providing support and ideas when needed. Therefore, I acted as a member for the period I was in the field doing data collection. In addition, I communicated to this CBO about my scientific purposes, so they knew that I was also collecting scientific data during activities.

I did observation in several meetings and workshops where we discussed about current and future activities of PHAST Ujenzi, the transformation of this group into a community-based enterprise and upcoming activities with current and potential stakeholders. I participated in these meetings and workshops by telling about my ideas and opinions on topics discussed, and by asking questions if there was something relevant I wanted to talk about. I took field notes of all topics discussed and of reactions of people involved in these activities.

Several actors participated in the workshops where I undertook observation. Most of participants in these workshops were members of PHAST Ujenzi, but some of its current stakeholders (local authorities, Keko Youth (NGO), CCI (NGO) attended as well. These were good opportunities to observe interaction of CBO with its stakeholders, and to talk about current dynamics and expectations. There were three workshops in total (four to five hours each). The workshops concerned topics on business understanding, identification of skills and weaknesses, and appropriate use of fertilizers.

On the other hand, meetings (one to two hours each) were between PHAST Ujenzi and its stakeholders. Meetings brought together this CBO with local authorities, Small Industries Development Organization, SIDO (institution providing entrepreneurship skills to small businesses), and a farmers group. All meetings concentrated on current and future cooperation. The following table summarizes the different occasions described above:

<b>SITUATION</b>	<b>PARTICIPANTS</b>
Workshop on business understanding	Phast Ujenzi members Chairman of Subward, Mr. Anthony Shio Keko Youth, two members CCI Project Coordinator, Mr. Hezron Magambo
Workshop on skills and weaknesses	Phast Ujenzi members

	Chairman of Subward, Mr. Anthony Shio Keko Youth, two members CCI Project Coordinator, Mr. Hezron Magambo
Workshop on use of fertilizers	Phast Ujenzi members Keko Youth, two members CCI Project Coordinator, Mr. Hezron Magambo
Meeting with local authorities	Phast Ujenzi leader, Mrs. Farida Kibwana Chairman of Subward, Mr. Anthony Shio Health committee member, Mr. Enru Kisalu Health committee member, Mr. Kulua kasin Health committee member, Mrs, Salma Said CCI Project Coordinator, Mr. Hezron Magambo
Meeting with SIDO	PHAST Ujenzi leader, Mrs. Husna Shechonge SIDO Training manager, Mrs. Beata Extension service manager, Mrs. Francisca Simons CCI Project Coordinator, Mr. Hezron Magambo
Meeting with Farmers group	Village Executive Officer and Farmers' Secretary, Mr. Saluum Ulala Chairperson and Farmer's Treasurer, Mr. Yahea Mnyengema Agricultural Officer and Farmer's member, Mrs. Cristina Frank Jafa Phast Ujenzi leader, Mrs. Farida Kibwana CCI Project Coordinator, Mr. Hezron Magambo

Observation was also carried out in other situations where PHAST Ujenzi interacted with stakeholders. For example, CBO leaders spent some time in CCI office to discuss about certain activities they are carrying out. We also visited the slum where PHAST Ujenzi works in regular basis, and I could participate in some discussions between PHAST Ujenzi and local authorities, Keko Youth members, and community members. The following is a list of other situations where data was collected:

<b>SITUATION</b>	<b>PARTICIPANTS</b>
Visit of PHAST Ujenzi leader, Husna Shechonge, to CCI office	PHAST Ujenzi leader, Mrs. Husna Shechonge CCI Director, Mr. Tim Ndezi CCI Project Coordinator, Mr. Hezron Magambo
Discussion of Project Coordinator, Hezron Magambo, with Phast Ujenzi members	CCI Project Coordinator, Mr. Hezron Magambo PHAST Ujenzi members
Visit to Keko Youth by PHAST Ujenzi	Keko Youth members PHAST Ujenzi members
Visits to disabled people in slum	PHAST Ujenzi leader, Mrs. Farida Kibwana Chairman of Subward, Mr. Anthony Shio CCI representative, Mrs. Stella Stephen CCI Project Coordinator, Mr. Hezron Magambo

### 3.3.3 Analysis plan

To analyze data collected I made use of the meaning condensation technique. Lee (1999) mentions that with this technique, researcher intends to abstract the most meaningful elements (themes) in the data collected. The same author mentions that this technique can be used in both interview and participant observation methods, so I used this technique for analyzing data collected from the semi structured interviews, and from observation during meetings and workshops.

First, I transcribed the interviews and organize field notes to start data analysis. Afterwards, I used the five different steps suggested by Lee (1999) for data analysis with the meaning condensation technique. First, I went through all transcripts and field notes to get an impression of the entire data set. Second, I identified themes or “natural meaning units” among all information collected. Lee (1999) mentions that these natural units can contain “sentence fragments, complete sentences, portions of paragraphs, or longer passages” (Lee 1999, p. 90).

The third step consisted in thematizing or defining the natural units found in the second step. This was done by giving a title or providing a description to explain what the unit is about. During the fourth step, the researcher intends to answer the question of “how each natural meaning unit fits with or informs the study’s research questions” (Lee 1999, p. 91); therefore, I linked the themes and meanings found with my research. Finally, I created a simple structure, by reducing worded natural

meaning units into a coherent and organized set of primary themes. This last step helped me to answer my research questions in a consistent and reliable way.

### **3.4 Trustworthiness of the study**

As my research is of qualitative type, I evaluate the trustworthiness of this study by using the concepts proposed by Given and Saumure (2008), who made a clear distinction between the criteria required in quantitative and qualitative research. Typically, qualitative studies are evaluated by using concepts such as generalizability, internal validity, reliability, and objectivity. However, the nature of quantitative and qualitative studies is very different. Therefore, Given and Saumure (2008) proposed concepts such as transferability, credibility, confirmability, and dependability as an alternative, considering that such terms embrace the essence of qualitative studies in a greater extent.

Transferability calls for a well-elaborated description of the scope of the study, so its applicability in other contexts (broad or narrow) can be evaluated and determined by other researchers (Given & Saumure 2008). Considering that this research focuses in one single community-based organization, the applicability of the findings in other contexts can be challenging. Nevertheless, it is possible to find alternative contexts where findings can be applied, considering that the studied CBO holds common characteristics to other groups and works in a social and geographical context that can be partially found in other areas. I also made use of literature when analyzing the collected data, so that also guarantees the possibility to apply the findings in other situations.

Credibility invites researchers to represent the data collected in an accurate way and to describe the subject matter as precisely and richly as possible (Given & Saumure 2008). In my study, the data provided was collected through interviews and observation. Therefore, I illustrate the data and subject matter of this research by selecting and presenting direct quotes, and by providing information based on my observational notes and literature reviewed, which ensures accuracy of the information presented. However, it was challenging to find literature on Stakeholder Theory applied in CBOs' context, so some of the theoretical implications have to be revised in other contexts to make sure conclusions are credible enough.

In words of Given and Saumure (2008) "confirmability reflects the need to ensure that the interpretations and findings match the data. That is, no claims are made that cannot be supported by the data". In the case of this study, findings were extracted after analysis of information collected in

interviews and participant observation. The sections of findings, discussion, and conclusion provide details on the data collected through those methods, so it is easy to notice the link between the information collected and the findings.

Finally, Given and Saumure (2008) argue that dependability means the need to describe and represent all procedures and tools used in the research, so that others could use the same instruments in similar contexts, and possibly get to similar conclusions. I carefully describe the methodology used in this research and all phases I have gone through to complete this study. Equally, I provide detailed information on the context and case of my research, so people interested in carrying out further studies can have complete information on this matter.



## **4. FINDINGS**

In this chapter, I will introduce the empirical results of the study. All findings presented were collected from semi-structured interviews to PHAST Ujenzi representatives and stakeholders, and participant observation in several meetings, workshops, and discussions with these actors. I illustrate the evidence of this research by selecting and presenting direct quotes, but also I will make use of the observational notes I collected in order to complete information provided.

In section 4.1, I will present the main stakeholders of PHAST Ujenzi, and explain how relationships started. In section 4.2, I will discuss on the forms of collaboration between this group and the selected stakeholders: Local Authorities, Center for Community Initiatives, Keko Youth, and Global Dry Toilet Association of Finland. Finally, in section 4.3, I will describe challenges in the relationship of PHAST Ujenzi with these selected actors.

### **4.1 Who are the stakeholders of PHAST Ujenzi?**

Understanding the way in which PHAST Ujenzi was established is the first step to identify some of the most important stakeholder relationships of this group. Therefore, I will present the process of creation of this organization, and based on interviews made and observation, I will describe the main events and the way in which stakeholders have started collaborating with this CBO.

PHAST Ujenzi is a community-based organization that was established in 2011 in a slum area of Dar es Salaam called Keko Machungwa. As explained in the previous chapter, this area has big issues concerning water, sanitation, waste management, and housing. Due to governmental incapacity to tackle these problems, community members started mobilizing already during previous years, in order to find solutions to these challenges. This community members were supported by a local NGO, Center for Community Initiatives (CCI) and also by local government authorities, who gave advice and some resources to community members, for them to start organizing themselves and thinking of strategies to find ways to address these problems.

In interview with Mrs. Farida Kibwana, leader of PHAST Ujenzi, she explains that this group was established after a sanitation research that was supported by local authorities through the Health Committee, and by CCI. This research was conducted by a local CBO called PHAST Mazinguira,

who had been working on environmental cleanliness and waste management issues. Such study had as main goal to find out about the sanitation conditions of the inhabitants of Keko Machungwa:

*“So in cooperation with the local government through the health committee, PHAST Mazinguira did a research which was funded by CCI. 920 houses were visited. This research revealed that there was a big problem of poor sanitation systems, especially sanitation facilities, so toilets were in very poor condition, and majority of people had very bad toilets. The research also revealed that people don't have money to construct new toilets”* Farida Kibwana, leader Phast Ujenzi

After this research, PHAST Mazinguira, local authorities and CCI, noticed that it was necessary to create a new community-based organization, dedicated exclusively to sanitation issues:

*“There was a need for having local technicians who would construct low cost toilets and with locally available materials, at least to cover the need for the poor living in informal settlements, so a group, PHAST Ujenzi group was developed with some members from PHAST Mazinguira and some other members recruited from the community”* Mrs. Farida Kibwana, leader PHAST Ujenzi.

Therefore, PHAST Ujenzi was established with support from other actors. From the previous data, local authorities and an NGO, Center for Community Initiatives, can be identified as stakeholders of PHAST Ujenzi, both actually participating directly in its creation. PHAST Mazinguira is also a stakeholder; this group provided human and knowledge resources to PHAST Ujenzi in the beginning. Currently, the group still operates in the same slum and it meets often with PHAST Ujenzi to exchange experiences or to support each other in certain tasks.

Both PHAST Mazinguira and PHAST Ujenzi make part of the Tanzania Federation of Urban Poor. This is a platform where other similar CBOs working on urban issues, interact and exchange knowledge. Thanks to this federation, PHAST Ujenzi meets with other CBOs from Dar es Salaam or from other cities in Tanzania to exchange experiences and receive peer support.

Moreover, the Tanzania Federation of Urban Poor belongs to an International Organization, Slum Dwellers International, SDI. The main goal of this organization is to connect CBOs from different countries that are planning and implementing solutions to their Urban Challenges. This organization works in partnership with big established local NGOs. In this case, SDI works closely with CCI, and it filters information and resources through this organization. Some of the values and work strategies

of PHAST Ujenzi come from this organization, which makes its role increasingly influential. However, the biggest benefit that PHAST Ujenzi gets for relating with SDI is the opportunity to attend networking events where this CBO can meet with CBOs from other countries. During these meetings, CBOs exchange experiences, get feedback of their current work, and come up with innovative ideas to be implemented in their local contexts.

For example, Mrs. Husna Shechonge, leader of PHAST Ujenzi, has attended several meetings where she can discuss, and exchange information with representatives from other CBOs. These meetings do not only happen in Tanzania, but they can take place in other countries that face similar challenges. As mentioned above, international exchanges are possible through SDI, as this organization has the information and networks to make meetings happen.

Continuing with the identification of other stakeholders, Mrs. Farida Kibwana affirms, “*Other stakeholders are the community themselves*”. Community is at the center of PHAST Ujenzi activities. In this context, community is understood as all people who benefit from the activities carried out by PHAST Ujenzi. They have big interest in the plans and long-term goals of this CBO, and they can also contribute to the planning and implementation of group’s activities.

On the other hand, once PHAST Ujenzi started operating as a CBO, the group has been able to build relationships with other actors during the last years. For example, PHAST Ujenzi collaborates with a small, local NGO called Keko Youth that gives support to young men who are recovering from drug consumption. In 2012, PHAST Ujenzi invited members of Keko Youth to participate in construction activities and to be part of other sanitation related projects. As a result, their collaboration has nurtured and gained strength.

In addition, this CBO has initiated relationships with the media. These relationships are not yet matured and they have mostly been triggered by CCI. However, PHAST Ujenzi is starting to recognize the important role that these stakeholders have, and members have shown interest to get this relationship stronger. In particular, TV and newspapers have been interested in the activities of this CBO. For instance, in 2014, a TV news channel, TV1 made two reportages about the work that PHAST Ujenzi has started on dry sanitation (TV1 Habari, 2014). There were also articles published in different newspapers, telling about this group’s goals and current endeavors. These examples show the beginning of a relationship that can develop and get stronger in the coming years.

Moreover, as the group does construction activities mainly, suppliers of construction materials also started relating with this CBO. Although there are several suppliers of this type, PHAST Ujenzi has not yet built solid relationships with any. This is partly due to the big number of suppliers of construction materials and the need of PHAST Ujenzi to put down the price as much as possible. Thus, PHAST Ujenzi is obliged to look for suppliers that sell materials at the lowest cost and to change supplier whenever a better offer is found somewhere else.

