universität wien

MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„Market Entries through Public Private Development Partnerships in Developing Countries“

verfasst von / submitted by

Navid Brockmann-Hosseini, B.A.

angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of

Master of Science (MSc)

Wien, 2020 / Vienna 2020

Studienkennzahl lt. Studienblatt / degree programme code as it appears on the student record sheet:	UA 066 914
Studienrichtung lt. Studienblatt / degree programme as it appears on the student record sheet:	Masterstudium Internationale Betriebswirtschaft
Betreut von / Supervisor:	ao. Univ.-Prof. Mag. Dr. Josef Windsperger

To my beloved ones.

Table of Contents

Abbreviations IV
List of Figures VI
List of Tables VII
1. Introduction 1
2. Research Context and Goal 2
2.1 Developing Countries and Their Need for Investments 3
2.2 Foreign Direct Investments and Their Rationale 5
3. Public-Private Cooperation 8
3.1 Public-Private Partnerships 10
3.2 Public-Private Development Partnerships 13
4. International Market Entry Theory 17
4.1 Transaction Cost Theory 19
4.2 Institutional Theory 21
4.3 Resource-Based View 23
5. Methodology 25
5.1 Choice of Research Approach 25
5.2 Research Strategy – Single Case Study Approach 26
5.3 Validity and Reliability 28
5.4 Propositions and Rival Explanations 33
5.5 Data Collection 35
6. Case Study: ZAMITA PPDP Project 37
6.1 Zambia 37
6.2 Sida 40
6.3 NORTEC 40
6.4 UNIDO 41
6.5 The Volvo Group 42
6.6 ZAMITA PPDP 43
7. Case Study Findings 45
7.1 Data Analysis 45
7.1.1 Addressing Propositions 46
7.1.2. Addressing Rival Explanations 50
7.2 Limitations 51
8. Discussion and Conclusion 53
9. References 55
10. Appendix 65
Zusammenfassung 65
Abstract 66
Coding Agenda 67

Abbreviations

AfDB	African Development Bank
CEE	Central Eastern Europe
CSR	Corporate Social Responsibility
EE	Emerging Economies
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GIC	Global Investment Competitiveness Survey
IMF	International Monetary Fund
ISID	Inclusive and Sustainable Industrial Development
ITPO	Investment and Technology Promotion Offices
JV	Joint-Venture
LKDF	Learning and Knowledge Development Facility
M&A	Merger and Acquisition
MNE	Multinational Enterprise
MoU	Memorandum of Understanding
MSTF	Mining Skills and Training Framework
NGO	Non-Governmental Organisation
NORTEC	Northern Technical College
ODA	Official Development Assistance
PPDP	Public-Private Development Partnership
PPP	Public-Private Partnership
RBT	Resource-Based Theory
RBV	Resource-Based View
SDGs	Sustainable Development Goals
Sida	Swedish International Development Cooperation Agency
SME	Small- and Medium-sized Enterprise
SOE	State-Owned Enterprise
SSA	Sub-Saharan Africa
TA	Technical Assistance
TCE	Transaction Cost Economics
UN	United Nations

UNIDO	United Nations Industrial Development Organisation
UNOCHA	United Nations Office for the Coordination of Human Affairs
USD	United States Dollar
WESP	World Economic Situation and Prospects
ZAMITA	Zambian Industrial Training Academy
ZAMSET	Zambian Mining Skills, Education and Training Institute

List of Figures

Figure 1: Motivations for FDI in Developing Countries (World Bank, 2017a)....7
Figure 2: Dimensions Influencing the Form of Cooperation: Goals, Coordination, and Resources (Schaeffer & Loveridge, 2002)....10
Figure 3: Private Sector Benefits of Contributions to Education (Robertson, Mundy, & Verger, 2012)....14
Figure 4: Benefits for PPDP Partners (LKDF, 2015)....16
Figure 5: A Hierarchical Model of Choice of Entry Modes (Pan & Tse, 2000)....17
Figure 6: Deductive Category Application (Mayring, 2000)....28
Figure 7: Chain of Evidence (adapted from Yin, 2014)....31
Figure 8: Analysis Design (own illustration)....34
Figure 9: Map of Zambia (UNOCHA, 2020)....38
Figure 10: Real GDP Growth Zambia Forecast (AfDB, 2020)....38
Figure 11: Percent of Firms Identifying the Problem as the Main Obstacle in Zambia (World Bank, 2014b)....39
Figure 12: Breakdown of the Volvo Group's global net sales in 2018, by region (Wagner, 2019)....42
Figure 13: Shared Value Strategy by the Volvo Group (Volvo Group, 2016)....43
Figure 14: ZAMITA PPDP Structure (own illustration)....44

List of Tables

Table 1: Investor Motivation Framework (World Bank, 2017a)..... 6
Table 2: Some Perceived Characteristics of PPDP Stakeholder (Draxler, 2008) 15
Table 3: Ensuring Validity and Reliability in a Case Study (adapted from Yin, 2009) 29
Table 4: Six Sources of Evidence: Strengths and Weaknesses (Yin, 2009).....32
Table 5: Brief Descriptions of Different Kinds of Rival Explanations (Yin, 2014) 33
Table 6: Applied Data Collection Methods Overview (own illustration).....35
Table 7: Tentative Budget ZAMITA Phase I+II (LKDF, 2017, 2019).....44
Table 8: Category Frequency per Data source (own illustration) 45
Table 9: Category Correlation (own illustration).....49
Table 10: Coding Agenda (own illustration) 67

1. Introduction

In times of rising competition due to globalisation and market saturation in developed countries, companies are under pressure to identify and access new business opportunities, in order to secure and obtain new revenue streams. If companies want to expand their business activities, they typically have various options to achieve this. One common tactic is to enter new foreign markets. In this regard, developing countries are becoming increasingly important due to their promising market growth potential and significantly lower market saturation. Thus, being one of the first companies that gains a strong foothold in such markets can bring enormous economic benefits and the potential to achieve pioneer status through e.g. first-mover advantages while bearing significant risks due to the liability of foreignness (Hymer, 1977).

This shows that the company needs to carefully evaluate the type and mode of market entry in order to prevent approaches and decisions that can ultimately cause negative consequences. A diverse set of different aspects influences the outcome and the success of a market entry. Thus, international market entry mode choices are mostly viewed as a trade-off between control and the costs of resource commitments under consideration of risk and uncertainty (Meyer, Estrin, Bhaumik, & Peng, 2009). Therefore, working together with entities that have experience in the target market might help to significantly reduce such issues. These entities can be of a different kind, private, or even public ones such as networks or international multilateral development organisations like the United Nations (UN).

At the same time, developing countries are in severe need of improvements in basic infrastructure and the economy as a whole. They often face a big set of challenges such as high (youth) unemployment rates, political instability, or lacks in education (Asiedu, 2005; Zimmermann, 2013). Therefore, international development organisations try to tackle these issues in order to help them towards a better, sustainable, and faster (economic) development, to ultimately improve the livelihoods of residents. Thus, such organisations work closely together with different stakeholders among local and national authorities, including the private sector as a central driver of economic growth and job creation. Private companies can channel foreign direct investments (FDIs) to the target country and also provide specialised knowledge, expertise, and technology. By partnering with the business sector, they can ensure that the industry's voice is funnelled into their technical assistance (TA), normative interventions, and project management, in order to help to shape a more business-friendly environment. Therefore, FDIs and market entries of foreign firms in such an environment are a promising source of financing for development action and the economic development of the company. In turn, public entities provide various valuable benefits to the business sector, like close connections to local governments and information about the respective business environments.

2. Research Context and Goal

The scientific international market entry literature rarely covers this form of cooperation between the public and the private sector, often referred to Public-Private Development Partnerships (PPDP) and it remains unclear how this form of cooperation can be perceived from the private sector's perspective. Thus, the scope of this thesis is embedded into the aim of getting a better understanding of the underlying principles from the private sector's point of view in participating in such partnerships in developing countries. The potential rationale can be heterogeneous as not only the market saturation and increased competition in developed markets are putting the private sector under pressure, but also due to aspects like the so-called Corporate Social Responsibility (CSR) that implies more strategic emphasis into partnerships, as private firms are seen more and more as citizens of a global world, incorporating responsibilities towards the social dimension (Pattberg, 2012). Therefore, being able to enter untapped and promising markets in developing countries is crucial as such markets often provide huge potentials in both respects while making the relations with the public sector (e.g. governments) a ubiquitous task (Rodriguez, Siegel, Hillman, & Eden, 2006).

However, as Di Bella, Grant, Kindornay, and Tissot (2013) stressed, there is the need for more research, in order to be able to better assess the private sector benefits from engagement in such cooperation with (public) development institutions. They argue that a detailed review of such actual projects is required, to get a better picture of this phenomenon. Thus, the goal of this master thesis is to address this research gap within the thematic area of international market entry theory and the connection to PPDPs in developing countries. This thesis is structured as a single-case study, focusing on the Zambian Industrial Training Academy (ZAMITA) PPDP project in Zambia which has the goal to provide market-relevant and state of the art education young people. This project will be the basis of this thesis by putting special emphasis on the business point of view of the Volvo Group as the private sector entity. Therefore, the following research questions were identified which guided the research of this thesis:

1. Why is the Volvo Group as the private sector partner engaging in a PPDP in Zambia?
2. In how far is the PPDP an appropriate form to enter the Zambian market?

The next chapters will focus on the thematic context, the key definitions, and the state of research concerning important theories of international market entries in order to establish a common understanding as a basis for this thesis. This will be followed by the applied research strategy, the empirical findings, and their analysis vis-à-vis the research questions. Lastly, all aspects will be summarised and reflected towards the research questions while considering the discussed limitations of this thesis. First, chapter 2.1 will provide a brief definition of developing countries and why they are in the need of (foreign) investments which can be seen as

the overall broader thematic focus of this thesis, while chapter 2.2 will present the commonly perceived rationale behind FDIs and its possible drivers outside of the PPDP scope. This is a premise to get a more profound understanding of the private sector's motivation to invest in foreign markets.