Furthermore, PHAST Ujenzi has also started collaboration with international organizations. For instance, WaterAid, an international charity, started collaborating with PHAST Ujenzi in 2013. According with Mrs. Kibwana:

*“WaterAid met Phast Ujenzi as a community group, and Water Aid wanted to work with PHAST Ujenzi in pit emptying business so they gave us a loan to buy a gulper. WaterAid went to municipality to ask about our group, and municipality recommended”* Mrs. Farida Kibwana, leader Phast Ujenzi.

This relationship was also supported by CCI, who backed up the loan that WaterAid made to PHAST Ujenzi. Currently, PHAST Ujenzi is paying off the loan to this international organization. These actors do not have any other common activities, so influence of WaterAid on this CBO is not so big.

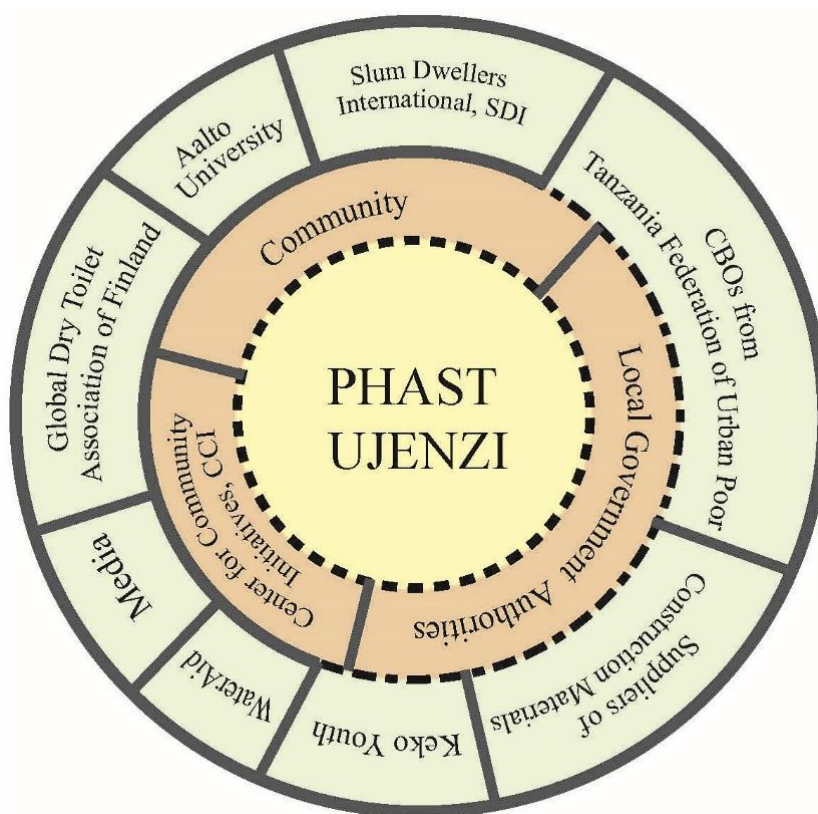
Additionally, PHAST Ujenzi started a relationship with students from Aalto University, from Helsinki, Finland, in 2013. CCI and professors from this school had agreed to bring a group of students who could help PHAST Ujenzi to come up with solutions to address their challenges. This group of students worked during some months with PHAST Ujenzi and CCI, and came up with a project that aimed at spreading dry sanitation facilities in the community and at building a social business.

To finance this project, students from Aalto University partnered up with a Finnish NGO, the Global Dry Toilet Association of Finland, a Finnish organization specialized in sanitation issues. With the help of this Finnish organization, it was possible to receive financing from the Finnish Ministry of Foreign Affairs, so implementation of project became feasible. Since 2014, a project on dry sanitation and business development has started in collaboration with CCI, PHAST Ujenzi, and the Global Dry Toilet Association of Finland. Thus, this Finnish organization turned into a stakeholder of PHAST Ujenzi and it is expected that relationship can be maintained for several years.

The relationship between this CBO and Aalto University still exists as there have been some other students who have collaborated on the implementation of group activities. Additionally, project coordinators in the Global Dry Toilet Association of Finland are still studying in this university, so resources such as information and knowledge (e.g. knowledge of a professor on architecture or business) are sometimes used for the benefit of this CBO. However, Aalto University influence on PHAST Ujenzi's operations is not high, and relationship has not developed further during the last months.

The following map shows the stakeholders of PHAST Ujenzi identified above. I partly based this map on the stakeholder model proposed by Freeman et al. (2008). In the first level, I represent those stakeholders that relate directly with PHAST Ujenzi, and whose influence on the group activities is high. The dashed line indicates the direct type of relationship that these actors have with PHAST Ujenzi. In the second level, stakeholders with less influence on PHAST Ujenzi are represented. Once again, the dashed line indicates the direct type of relationship. When line is not dotted, actors represented relate with PHAST Ujenzi through other stakeholders, so relationship is not direct.

**Figure 5**  
**The stakeholders of PHAST Ujenzi**



## **4.2 Forms of collaboration**

In this subsection, I concentrate on analyzing the relationships of PHAST Ujenzi with four different stakeholders: Local Authorities, Center for Community Initiatives, Keko Youth, and Global Dry Toilet Association of Finland. Local Authorities and Center for Community Initiatives are very important for this CBO and have influenced all CBO activities in a great extent since the very beginning; the latter two actors are less influential, but they have gained great importance for PHAST Ujenzi during the last year. As mentioned previously, my findings are based on interviews and on my observations of different situations.

### **4.2.1 Local authorities**

As described above, the relationship between PHAST Ujenzi and local authorities is longstanding. To understand their relationship, it is important to comprehend the way how government is organized in Tanzania. The structure of the Tanzanian government consists in four levels:

- The sub-ward government is at the bottom, and this is the one in direct contact with inhabitants living in the different neighborhoods of the cities.
- The ward government is in the second level, where government officials and executive officers work.
- The municipality or district government constitutes the third level, and health officers, education officers, community development officers and water officers make part of it
- Lastly, the central government is on the top level.

Usually, the local sub-ward government represents ward and municipality level. The sub-ward executive officer reports to the ward executive officer and the ward executive officer reports to the director of municipality.

As PHAST Ujenzi is a CBO working in a specific neighborhood of Dar es Salaam, it relates directly with the government at the sub-ward level. Local authorities in Keko Machungwa report to the government at ward level who at the same time reports to the municipality. In the same way, sub-ward level receives guidelines and support from the upper governmental levels.

When Mrs. Farida Kibwana, leader of PHAST Ujenzi, was asked about their relationship with the local authorities she explains that:

*“When you are a community based organization you have to be recognized at the sub-ward level so we started by introducing ourselves to the chairperson and to the sub-ward executive officer. And the relationship that exists is, that there is nothing that can be done within the sub-ward without informing the sub-ward authority. So, every activity, every project that we are doing we have to inform the sub-ward so the sub-ward is aware of all the activities that are implemented by PHAST Ujenzi in Keko Machungwa. For example, before constructing a toilet to any person, forms need to be signed by local government like a contract form”* Mrs. Farida Kibwana, leader PHAST Ujenzi.

From this information, it is easy to realize the big importance of local authorities for PHAST Ujenzi. PHAST Ujenzi informs the sub-ward local authorities about their plans and their activities. If they are starting a new project in the slum, they have to consult first to the local authorities. It is also common to visit local authorities when PHAST Ujenzi is bringing outsiders to help with some activity. Mr. Anthony Shio, chairman of the sub-ward explains further this idea:

*“Whatever happens within our locality we have to take responsibility, if PHAST Ujenzi constructs a toilet and then the toilet collapses, someone dies within the toilet, or breaks a leg in the toilet, the local government authority will be questioned. If PHAST Ujenzi is saying what they are doing, and local government approves, we then know what is happening, we can be more aware and respond better. For example, if someone is visiting a certain group within the sub-ward, it is better to inform the local government authority, for your own safety, and the safety of everyone within the sub-ward”* Mr. Anthony Shio, chairman of the sub-ward.

I have witness this process both as a student of Aalto University, and as a Project Coordinator in the Global Dry Toilet Association of Finland. Every time we went visiting Keko Machungwa, we were first introduced to local authorities, and we had to tell briefly, what our intentions were. In addition, when we planned the project to build dry toilets, local authorities had to receive information about this and agreed with it. The connection between local authorities and community is big, and due to the community type of work that PHAST Ujenzi undertakes, all its plans and activities have to be approved first through local authorities.

Local authorities also collaborate with PHAST Ujenzi, by informing people from the community about the existence of this CBO, and by convincing households of their acute need to renovate or build a toilet. In meeting with the local authorities, Mr. Kulua Kasin, Health Committee member, explains that *“local authorities encouraged other people to construct new toilets through the health committee”*. The chairman of the sub-ward gives more detailed information about this:

*“When PHAST Ujenzi members go to community and community doesn't understand them, the local government stands for them and explains to the community that these people are important. For example PHAST Ujenzi might come to you and they see that you have a need for a toilet and you say no I don't want; so the local government is there to provide education to community, try to make the community understand that need is real. Sometimes we go to the field together with PHAST Ujenzi trying to make group well known to the community. So when people see the presence of the authority, then they say OK, as our leaders are here, we can cooperate”* Mr. Anthony Shio, Chairman of Sub-ward.

In this way, local authorities ease the implementation of PHAST Ujenzi activities. Sometimes, community cooperates more easily when local authorities intervene and support openly the CBO actions and appreciations. For instance, when I was visiting Dar es Salaam, PHAST Ujenzi conducted a research on the sanitation conditions of people with disabilities. This research was promoted by CCI and the Global Dry Toilet Association of Finland. The first step to conduct such research, was to inform local authorities. Afterwards, local authorities decided to join PHAST Ujenzi in the process, so community members could be aware that such research was also supported by the government, and they could therefore answer without major concerns.

Furthermore, as explained by Mr. Shio, sub-ward chairman, *“local authorities give advice to PHAST Ujenzi on the right way to do things, also we make sure that CBO's activities are according to the laws”*. This is also a very important activity in their relation. Local authorities are more aware of government legislation, as well as the situation of the inhabitants of the informal settlement where CBO works. Therefore, PHAST Ujenzi receives continuous advice from them, and their communication is vital for the success of CBO's activities.

On the other hand, local authorities benefit greatly from the collaboration with PHAST Ujenzi. The work of this CBO benefits the community, and the ultimate goal of the local authorities is to promote the wellbeing of community members. In this way, local authorities ensure that slum dwellers



increase the quality of their lives and overcome their problems, by collaborating with groups like PHAST Ujenzi, who mobilize resources and implement activities such as construction work for the wellbeing of the community.

In addition, PHAST Ujenzi helps local authorities to start relationships with other actors like CCI that can also collaborate to achieve their goals. Mr. Shio explains:

*“Our relationship with PHAST Ujenzi is very important because the group is a link between the local government and other stakeholders like CCI for example. For instance, the local government can’t send a request of toilet construction directly to CCI, our requests and information usually go through PHAST Ujenzi, as this CBO is closely related to this NGO”* Mr. Anthony Shio, Chairman of Sub-ward.

These forms of collaboration reflect on the way they communicate and work together. The following is a brief explanation of Mr. Shio on this topic:

*“Whenever PHAST Ujenzi has something, for example workshops or visits to people living in the slum, they inform the local government, and provided of the opportunities, then we support them and participate in the activities. So, sometimes, PHAST Ujenzi informs us, and we take the initiative to go with the group and participate directly, like for example I have participated in workshops and trainings or I go to visit some people together with the group members. We have also meetings, and we participate together in some events”* Mr. Anthony Shio, Chairman of Sub-ward

Local authorities collaborate constantly and directly with PHAST Ujenzi. They participate themselves in CBO’s activities whenever it is possible, and they also give advice to guide the group on the planning and implementation of their different projects. As local authorities work in the same area where PHAST Ujenzi operates, their communication is continuous, it involves personal contact or use of phone, and they rarely use other means of communication such as post letters or e-mail.

#### **4.2.2 Center for Community Initiatives (CCI)**

Center for Community Initiatives is a non-for profit organization, which was established in 2004 by Tanzania professionals. Its vision is to improve the quality of life of all people living in Tanzania particularly women living in informal settlements by providing support to savings and credits, land

and shelter, water and sanitation and HIV/AIDS. The strategic goal of CCI is to empower local communities to initiate local based sustainable solutions that address their environmental and infrastructure challenges (CCI 2014).

As mentioned in the previous sub-section, CCI has collaborated with PHAST Ujenzi since the very beginning. CCI participated directly in the mobilization of community members, and gave support so they could organize this CBO, but this NGO had previously undertaken this type of work with other CBOs that belong to the Tanzanian Federation of Urban Poor. Mr. Tim Ndezi, Director of CCI explains:

*“CCI operates with different Community Based Organizations which make part of the federations. Now, particularly in Keko Machungwa, there are federation groups which are operating there and they are doing quite a number of activities, such as savings and credit systems, numeration and profiling. CCI initiated all these activities in many settlements. We start by establishing the saving skills. The second step, is to conduct profiling, mapping and numeration, and the third step is to create ways to address the issues found in second phase. Now, in the case of PHAST Ujenzi, we promoted its creation after conducting the research. So, PHAST Ujenzi is our baby in a way, it was founded out of our general activities”* Mr. Tim Ndezi, Executive Director of CCI

From the previous information, one can realize the important role that CCI had in the creation of PHAST Ujenzi. CCI has large experience mobilizing other CBOs to carry out similar activities. At this stage, it is important to question how much the community participated in this process. Mr. Ndezi continues with his explanation:

*“It was an initiative from the community but someone had to trigger the process, so CCI triggered and mentored and nurtured the process until it reached that stage. But the thing is, when we formed all these initiatives, it is not our intention to continue holding them and managing them hundred percent. No, we give them flexibility, we open opportunities for them, so that they are able really to get more opportunities, that is why PHAST Ujenzi also got some contracts with WaterAid to do the pit emptying for example”* Mr. Tim Ndezi, Executive Director of CCI.