2.1 Developing Countries and Their Need for Investments

There is no common definition of the term 'developing country'. However, most of the countries that are considered as developing countries share some common characteristics such as the unreliable provision of food for major parts of the society, low income per capita, poor health care, high child mortality, high unemployment rates, bad education services leading to a high level of illiterates among the population, and little economic activity, to name some of the most common ones. The World Economic Situation and Prospects (WESP) of the UN classifies all different countries into one out of three broad groups, which are named: '*developed economies*', '*economies in transition*', and '*developing economies*'. This categorisation is based on basic economic conditions in the respective countries (United Nations, 2020). However, it should be also noted, that especially economies in transition often could be placed into more than one category. Zambia is listed as a developing economy and therefore fits into the scope of this thesis.

Especially, the Sub-Saharan African (SSA) countries suffer from nearly all of the described issues, which makes them heavily dependent on foreign aid. Moreover, the lacks in almost all sectors are the cause of high unemployment rates especially among the younger population which aggravates betterment of the economic situation. National budgets in particular in Africa are often dependent on donor-countries and institutions as levels of debt are frequently high. Therefore, in order to reduce Africa's poverty rate, foreign finance is needed not only in form of donor aid but also in form of FDI, as most SSA countries do not even have (full) access to international capital markets (Darley, 2012). At the same time, according to Herzer, Klasen, and Nowak-Lehmann (2008), FDI flows to developing economies have risen more than 12-fold since 1980, as many countries reduced investment barriers and offered tax incentives or subsidies with the goal to promote economic growth through this approach.

Furthermore, the World Bank and the International Monetary Fund (IMF) implemented structural adjustment programmes in developing countries which fostered FDI and cooperation with Multinational Enterprises (MNEs), leading to eased restrictions on FDI in many developing countries. This intensified during the 1990s and the governments in developing countries used this for gaining new organisational and managerial expertise, better access to international

markets and new technologies (Cleeve, Debrah, & Yiheyis, 2015; Noorbakhsh, Paloni, & Youssef, 2001).

Because of this, FDI inflow to developing countries has increased dramatically during the past decades. For instance, total FDI inflows to developing countries between 2002 and 2012 alone registered an increase by 323.4 per cent (from $172.3 billion to $729.5 billion). Geographically, this increase is mainly due to investments located in Asia and South America, whereby inflows to Africa in 2002 accounted for $14.6 billion and registered an increase to $55.2 billion in 2012 (Cleeve et al., 2015). Putting official development assistance (ODA) aside, the role of FDI for the SSA region is of vital importance, as this provides capital which is the biggest constraining element for economic progress if not readily available. All SSA countries are facing a lack of adequate availability of investible capital. Thus, the attraction of FDI is still a major goal of most countries in this region. Crucial determinants of FDI inflows to SSA countries are traditionally their market size and growth, access to natural resources and state of infrastructure (Cleeve et al., 2015), even though this is heavily dependent on the investor's goal and business area (see chapter 2.2).

According to Ramamurti and Doh (2004), the shortfalls in infrastructure in developing countries at the beginning of the 1990s were huge. Most of the infrastructure was outdated or even run down, while supply for renewal was significantly below capacity in many areas. Power shortages or outages were common and widespread, as well as clogged ports and underdeveloped roads and train tracks. Furthermore, Wheeler and Mody (1992) found that developing countries became aware in the 1990s that the quality of infrastructure was considered a major factor in market entry location choices of MNEs. The governments understood that without rapid improvement in aspects such as infrastructure, they would not be attractive for foreign investment, regardless of other attractive features (e.g. wage levels). Today, the current infrastructure gap is still large, leaving 940 million individuals without access to electricity and 663 million are lacking access to improved sources of drinking water (Rozenberg & Fay, 2019). This has a direct influence on the availability and quality of education programmes, as they become less relevant as other issues prevail, which harms economic development even more.

Because of this, policymakers in developing countries are still striving to attract foreign capital and connected benefits. When taking endogenous growth models into consideration, FDI is assumed to incorporate new technologies and know-how (spillover) in the production function of the host economy and thus promotes long-run growth by increasing the level of knowledge through labour training, skill acquisition, and new management practices. Therefore, a key assumption is that FDI especially in connection to education programmes can have a positive impact on overall economic growth. However, Herzer et al. (2008) also argue that this effect

might be less significant than expected. In fact, it can be pointed out that in general FDI can also even cause negative consequences on domestic firms due to competition effects, especially when multinationals have lower marginal costs through firm-specific advantages (Herzer et al., 2008; Kosack & Tobin, 2006). Sometimes the costs of incentives even outweigh the actual benefits of FDI, leading to an overall negative outcome (Cleeve et al., 2015).

Thus, some developing countries have also put more effort into skill development and education as one main activity to attract and stimulate FDI. The goal is to reduce human capital costs and improving the productivity of employees through e.g. governmental or sponsored training programmes. One can say that it can be expected that a well-trained and well-educated labour force is better able to adapt to new technology, as opposed to relying solely on cheap and low-skilled labour (Cleeve et al., 2015). However, in this respect, the help from abroad is necessary as firms from developed countries can provide state-of-the-art technology and impart market-relevant knowledge.

Therefore, many developed countries have development aid programmes to help to address these issues, while often pursuing their own interests through e.g. incorporating and bringing in domestic multinational firms and FDI through cooperation formats like PPDPs (see chapter 4.2). After all, it should be noted at this point that in general, the debate whether foreign aid has overall positive or even negative effects on the host country remains controversial in the world of development economics (Knack, 2001; Knutsen & Kotsadam, 2020; Qian, 2015). However, there must be some advantage given for the private sector since many private firms participate in such projects, which provides the starting point of this master thesis for the following chapters.

2.2 Foreign Direct Investments and Their Rationale

Historically and generally speaking, the rationale behind FDIs changed several times over the past. During the 1950s FDI was mostly concentrated in the primary sector and resource-based sectors. Thus, the availability of natural resources was a major determinant when assessing potential investment locations. This changed later on during the 1960s, as aspects like market size and growth became more and more important. In the 1980s FDIs experienced once again a shift towards services and technology-intensive industries, as especially the service sector rose to almost 50 per cent of the world stock of FDI (Noorbakhsh et al., 2001).

In connection to this and according to the World Bank (2017a), different rationales behind the decision to invest in foreign markets need to be taken into consideration. This classification of the World Bank (2017a) is based on the widely known work of Dunning and Lundan (2008),

who presented their framework containing four different sources of FDI motivation namely: '*natural resource-seeking', 'market-seeking', 'strategic asset-seeking', 'efficiency-seeking'*. It is important to note, that these different types of investments can have varying important benefits for the respective host economy and implications for the private sector (Table 1).

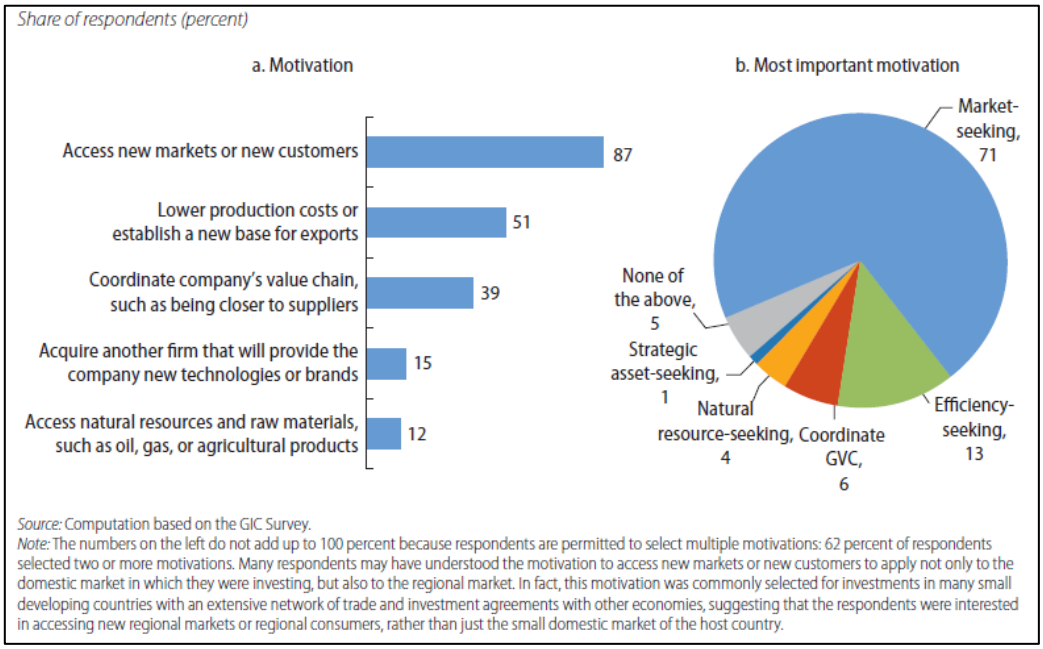
Table 1: Investor Motivation Framework (World Bank, 2017a)

	Private sector's rationale	Perceived outcome
Natural resource-seeking	• FDI enters the country to exploit locally available natural resources	• Leads to exporting of natural resources or resource-based products
Market-seeking	• FDI enters the country to gain access to the domestic markets	• Leads to domestic sales of final products to consumers or intermediates to firms
Strategic asset-seeking	• FDI enters the country to enhance the capabilities of the investing firm by acquiring a firm with technology and brands that have a competitive advantage	• Leads to sales of final goods in the home country and third countries
Efficiency-seeking	• FDI enters the country to save costs in international production networks (offshoring)	• Leads to importing of intermediate products and exporting of final products or intermediates

In fact, the World Bank (2017a) stated, that they found through their Global Investment Competitiveness (GIC) survey among 754 executives of MNEs that invested in developing countries, that close to two-thirds of the investors mentioned multiple motivations for their investment decision. However, most investors stated that they are overall mainly market-seeking, meaning that FDI is predominantly used to access new markets or customers (Figure 1).

With respect to developing countries, Noorbakhsh et al. (2001) mentioned that cost of labour as a location-specific advantage needs to be seen as a key aspect and potential benefit for the investing company. Moreover, Dunning (2015) mentioned that the level of education and skill of the labour force can have influence in both, the volume of FDI and the activity that an MNE undertakes in the respective country. Thus, this can also mean that the improvement of human capital through education can improve a country's locational advantages for attracting FDI, stressing the importance of education policies and programmes (Noorbakhsh et al., 2001).

Figure 1: Motivations for FDI in Developing Countries (World Bank, 2017a)



Source: Computation based on the GIC Survey.
Note: The numbers on the left do not add up to 100 percent because respondents are permitted to select multiple motivations: 62 percent of respondents selected two or more motivations. Many respondents may have understood the motivation to access new markets or new customers to apply not only to the domestic market in which they were investing, but also to the regional market. In fact, this motivation was commonly selected for investments in many small developing countries with an extensive network of trade and investment agreements with other economies, suggesting that the respondents were interested in accessing new regional markets or regional consumers, rather than just the small domestic market of the host country.

Okafor, Piesse, and Webster (2015) researched the locational motives of FDI into SSA countries. They further examined whether there are structural and behavioural differences related to FDI between the regions in the area. In order to achieve this, panel data was used on samples of countries in the Sub-Saharan region for the period 1996-2010. The results show that the market size, return on capital, human capital and trade openness have a significant and positive relationship towards FDI, whilst corruption, inflation, cost of fuel and rent from natural resources have a negative and significant relationship towards FDI. Furthermore, their findings indicate that recent FDI inflows in this area were motivated by market-, efficiency- and strategic asset-seeking variables and rather less by resource-seeking ones. Moreover, FDIs in the western and central countries of the SSA region were mostly motivated by market- and efficiency-seeking variables while in the southern and eastern region mostly through efficiency-seeking variables, stressing the different locational characteristics of the African countries.

3. Public-Private Cooperation

The fact that FDIs can have different underlying rationales while providing mutual benefits, not only for the investing firm but also for the public, raises the question of how these benefits can be effectively promoted and utilised. Business-friendly policies and procedures are one major aspect in this regard as mentioned before. However, especially in developing countries, investment risks are often high and pose a significant barrier to the private sector. Thus, cooperation between the public and private can be an effective means to reduce such risks. With connection to this, the fact that partnerships have become more and more a part of corporate strategy (Pattberg, 2012), is pointing out that it is important to have a clearer picture about the implications of such a partnership between two different sectors.

Nevertheless, the public and the private sector have different missions and are therefore in some ways fundamentally different. Such differences are reflected in the way how they are financed and governed, and they are manifested in aspects like hierarchy and decision-making structures. Another crucial aspect is the fact that private sector firms are usually accountable to their owners or shareholders, or in some cases, to other stakeholders such as employees, creditors, or communities where they are located. This includes that decisions can be often made without scrutiny by the public, even though this changed throughout the past years as the public increasingly demand responsible actions by private firms. This will be discussed in more detail with regards to CSR later in this master thesis.

In contrast, the public sector is, especially with regards to important decisions, under public pressure and subject to strong scrutiny by citizens, interest groups and the press. Since the public sector gets its legitimacy from the support of their citizens, the goal for them is to maintain their confidence and to respond to their needs and interests which is why they often provide opportunities for the people to give input into the decision-making process. This makes the process slow and also an issue of competing interests (Schaeffer & Loveridge, 2002). Taking this into account, the prospect of public scrutiny can be a reason for public sector elected officials and executives to show reduced willingness to take action on controversial issues. Sharing information with the public is a key aspect in this regard but also stays in clear contrast to decision-making in the private sector which usually happens behind closed doors. This also explains why the private sector can be reluctant to share its business insides as they are possibly becoming public and could be used by competitors. This reluctance on one side and the obligation to make information available to the public on the other side is a potential subject that can lead to tensions in public-private cooperation and the goals pursued (Schaeffer & Loveridge, 2002).

Furthermore, it is important to keep in mind that the extent to what public sector organisations are financially liable is often limited. Thus, the public sector is less vulnerable to financial issues in contrast to private sector firms. The sources of revenues of governments are rather stable as they are mostly based on taxes. However, customers of private sector firms can change their buying behaviour, and products that have high demand today might be unwanted inventory the other day. The public sector is also much more limited in what they do, which simply becomes apparent when considering the geographic scope. Private sector firms face less limitations in this respect, which are rather represented by market-imposed limitations (Schaeffer & Loveridge, 2002).

According to Robertson, Mundy, and Verger (2012) expectations of the private sector about public-private cooperation are strongly related to the health of their business. The objectives connected to this can be categorised within the following aspects (Robertson et al., 2012, p. 54):

- Enhanced corporate image
- Closeness to public-sector decision-makers in a non-commercial context
- Development of customer loyalty among programme beneficiaries
- Market penetration/reduced costs
- Reduced scrutiny compared to contractual activity
- Easy access to information about public sector planning

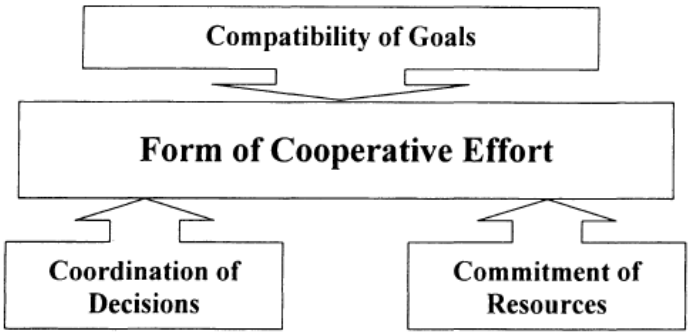
Still, due to such differences between private and public entities, the room and opportunities for cooperation which is mutually beneficial are given. Both sectors can have complementary capabilities and they can realise things that would be not feasible if conducted alone (Schaeffer & Loveridge, 2002). Thus, the question emerges, how such cooperation can be managed effectively and this is, according to Schaeffer and Loveridge (2002), strongly influenced by three key aspects which ultimately help to identify the most viable form of cooperation. These aspects are: '*the compatibility of goals*', '*the coordination of decisions*', and '*the commitment of resources*', as shown below in Figure 2.

There are different forms of public and private cooperation. For example, Schaeffer and Loveridge (2002) discuss four different forms which are so-called '*leader-follower relationship*', '*exchange relationships (seller-buyer relationships)*', '*joint ventures*', and '*partnerships*'. With regards to the thematic scope of this master thesis, the form of partnerships will be discussed in more detail. The authors define it as an open-ended agreement to work cooperatively in which the partners define the purpose of the partnership, also including the openness to new

developments and opportunities. As stated in their paper, authentic partnering is closely connected to collaboration and combination of the respective strengths of the private entity (e.g. competitiveness and efficiency) and the public sector (e.g. accountability towards society). Such partnerships can be constructed as a so-called Public-Private Partnership (PPP) which is a very common approach in this form of collaboration in developed as well as developing markets.

Empirical evidence that is concerned with the functioning and effects of such partnerships is not extensive. Most of the literature that discusses theories and experiences of partnerships within social sectors are focusing predominantly on the health sector and often only considers the public viewpoint. The topic of education is far less prominent than the health sector (Draxler, 2008), which stresses the contribution of this master thesis to this topic.

Figure 2: Dimensions Influencing the Form of Cooperation: Goals, Coordination, and Resources (Schaeffer & Loveridge, 2002)



3.1 Public-Private Partnerships

One format of partnerships that gained significant importance and popularity during the past decades are the previously mentioned PPPs. According to Mitchell-Weaver and Manning (1991), PPPs have been researched and promoted since the 1970s and 80s particularly by neoliberal governments (e.g. the United Kingdom) as an instrument for an alternative provision of public goods. They were mainly used for urban development with the goal to save public money, while forming a more efficient economy, as the area of activities that are directed through the market forces were broadened. Moreover, governmental and intergovernmental action is often notorious to be cost-ineffective, slow and inefficient (Robertson et al., 2012). However, until today there is no single internationally accepted definition for the term PPP. As Melville (2016) argues the wide array of different possible legal structures makes a common definition difficult. Yet, usually, the different definitions share some common characteristics, as can be seen in the following two examples.

The World Bank (2017b, p. 14) defines PPPs as

> *"A long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance."*,

whilst the Ministry of Foreign Affairs of the Netherlands (2013, p. 17) stated that

> *"There is no single definition of PPP. It covers a wide range of transactions where the private sector is assigned some responsibility, including investment. It ranges from management contracts with no investment obligations to concessions contracts with significant investment obligations in addition to operational and management obligations"*.

It is important to clarify through whom the '*public*' and the '*private*' partner in a PPP is represented. According to Poulton and Macartney (2012), the public partner refers usually to the state or a public actor like a donor or non-profit foundation. In turn, when it comes to the private partner, it is usually agreed on, that private implies '*for-profit*' and '*business*', which spans from small- and medium-sized enterprises (SMEs) to local companies, MNEs, foundations or financial institutions (KS, Chowdhury, Sharma, & Platz, 2016). However, it should be noted that this can vary according to the circumstances and scope of the respective PPP.

Overall, most research has been focusing on how the cooperation between private and public partners can be means to deliver value to the public and whether PPPs are feasible arrangements for the provision of public value (Rivera-Santos & Rufín, 2010). Furthermore, the bulk of the available research targets the question on how PPPs should be managed and organised in order to be successful, addressing the managerial and organisational characteristics and risks within PPPs (Spiller, 2013). This research has its roots in fields like project management or public management. It can be argued that the research connected to fields of international business and economics is very limited.

With respect to PPPs in developing countries, one can notice that their focus is predominantly on infrastructure projects. Chauhan and Marisetty (2019) stated that PPPs are used within more than 134 developing countries, cumulating to 15-20% of total infrastructure investment. A World Bank analysis showed that in general investment in PPP infrastructure projects experienced an overall increase, as it is seen more and more as a means to deliver infrastructure in an efficient way (World Bank, 2016). Engel, Fischer, and Galetovic (2008) argued that this growing popularity could be due to the failure of privatisation programmes in many countries. These projects include brownfield and greenfield projects as well as performance-based management contracts. Furthermore, the non-tradability of infrastructure means that foreign inves-

tors cannot divert local production to foreign markets in case of disgruntle with the host government. This implies that foreign investors in infrastructure experience decreased bargaining power, as the argument of exporting cannot be used throughout the life cycle of such investments. All these arguments make infrastructure FDI a more risky and vulnerable investment than the average manufacturing investment (Ramamurti & Doh, 2004). In addition to that, FDIs in developing countries are perceived as highly vulnerable and risky, due to the political and institutional conditions which are less stable and predictable. For example, a common problem is the risk, that a new government will renege on previously promised concessions by earlier governments, which is significantly higher than in developed countries.