As follows, CCI has been a guide for PHAST Ujenzi to plan and implement sanitation related activities. Mrs. Farida Kibwana, leader of PHAST Ujenzi complements:

*“So CCI has supported PHAST Ujenzi in their activities, CCI has built skills and knowledge in this group and also in the rest of federation groups. CCI has also provided several training to us. For instance, CCI has given us skills to collect data and information in the research, like using tools like GPS, doing activities like data entry in the computers. We never learnt those things because we have never been to school but through CCI now they can be able to use such tools”* Mrs. Farida Kibwana, leader of PHAST Ujenzi.

Thus, CCI has also provided capacity building trainings so PHAST Ujenzi members have increased their knowledge and skills in different topics related to the sanitation activities. Training in construction has also been one of the key activities provided by CCI. Mr. Ndezi, mentions another example of capacity building that CCI has supported:

*“Capacity building happens for example through the exchanges. Someone like Husna Shechonge, leader of PHAST Ujenzi has acquired a lot of experience and knowledge during the last two, three years, because we gave her the opportunity to travel to many countries, she has been to Namibia, she has been to Kenya, she has been to Uganda, to South Africa, learning from other federation groups”.* Mr. Tim Ndezi, Executive Director of CCI.

Besides guidance and capacity building, CCI serves as a bridge between PHAST Ujenzi and other stakeholders. Mrs. Kibwana explains *“CCI has served PHAST Ujenzi to meet other stakeholders, connect our CBO with other stakeholders, local government, and municipality”*. In the case of municipality, Mr. Ndezi also adds:

*“PHAST Ujenzi needs a partner organization for certain activities, because the government sometimes wouldn't trust very much on these small community based organizations, so we can help to bring the ideas and plans of this CBO to be considered by municipality, by the ministries, the bigger authorities”* Mr. Tim Ndezi, Executive Director of CCI.

Mr. Ndezi provides another example of this bridging component:

*“PHAST Ujenzi got a lot of contracts with WaterAid but this kind of international organization wouldn't go to a community without really knowing who those people are. However, they know us, so they could ask from us about the group, and we gave recommendation”* Mr. Tim Ndezi, Executive Director of CCI.

CCI also served as a bridge between PHAST Ujenzi and Aalto University in 2013, when students from this school traveled to Dar es Salaam, to work together with this CBO. In addition, CCI is a bridge between PHAST Ujenzi and the Global Dry Toilet Association; in this case, CCI serves as a communications and resources channel of a project that aims at increasing capacity of this group and triggering the creation of a Community Based Enterprise.

As CCI is a well-established NGO, with more capacity and more resources, it is easier for them to relate with international actors and communicate with highly educated people. At the same time, CCI operates at the local level, so they have great knowledge on the situation at the grassroots. Therefore, their information is highly appreciated by bigger organizations who do not have the capacity to comprehend all the dynamics occurring at the bottom of the pyramid.

Furthermore, Mrs. Kibwana mentions “*CCI supports PHAST Ujenzi financially*”. CCI provides and channels financial resources to PHAST Ujenzi so they can carry out their activities, but it also encourages savings among the group, so there is also a separate fund that they can use to afford some of the groups expenses. Whenever there is an international organization that wants to fund this CBO’s activities, CCI distribute such funds, and also manages the budgeting and reporting. Mr. Ndezi elaborates more in this idea:

*“They are continuing their planning, they are implementing, but for certain kind of activities they need a partner organization.... the issue of control and ensuring that everything goes well is very difficult, that is why many international organizations prefer to work with a big organization which can be able to report, because you need to do proper accountability and all those kinds of things. I know it is time they can reach that, but we are still giving direct support on this matter”*. Mr. Tim Ndezi, Executive Director of CCI.

Finally, CCI has also benefitted from the relationship with PHAST Ujenzi. This collaboration increases the capacity of CCI in a great extent, because it gives the opportunity for this NGO to know deeper the conditions at the grassroots level, and to gain local knowledge on different aspects. For instance, the work that CCI has carried out with PHAST Ujenzi has trigger ideas that this NGO has also implemented in other areas of Dar es Salaam, or in other cities in Tanzania. Likewise, as CCI acquires more experience, information and knowledge on the local conditions, its value for national and international donors and organizations increases. Therefore, CCI is able to link with other actors,

and to increase the number of supporting stakeholders, such as it happened with Aalto University and the Global Dry Toilet Association of Finland.

### **4.2.3 Keko Youth**

Keko Youth is a local NGO operating in Keko Machungwa. The group started in 2011 and registered in 2014. Their main goal is to help young men to recover from drug abuse and to start activities to increase their quality of life. The group started with 10 members but throughout the time number has increased, so they are 45 members nowadays. The group gives advice to youth about how to treat drug abuse, and also undertakes income generation activities such as chicken rearing, fish rearing pond, and gardening.

The relationship between Keko Youth and Phast Ujenzi started in 2012. Mr. Cristopher Alfonse Kajo, Secretary of Keko Youth organization, explains further, how these groups started to collaborate:

*“The relationship between PHAST Ujenzi and Keko Youth started when our sister Husna came to our group and told us about the existence of PHAST Ujenzi and CCI. She explained that PHAST Ujenzi was interested in recruiting some of our group members to undertake construction activities, so we accepted, and since then, we have been helping each other. Few members of our group are participating in construction activities of PHAST Ujenzi”* Mr. Cristopher Alfonse Kajo, Secretary of Keko Youth organization.

In 2014, a sanitation project implemented by PHAST Ujenzi and supported by CCI and The Global Dry Toilet Association of Finland, provided more grounds to strengthen this relationship. This project included the construction of a semi-public toilet that would serve as learning experience for PHAST Ujenzi members as well as an example to the community of good quality and well-functioning sanitation facilities. For this, PHAST Ujenzi needed a big space of land that could be easily reached by community members, so Keko Youth provided this area, as they own a big piece of land, which is located in the heart of Keko Machungwa.

Thus, collaboration between PHAST Ujenzi and Keko Youth has increased considerably since July 2014. Keko Youth members collaborated in the construction of this semi-public toilet and they have been receiving visits from community members and other stakeholders who are interested in the toilet. This group benefitted from the construction of the toilet, as it is being used by all group members,

and they have also started gardening activities thanks the toilet technology that allows urine harvesting which can be used as fertilizer. Mr. Kajo complements this by saying that:

*“Since we started collaborating with PHAST Ujenzi, we started to get some income which comes from our members who participate in some construction activities. Education is another change, because most of our members had no education, so since we joined PHAST Ujenzi, they have gotten construction and business trainings. Collaboration has also helped to advertise our group and activities, because there are other members going to other sites to advertise our group and activities”*

Mr. Cristopher Alfonse Kajo, Secretary of Keko Youth organization.

Likewise, PHAST Ujenzi has benefitted from having Keko Youth’s help for implementing activities. Keko Youth’s members participate in construction of toilets. This NGO has also provided feedback on the toilet that was built on their land, and they help advertising and providing information about the toilet and PHAST Ujenzi to other people from the community. Currently, there are four members of Keko Youth who attend continuously all trainings and activities of PHAST Ujenzi. These four members provide help in all activities that this CBO plans. Other members of this NGO collaborate in case there is need to have more construction workers on the site. Mr. Hezron Magambo, Engineer from CCI explains this further:

*“Members of Keko Youth who belong to PHAST Ujenzi are becoming permanent members. So there will be four of them, two technicians, and two leaders. Then, these four members who are permanent, they have double membership, they are both PHAST Ujenzi and Keko Youth”* Mr. Hezron Magambo, Engineer CCI.

On the other hand, communication channels between these two groups are influenced by their location. Since both groups operate in same informal settlements, they hold meetings or call by phone. Moreover, both groups communicate during trainings and events organized by CCI or other stakeholders.

#### **4.2.4 Global Dry Toilet Association of Finland**

This relationship is strongly linked with the relationship between PHAST Ujenzi and Aalto University. In 2013, students from Aalto University participated in a course called City in Transition, where they worked with small CBOs in Dar es Salaam, to help them to find innovative ways to

overcome their issues. Aalto University could reach these grassroots CBOs thanks to the relationship with CCI, who provided all relevant information about the local context and bridged Aalto students with the local groups.

I belonged to the group of students who started working with PHAST Ujenzi on sanitation related matters. Our main goal, was to find a strategy to decrease the price of the toilets built and to ensure that CBO could scale up their activities sustainably. We worked on this task together with CBO during the first five months of 2013, and asked different organizations and companies for advice on what could be implemented in the local context of Dar es Salaam. We approached The Global Dry Toilet Association of Finland to receive advice on sustainable sanitation technologies. Mrs. Zita Floret, former member of this student group and current Project Coordinator in this Finnish organization explains further:

*“The Global Dry Toilet Association of Finland comes into the story just before we went to Tanzania to meet PHAST Ujenzi. We met with one of the Project Managers of this organization, Sari Huuhtanen, and she gave us some advices. Once we came back from Tanzania, and finished the school project, we decided to implement it for real. To make it a reality we thought we could apply for funding to The Ministry of Foreign Affairs and we did this through The global Dry Toilet Association of Finland”* Mrs. Zita Floret, Project Coordinator, Global Dry Toilet Association of Finland.

Therefore, once the student course ended, we got involved with the Global Dry Toilet Association of Finland, and we planned a project with the support of CCI and PHAST Ujenzi. This project focused on business development and on construction of dry sanitation facilities. All project activities are directly related with PHAST Ujenzi who are getting trainings to build dry toilets and to develop their own enterprise. The project was accepted by the Finnish Ministry of Foreign Affairs for a period of three years, and it initiated in 2014.

Once the project started, we got hired by the Global Dry Toilet Association of Finland. We are in charge of coordinating project activities in close contact with CCI. In addition, we, as part of this Finnish organization, give advice on how to implement certain activities, and follows progress to make sure that funds are used correctly. The funds to implement project activities do not go directly to PHAST Ujenzi, but they are channeled through CCI who is in charge of guiding CBO on the construction activities and providing training and advice.

Coordinators at the Global Dry Toilet Association of Finland travel between four and five times every year to provide training to both CCI and PHAST Ujenzi. Usually, coordinators monitor activities and give advice and ideas on the implementation of certain tasks. These trips are very beneficial because it is the best opportunity for coordinators to get in close contact with PHAST Ujenzi. Mrs. Floret comments on this:

*“Well, when we went first through the school programme we didn't get to know PHAST Ujenzi members much because we only visited them few times and then there was almost a year without any contact with them, all we knew from them was through CCI. Then during 2014 we have traveled some other times and we have gotten to spend time with them, get to know them, we could see their problems, so bit by bit you start getting more involved with them and you get to understand some things more deeply”* Mrs. Zita Floret, Project Coordinator, Global Dry Toilet Association of Finland..

With this new relationship, PHAST Ujenzi has been able to acquire more skills on construction techniques and also knowledge on entrepreneurship. The group has increased the number of toilets built and community is recognizing group members better. It is expected that by the end of the project, PHAST Ujenzi owns a social enterprise that would provide sanitation services to the community and would sell fertilizers to farmers and people interested in gardening.

Additionally, the Global Dry Toilet Association of Finland is very interested in maintaining this relationship, as this is a way to scale up the number of dry sanitation facilities in the world. It is also a way to increase awareness on the importance of sustainable sanitation technologies and to spread information about good quality and low cost sanitation alternatives.

#### **4.3 Challenges in the collaboration between CBO and its stakeholders**

As described in previous sub-sections, PHAST Ujenzi has initiated and nurtured diverse relationships since the group was established. These collaborations with different actors have been beneficial for the CBO, and they have brought many benefits to all parts involved in the relationships. Nevertheless, there are also certain challenges that need to be addressed in order to ensure collaborations are constructive and beneficial. In this sub-section I will describe challenges found in the relationships of PHAST Ujenzi with selected stakeholders. I will explain these challenges based on interviews made and observation notes taken during different situations.



### 4.3.1 Local authorities

When PHAST Ujenzi members and Local Authorities' representatives are asked about challenges in their relationship, nothing really comes up from the answers. For instance, this is what Mrs. Kibwana from PHAST Ujenzi answered to a question inquiring about problems/issues in the relationship with local government authorities: *“There are no challenges. The reason why there has not been challenges is because the chairperson of Sub-ward joins to several of the activities we carry out, so everything has been easier”*. Likewise, Mr. Enru Kisalu, Health committee member, answers in similar way: *“We have been cooperating very well with PHAST Ujenzi and we are living like a community here so it is hard to highlight the challenges in this relationship”*.

Nonetheless, further discussion is needed to be able to identify and mention possible challenges. In addition, problems in the relationship between these two actors were identified by other stakeholders of PHAST Ujenzi, and it was also possible to recognize certain issues while spending some time together with CBO members or local authorities' representatives.

One of the major challenges was highlighted by Mr. Tim Ndezi, Director of CCI. As CCI has accompanied PHAST Ujenzi since it was created, it has good understanding of all relationships of this CBO. Mr. Ndezi talked about how Local Government Authorities use the relationship with PHAST Ujenzi, to achieve individual political objectives:

*“I think the challenge with the local authorities that I can really perceive over there is that sometimes you have those local authorities that want to use the work of the CBOs for their political case. That is the thing that I always notice. Some of the local leaders they can really use some of the work of CCI or Phast Ujenzi to convince people to vote for them; they say oh it is because of me! That is why you need to vote for me”* Mr. Tim Ndezi, Executive Director of CCI.

This is partly happening with PHAST Ujenzi although it has not yet affected the group profoundly. Local authorities try to participate as much as they can in CBO activities where they are exposed to the public. Whenever PHAST Ujenzi is opening a new toilet or taking foreign visitors to the slum, there is a representative of the Sub-ward accompanying the group. This can be positive in the way that community sees that CBO is strongly supported by government authorities. However, it can also take away the prominence of the work of PHAST Ujenzi, whenever local authorities, following egotistic political goals, do not communicate clearly that CBO is the actual implementing actor.