All in all, one can say that PPPs are a middle path between privatisation and conventional project finance since the risks are shared between public and private sector entities, unlike in conventional project finance or classic privatisation programmes. A PPP should be designed in a way to benefit the government and private parties by pooling their resources and an increased scope of activities by combining complementary strengths. As Schaeffer and Loveridge (2002) argued, a necessary premise for voluntary participation in such cooperative agreements is the fact that all stakeholder expect to be better off as when they would act alone. They further state that this form of cooperation makes participants better off mostly due to pooling their resources and obtaining efficiencies. Combining complementary strengths and the increase in the scope of their activities are important benefits. Moreover, they also stress that the success of such cooperation depends on how well the participants organise their actions and decisions.

The government should be able to rely on the private sector's expertise in managing government assets efficiently and the private sector should be able to reduce their uncertainties through reduced information asymmetries due to reduced regulatory hurdles and demand risk during the operational phase (Chauhan & Marisetty, 2019). Furthermore, PPPs can enhance the reputation and image of the private sector, while providing fluid links to governments and officials (Robertson et al., 2012), which is an important consideration with respect to this master thesis, as different forms of PPPs can provide such benefits e.g. through their focus on development.

3.2 Public-Private Development Partnerships

Since the topic of this master thesis is focusing on market entries of private sector companies through their cooperation with public entities to foster development in developing countries, an amended definition of PPPs is needed. The lack of a universal definition for such kind of PPPs, often referred to as PPDPs or 'multi-stakeholder partnerships' (Draxler, 2008), is even bigger and is mostly based on definitions from public authorities and international development agencies. Furthermore, in this case, the public partner is usually represented by the government's development agency (e.g. Swedish International Development Cooperation Agency - Sida), a coalition of different development agencies or by a multilateral organisation such as the World Bank, the UN or non-governmental organisations (NGOs) who can act as the representative of the public partner. Thus, the following definitions should be considered.

The Sida (2017) states that

> *"In a Public Private Development Partnership (PPDP) Sida and actors from the private sector cooperate and jointly finance a project that seeks to improve the lives of people living in poverty."*,

whilst the Swiss Agency for Development and Cooperation (2013, p. 6) defines it as

> *"[...] joint investments of development agencies and the private sector as an instrument of development cooperation"*.

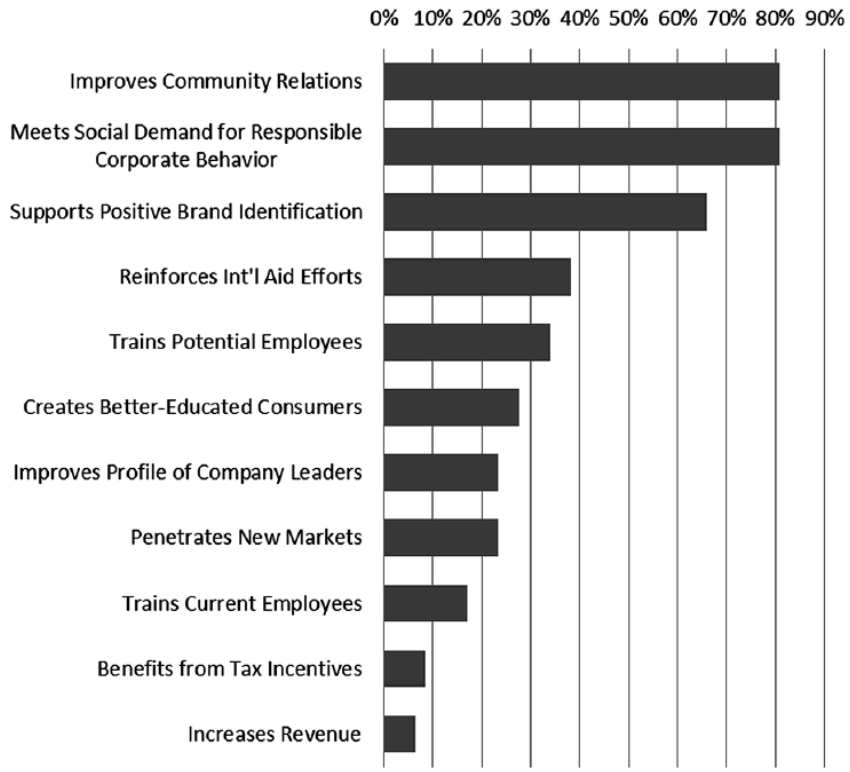
This means that PPDPs have the goal to provide development aid by sharing risks through public and private parties, which is a different characteristic than in classical PPPs, as their primary focus lays on the simple provision of public goods through the private sector. This implies that the goal of a PPDP could be also to provide intangible resources like knowledge to foster education. Moreover, this entails that the geographical focus of PPDPs lays predominantly on developing countries, whereas PPPs are also often located in developed markets.

Since the focus of this study lies on the private sector's viewpoint, it is important to mention the available literature provides only a few insights in how PPPs/PPDPs impact the firm in the developing world (Chauhan & Marisetty, 2019; Warner, Kahan, & Lehel, 2009). For example, Chauhan and Marisetty (2019) found that PPP investments can be beneficial for the private sector, as the investment efficiency can be improved which also impacts their operating performance in the long run positively. However, scientific research with an explicit focus on connections between PPDPs and market entries is small. Besides, a bulk of the available research focuses on emerging economies (EE) (Poulton & Macartney, 2012; Samii, van Wassenhove,

& Bhattacharya, 2002) and spillover effects of FDIs but with only a few insights into developing countries (Bwalya, 2006).

However, Robertson et al. (2012) provide some insights into corporate philanthropy in education in developing countries. They researched the benefits from the private sector's viewpoint of contributing to education and found 11 main benefits as depicted in Figure 3. The figure shows the previously mentioned aspect of meeting the social demand for responsible corporate behaviour or CSR as one main benefit, which will be discussed further below. In connection to this, positive brand identification can be effectively supported, while the reinforcement of international aid efforts and the training of possible future employees are also important reasons.

Figure 3: Private Sector Benefits of Contributions to Education (Robertson, Mundy, & Verger, 2012)



Furthermore, since PPDPs have the aim to improve e.g. the economic prospects and livelihoods of the respective population, one main goal of such cooperation projects is to scale their effects towards a bigger group outside of the project target scope and achieve spillover effects for the domestic economy and population. FDIs through PPDPs can, therefore help to achieve these goals as this is a form of non-debt source of financing and generally increases the technical progress in the host country which can ultimately have a decisive impact on the process of economic development and can bring new technology and knowhow to the developing countries (Johansson de Silva, Kokko, & Nordberg, 2015). Draxler (2008) argues that most of such

partnerships are very diverse and seldomly resemble each other. Still, there are some important characteristics of the different stakeholder to be considered that are involved in a PPDP, which can be summarised in Table 2.

Table 2: Some Perceived Characteristics of PPDP Stakeholder (Draxler, 2008)

	Public sector	Business	Civil society
Comparative advantage	• Equality and equity • Sector-wide delivery • Long-term engagement • Regulatory ability • Excellent human resource base • Accountable to public • Responsible for delivery of education as a human right	• Efficiency, productivity • Innovation and research capacity • Targeted action • Effective and economical distribution ability • Results-oriented • Cost-effectiveness	• Meeting stakeholder needs • Local networks and experience • Targeted fundraising • Rooted in constituency • Situation-specific actions • Watchdog role
Comparative disadvantage	• Resistant to change • Uniformity of provision • Limited budget flexibility	• Internal time-frame • No profitability in 'last mile' • Not responsible for the public good	• Represents special interests • Fragmented objectives and action • Occasional amateurism
Desired outcomes of partnership	• Expanding action • Enabling environment for growth • Different expertise • Additional resources	• Shareholder and employee satisfaction • Economic growth • Education for employability • Image and branding • Risk management	• Legitimacy • Reinforced focus on specific needs • New resources • Greater impact

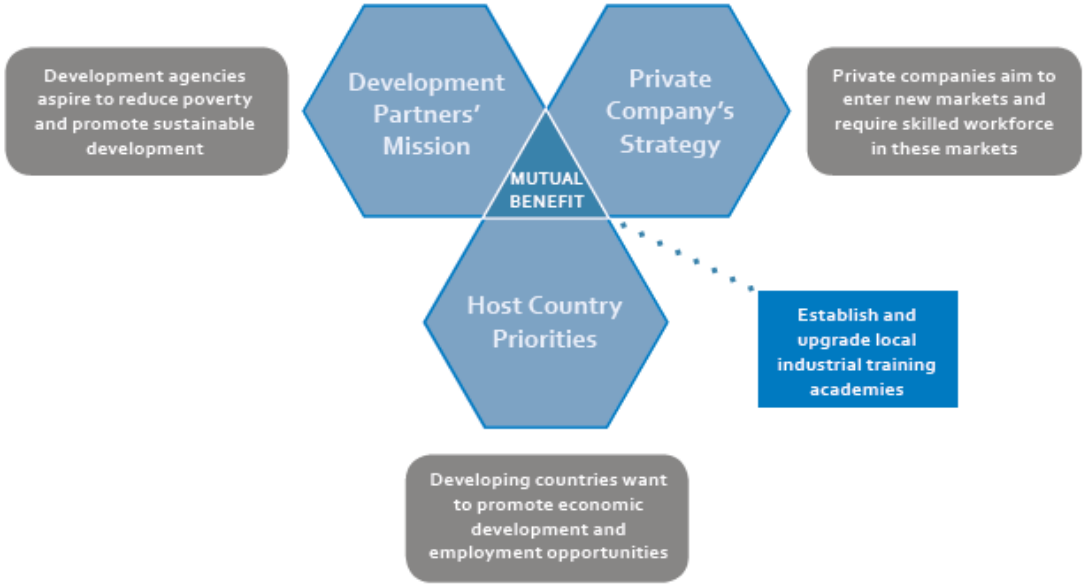
The public, consumers, investors and staff scrutinise the actions of private entities, as they want to know whether positive contributions towards society and economy are made (Di Bella et al., 2013; Johansson de Silva et al., 2015; Pattberg, 2012). Therefore, it has been argued that partnering with the public sector can improve the visibility and impact of actions (Robertson et al., 2012). However, at this point, it should be mentioned that there is a significant difference between CSR and charity, sponsorship, or philanthropy. Still, the latter can also contribute positively to enhance the reputation of a firm but the concept of CSR goes far beyond that and is nowadays an inherent part of business strategy (Vertigans, Idowu, & Schmidpeter, 2016).

Moreover, FDI in combination with development aid has the goal to improve managerial capabilities and skills, whilst increasing efficiency and productivity, and bring a wide range of goods and services to the host economy. Such productivity spillover effects can mainly occur through three different channels. First, the movement of highly trained and skilled staff to the host country. Secondly, the so-called 'demonstration effect' which arises from arm's length relationships between foreign and domestic firms. Such effect enables the domestic firms to adopt and implement superior production technologies and organisational/managerial skills. Thirdly, the effect of competition needs to be considered, as the presence of a foreign firm may force rival foreign competitors to enter the market as well, whilst domestic firms are under pressure

to upgrade their production techniques to be able to compete with them (Blomstrom & Kokko, 1997; Bwalya, 2006).

Figure 4 provides a general overview of a PPDP project with an example of a vocational training project. It becomes clear that all three key partners, the private sector firm, the development agency, and the host government have their own goals and the intersection of these goals is the core of the PPDP that aims to bring betterment of education programmes for the population in the respective host country (LKDF, 2015).

Figure 4: Benefits for PPDP Partners (LKDF, 2015)

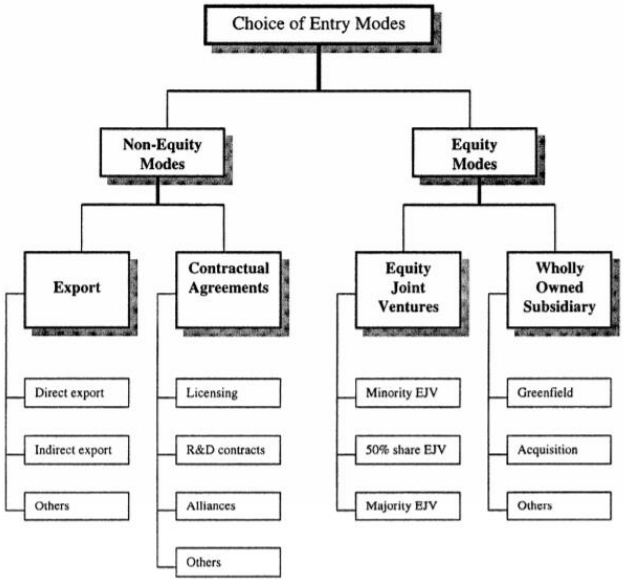


However as argued by Robertson et al. (2012) and discussed before, partnerships can be sometimes even more costly of resources (mostly human resources), as the effort for managing such partnerships is more complex and requires intensive coordination, reporting, monitoring and evaluation. Therefore, private companies need to carefully evaluate this decision. Commonly, different theories are taken into consideration in order to help identify the most beneficial market entry mode. These theories consider a wide range of implications that spans from firm-internal and -external indicators. Three main theories in this regard will be now described in more detail, as they build the main economic and scientific theory basis of this study.

4. International Market Entry Theory

Entering new markets in order to expand and secure new revenue opportunities, as well as to obtain first-mover advantages, is crucial for survival, especially for MNEs in an increasingly globalised world (Nakata & Sivakumar, 1997). International market entries have been well researched throughout the past decades (e.g. Andersson & Svensson, 1994; Brouthers & Brouthers, 2000; Delios & Beamish, 1999; Gatignon & Anderson, 1988; Hennart & Park, 1993; Larimo, 2003; Meyer, 2001). Therefore, several different concepts based on different theories have been identified and helped to explain how and why companies use different entry modes in order to access and enter new foreign markets. However, the bulk of research focuses on developed or emerging markets, stressing the need for more research concerning developing countries as a special case within market entries. A general overview of the different modes is provided by Pan and Tse (2000), who distinguish between equity and non-equity modes as depicted below in Figure 5.

Figure 5: A Hierarchical Model of Choice of Entry Modes (Pan & Tse, 2000)



In connection to this, Meyer and Estrin (2001) also postulated the same, as they argue that one can generally distinguish between so-called equity and non-equity market entry modes, whereas equity modes include greenfield investments, brownfield investments, acquisitions, and joint ventures (JV) and non-equity modes include franchising, licensing, leasing, management service contracts, alliances and also (direct/indirect) exports. It is important to understand that all mentioned modes have different advantages and disadvantages from the business perspective and are idealistically chosen in connection to the goals of the company and the business environment that can be found in the respective target market. The selection of the right entry mode is specifically sensitive with respect to markets in developing countries as

they are usually more volatile and less resilient than developed ones. The goal of choosing the right mode of entry is therefore mostly a trade-off between the amount of control of business activities that the company want to retain and minimising the insecurities e.g. through involving local partners.

Meyer and Peng (2005) focused their research on the Central and Eastern Europe (CEE) region and economies in transition, with three lines of theoretical frameworks. They discussed how organisational economic theories contribute to the understanding of entry strategies of foreign investors. The widely known resource-based theories (RBT) and the institutional theories were discussed in order to get a more comprehensive understanding of this matter. Furthermore, they found that organisational economic theories such as the so-called Transaction Cost Theory are widely used among scholars to explain market entry modes and ownership strategies of market entrants. This basically entails that lower transaction costs will make it more likely that foreign investors will establish wholly owned operations rather than JVs or contractual cooperation since this enables the entrant to have more control over operations while costs are affordable.

Dikova and van Witteloostuijn (2007) studied market entries with a focus on economies in transition. They researched for evidence about which factors determine the choice of the entrant between acquisitions and greenfield investments, as well as the establishment of a wholly owned outlet or a subsidiary with shared ownership. Furthermore, they tried to answer to what extent the host country's institutional environment affects the entry mode choices. They tested the moderating effect of the host country's institutional environment on the impact of the parent firm's features on entry mode choices. They found that within the framework of transaction cost economics (TCE) there are certain firm-level factors that influence both, entry mode form and choice of ownership. In addition, they provide empirical support for the aspect that investment decisions are influenced by institutions, which is typically explained by TCE in the literature. According to their empirical evidence, the establishment of greenfield subsidiaries and subsequent tacit knowledge transfer are desired mostly in an institutionally advanced environment, which is normally the case in developed countries. In turn, they found that acquisitions are preferred by MNEs as the most efficient way to achieve a desired local customisation but are only desirable if the institutional environment is fairly advanced.

Furthermore, RBTs are commonly used to analyse how market entrants can manage e.g. their JVs with local stakeholder, including issues like partner selection, organisational learning, and post-acquisition restructuring. Foreign investors seek primarily local partners that help them to gain access to local markets which is important to facilitate their market entry. This is connected to the core RBT assertion that includes the capability to learn from partners can be

seen as a tacit resource, which helps to gain competitive advantages. In addition, Meyer and Peng (2005) stated that in the early stages of transition in the economy, formal market-supporting institutions are often not well developed which leads to informal constraints, causing foreign entrants to rather choose JVs and alliances in contrast to wholly owned subsidiaries to mitigate this issue.

Thus, in order to get a better understanding for the rationale behind PPDPs and their connection to FDIs of the private sector, it is useful to consider the above mentioned three theories (theory triangulation) that are commonly used in international business research. They are being utilised for the analysis of this research to get a more sophisticated picture and understanding of the underlying principles within the scope of the thematic focus of this master thesis. Therefore, the Transaction Cost Theory, Institutional Theory, and the Resource-Based View will be presented in more detail below, to later use their implications for the analysis process of the gathered evidence.

4.1 Transaction Cost Theory

Transaction cost theory gained strong attention especially in the 1980s and 1990s in the scope of entry mode choice (e.g. Anderson & Coughlan, 1987; Anderson & Gatignon, 1986; Erramilli & Rao, 1993; Hennart, 1991; Hennart & Larimo, 1998; Kim & Hwang, 1992; Taylor, Zou, & Osland, 1998). However, in order to get a better understanding of the implications of this theory, it should be clarified, what exactly can be considered as transaction costs.

Williamson (1985) stated that three dimensions with regards to entry mode decisions of firms can be identified: '*asset specificity'*, '*uncertainty'* and '*frequency'*. All of them are based on three key behavioural assumptions which are: opportunism, bounded rationality, and risk neutrality. The asset specificity is a very key dimension of a transaction, as this enables the firm to identify the need for tailored or standardised investments. This essentially incorporates the transferability of assets that support a given transaction. The uncertainty can be split up into two different kinds. On one side, the so-called behavioural uncertainty is connected to imperfect information and information asymmetries between parties, especially when taking into consideration that opportunistic behaviour might occur, and decisions must be taken under uncertainty towards actions of other market participants. On the other side, according to Bremen, Oehmen, Alard, and Schönsleben (2010) the so-called external uncertainty refers to e.g. unexpected changes in the legal and economic environment. The frequency is mostly referred to the sales volume of goods or services or the frequency of the transactions, as this according

to Williamson (1985), usually causes (connected to the fact of higher repeatability of transactions) an increase in the probability of investing in unrecoverable assets abroad.

As Meyer and Estrin (2001) argued, transaction costs are costs that are caused through searching suitable targets, the analysis of their economic viability, and all the aspects connected to negotiation with management, owners and governments. Due to the gaps and inefficiencies in developing markets, increased transaction costs in comparison to developed markets are to be expected. In connection to this, the liability of foreignness plays a significant role, as this liability can, according to Zaheer (1995), arise from at least four different but not necessarily independent reasons. First of all, she mentions the costs that can be directly linked with the spatial distance and different time zones, when it comes to costs of travel, transportation, and coordination. Secondly, she states that firm-specific costs that are based on the company's unfamiliarity in the respective country and the lack of connections to the local area can have significant influence. Thirdly, the foreign entrant can face costs due to the host country environment, such as lack of legitimacy or economic nationalism. Last but not least, costs from the home country environment e.g. restrictions on sales to certain countries need to be also considered.

Brouthers, Brouthers, and Werner (2003) postulated that transaction cost-based market entry mode choices are efficiency-driven decisions, in which firms will select the mode of entry that entails the least (transaction) cost. They found that firms were significantly more satisfied with the firm performance that chose their market entry strategy under consideration of transaction costs. However, aspects like firm size or international experience can also influence entry mode choice and performance (Erramilli & Rao, 1993; Gatignon & Anderson, 1988; Hennart, 1991), which is why Brouthers et al. (2003) suggest to not solely rely on transaction cost variables when it comes to such a decision but to consider other non-transaction cost-related factors as well.