Another challenge related also with political matters, concerns the threat that PHAST Ujenzi has of being involved in a conflict of interests between different government parties. Sometimes, certain opposition parties might think PHAST Ujenzi supports directly the ruling government party because it collaborates deeply with local authorities. This can be negative when the opposition party comes to power, as they might not want to work with groups that supported their rivals. Mr. Ndezi explains this idea further:

*“So, managing political games, is also very important, and it is a challenge because you need to have the tactics on how to do that. It is necessary that PHAST Ujenzi states clearly that they are ready even to collaborate with opposition because opposition parties and national parties is not really part of their agenda”* Mr. Tim Ndezi, Executive Director of CCI.

Following Mr. Ndezi’s ideas, it is also crucial for PHAST Ujenzi to learn about these political issues, to guarantee continuity of activities. In case there was a ruling party that would not want to collaborate with this CBO, the planning and implementation of activities would be highly threaten, which would affect not only this group but the whole community.

On the other hand, Mr. Anthony Shio, Chairman of Sub-ward, highlighted a challenge regarding the reputation of local authorities whenever PHAST Ujenzi fails to accomplish a task:

*“For example the two toilets that are being constructed now, the slow process of constructing is a challenge, because people expect that you finish construction in one week and if it delays they ask local authorities and we are failing to explain to people why it is slow and all that”* Mr. Anthony Shio, Chairman of Sub-ward.

This can become in a serious challenge if delays happen frequently and if PHAST Ujenzi fails to comply with its commitments. It seems government authorities have not been able to talk about this issue with CBO members, as nobody mentioned this challenge when we hold a meeting together with both actors. Nevertheless, this CBO has been able to deliver good and on time results most of the time, and this might be partly why this issue has not been brought up to discussion.

Finally, I could identify a challenge concerning access of government funds. There is no doubt that PHAST Ujenzi has been highly supported by local authorities. However, this support has never translated into monetary aid. Whenever I asked different government representatives, they explained

sharply that government does not have financial resources and it is not possible to support group with any funds. PHAST Ujenzi members seem to know this information clearly, and they do not really bring this fact into question. Nevertheless, there might be a time when this CBO is in big need of monetary support, and this could highly threaten their relation with the government if this actor is totally reluctant to contemplate such a possibility.

#### **4.3.2 Center for Community Initiatives (CCI)**

When identifying challenges in the relationship between PHAST Ujenzi and CCI, the experience was somehow similar than in the previous case. It was hard for CBO members and CCI representatives to highlight problems. The following is an example of the answers gotten during interviews where this topic was inquired:

*“On the side of challenges, I can’t see the challenges on this relationship with CCI because whenever we are in trouble we call for help to CCI”* Farida Kibwana, leader PHAST Ujenzi.

Nevertheless, one issue regarding the independence of PHAST Ujenzi came up during interviews and discussions. At first sight, CCI appears as an organization that has been supporting this CBO in a great extent. CCI provides PHAST Ujenzi the possibility of acquiring knowledge, skills and financial resources to carry out their activities. Their relationship has been in a way paternalistic and this could be identified during interview with CCI director, Mr. Tim Ndezi, when he affirms *“PHAST Ujenzi is our baby in a way, it was founded out of our general activities”*.

The question on this issue is whether this paternalistic relationship can negatively affect the possibility of PHAST Ujenzi as a group that undertakes all intended activities independently. Therefore, it would be necessary to ensure that this CBO has enough capacity to run everyday activities and to operate even if CCI would not exist. However, this is a topic that seem not to worry PHAST Ujenzi, and Mr. Kibwana, group leader leaves this message very clear:

*“If it happens that CCI goes away, PHAST Ujenzi won’t die, because we have already the skills that were given to us by CCI, but then also we are doing savings as part of the federation, we are day to day doing savings. So PHAST Ujenzi would not die, we would be able to move on and sustain ourselves”* Mrs. Farida Kibwana, PHAST Ujenzi leader.

Likewise, CCI representatives believe PHAST Ujenzi has gotten enough skills to act independently. However, the director of this organization recognizes there are certain things CCI is still taking care of, and accepts it would be ideal to pass on full responsibility to the group as soon as possible:

*“PHAST Ujenzi can do their things and there is no problem, they are continuing their planning, they are implementing, they are doing everything. But for certain kind of activities you need a partner organization. For example the budget for PHAST Ujenzi, we can't just give it within their account so that they can implement everything themselves, because there is an issue of control. Ensuring that everything goes well is very difficult, that is why many international organizations prefer to work with a big organization which can be able to report, because you need a report for them, and you need to do proper accountability and all those kinds of things. I know it is time they can reach that. Once they really reach the stage of the capacity to really be able to implement the things themselves we can allow them to continue without any problem, and that is my dream actually. I would be very happy, if they could do everything, reporting, doing negotiations, mobilizations, that is my dream”*  
Mr. Tim Ndezi, Director CCI.

On the other hand, there have been issues regarding communication. Even though CCI has collaborated with PHAST Ujenzi since the very beginning, communication flow has sometimes been threaten whenever there are not sufficient and suitable human resources to ensure messages and information circulate appropriately.

CCI is an NGO that relates with several CBOs, NGOs, government institutions and other types of entities. This organization does not only work in Dar es Salaam, but it actually operates in many parts of Tanzania. Therefore, it is always necessary to have human resources who dedicate specifically to certain projects and activities. In case of PHAST Ujenzi, there is usually one or two people who visit the group regularly to support the members, and to ensure that activities are being implemented accordingly.

However, sometimes information has not passed accordingly. Occasionally, PHAST Ujenzi has not been able to communicate doubts or questions on some training received or on some construction activity that has to initiate. In these situations, there can be problems in the way how activities are implemented; for instance, construction of sanitation facilities could have some fallacies, or group could not be able to meet deadlines. Mr. Ndezi comments on this matter:

*“Now we have Hezron as the link person. We started with Peter some time ago, and then he disappeared so there was a gap. But now Hezron is working together with PHAST Ujenzi, so communication is really great, and most of the times Husna (PHAST Ujenzi leader) is also calling me if there is anything, and I always tell her if there is anything that you need support or you want to inform me that something is not working very well, let me know”* Mr. Tim Ndezi, Director CCI

From the previous quote, it is easy to realize that there have been times when communication has not worked because the person in charge of linking both organizations was not appropriate. One can also notice that PHAST Ujenzi members are encouraged to contact Director directly in case something urgent comes up. Depending on individuals to ensure communication flow can threaten the relationship between these two actors, so it would be advisable to think of other communication channels that could be more efficient.

#### **4.3.3 Keko Youth**

Since relationship between PHAST Ujenzi and Keko Youth is relatively new, there have not been many challenges so far. During interviews and observation, I could only identify one issue regarding communication, and another matter concerning roles and distribution of benefits between both groups. Starting with the first challenge, Keko Youth member explains:

*“You know everything has challenges, sometimes we can misunderstand because of the nature of our members. As they were affected by drugs, sometimes they do not do what we agreed with PHAST Ujenzi or they do it very late”* Cristopher Alfonse Kajo, Secretary of Keko Youth organization.

Cristopher explained that the times when Keko Youth members have not been able to deliver agreed results, PHAST Ujenzi has been disappointed. Nevertheless, Cristopher argues this is an issue about communication, as they fail to explain to PHAST Ujenzi that some of the young guys working for Keko Youth are still recovering, and they can have crisis sporadically, affecting the work previously agreed. Cristopher said that they have been able to overcome this challenge, and that communication has improved greatly in the last months.

Another issue that I could identify is related with PHAST Ujenzi transition to a business. In the beginning, PHAST Ujenzi needed Keko Youth’s help for completion of construction activities. Every time this was the situation, some members of Keko Youth came to help and they were paid

accordingly. However, in the last year, Keko Youth has gained importance for PHAST Ujenzi because they have been collaborating strongly in the developing of the business. For instance, some members of Keko Youth decided to join trainings on construction of dry toilets and business skills. In addition, Keko Youth hosted the construction of a semi-public dry toilet, and they have been actively advertising this idea.

In such a way, some issues have come up regarding the ownership of the semi-public toilet built and the urine and compost produced to be used and commercialized as fertilizer. During a visit to Keko Youth premises, it was easy to notice this group feels owner of this toilet and thinks they have the right to sell fertilizers produced in it. However, this has not been totally clarified with PHAST Ujenzi, who partly feel also owner of the toilet as they built it with funds gotten from an international donor. Therefore, it is necessary to speak up these issues, make clear the role of Keko Youth and PHAST Ujenzi in this relationship, and agree on how much both actors can benefit from common activities.

#### **4.3.4 Global Dry Toilet Association of Finland**

As explained in previous sub-section, PHAST Ujenzi relates with the Global Dry Toilet Association of Finland through CCI, who serves as a communication bridge between both actors. The biggest challenge that this relationship has faced so far is linked with communication, and it is mostly explained by this indirect type of relationship.

Coordinators working in this Finnish organization do not speak Swahili, the local language, so this is the first barrier for communicating with PHAST Ujenzi. As this CBO is a grassroots level organization, language skills of members are very limited, and only the main leader, Mrs. Husna Shechonge, speaks some English. Therefore, every time there is a message that has to get to CBO members, CCI is the main responsible.

Depending on CCI for communicating all necessary information to PHAST Ujenzi is a big issue, because it relies enormously on the capacity of CCI to ensure that communication is smooth and effective. Unfortunately, as explained above, sometimes communication between CCI and PHAST Ujenzi has problems, and this not only affects common activities but also other projects where there is a third actor involved, such as the project with the Global Dry Toilet Association of Finland.

Likewise, the Global Dry Toilet Association of Finland sometimes misses information or messages from PHAST Ujenzi. It is difficult for this Finnish organization to know exactly the progress of activities carried out by CBO, and to find out about their doubts, and their challenges during implementation. Therefore, occasionally, PHAST Ujenzi has made mistakes while doing construction, or they have been unable to meet deadlines because of some challenges that were never communicated and discussed.

This poor communication causes delaying of activities, misunderstandings, and overwork for both actors, so coordinators have tried to come up with ways to ensure more frequent and higher quality communication. For example, they have started travelling to the field and meeting PHAST Ujenzi more often. Nevertheless, this strategy is also link with budget availability and it might not be sustainable in the long term.

Furthermore, there is an issue related with the financial capacity of PHAST Ujenzi to implement activities. This CBO will receive funds from the Global Dry Toilet Association of Finland until 2016. Once the project ends, it is expected that this group will be able to operate independently, and to finance all activities on their own. Nonetheless, this is still not close to happen. For instance, in October 2014, PHAST Ujenzi suffered a strong delay of construction of sanitation facilities because funds from Finland did not come on time. This inability to continue operations when there are not funds from donors is troublesome, so there should be ways to guarantee that this does not happen once donor stops granting money to CBO.

## **5. DISCUSSION AND THEORETICAL IMPLICATIONS**

In this chapter, I will analyze the literature on Stakeholder Theory and the way how it fits to study the stakeholder relations of a grassroots CBO. Bearing my findings in mind, I will assess how the main concepts and ideas used by Stakeholder Theory scholars, can apply to understand the stakeholder relationships of small community organizations operating in the base of the pyramid. I will also propose alternative ways in which these concepts could be used in this grassroots reality.

I present these theoretical implications in four subsections. In the first subsection, I will discuss the nature of Stakeholder Theory, concept, and justification when applied to the reality of a CBO. In the second subsection, I will analyze how stakeholder models proposed by researchers of Stakeholder Theory reflect the reality of the stakeholder relationships of a community-based group. In the third subsection, I will study how the different strategies to assess the salience of stakeholders apply in the case of a CBO who wants to evaluate the importance of the actors it relates with. Lastly, in the fourth sub-section, I will comment on the different methods to manage stakeholder relationships proposed by stakeholder theory, and I will compare these approaches with how CBOs manage their relationships.

### **5.1 Stakeholder theory: nature, concept, and justification**

In the first part of this sub-section, I will discuss the context and the way how stakeholder theory started. In the second part, I will analyze the ideas that justify the need for a corporation to have a stakeholder approach when applied in a CBO context. Next, I will briefly comment on the applicability of the stakeholder concept when talking about CBOs.

#### **5.1.1 The nature of stakeholder theory and the stakeholder concept**

Stakeholder Theory started as a branch of business management literature, when Edward Freeman published *Stakeholder Management: A Stakeholder Approach*, a book that is considered by many scholars the pioneer in these studies. This author was the first person who managed to develop a business stakeholder approach, combining concepts of disciplines such as corporate planning, corporate social responsibility, and systems theory (Laplume et al. 2008).



In his book, Freeman (1984) invites businesses to pay major attention to the political, economic, social, cultural, and environmental changes taking place in the world. For example, consumers were presenting openly and loudly several complains and demands, activists and environmental movements were leading campaigns to denounce certain business attitudes and actions, communications and media were spreading rapidly among people, competition among businesses was increasing, and the resource market was internationalizing in a great extent. According with Freeman (1984), businesses needed to take into account the emerging trends previously mentioned, in order to be able to keep operating and gaining profits.

By that time, it was normal for companies to ignore all happenings and actors outside their business activities. These corporations took major care of ensuring profit maximization, by reducing production and administration costs, and shareholders, employees, customers and suppliers where pretty much all stakeholders who were taken into account by businesses. However, with the changes aforementioned, companies were facing a new reality in which it was difficult to ignore actors triggering such happenings. All these actors were named stakeholders, “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman 1984, p. 46), and included not only the actors already considered but also governments, competitors, consumer advocates, environmentalists, media, community, among others.

Stakeholder theory began to develop then. By using a descriptive, instrumentalist, or normative approach, companies were suggested to start modifying the way in which they operated. For a number of reasons, it was necessary to start thinking of strategies to relate with these stakeholders, and to find ways to ensure common benefits. For business’ managers this was a new approach that required time, training, and other resources.

Contrarily, this context is very different when thinking of community organizations. Generally, CBOs relate with diverse stakeholders since they are established, and such a mandate is actually a natural process. Besides, these groups are normally created with the support of several actors who are not directly involved in the organizations’ activities. For example, in the case of PHAST Ujenzi, people from the community that was interested in establishing such a group, received great support from the local government authorities, and from an NGO (CCI), both actors not directly related with the operations of this organization.