Choi, Lee, and Kim (1999) hypothesised that two important transaction costs in such markets are '*measurement*' and '*enforcement*'. Measurement costs are costs incurred from difficulties of measuring the value of a product in a transaction. Enforcement costs are linked to the constraints of enforcing and safeguarding agreements, which is a crucial point in international business settings. They are expected to be higher in countries where the price system is not providing accurate signals for efficient resource allocation. At the same time, when official discretion defines property rights in contrast to the rule of law, then enforcement costs will be high. Moreover, opportunistic behaviour which is normally reduced through contract law, trust or reputation, can be expected to occur more likely under such circumstances (Hoskisson, Eden, Lau, & Wright, 2000).

Peng and Heath (1996) stated that firms in EEs will face difficulties to grow internally or through merger and acquisitions (M&As) due to a lack of property rights and political structures. As a result, they suggest that hybrid strategies e.g. using networks will help through pooling and coordination of resources, which ultimately helps to achieve economies of scale and scope, while fostering organisational learning. This can also be conveyed to non-equity modes and the case of PPDPs, as this shows that hybrid strategies can be an effective means of counter-acting these issues. In this respect, Hoskisson et al. (2000) emphasised that personal relations and network contacts have the potential to reduce such uncertainties and connected costs, making locally experienced partners highly viable. Nevertheless, it is clear that institutions have a significant influence in this process which will be reviewed in more detail in the following chapter.

4.2 Institutional Theory

The institutional theory states that institutional forces have an influence on the organisation's decision-making and processes. As argued by Meyer et al. (2009), institutions are an essential part in the market economy as they support the effective functioning of the market mechanisms, which helps to prevent undue costs and risks.

Child and Tsai (2005, p. 97) are defining institutions

> *"[…] as collective and regulatory complexes consisting of political and social agencies. Institutions potentially dominate other organizations through the enforcement of laws, rules and norms that constitute both 'formal rules' and 'informal constraints'".*

Typically, institutions in developed economies are almost invisible, even though their role is critical, whereas in most less developed countries, the markets are malfunctions and the absence of institutions and their market-supporting role is obvious (Meyer et al., 2009). This is due to the fact that developing countries have significantly weaker institutions in comparison to developed countries, as laws are often not well developed or enforced e.g. through independent courts. This goes hand in hand with weak property rights and governments that feel less accountable to their parliament and people. The same applies to regulatory agencies that are often incompetent or not well enough insulated from politics, thus making them inefficient. Furthermore, the media is less independent and most likely influenced which bears political and economic risks that can negatively impact FDIs (Ramamurti & Doh, 2004).

Furthermore, there are perspectives that utilise an economic orientation (Coase, 1998; Milgrom, North, & Weingast*, 1990) and a sociological orientation (DiMaggio & Powell, 1983).

The strategy of enterprises can be also facilitated by institutions, allowing them to take a more active role in an institutional environment. Certain institutional change can provide proper incentives and changes in the corporate culture, which enables the private sector to make improvements in their strategy (Hoskisson et al., 2000). However, the effect of institutions on the performance of firms varies across countries, as the state of development is dependent on local processes in the country (Makino, Isobe, & Chan, 2004).

Milgrom et al. (1990) postulated that institutions provide the rules that guide human interaction in societies. Organisations are the players bounded by those formal and informal rules, while the role of institutions is to reduce uncertainty and provide stable structures that facilitate such interactions, thus reducing transaction and information costs. With respect to that, it becomes clear that formal and informal rules can have a strong impact on the entry mode choices of private sector entities. For instance, legal restrictions may limit the equity stakes that are allowed to be held by foreign investors, whereas informal norms might favour local enterprises over MNEs (e.g. in case when bribery is accepted). With special regards to developing countries, one very crucial aspect is that institutions are important actors for provision of information that are not readily available, in order to reduce information asymmetries which are perceived as a core source of market failure (Peng, 2003). Often, weak institutions amplify information asymmetries causing enterprises to face higher risks in partner selection (Meyer, 2001) while increasing the need to spend more resources searching for information which is closely connected to transaction costs as discussed above (Tong, Reuer, & Peng, 2008).

Hence, Meyer et al. (2009) argue that foreign entrants are likely to need access to local resources in order to overcome inefficiencies that are caused by weak institutions. However, they state that on one side these weak institutions make it difficult to access such resources via the markets. This inhibits significantly foreign greenfield investments and also raises the costs of acquiring local firms. On the other side, JVs provide the option to access such local resources in a more efficient way, while the need to invest own financial or non-retrievable resources is significantly lower. In essence, this also underlines the findings of other authors, which emphasises that cooperation with partners can help to overcome such institutional issues and risks. With respect to PPDPs, it becomes clear that cooperation partners in such a format can also help to overcome or reduce the impact of barriers due to weak institutional status and the liability of foreignness while helping to establish unique resources that provide competitive advantage which will be discussed in the following chapter.

4.3 Resource-Based View

The basic question that is addressed through the resource-based view (RBV) is why firms are different and how they can achieve and maintain a competitive advantage. In this regard, resources are defined to include assets, capabilities, organisational processes, knowledge, information, and all other attributes which are controllable by firms and help to implement their pursued strategy. On this basis, Barney (1991) established four criteria in order to explicate his idea of tradability of strategic resource factors, leading to his suggestions that firm resources and capabilities can be differentiated on the basis of their '*value', 'rareness', 'inimitability',* and *'substitutability'*. Most resources that are creating competitive advantages in this regard are intangible ones. Even though some aspects like first-mover advantages are standard across all economies, others have special implications in less developed markets. Enterprises that manage the deterrent circumstances of less developed markets, can experience such first-mover advantages, including reputation effects, and economic advantages in connection to sales volume and domination of distribution (Hoskisson et al., 2000). However, it is difficult to establish such advantages in these markets without good relationships with governments, as this can provide benefits like better access to licenses or properties (Hoskisson et al., 2000).

With respect to market entries, the RBV has helped to identify the characteristics of resources that are required to overcome the so-called liability of foreignness. In this respect, Lieberman and Montgomery (1998) mentioned that there is a connection between the RBV and potential first-mover advantages, as early market entrants or pioneers have the chance of acquiring superior resources and capabilities. However, there is the threat that such pioneers acquire the resources that ultimately turn out to be the 'wrong' ones, as they may only provide limited value to the firm, while the market evolves.

Furthermore, according to McWilliams and Siegel (2010) and as mentioned above, CSR can be an important aspect in the differentiation strategy of private sector firms and a tool to sustain competitive advantage. According to them, CSR actions inherent things like pollution abatement, recycling, and support for local social services. Nyborg and Brekke (2004) stated that CSR can enable the company to develop human resource capabilities, through market screening strategies that help to attract highly motivated and productive workforce. At the same time, CSR activities also have an influence on the society, which becomes apparent when the firm links the provision of public goods to the sale of its private products. However, the optimised level of CSR, which means a level that maximises the private return, could be theoretically determined by cost-benefit analysis. Still, calculating these costs and benefits is often difficult, especially with regards to consumer demand, as CSR attributes may account only for a small

percentage of all relevant attributes concerning a product. Another important aspect is the effect on the motivation of existing employees and staff, as an increasing number of workers want to identify themselves with the firm and consider a firm that does good for the society as a good place to work. Thus, the overall motivation and social commitment can be assumed to be higher, which is characterising the firm vis-à-vis its competitors and society. The fact the CSR can help to increase the value and reputation of brands is important to consider within the scope of the RBV and this master thesis (McWilliams & Siegel, 2010).

Doh (2000) stated that the RBV of competitive strategy in combination with other related theories, also highlights the importance of network relationships to the focal organisation, as learning and knowledge acquisition through such networks is an important aspect when it comes to the reinforcement of the competitive position attained by the first-mover status and resource development.

5. Methodology

After getting an overview of the key definitions and theories, the following chapter will discuss the research methodology of this master thesis. The chapter will first focus on the description of the research approach and then point out the research strategy, material used, the elaborated research propositions and possible rival explanations, which will guide the development of categories for the final analysis of the evidence and data collected.

5.1 Choice of Research Approach

In general, the character of the research question and the aim of the research determine whether a qualitative or quantitative research strategy (or even both) is appropriate for the study. Typically, quantitative research is described as a structured research method for studying a larger sample with the aim of extracting quantifiable insights into the researched situation. In contrast to that, qualitative research is rather unstructured and focusing on a small and carefully selected number of individuals, producing mostly non-quantifiable insights into the respective situation. In opposition to the usage of numerical data in quantitative methods, qualitative research works mainly with open-ended non-numerical data (Saunders, Lewis, & Thornhill, 2009). Therefore, with respect to the aim of this master thesis, the use of qualitative research methods will help to get access to more detailed information, which is necessary when trying to understand such form of market entry and the rationale behind the engagement in a PPDP, as this is likely to be different from case to case, thus making a qualitative approach more suitable than a quantitative. Furthermore, the access to the persons from the private sector firms who are in charge of such projects, are difficult to identify and contact which would be necessary for a survey.

In order to get some empirical evidence in respect to the research question, the research methodology of a case study is a promising way to get access to information that would be difficult to obtain through quantitative data collection methods. A qualitative study is commonly used, when a specific field has not been studied a lot, which became apparent during literature review within the thematic scope of PPDPs in connection to market entries (see chapter 4.2). Therefore, the widely recognised case study design and methodological approach of Yin (2008), Yin (2009), and Yin (2014) will be used, with additional reference to other authors such as Rowley (2002) and Atkinson (2002) who based their work on him as well. Furthermore, the qualitative content analysis from Mayring (2000), and Mayring (2014) will be used for the analysis of the gathered data. Yin (2014, p. 16) states that

> *"a case study is an empirical inquiry that investigates a contemporary phenomenon (the "case") in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident".*

According to Rowley (2002), case studies contain fewer units that are being studied in contrast to surveys, whilst the available detail for each case can be expected to be greater. Furthermore, case studies are strong in their ability to undertake a contextual investigation of a phenomenon (Rowley, 2002). Another important aspect is the fact that corporate strategies and their underlying reasoning are often difficult to quantify, which further supports the argument of using a qualitative research method (Saunders, Lewis, & Thornhill, 2019).

5.2 Research Strategy – Single Case Study Approach

As the conduction of multiple case studies is a very time-consuming procedure and not always viable due to constraints in money, available cases, or very limited access to sources of evidence, the use of a single case study design can be means to mitigate this and generate empirical insights from the target group. Thus, this research strategy was identified to be an appropriate way to achieve the desired outcome with respect to the research scope and questions.

Furthermore, purposive sampling ensured that the target sample can be reached in an efficient way and that the case yields sufficient information and data, whilst having the greatest impact on the development of knowledge about the respective topic (Patton, 2009). However, this implies certain limitations especially when it comes to generalisability of the research, which will be discussed in more detail in chapter 7.3.

As Yin (2014) postulated, another important aspect that should be taken into account within the case study research strategy is the consideration of five different kinds for using a single case study design. Each of them will be described briefly to better identify the case study rationale for this study. Firstly, he mentioned the so-called '*critical case'* where the case is critical to the theory or the theoretical propositions. This means that the theory should specify a clear set of circumstances in which the propositions are expected to be true. Thus, the single case can be used to determine whether these propositions are correct or whether alternative explanations are more relevant. Secondly, he stated that '*extreme/unusual'* cases are cases that are characterised through deviation from theoretical norms or everyday situations, which are often used in clinical research, as studying unusual cases may reveal insights about normal processes through which the value of a case study can be connected to people beyond those suffering from the original clinical syndrome.

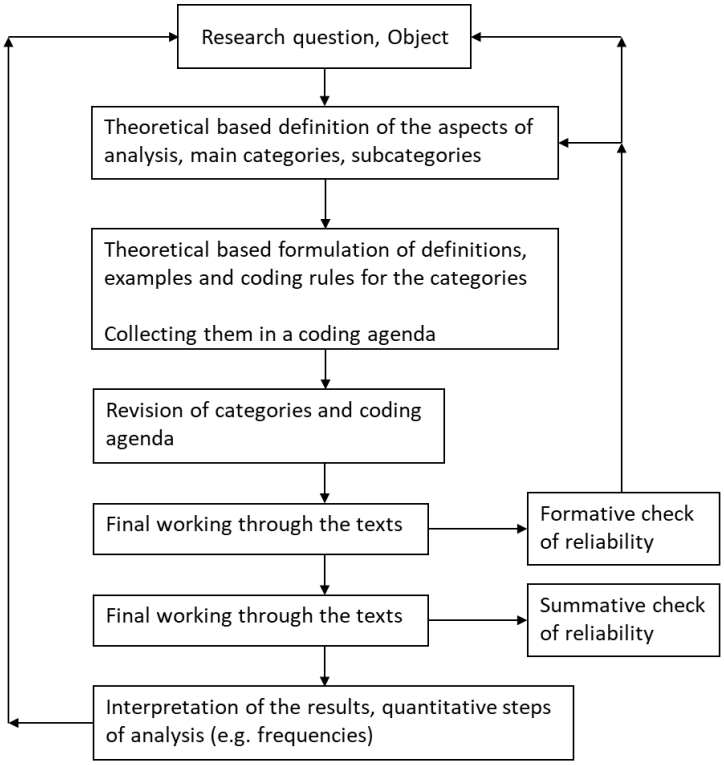
Thirdly, the author named the so-called '*common'* case, where the objective is to assess the circumstances and conditions of everyday situations, in order to get insights about the social processes related to theoretical interests. The fourth rationale that he presented, is the '*revelatory'* case, in which the researcher basically has the opportunity to observe and research a phenomenon that was previously inaccessible to social science. Lastly, the fifth rationale is called the '*longitudinal'* case, in which the same case is being studied at two or more different occasions. The goal is to research how certain conditions and their underlying principles change over time. Thus, the single case study approach in this master thesis can be based mainly on a critical case, as theory is used to specify the circumstances within which the propositions are believed to be true. The single case evidence then will be used to test the propositions and to check whether alternative or rival explanations can be negated, which is also an important step in connection to validity and reliability of a case study.

For a proper analysis of the data in this case study, the approach of using the software tool MAXQDA in order to be able to analyse all different kinds of data (e.g. text documents, videos, etc.) was chosen. This software makes it possible to ensure that all sources of evidence are treated within the same database and with the same methodology. As Yin (2014) argues, computer-assisted tools such as MAXQDA can be very helpful, as they have become more diverse and functional during the past decades and can work with text and also video-based data. At the same time, he stresses that such computer-assisted tools are just a support for the analysis process. The software does not provide a finished analysis on its own but rather assist the analysis process.

Yin (2014) also suggests, one possible technique for the analysis of the aggregated data, is to create a matrix of categories and to code the evidence within these categories. However, since Yin (2014) does not provide any further guidance on how to establish such category matrix, the approach of Mayring (2000) will be applied in this master thesis. According to him, the categories will be identified prior to the analysis process and based on the propositions (deductive category application) as shown in Figure 6. The next step is then to redefine and fine-tune them during the analysis process in order to ensure that (if required) new ones will be added and obsolete ones deleted until a rationalised set of codes is achieved. However, this means that previously coded data need to be revisited and tested for the inclusion of the new ones. The coding process is guided by the so-called Coding Agenda or Category Matrix, which gives an overview of all rationalised codes, the applied coding rules and anchor examples (see Appendix Table 10). It is important to note, that the categories used in this study are of nominal nature, meaning that they are independent but belonging to the structural dimension. This is a

key difference to ordinal categories which express graduation of the structuring dimension (Mayring, 2014).

Figure 6: Deductive Category Application (Mayring, 2000)



5.3 Validity and Reliability

In most social science research techniques and for this master thesis as well, it is important to consider the concepts of generalisation, validity, and reliability in order to ensure that the research is assimilable into the base of a field of study. When establishing a strategy for the analysis of case study evidence, Yin (2014, p. 133) argues that

> *"much depends on a researcher's own style of rigorous empirical thinking, along with the sufficient presentation of evidence and careful consideration of alternative interpretations.".*

As Rowley (2002) stated, the design of a case study must be appropriately informed by theory and can therefore add to the established theory. However, in the instance of a case study, the generalisation is of analytical nature rather than statistical. According to Yin (2009) and Rowley (2002) construct validity, internal validity, external validity, reliability are commonly used within empirical social science and highly relevant to case studies to ensure a proper research design. Therefore, it is important to understand what they imply, to ensure that these premises are incorporated into the research approach in the right way.

1. Construct validity: correct operational measures for concepts being studied need to be established, reducing subjectivity by linking data collection questions and measures to research questions and propositions

2. Internal validity: causal relationship needs to be established, as certain conditions are shown to lead to other conditions while being distinguished from spurious relationships

3. External validity: establish a scope to which the results of a study can be generalised towards some broader theory

4. Reliability: operations of a study (e.g. data collection) must be repeatable, resulting in the same outcome, which has the goal to minimise errors and biases and can be achieved through documentation of procedures

Based on this, Yin (2014) suggests a set of case study tactics which are adapted for the single case study approach in this master thesis, as shown in Table 3.

Table 3: Ensuring Validity and Reliability in a Case Study (adapted from Yin, 2009)

Test	**Case Study Tactic**	**Phase of research in which tactic occurs**
Construct validity	• Use multiple sources of evidence • Establish a chain of evidence	Data collection Data collection
Internal validity	• Address rival explanations	Data analysis
External validity	• Use theory in single-case studies	Research design
Reliability	• Develop case study database	Data collection

Moreover, Rowley (2002) states, that propositions are needed as the researcher need to make speculations on the basis of the existing literature and other available evidence, on what an expected result from the research could be. The collection and analysis of the data will be structured in a way to support or refute these propositions. This goes hand in hand with Yin (2009), who proposed, that the use of theoretical propositions is the preferred strategy that leads the case study. The propositions should reflect the research questions, the review of the current literature and the identified theories.

Furthermore, Yin (2014) also states that one key strategy in case study research is to identify and address rival explanations for the findings. This means that when rival explanations are addressed and rejected, the findings of the case study will be much stronger. Furthermore, he makes clear that this needs to be considered in the designing stage of the case study already,

in order to ensure that data collection includes appropriate evidence. Therefore, the elaboration of rival explanations is being conducted in the following chapter.

In connection to this, Yin (2014) states that it is important to incorporate four principles of data collection within a case study in order to address research design challenges in connection to validity and reliability. Firstly, multiple sources of evidence should be used. Secondly, the creation of a study database, thirdly maintaining a chain of evidence, and fourthly exercising care when using data from electronic sources. Each principle was considered in the applied research strategy of this work and will be briefly discussed to gain a better understanding of what they exactly imply.

Principle 1: Multiple sources of evidence

The principle behind including multiple sources of evidence into the case study is to achieve triangulation. This essentially means that multiple sources of evidence are used in order to collect information aimed at corroborating the same circumstance, fact, or phenomenon. Thus, if the data is triangulated, then the facts within the case study must have been underpinned by more than one source of evidence. A critical problem connected to that is, that the ability to analyse multiple data sets from different sources needs to be present as otherwise the advantage of the case study strategy can get lost.

Principle 2: Case study database

It is important to note, that a case study database provides the benefit that in principle other investigators can review the sources of evidence which is why a database helps to ensure the reliability of the case study. Yin (2009) postulates that the development of a database should be based on four components (notes, documents, tabular material, and narratives). The documents that are used during the data gathering process need to be saved and made retrievable. Tabular materials that might be created by the researcher must be organised, stored, and made retrievable as they might include survey, observational counts, or other quantitative data. Narratives might be created by the researcher upon completion of data gathering and can be considered as a formal part of the database. They help to reflect and answer questions towards the case study's goal while giving reference to different sources of evidence. The database for this master thesis will be provided via Dropbox[1].

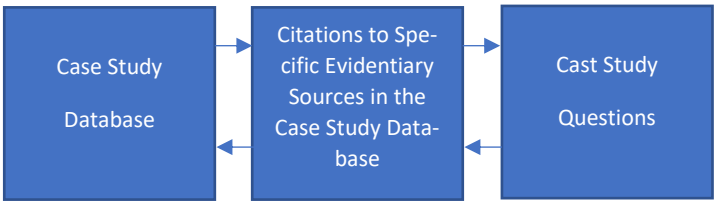
[1] https://www.dropbox.com/sh/vqo4tmqr4ngps6m/AADiL99DmSkbLJRTwDbtCZIGa?dl=0

Principle 3: Maintain a chain of evidence

The chain of evidence allows to increase the reliability of the information within a case study, as it allows external observers to understand the derivation of evidence (Figure 7). It should be noted that this chain of evidence used in this work is adapted from Yin (2014). Aspects such as the case study report will be left out, as the case study conducted in this master thesis does not aim to report the findings to external entities such as a principal.