Therefore, Stakeholder Theory ideas and suggestions are not such a new trend for CBOs. These organizations consider their relations with stakeholders as natural, and learn to relate with them in a “learning by doing” approach. In the case of PHAST Ujenzi, group leaders have not had clear strategies to manage the relationships with their stakeholders, and they think of such collaborations as an ordinary and well-accepted element of their operations.

Nevertheless, Stakeholder Theory and its different approaches (descriptive, instrumentalist, and normative) become relevant for CBOs, when their operations scale up, and when group size increases. For instance, in the case of PHAST Ujenzi, group has started new activities and has recruited new members. This also brings new stakeholders who are interested in this CBO, and who can affect or being affected by group’s operations. When there are new stakeholders to be considered, the complexity of relationships intensifies. Thus, even in the case of a CBO, it is necessary to think of strategies to identify, prioritize, and design management strategies to relate and collaborate with different stakeholders.

On the other hand, the concept of stakeholder proposed by Freeman (1984) can also be used in the CBO context. As I mention above, defining stakeholders who can affect and are affected by group’s operations becomes more urgent when these groups’ complexity grows. In any case, even if CBOs relate with external stakeholders since they are created, it is accepted that their activities have an impact on several actors, and that many actors can also influence the way how group operates. In this order of ideas, it is also beneficial for CBO’s to understand how their organizations can influence or be influenced by stakeholders. Therefore, it is also important for CBOs to find ways to balance interests and to integrate the stakeholder relationships, in order to make operations smoother and accomplishment of goals more probable.

### **5.1.2 Justification for stakeholder management**

The main reason presented by Stakeholder Theory on why an organization should adopt a stakeholder approach and embark on management practices of its stakeholders, is with no doubt firm centered. From an instrumental point of view, companies that develop different techniques to manage their relations with stakeholders have better outcomes that translate into higher profitability (Harrison & St. John 1996).

Such justification could not be applied in the case of a CBO, as the main purpose of this type of organizations is not to maximize profits. Moreover, Harrison and St. John (1996) provide a series of reasons why a company should embark on stakeholder management (reasons are shown in Table 1). Even though not all of these ideas can be applied in a CBO's reality, there are reasons given by these authors that make sense for this type of organizations. Therefore, I will evaluate these motives when applied into a CBO context, bearing in mind the case of PHAST Ujenzi.

One of the main justifications presented by Harrison and St. John (1996) concern the ability to predict/control the external environment; when a firm has good communication with different stakeholders, it is easier to predict any change in the context where the firm operates. This also gives the possibility for the firm to influence such changes to make them beneficial or at least not harmful for the operations of the company (Harrison & St. John 1996). Likewise, these ideas are connected with organizational flexibility, which is understood as the firm's ability to respond quickly and to reduce the impact of any change (Harrison & St. John 1996).

In the case of a CBO, this reason is vastly applicable. By collaborating with diverse stakeholders such as local authorities, CCI, community, other CBOs, international donors, media, among others, PHAST Ujenzi has been able to forecast coming changes and to plan strategies to adapt to them. For instance, the group's relation with local authorities allows group to know about new laws, and to create ways to follow and comply with such rules. At the same time, good communication with CCI allows PHAST Ujenzi to trigger the start of a new capacity training, or to find out if there is a donor interested in their work.

Therefore, it is also expected that if a CBO has good relations with its stakeholders, it can foresee possible changes in the environment where it operates. In the same way, if CBO has good communication with its stakeholders, it is possible to influence possible changes and to trigger or avoid certain alterations.

Furthermore, when companies involve directly different stakeholders in design of products or services, it is more likely to create a successful innovation (Harrison & St. John 1996). Likewise, when CBOs involve stakeholders in the design of the services or products they provide, it is more likely that activities will have major impact. In the case of PHAST Ujenzi, planning of activities has always been guided by local authorities and CCI. Both actors, have been able to guide this process in a very effective way, so CBO has carried out very successful work. Moreover, PHAST Ujenzi

involves people from the community, other NGOs and CBOs (eg. Keko Youth, PHAST mazingira) and even international actors (Global Dry Toilet Association of Finland) to think of innovative strategies to carry out activities. This great involvement has resulted in major resources to operate, and on scalability of services provided by this CBO.

In addition, when a firm collaborates positively with its stakeholders, it is less likely that such actors will promote actions such as strikes, bad press releases, or legal suits that would damage the company (Harrison & St. John 1996). At the same time, firms can ensure advantageous laws and regulations when relations with different stakeholders run smoothly (Harrison & St. John 1996). This is also the case for CBOs. When these organizations have positive relationships with different stakeholders, it is very unlikely that these actors would undertake activities to harm the operations or the existence of CBOs. When thinking of PHAST Ujenzi, maintaining good relationships with its stakeholders has translated in more resources and major effectivity of activities. For instance, media has released very positive news about the work of this CBO, local authorities have encouraged community to respect PHAST Ujenzi members, and other CBOs have shared tools, knowledge and experiences.

Regarding the possibility to ensure beneficial legislation, CBOs might not have the power to influence the creation of new laws or the reform of current rules, but a good relationship with local authorities ensures the group's compliance with national and local regulations. For example, PHAST Ujenzi has always acted according with laws and local rules, because authorities have been advising the group since the very beginning. Every time this CBO wants to carry out a new activity or use new materials or techniques, local authorities are consulted, and their approval is essential to embark in any new initiative.

On the other hand, there are few reasons offered by Harrison and St. John (1996) that do not adapt very well to the work logic of a CBO. These authors argue that when a firm maintains positive relationships with stakeholders, it is expected that there will be higher levels of operating efficiency, meaning less costs for more revenue or profits (Harrison & St. John 1996). Since CBOs' main goal is not profit maximization, this reason does not fully apply in this context. Usually, CBOs operate at a deficit because they do not expect revenues from the activities they carry out and they mostly look for mobilizing resources to overcome the social challenges they intend to address (Brown et al. 2000).

In this order of ideas, maintaining good relationships with stakeholders might bring more resources to the CBO to multiply activities and benefit more people. For example, PHAST Ujenzi has been able

to access multiple resources due to its good relationships with stakeholders. CCI has provided training and financial resources to the group since its establishment. Later on, international donors have released funds to this organization, so it could multiply its activities. Therefore, the idea of Harrison and St. John can be partly used in this context, but operating efficiency has to be understood in a different way. In a CBO's reality, having higher levels of operating efficiency means accessing higher amount of resources and lowering costs for scaling up activities, and for reaching more beneficiaries.

Additionally, there is another reason given by Harrison and St. John (1996) that does not fit into the context of a CBO. These authors explain that when a firm has positive relations with its stakeholders, there can be more entry barriers to the market by competitors, which leads to a more beneficial competitive environment (Harrison & St. John 1996). Contrarily, competition is not an issue for CBOs, and ensuring a favorable competitive environment is far from being one of the main goals of this type of organizations.

According with Bayne-Smith et al. (2008, p. 251) "(CBOs) are typically developed by a combination of individuals, groups, community leaders, and professionals in response to the failure of the larger society to meet the needs of those communities". Therefore, CBOs carry out activities that were not undertaken by any other organization or institution when they were established. Usually CBOs deal with structural problems that would need to be addressed by many more organizations, so the entry of other CBOs, NGOs, companies, and governmental institutions would be expected and well received.

Finally, there are also normative reasons that explain why a company should think of managing its stakeholders. Firms should make sure to have positive relations with their stakeholders because it is "the right thing to do" (Harrison & St. John 1996). Due to the nature of CBOs, this idea can easily apply in their reality. CBOs are normally organized around values such as mutuality, empathy, trust, and solidarity (Brown et al. 2000), which are pretty much linked with the normative perspective. Therefore, normative reasons can be strong arguments to convince CBOs' leaders to think and design strategies to develop positive relations with their stakeholders.

## **5.2 Stakeholder model for a CBO**

In this section, I will assess the applicability of the stakeholder models proposed by Freeman et al. (2008) and Donaldson and Preston (1995) when studying the stakeholder relations of a CBO. I based my discussion on the findings related with the stakeholder relations of PHAST Ujenzi.

### **5.2.1 The Freeman's stakeholder model**

Freeman et al. (2008) proposed a stakeholder model where stakeholders are divided between primary and secondary. Primary stakeholders are those whose demands need to be prioritized by the corporation as they have a bigger influence on the firm (Freeman et al. 2008). Secondary stakeholders are those whose influence is minor but who can affect the performance of company indirectly (Freeman et al. 2008). According with Freeman et al. (2008), most of the companies have employees, customers, suppliers, financiers, and community as their primary stakeholders, and government, media, competitors, consumer advocate groups, and special interests groups as their secondary stakeholders. These authors also affirm that stakeholder model is a dynamic representation that can change according with every company, as the definition of primary and secondary stakeholders depends pretty much on the nature and activities of each firm (Freeman et al. 2008).

In this context, the stakeholder model for a CBO might vary in a great extent. As an illustration, the primary stakeholders that are believed to be important for businesses in most cases (Freeman et al. 2008), differ greatly for CBOs. For example, employees are not considered as such in a CBO context because these groups are normally of small size and there is an equal distribution of tasks and income. In the case of PHAST Ujenzi, this group has 12 members who undertake similar activities. There can be group leaders, but all members are responsible for same tasks, and they are all compensated equally. In addition, members gather, discuss, and agree all together for taking decisions.

Likewise, in the case of PHAST Ujenzi, suppliers are not in the center of attention. This CBO changes suppliers quite often because of the need to find lower cost construction materials. So far, relationships have been very sporadic and they are not maintained in the long run. Usually, CBOs serve a market that is not able to afford the services these groups provide. This is why CBOs tend to search for providers of low cost materials/products, and to change suppliers every time a new place with better offers is found.

Moreover, unlike most businesses, relationship with government is significant for CBOs, and it is normally taken as a primary stakeholder since both CBOs and government share a common goal: to increase the life standard of community. In addition, CBO's operations must be always approved by authorities. Also, local authorities work with CBOs since they are established, and they provide advice and guidelines for implementing activities. This was the case of PHAST Ujenzi, a group that was created with direct support of government, and whose activities are always approved and guided by this stakeholder.

Additionally, CBOs do not have customers as such, but people from the community benefit from the services they provide, and payments are usually underneath market price. However, community is with no doubt a primary stakeholder. Commonly, CBOs originate as a response to community problems, group members belong to community, and people from the community benefit and can affect CBOs' operations.

Similarly, some financers can make part of the primary stakeholders of CBOs. Usually, local NGOs provide financial support to CBOs, and they ease everyday operations of CBOs, by also providing technical advice (Lee 1998). In the case of PHAST Ujenzi, a local NGO, CCI, has provided training and access to funding to this group since the moment it was established.

On the other hand, the definition of secondary stakeholders by Freeman et al. (2008), as those with less influence on the firm and who can affect companies' operations through primary stakeholders, should be revised. In the case of PHAST Ujenzi, stakeholders considered as secondary, are those who have less influence on CBO's operations. However, some of these stakeholders can relate with group directly, and do not necessarily affect CBO through a primary stakeholder.

For instance, suppliers and other CBOs/NGOs such as PHAST Mazinguira and Keko Youth have less influence on PHAST Ujenzi, but they relate directly with this organization. This direct type of relationship is possible because actors are normally operating in the same area, and they also have similar knowledge and capacity. These elements also ease communication, so it is often not necessary to have a third party to serve as a bridge or channel. Consequently, if this experience is translated into other CBOs' situation, it is expected that some secondary stakeholders can relate with CBOs directly when they have similar capacity and when they are operating in the same environment.

Nevertheless, some stakeholders located at the secondary level can be defined exactly as Freeman et al. (2008) stated. For example, in the case of PHAST Ujenzi, some financiers who are less influential relate indirectly with the group. As an illustration, international donors such as the Global Dry Toilet Association of Finland and WaterAid, relate with PHAST Ujenzi through a local NGO, CCI. In addition, other international organizations such as Slum Dwellers International influence somehow the activities of CBO, but they also do it through the local NGO, CCI. Furthermore, this group has started relationships with the media, and collaboration is also happening through CCI.

In these cases, collaboration is indirect because there are differences in the capacity of these actors, and because such stakeholders do not operate in the same context than PHAST Ujenzi. In addition, communication can face challenges because representatives of some of these organizations (e.g. Global Dry Toilet Association) do not even speak the local language, so it is necessary to have a third party to ease all procedures. Therefore, some secondary stakeholders might relate indirectly with CBOs when capacity and knowledge is different and when communication can be challenging because parts operate in different contexts.

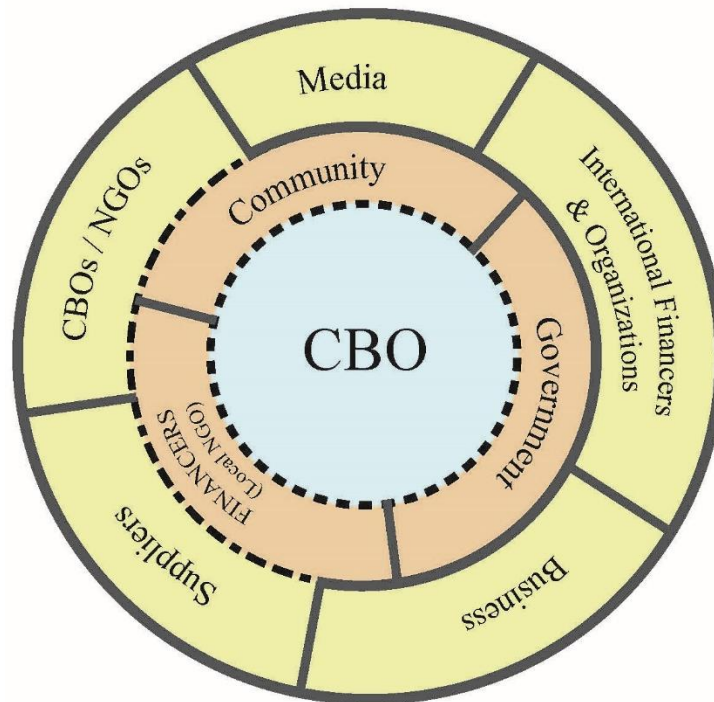
Finally, I would like to mention an actor that was not identified in the stakeholder relations of PHAST Ujenzi: business. Even though this CBO has not initiated a collaboration with this actor, the literature on CBOs argues that relationships between CBOs and businesses have gained strength during the last years (Loza 2004). Both businesses and CBOs have started to realize that engaging with each other can be beneficial for the company and the community, so managers and community leaders have initiated projects to collaborate, in order to achieve certain goals (Loza 2004). I assess such relations as secondary for CBOs, because they are still very new, so business influence on these organizations cannot be as big as in the case of government or community. Furthermore, usually businesses operate in different environments and they tend to have different capacity than CBOs, so it is expected that such relationships might happen through another actor, such as a local NGO.

The following map summarizes the information presented above. Following PHAST Ujenzi's example, the primary stakeholders for a CBO are community, government, and financiers who are usually represented by local NGOs. Secondary stakeholders are suppliers, other CBOs/NGOs, media, international financiers and organizations, and businesses. Since some secondary stakeholders were found to have direct type of relationship with organization, I decided to represent this situation by drawing a dotted line. In the cases where line is complete, the relationship is indirect which means



influence to CBO happens through a primary stakeholder. Just like in the business context, this map is a dynamic representation that can be modified according with nature and activities of every CBO.

**Figure 6**  
**Stakeholder model for a CBO: Primary and Secondary Stakeholders**



### 5.2.2 Input-output stakeholder model

It is possible to connect the main elements of the stakeholder model by Donaldson and Preston (1995) with the context of a CBO. This stakeholder model describes a situation where all stakeholders relate with the company with certain interests and waiting for benefits that are not necessarily bigger or with more relevance than the interests and benefits expected by other stakeholders (Donaldson & Preston 1995). In this reality, the corporation interacts with a large number of stakeholders who give inputs to the corporation and receive outputs from it (Donaldson & Preston 1995).

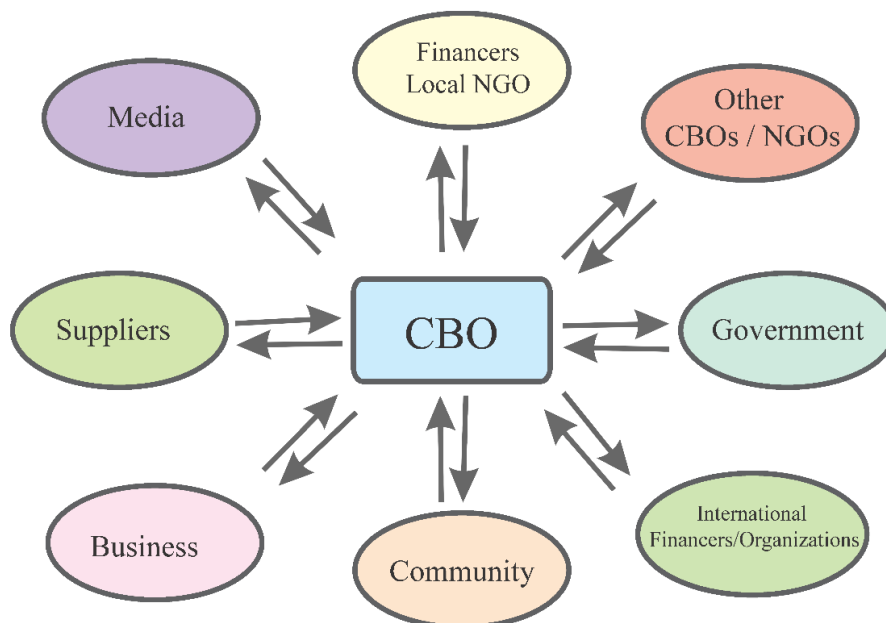
As it was described in the case of PHAST Ujenzi, this CBO interacts with a diverse number of stakeholders who relate with this group following some interests and expecting certain benefits. Additionally, these actors contribute to CBO operations by providing different types of resources (inputs), so CBO also benefits from these relationships. This was evident in the description of the

relationship between PHAST Ujenzi and local authorities, CCI, Keko Youth, and the Global Dry Toilet Association of Finland, where exchanges of inputs and outputs happens regularly.

For instance, local authorities allow PHAST Ujenzi to operate, provide guidance, and advertise CBO's services in the community. At the same time, CBO helps local authorities to ensure community increases quality of life, and it also serves as a bridge to connect this actor with other organizations than might help local authorities in other endeavors. Moreover, Keko Youth collaborates with PHAST Ujenzi by providing human resources to undertake activities, and by sharing material resources such as land to accomplish certain projects. Meanwhile, Keko youth benefits from this collaboration, as members of these NGO get income and increase their capacity.

Therefore, the experience of PHAST Ujenzi shows that in CBOs, relations with stakeholders are based on a balanced exchange of inputs and outputs, and there is not one specific stakeholder taking most of the benefits. The following is a map centered on the model by Donaldson and Preston (1995) that represents this equal exchange of inputs and outputs between a CBO and its stakeholders. I use the same stakeholders identified in the previous part, but stakeholders represented in this model might also change according with the nature and activities of the CBO studied.

**Figure 7**  
**Input-Output Stakeholder Model for a CBO**



### **5.3 Evaluating the salience of the stakeholders of a CBO**

In this section, I will discuss the models proposed by Mitchell et al. (1997) and Jones et al. (2007) for assessing stakeholder salience. Although their arguments are based on corporations' dynamics, there are ideas that can also apply for CBOs. Therefore, I will analyze which of these elements can help CBOs to assess the importance of every stakeholder, and which ideas would need to be revised to reflect on the reality of this type of organizations.

Mitchell et al. (1997) proposed three attributes that managers can look at when evaluating the level of importance that each stakeholder has for the firm: power, legitimacy, and urgency. Power is defined as resources and capacity to influence the firm; legitimacy is understood as the social recognition of the relationship; and urgency translates into stakeholder's claims that are time sensitive and need immediate attention (Mitchell et al. 1997). Based on these attributes, the salience of a stakeholder can be low (stakeholders that only hold one attribute), moderate (stakeholders with two attributes), or high (stakeholders with all attributes).

Coming after, Jones et al. (2007) revised this model and introduced the concept of "stakeholder culture" as a factor that highly influences the way in which managers evaluate the relevance of a stakeholder (Jones et al. 2007). A stakeholder culture is defined as the group of beliefs, values and practices for managing the relations with stakeholders (Jones et al. 2007). These authors identify three main stakeholder cultures: corporate egoist, instrumentalist and moralist, and build an alternative salience model by using the attributes proposed by Mitchell et al. (1997): power, urgency, and legitimacy.

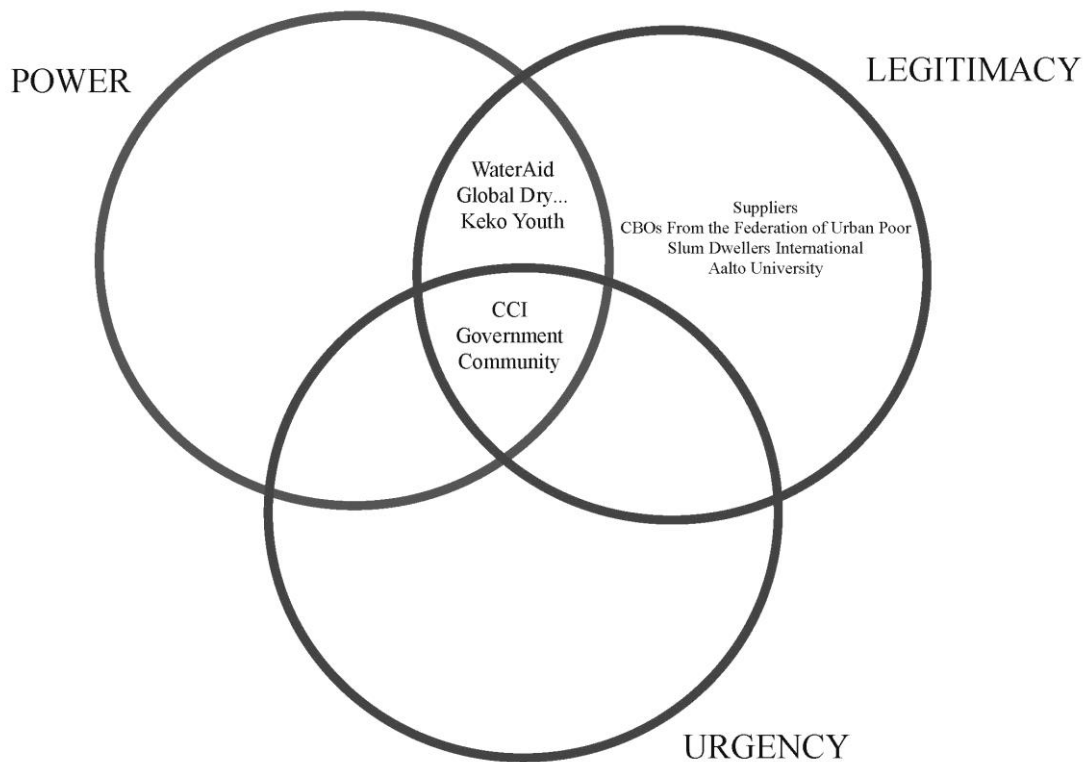
In a firm whose culture is corporate egoist, managers' aim is to achieve short-term shareholder wealth maximization, and therefore power is considered as the most relevant attribute (Jones et al. 2007). Firms whose culture is instrumentalist tend to pursue self-interest but are also concerned with moral behaviors as they can serve to achieve the corporate goals (Jones et al. 2007). Therefore, power remains as the most important attribute, but legitimacy becomes also important as it is related with moral values and practices. Moralistic firms consider stakeholder interests as very relevant (Jones et al. 2007). Therefore, legitimacy is the main driver of salience for managers in moralistic companies. This means that stakeholders whose claims are legitimate will have at least moderate salience for a firm's manager (Jones et al. 2007).

The model by Mitchell et al. (1997) can offer some insights to evaluate the salience of the stakeholders of a CBO because it reflects on attributes that also exist and are relevant in this context. For instance, in the case of PHAST Ujenzi and its stakeholders, these attributes can help understanding the way in which this CBO relates with such actors. Thus, power (in different forms) is an attribute possessed by several stakeholders this CBO relates with nowadays. For example, local authorities provide guidance, material resources, and permits to PHAST Ujenzi to carry out work; CCI provides CBO with material, intellectual, and financial resources; International donors such as WaterAid and the Global Dry Toilet Association deliver funds to PHAST Ujenzi; lastly, community usually provides knowledge and human resources to this group.

Furthermore, legitimacy can be observed in the relationship between PHAST Ujenzi and all its stakeholders. Currently, all relations of these CBO are legitimate, meaning that they are socially recognized and respected by society. Lastly, the urgency level of stakeholder claims does vary among the actors that relate with PHAST Ujenzi. For instance, community, local authorities, and CCI hold claims that are usually acute and very relevant. Claims by international donors, other CBOs, international organizations, media and suppliers can be important but they do not necessarily call for immediate attention by PHAST Ujenzi.

Following the ideas of Mitchell et al. (1997), CCI, local authorities, and community require high consideration from this CBO, because these actors possess all three attributes. In addition, WaterAid, Global Dry Toilet Association, and Keko Youth, need moderate attention from PHAST Ujenzi since they hold two attributes, power and legitimacy. Finally, suppliers, other CBOs, Slum Dwellers International, Aalto University, and media require only low attention from this CBO because they only possess legitimacy. The following map is the model proposed by Mitchell et al. (1997) when applied to PHAST Ujenzi.

**Figure 8**  
**Stakeholder Salience of PHAST Ujenzi**



At this stage, it is relevant to enquire whether the argument by Mitchell et al. (1997) is totally truth for a CBO. PHAST Ujenzi has paid high attention to CCI, local authorities and community, and it also considers international donors and Keko Youth as actors with increasing importance. However, according with the experience of PHAST Ujenzi, even stakeholders who only possess legitimacy as an attribute are important for this group. For instance, CBOs belonging to the Federation of Urban Poor, and Slum Dwellers International have contributed in the development of skills and knowledge of the members of this CBO, and PHAST Ujenzi pays great attention to their advices and experiences to guide the planning and implementation of activities.

Moreover, media is gaining importance for PHAST Ujenzi because they can help the group to scale up their activities and to gain good reputation among the community. This relationship is only starting, and at this point media cannot really influence the activities of this CBO. Nevertheless, this group considers the interests of the media, and it has started thinking of strategies to have a more active collaboration. In addition, in the case of suppliers, even though group does not have any stable and long lasting relationship with any, this collaboration is legitimate, and PHAST Ujenzi respects it and hopes that a more stable relationship can be consolidated in the future.

Therefore, stakeholders who only possess legitimacy are also important for PHAST Ujenzi, a fact that contradicts the proposition by Mitchell et al. (1997) regarding low attention by the firm when stakeholders hold one single attribute. Nonetheless, the revision of this model made by Jones et al. (2007) might be closer to the reality of PHAST Ujenzi. As mentioned above, these authors call for a distinction of corporate cultures (egoist, instrumentalist, moralist), and they argue that the salience of the stakeholders depends on the culture the firm has, since every culture weights power, legitimacy, and urgency differently (Jones et al. 2007).

In this context, PHAST Ujenzi could be consider as an organization with moralist culture, because in practice, it considers legitimacy as the main driver of salience. As a CBO, PHAST Ujenzi operates around strong values and moral commandments (Brown et al. 2000). Additionally, it considers the interests of its stakeholders as important, no matter if their claims need acute attention, or if they have big, little, or null power on the organization's existence.

Therefore, when evaluating the salience of the stakeholders of a CBO, it could be more effective to take into account the model by Jones et al. (2007) as reference, because it considers different scenarios where organizations can judge each attribute in a different way. Furthermore, the ideas around the moralist firm appeal much more to the reality of these type of organizations, because CBOs are organized around strong values such as mutuality, empathy, trust, and solidarity (Brown et al. 2000). Therefore, legitimate relationships with every stakeholder are thought as relevant, and these collaborations are nurtured throughout the time.

Shortly, in a CBO, stakeholder salience can be evaluated taken into account the attributes proposed by Mitchell et al (1997), power, emergency, and urgency. However, salience cannot be decided according with the number of attributes that every stakeholder has, but it is necessary to dig deeper into the values and culture of the organization that is studied (Jones et al. 2007). In the case of CBOs, values and moral commandments are usually at the center of the organizational activities and decisions, which makes legitimacy extremely significant. Therefore, if a relationship is legitimate, CBO will consider stakeholder as important, even if such actor only possesses one single attribute. Afterwards, power and urgency will increase the relevance and the attention that CBO provides to every stakeholder.

## 5.4 Managing the stakeholder relations of a CBO

In the stakeholder theory literature, scholars have proposed different techniques that should be used by corporations to relate with their stakeholders (Harrison & St. John 1996, Gable & Shireman 2005, Svendsen 2010). Harrison and St. John (1996) argue that the most common techniques used by corporations are based on *buffering* tactics that aim to lessen the impact that stakeholder actions can have on the firm. These tactics see stakeholders as isolated actors whose needs and demands should be attended somehow by the firm to avoid any possible harm on the company's operations. Some examples of these techniques are market forecasting, inspection of raw materials, special departments, and public relations (Harrison & St. John 1996).

Harrison and St John (1996) and Svendsen (2010) support an alternative method called *bridging*, considered as a more effective way to manage stakeholders, because it involves stakeholders directly into the firm's activities, creating the possibility to get complete and more reliable feedback from them. When a firm decides to use bridging as a management technique, it leaves its reactive strategies on the site, and instead, gets into a more ambitious purpose: the creation of mutual objectives and the co-design of suitable ways to achieve them.

Additionally, other authors have come up with ways to manage relationships with stakeholders, and have created different methodologies with sequential steps to be followed. For instance, Gable and Shireman (2005), created an interesting three-phase methodology, that invites companies to prepare their organizational structure to become stakeholder friendly, identify relevant stakeholders, link their salience with a strategic plan, and finally execute and monitor the agreed plan. The strategies recommended by these authors include tracking, informing, consulting, supporting, collaborating, partnering and networking.

Nevertheless, all these strategies proposed by Stakeholder Theory are based on corporations, and all examples given reflect only the corporate life and business related experiences. In addition, linking these ideas with the reality of a CBO could be cumbersome, because it is hard to find real examples of concrete strategies that this kind of organizations have planned and develop to manage their stakeholders. Hence, based on PHAST Ujenzi's experiences, I will analyze how the ideas around stakeholder management techniques can be applied into the context of a CBO, and I will provide concrete examples on how this type of organizations deal with their stakeholder relationships.

Members of PHAST Ujenzi find difficult to think of specific techniques they have used to collaborate with different actors because it is a topic they have never considered carefully. In a way, relations with stakeholders happened naturally, and the development of such connections is highly influenced by the context and the activities this CBO carries out. However, analyzing the way in which this group started relating with its stakeholders, and how such relationships have changed throughout the time, can provide some insights on the management methods this CBO has used when dealing with its stakeholders.

PHAST Ujenzi has related with some of its stakeholders since the moment when it was established. Local authorities, CCI, community, and another CBO participated directly in the creation of this organization. Since then, this group received big influence of stakeholders when setting goals and planning activities. Later on, PHAST Ujenzi continued planning and implementation of activities in collaboration with these actors, and their relationship nurtured in great extent because CBO and stakeholders shared common interests, goals and tasks. Therefore, when looking deep into the characteristics of some of the stakeholder relationships of this CBO, it is possible to find similarities with the ideas around the *bridging* techniques.

For example, the relationship between PHAST Ujenzi and local authorities has great importance for the actual implementation of any activity carried out by this CBO, and such relationship can be considered as interdependent. PHAST Ujenzi has to receive local authorities' approval to start any type of operation. Local authorities also collaborate with PHAST Ujenzi, by informing people from the community about the existence of this CBO, and by convincing households of their acute need to renovate or build a toilet. In addition, local authorities give technical and legal advice to PHAST Ujenzi on how operations should be carried out, and usually participate in CBO's trainings and activities. At the same time, local authorities benefit greatly from this relationship as they can ensure that slum dwellers increase the quality of their lives and overcome their problems.

Furthermore, CCI has also had an interdependent relationship with this CBO. CCI serves as a guide for PHAST Ujenzi to plan and implement sanitation related activities. CCI has also provided capacity building trainings so PHAST Ujenzi members have increased their knowledge and skills. CCI also provides and channels financial resources to PHAST Ujenzi so they can carry out their activities. Likewise, CCI has also benefitted from the relationship with PHAST Ujenzi as this collaboration increases the capacity of this NGO by giving the opportunity to get deeper knowledge on the conditions at the grassroots level.



In addition, PHAST Ujenzi has also established new relations in the last years that have been also managed in an interdependent way. For example, the Global Dry Toilet Association of Finland provides financial resources to carry out a project on construction of dry sanitation facilities. Nonetheless, their collaboration is not limited to the transferring of funds, but this Finnish organization participates also on the planning and implementation of activities of this CBO. In addition, Keko Youth and PHAST Ujenzi have started projects that are benefiting both organizations, and there is always a constant exchange of knowledge, human, and material resources that benefit both groups.

Consequently, as mentioned previously, the stakeholder experiences of this CBO show that this type of organizations might tend to choose *bridging* techniques to relate with their stakeholders. Normally, PHAST Ujenzi does not limit its relations to tracking the behavior of a stakeholder, or to informing actors about an issue, but the way the group manages its relations is more related with collaborating, and partnering techniques. PHAST Ujenzi always look for spaces to exchange knowledge and experiences with its stakeholders, so different actors collaborate directly in some of the CBO's activities such as trainings or construction and they also can influence the future plans of this organization.

Moreover, even networking techniques can be observed on how PHAST Ujenzi relates with its stakeholders. For example, in 2014, this CBO started a project on construction of dry sanitation facilities together with more than one stakeholder; the project involves directly PHAST Ujenzi, CCI, and the Global Dry Toilet Association of Finland, and it includes activities with other actors such as local authorities, Keko Youth, and media.

These ideas are also supported by the literature on CBOs, where authors argue that CBOs are usually strongly linked with other community groups, NGOs, public organizations, and businesses, in order to accomplish their goals (Fontan et al. 2009). For example, in the case of CBOs and government, their relations are based on a common goal (promoting community development by improving living conditions of community members) (Fontan et al. 2009), and their collaboration is therefore based on common activities and on constant feedback from both sides.

In summary, I have provided examples that show that generally CBOs use bridging techniques to relate with their stakeholders, differently than the case of business corporations that tend to use buffering methods when dealing with these actors. In the case of CBOs, these techniques are highly

influenced by the nature of these organizations, as these groups are usually strongly linked with stakeholders since the moment of their creation (this was also partly explained in the first subsection of this chapter). CBOs' members do not carry out a careful design of techniques, but practice shows that collaboration, partnering, and networking, are common methods used when relating with stakeholders.

## **6. CONCLUSION**

In this chapter, I will conclude this research through three sub-sections. In the first sub-section, I will address both of my research questions by providing a summary of my findings and discussion. Secondly, I will elaborate on the limitations of this study. Finally, I will provide suggestions for future research.

### **6.1. Summary of findings and discussion**

In this sub-section I will answer both of my research questions by providing a summary on my findings and theoretical implications.

#### **6.1.1 How does a CBO working on sanitation collaborate with different stakeholders?**

I answer this question by doing research on a CBO called PHAST Ujenzi, working on sanitation in a slum area of Dar es Salaam, Tanzania. I provide general information on how this CBO has started relationships with its stakeholders, and on the actors that have some kind of collaboration with this organization. Then, I focus on the relationships of this CBO with four different stakeholders: Local Authorities, Center for Community Initiatives, Keko Youth, and Global Dry Toilet Association of Finland; in such cases, I provide details on the interests, benefits, and challenges of every relationship.

PHAST Ujenzi is a CBO that emerged with the participation and support of different actors who instantly became in its stakeholders. Local Authorities and an NGO, Center for Community Initiatives (CCI) triggered the creation of this CBO by providing resources such as trainings, tools and money. Since its creation, both actors play a vital role in the activities that PHAST Ujenzi undertakes.

At the same time, community is a very important stakeholder for this CBO. It benefits from PHAST Ujenzi activities and it nurtures the dynamics and operations of this group. Likewise, other CBOs operating in the same and other locations relate with PHAST Ujenzi to exchange skills and knowledge, and this is possible thanks to the existence of a networking platform, the Tanzania Federation of Urban Poor. There is also an international organization, Slum Dwellers International, which gives PHAST Ujenzi the possibility to connect with CBOs from different countries in Asia, Africa, and Latin America. This organization is influential in some extend, as it shares values and

work strategies with PHAST Ujenzi, and it allows CBO to increase capacity through networking and knowledge exchange.

In the last years, there are actors that have started relating with PHAST Ujenzi, and whose influence is increasing. For example, Keko Youth, a local small NGO has started collaborating strongly with this CBO. In addition, media is playing a more important role, as it has started publishing newspapers articles and TV reportages about the work of PHAST Ujenzi. In addition, an international donor, the Global Dry Toilet Association of Finland, has started a three years project with PHAST Ujenzi, which is modifying the way in which this group operates, by introducing business thinking and dry sanitation technology into its operations. Other financiers such as WaterAid influence CBO's operations, as they provide the possibility to acquire tools to carry out activities; in this case, WaterAid gave a loan to the group which is been paid off.

Furthermore, there are other actors that collaborate with this CBO in a more sporadic way, and whose influence is not substantial. For instance, Aalto University collaborated with PHAST Ujenzi in 2013 by exchanges of knowledge and ideas on how to scale up sanitation services. In addition, multiple suppliers of construction materials provide CBO with low cost equipment to carry out activities, but they change constantly whenever a supplier with cheaper prices is found.

I based most of my findings on the description of the relationship of PHAST Ujenzi with four different actors: Local Authorities and CCI who participated in the group's creation and whose influence is significant, and Keko Youth and the Global Dry Toilet Association of Finland whose influence is increasing.

The relationship between PHAST Ujenzi and local authorities has great importance for the actual implementation of any activity carried out by this CBO. PHAST Ujenzi informs the sub-ward local authorities about their plans and their activities, and has to receive local authorities' approval to start any type of operation. Local authorities also collaborate with PHAST Ujenzi, by informing people from the community about the existence of this CBO, and by convincing households of their acute need to renovate or build a toilet. In addition, local authorities give technical and legal advice to PHAST Ujenzi on how operations should be carried out.

At the same time, local authorities benefit greatly from this relationship as they can ensure that slum dwellers increase the quality of their lives and overcome their problems by collaborating with groups

like PHAST Ujenzi. Furthermore, PHAST Ujenzi helps local authorities to connect with other actors like CCI, which can also support the governmental authorities to achieve their goals.

On the other hand, CCI has been a guide for PHAST Ujenzi to plan and implement sanitation related activities. CCI has also provided capacity building trainings so PHAST Ujenzi members have increased their knowledge and skills. In addition, CCI serves as a bridge between PHAST Ujenzi and other stakeholders such as WaterAid and the Global Dry Toilet Association of Finland. CCI also provides and channels financial resources to PHAST Ujenzi so they can carry out their activities, and it also encourages savings among the group.

Likewise, CCI has also benefitted from the relationship with PHAST Ujenzi. This collaboration increases the capacity of CCI in a great extent, because it gives the opportunity for this NGO to know deeper the conditions at the grassroots level, and to gain local knowledge on different aspects. Therefore, its value for national and international donors and organizations increases, and the possibility to start collaborating and receiving support from other organizations intensify greatly.

Furthermore, the relationship between Keko Youth and PHAST Ujenzi has been nurturing at a high speed. In principle, Keko Youth members helped this CBO in construction related activities. Later on, with the introduction of a project on dry sanitation and business development, PHAST Ujenzi started collaborating with this group more closely. Keko Youth provided a piece of land for the construction of a semi-public toilet and got involve on advertising and awareness raising activities. Keko Youth has benefitted immensely from this relationship, as members have been able to acquire knowledge and skills to have sporadic jobs, and to use a toilet built in their premises.

Finally, PHAST Ujenzi has started a project funded by the Global Dry Toilet Association of Finland. The funds are channeled to the group through CCI, who is the main communication bridge between these two organizations. Besides financial support, coordinators from this Finnish donor give advice and ideas on the implementation of certain tasks. With this new relationship, PHAST Ujenzi has been able to acquire more skills and knowledge on construction techniques and entrepreneurship. Additionally, the Global Dry Toilet Association of Finland is very interested in maintaining this relationship, as this is a way to scale up the number of dry sanitation facilities in the world and to raise awareness on the importance of sustainable sanitation technologies.

Although all relationships have been very beneficial for PHAST Ujenzi, there have been some challenges that need to be revised and overcome. In the case of local authorities, there is a threat that CBO's work is not properly recognized by community, as occasionally, government authorities, following egoistic political goals, do not communicate clearly to the community that PHAST Ujenzi is the actual implementing actor. Another related challenge is the possibility to be involved in a conflict of interests between political parties, who might believe PHAST Ujenzi supports certain side. In case there was a ruling party that would not want to collaborate with this CBO, the planning and implementation of activities would be highly threaten. Moreover, there is another challenge regarding the reputation of local authorities whenever PHAST Ujenzi fails to accomplish a task. Finally, the impossibility of PHAST Ujenzi to access government funds, and the lack of will by local authorities to open discussion on this matter represents another big challenge.

On the other hand, the main weakness in the relationship of PHAST Ujenzi with CCI, is the great dependence that this CBO might have on CCI's help. As CCI provides constant support and advice to the group, there is a question on when this CBO could act independently and how fast is developing and using new skills. There are also issues regarding communication, as it is not so easy to ensure information flows timely and efficiently and this produces misunderstandings and delays on the work.

Moreover, in the case if Keko Youth, there are also issues regarding communication and common understanding of the roles and benefits that both Keko Youth and PHAST Ujenzi have in activities carried out together. On the other hand, the main issue in the relationship with Global Dry Toilet Association of Finland is also related with communication, and it is explained mainly because of the indirect type of relationship, where CCI has to be the bridge that passes information from one side to the other. Lastly, the last challenge concerns the dependence of PHAST Ujenzi on donor funds to carry out group activities.

To conclude this part, I will present some insights extracted from the experiences of PHAST Ujenzi regarding stakeholder relations. These insights may contribute to CBO research in a great extent:

- The experience of PHAST Ujenzi helped to understand how CBOs build stakeholder relations, an aspect that has not been studied deeply by CBO literature. In fact, CBOs interact with stakeholders since the moment they are establish, and it is common to find one or two actors directly involved in the creation of these groups and in the planning and implementation of activities. Therefore, CBOs know that stakeholders are important for their work since the

moment these groups are created, and members learn constantly skills to communicate and work together with other actors. Local NGOs or/and local government officials can also collaborate to link CBOs with other actors, and they can serve as bridges to nurture such relationships. Moreover, CBOs do not face serious challenges understanding the need to link with other stakeholders, and group members accept it is vital to strengthen current relationships and to build up new linkages with other actors.

- My findings provide more information on the dependence challenge identified in the relations of CBOs with NGOs. Scholars have argued that CBOs might get used to the presence of an NGO who is providing constant technical and financial support, so group members do not acquire the necessary skills to work independently (Lee 1998, Tukahirwa et al. 2011). Although this might be partly truth, the experience of PHAST Ujenzi demonstrated that NGOs help CBOs to learn and gain capacity to carry out their own activities and initiate their own new projects. Timing is a key aspect in this process, as CBO learns and gets empowered progressively. Additionally, NGOs participating in the establishment of CBOs, might accompany CBOs for all its existence. Usually, these NGOs become in advisors and bridges to link CBOs with other actors. At the same time, NGOs get benefits from the relation with CBOs such as more organizational capacity and better information of the field. Therefore, these relationships will always be very important for both NGOs and CBOs, and although NGOs might always influence the operations of CBOs to a certain extent, this does not necessarily mean that CBO members lack capacity to work independently.
- My findings also complemented the reasons why governments might be interested to collaborate with CBOs. In the case of PHAST Ujenzi, local authorities found relation very useful, because CBO served as a bridge for government to communicate with other NGOs or international actors. Usually, grassroots groups such as CBOs might attract big local and international organizations that are interested in working directly with those groups. Thus, governments can find useful to relate with these grassroots organizations, because they might serve as a link to connect with other actors (NGOs, International Organizations) that might be useful to accomplish other interests of authorities. This case can also apply for other actors such as businesses or NGOs that would find useful to relate with CBOs because these organizations can help to link with other stakeholders.

### **6.1.2 How does stakeholder theory fit for analyzing stakeholder relationships of a CBO?**

I answer this question by analyzing the literature on Stakeholder Theory and the way how it fits to study the stakeholder relations of a grassroots CBO. Following the experiences of PHAST Ujenzi, I assess how the main concepts and ideas used by Stakeholder Theory scholars, can apply to understand the stakeholder relationships of small community organizations operating in the base of the pyramid. I also propose alternative ways in which these concepts could be used in this grassroots reality.

Contrarily to the case of business corporations, stakeholder theory ideas are not such a new trend for CBOs. Generally, CBOs are normally created with the support of several actors who are not directly involved in the organizations' activities. These organizations consider their relations with stakeholders as natural, and learn to relate with them in a "learning by doing" approach since their establishment.

Nevertheless, stakeholder theory and its different approaches (descriptive, instrumentalist, and normative) become relevant for CBOs when their operations scale up, and when group size increases as there might be new actors who affect and are affected by CBO's activities. When there are new stakeholders to be considered, the complexity of relationships intensifies. Thus, even in the case of a CBO, it is necessary to think of strategies to identify, prioritize, and design management strategies to relate and collaborate with different stakeholders.

The concept of stakeholder proposed by Freeman (1984) can also be used in the CBO context. As I mentioned above, defining stakeholders who can affect and are affected by group's operations becomes more urgent when these groups' complexity grows. In any case, even if CBOs relate with external stakeholders since they are created, it is accepted that their activities have an impact on several actors, and that many actors can also influence the way how group operates.

On the other hand, stakeholder theory offers certain reasons to convince businesses to take a stakeholder approach into their operations (Harrison & St. John 1996). Some of these reasons can be applied in the case of CBOs, but some others need to be revised. After an analysis of the theory applied on the findings of my research, I concluded that the following are reasons that can apply in the context of CBOs:



- By collaborating with diverse stakeholders such as local authorities, local NGOs, community, other CBOs, international donors, media, among others, CBOs can foresee possible changes in the environment where they operate. In the same way, if a CBO has good communication with its stakeholders, it is possible to influence possible changes and to trigger or avoid certain alterations.
- When CBOs involve stakeholders in the design of the services or products they provide, it is more likely that services provided or products offered will have major impact.
- When CBOs have positive relationships with different stakeholders, it is very unlikely that these actors would undertake activities to harm the operations or the existence of CBOs.
- CBOs might not have the power to influence the creation of new laws or the reform of current rules, but a good relationship with local authorities ensures the group's compliance with national and local regulations.
- Maintaining good relationships with stakeholders, might bring more resources to the CBO to multiply activities and benefit more people. In this case, operating efficiency has to be understood as higher possibilities to access resources for scaling up activities, and for reaching more beneficiaries.
- Normative reasons can be a strong argument to convince CBOs' leaders to think and design strategies to develop positive relations with their stakeholders, because these reasons are based on moral commandments and values which normally are present in CBOs.

Additionally, there is one reason given by Harrison and St. John (1996) that does not fit into the context of a CBO. These authors explain that when a firm has positive relations with its stakeholders, there can be more entry barriers to the market by competitors, which leads to a more beneficial competitive environment (Harrison & St. John 1996). Contrarily, competition is not an issue for CBOs, and ensuring a favorable competitive environment is far from being one of the main goals of this type of organizations. As CBOs deal with social issues that were not addressed by any other actor and that are challenging to solve, the entry of other organizations/institution is desired and would be well received.

Concerning the stakeholder models proposed by Freeman et al. (2008) and Donaldson and Preston (1995), there are some ideas and assumptions that apply in a CBO context but some elements need to be revised to make representations closer to CBOs' reality. Regarding the model by Freeman et al. (2008), the division between primary and secondary stakeholders can also be relevant for a CBO. However, the definition and identification of such actors varies in some extent.

As an illustration, the primary stakeholders that are believed to be important for businesses in most cases (customers, employees, suppliers, financiers, and communities) differ greatly for CBOs. For example, employees are not considered as such in a CBO context because these groups are normally of small size and there is an equal distribution of tasks and income. Likewise, suppliers are not at the center of attention for CBOs as they tend to search for providers of low cost materials/products, and to change suppliers every time a new place with better offers is found. Additionally, CBOs do not have customers as such, but people from the community benefit from the services they provide, and payments are usually underneath market price. However, community is with no doubt a primary stakeholder. Moreover, unlike most businesses, relationship with government is significant for CBOs, and it is taken as a primary stakeholder since both CBOs and government share a common goal: to increase the life standard of community.

On the other hand, the definition of secondary stakeholders by Freeman et al. (2008), as those with less influence on the firm and who can affect companies' operations through primary stakeholders, should be revised. Secondary stakeholders can have both direct and indirect relationships with CBOs. Secondary stakeholders who relate directly with CBOs are normally operating in the same area, and they also have similar knowledge and capacity. These elements also ease communication, so it is often not necessary to have a third party to serve as a bridge or channel. Examples of stakeholders of this type are suppliers and local CBOs/NGOs. Furthermore, secondary stakeholders who relate indirectly with CBO have different capacity and do not operate in the same context than these organizations. In addition, communication can face challenges because representatives of some of these organizations might not speak the local language, so it is necessary to have a third party to ease all procedures. International financiers and organizations, media, and businesses can be examples of this kind of actors.

In the case of the model proposed by Donaldson and Preston (1995) which shows a situation where all stakeholders relate with the company contributing inputs and expecting outputs that are not necessarily bigger than those expected by other stakeholders, representation can work in the case of

a CBO. In this context, relations with stakeholders are based on a balanced exchange of inputs and outputs, where stakeholders provide support to the CBO, and receive benefits from such relations that are translated into more connections, more capacity, and better income.

A third element discussed in my research had to do with the methods for assessing stakeholder salience proposed by stakeholder theory and their applicability on the CBO context. In a CBO, stakeholder salience can be evaluated taken into account the attributes proposed by Mitchell et al (1997), power, emergency, and urgency. All stakeholders studied in the case of this research, had one or more of these attributes, so it is relevant for a CBO to evaluate the following elements:

- Whether a stakeholder can influence CBO's operations through different kinds of resources (power)
- Whether such relationship is accepted and recognized by society (legitimacy)
- Whether stakeholder's claims need to be attended acutely by CBO (urgency)

However, salience cannot be decided according with the number of attributes that every stakeholder has as it was proposed by Mitchell et al. (1997), but it is necessary to dig deeper into the values and culture of the organization that is studied, a suggestion given by Jones et al. (2007). In the case of CBOs, values and moral commandments are usually at the center of the organizational activities and decisions, which makes legitimacy extremely significant. Therefore, if a relationship is legitimate, CBO will consider stakeholder as important, even if such actor only possesses one single attribute. Afterwards, power and urgency will increase the relevance and the attention that CBO provides to every stakeholder.

Finally, I analyze how stakeholder management strategies can apply in the context of a CBO. This task was somehow cumbersome, because it is hard to find real examples of concrete strategies that this kind of organizations have planned and develop to manage their stakeholders. However, an analysis of the case of this research, has demonstrated that CBOs tend to use bridging techniques when relating with their stakeholder.

CBOs normally plan and implement activities in collaboration with different actors, and their relationships nurtures in great extent due to the fact that CBO and stakeholders might share common interests, goals and tasks. CBOs partner and collaborate with stakeholders to exchange ideas, receive guidance, and get resources of different type to undertake operations. Communication is also well

developed, and if there are stakeholders whose context or capacity vary from CBO's environment and knowledge, then there are actors that act as a bridge between both parts.

CBOs do not tend to limit their relations to tracking the behavior of a stakeholder, or to informing actors about an issue, but the way these groups manage their relations is more related with collaborating, and partnering techniques. CBOs might look for spaces to exchange knowledge and experiences with their stakeholders, so different actors collaborate directly in some of the CBOs' activities and they also can influence the future plans of these organizations. Moreover, even networking techniques can be observed when third parties enter to support one relationship.

These ideas are also supported by the literature on CBOs, where authors argue that CBOs are usually strongly linked with other community groups, NGOs, public organizations, and businesses, in order to accomplish their goals (Fontan et al. 2009). For example, in the case of CBOs and government, their relations are based on a common goal (promoting community development by improving living conditions of community members) (Fontan et al. 2009), and their collaboration is therefore based on common activities and on constant feedback from both sides. CBOs' members might not carry out a careful design of techniques, but practice shows that collaboration, partnering, and networking, are common methods used when relating with stakeholders.

## **6.2. Limitations of the study**

The limitations of this research were mentioned partly in the subsection where I discuss ideas on the trustworthiness of the study. However, I will provide further details in this subsection.

The transferability of the results of my research can be put into question because I only made research in the stakeholder relations of one single CBO. Even though the selected case gave good insights on the topic researched, and despite it was carefully picked to be a good representation of this type of organizations, it would be relevant to look into other CBOs' experiences to proof the actual transferability of the outcomes of this study.

Another challenge I found during this research, was the limited availability of literature on the subject matter. Stakeholder theory has focused vastly on business corporations, so I could not find academic articles applying such ideas on small non-for profit organizations. In addition, stakeholder relations

have not been studied extensively in the context of grassroots CBOs, so most of the outcomes of my discussion were extracted from the case and from personal analysis on the available literature.

Additionally, I should mention the possible changes that the CBO studied in this research is going through currently. In 2013, this group decided to organize themselves into a so called Community Based Enterprise (CBE) incorporating business thinking into their activities. It is expected that with this change, sanitation activities will be able to spread out more rapidly and sustainability of activities will be more feasible. However, this new form of organization will bring changes on the way how CBO has collaborated so far with stakeholders, and even new actors will need to be considered. Therefore, the information described in my findings will need to be revised in the coming months, as it is likely that some of the current relationships will transform.

### **6.3. Suggestions for future research**

This research provides at least two potential directions for future research which are related to the goals of the present study. Firstly, there is still a need of more research on how stakeholder theory could fit to analyze stakeholder relations of non-for profit organizations. For instance, similar studies could be carried out, to examine the stakeholder relations of different CBOs, and to link these experiences with the ideas proposed by stakeholder theory scholars. Secondly, further research can be elaborated on how CBOs operating in different contexts relate and maintain relationships with their stakeholders.

On the first point concerning stakeholder theory and CBOs, I suggest more research focused on single topics such as identification of stakeholders, stakeholder salience, and stakeholder management. Multiple case studies could be undertaken on these subject matters by taking as reference several CBOs operating in different conditions and working areas. In this way, there would be comprehensive results that could then bring new insights to stakeholder theory.

Regarding the second point, CBOs stakeholder relations could be further explore to identify current and potential stakeholders, benefits from relationships, and challenges. Exploring other organizations' experiences on these topics could help scholars doing research on CBOs to understand how these grassroots groups work and to come up with strategies or procedures that could be adopted by CBOs in the future to make their operations more efficient.

Finally, further research could be done from the perspective of the stakeholders who relate with CBOs. For example, it would be interesting to study what are the main characteristics of the stakeholders who relate with this type of organizations, and how do these stakeholders become relevant for CBOs. In addition, I suggest to explore what management techniques do stakeholders have for relating with CBOs, and how do they build trust when relating with these groups.

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