An integral part of this chain is the above in principle 2 mentioned case study database, from which the actual evidence is taken and the relevant circumstances under which the data were collected can be identified. The next step is to make clear citations in the analysis to specific evidentiary sources from this database. Through this, the respective questions can be then addressed on the basis of the evidence gathered, making the whole process more comprehensible. The goal is to move from one part of the case study process to the other while having clear cross-referencing to methodological procedures and the resulting evidence available.

Figure 7: Chain of Evidence (adapted from Yin, 2014)



Principle 4: Exercise care when using data from electronic sources

With respect to electronic sources of evidence, Yin (2014) argues that the wealth of such electronic information can be overwhelming to the researcher. Thus, it is necessary to limit the time to spend and setting priorities for navigating and analysing e.g. websites. Furthermore, it is necessary to cross-check the sources and information derived, as they might have an interpretive slant, are incomplete or suffer from interpretive bias (e.g. Wikipedia). This also applies to data retrieved from social media sites, such as Facebook, Twitter, and YouTube.

Consequently, these four principles will be applied in the research approach of this master thesis to ensure a solid research design. For the data gathering process, the use and analysis of available grey literature, videos, and publications provide the necessary insights with regards to the research question. The goal of this approach is to ensure triangulation and consider the elimination of the weakness of one data source through the strength of another data source as shown in Table 4.

Table 4: Six Sources of Evidence: Strengths and Weaknesses (Yin, 2009)

Sources of Evidence	**Strengths**	**Weaknesses**
Documentation	• Stable – can be reviewed repeatedly • Unobtrusive – not created as a result of the case study • Exact – contains exact names, references, and details of an event • Broad coverage – long span of times, many events, and many settings	• Retrievability – can be difficult to find • Biased selectivity if collection is incomplete • Reporting bias – reflects (unknown) bias of the author • Access – may be deliberately withheld
Archival records	• *[Same as those for documentation]* • Precise and usually quantitative	• *[Same as those for documentation]* • Accessibility due to privacy reasons
Interviews	• Targeted – focuses directly on case study topics • Insightful – provides perceived causal inferences and explanations	• Bias due to poorly articulated questions • Response bias • Inaccuracies due to poor recall • Reflexivity – interviewee gives what interviewer wants to hear
Direct observations	• Reality – covers events in real-time • Contextual – covers context of “case”	• Time-consuming • Selectivity – broad coverage difficult without a team of observers • Reflexivity – event may proceed differently because it is being observed • Cost – hours needed by human observers
Participant observation	• *[Same as above for direct observations]* • Insightful into interpersonal behaviour and motives	• *[Same as above for direct observations]* • Bias due to participant observer’s manipulation of events
Physical artefacts	• Insightful into cultural features • Insightful into technical operations	• Selectivity • Availability

However, in this study not all of the in Table 4 presented sources of evidence can be used due to accessibility and availability issues, which will be discussed in more detail concerning the limitation of this master thesis in chapter 7.2.

5.4 Propositions and Rival Explanations

The following chapter will present the propositions and rival explanations that are important building blocks of this single case study methodology. The collection and analysis of data can be then structured in a way to support or refute the propositions. Likewise, identifying rival explanations will facilitate internal validity as they can be discussed later on when the data is being analysed.

Proposition 1: The PPDP facilitates the market entry of the private sector company into Zambia, as the cooperation reduces the liability of foreignness and transaction costs through sharing of resources, information and establishing policies

Proposition 2: The PPDP was selected as modus operandi, in order to minimise risks for the private sector, which are caused by weak institutions and the volatile business environment

Proposition 3: The private sector company engaged in the PPDP to enter new markets while contributing to their strategic goals and creation of unique resources

As mentioned above, the identification of rival explanations is a key strategy within case study research before starting data collection, in order to be able to interpret the case study's findings in a proper way and increase the internal validity of the case study research. According to Yin (2014), the identification of rival explanations helps with directing the evidence gathering, as the researcher needs to keep them considered during the research which prevents one-sided evidence gathering. He further argues that one can put more confidence in the case study findings, the more rival explanations can be addressed and rejected by the findings. In total, he presents nine different types of rival explanations from which three can be categorised as '*craft rivals'* and six as '*real-world rivals'*. However, not all of them are applicable to this work, leaving two craft rivals and three real-world rivals as considerable. They are depicted in Table 5.

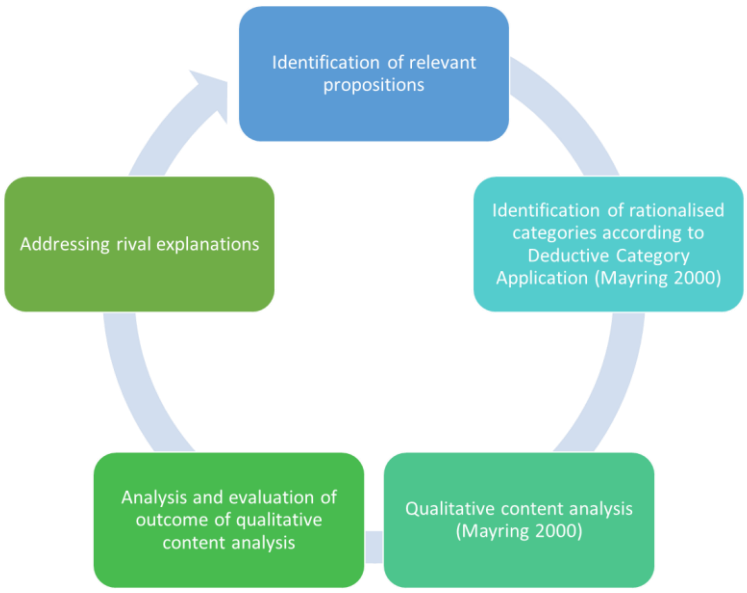
Table 5: Brief Descriptions of Different Kinds of Rival Explanations (Yin, 2014)

Type of Rival	**Description**	**Examples**
Craft Rivals:		
1. The Null Hypothesis	The observation is the result of chance circumstances only	The findings of the case study about the ZAMITA PPDP are based on chance of different circumstances.

2. Threats to Validity	e.g., history, maturation, instability, testing, instrumentation, regression, selection, experimental mortality, and selection-maturation interaction	The sources of evidence are old and do not display the actual phenomenon anymore.
Real-World Rivals:		
3. Direct Rival	An intervention ("suspect 2") other than the target (Practice or Policy) intervention ("suspect 1") accounts for the results ("the butler did it")	Any other reasons expect the ones considered are the cause for the participation of the private sector entity in the ZAMITA PPDP.
4. Commingled Rival	Other interventions and the target interventions both (Practice or Policy) contributed to the results ("it wasn't only me")	Other unobserved aspects also influenced the cause of the participation of the private sector entity in the ZAMITA PPDP.
5. Super Rival	A force larger than but including the intervention accounts for the results ("it's bigger than both of us")	The Swedish government insisted in the participation of the private sector to fulfil the development goals.

These rival explanations will be addressed in detail in the data analysis part in chapter 7.1. Overall, the conducted analysis design of this master thesis can be best summarised as shown in Figure 8.

Figure 8: Analysis Design (own illustration)



5.5 Data Collection

As discussed in the previous chapter, Yin (2009) states that six sources of evidence are commonly used in case study research to collect data (Table 4). However, he also states that this list can be too extensive for certain cases. Still, according to Yin (2014) case study findings and conclusions that are based on different sources of evidence are more convincing and accurate. Thus, the data collection approach used in this master thesis is based on data triangulation and usage of two different categories of sources of evidence, which can be best displayed through the following Table 6. The respective sources of evidence are also retrievable in the case study database, in order to increase the reliability of the case study research as discussed before. However, due to copyright issues in connection to the analysed videos, only the respective YouTube links will be provided in the database. At this point, it is also important to mention that this video material was coded through the MAXQDA software, thus ensuring that the same category agenda was used for all other sources of evidence. Furthermore, as there is no interest in analysing non-verbal interaction (such as gesture, smiling etc.) but rather an interest in the content-wise information, non-verbal aspects within the video material were ignored and only the spoken words were coded and analysed.

In total 1566 pages of 17 different and accessible documents in the English language were collected and analysed. Furthermore, in total 21 minutes from five different official and publicly accessible videos were analysed.

Table 6: Applied Data Collection Methods Overview (own illustration)

Data Collection Method	**Description**	**Purpose**
Literature Review	Several rounds of literature reviews were carried out. The following databases were used: u:search, ScienceDirect, Web of Science, Jstor	The literature reviews were conducted to: • Identification of the research gap • Become familiar with the academic debate about FDIs, market entries and PPDPs • Become familiar with the case study research methodology Application to: • chapter 1 - 8

Document and Media Analysis	Grey literature, videos, project documents, websites, newspaper articles, brochures	The document and media analysis were conducted to: • Get insights into the case project • Understand the underlying principles of the project Application to: • chapter 7, 8

6. Case Study: ZAMITA PPDP Project

Before the gathered data is analysed by the previously mentioned approach, the following chapter will give an overview about the ZAMITA case study project, the Republic of Zambia where the project is taking place and the involved project partners in order to get a better understanding of the case, its scope and the reason why it was selected as a viable case study for this master thesis.

The selection of a suitable PPDP project for this master thesis was a vital and difficult task with respect to different aspects like a certain generalisability of the case study findings and accessibility of sources of evidence (e.g. official publications). Therefore, different criteria were identified to help with case selection. First of all, the project must be explicitly a PPDP project, as otherwise the possibility could be given, that the project rather refers to a normal PPP, and thus fails to fit into the scope of this master thesis. Secondly, the project has to contain a private sector entity that accesses a foreign market through this project, in order to comply with the thematic research scope of this master thesis. Thirdly, the project should be ongoing in order to ensure that employees are available for contact and thus can provide valuable insights into the private sector entity viewpoint if requested. For the pre-selection of cases, the open data platform of United Nations Industrial Development Organization (UNIDO) (UNIDO, 2019) was used which led to the LKDF website (LKDF, 2019a) and the final project selection.

The chosen project for this master thesis is a PPDP project incorporating several public and a private stakeholder. The main focus of analysis lies on the perspective of the private sector's side, namely the Volvo Group Global, towards the PPDP and its implications for the company's FDIs in the Zambian market. The public side is defined through the UNIDO, Sida and the Northern Technical College (NORTEC) as stated in the official project document (LKDF, 2014). This PPDP is focusing on the provision of vocational training for heavy-duty machines as shown above in the example in Figure 3 and runs under the name ZAMITA.

6.1 Zambia

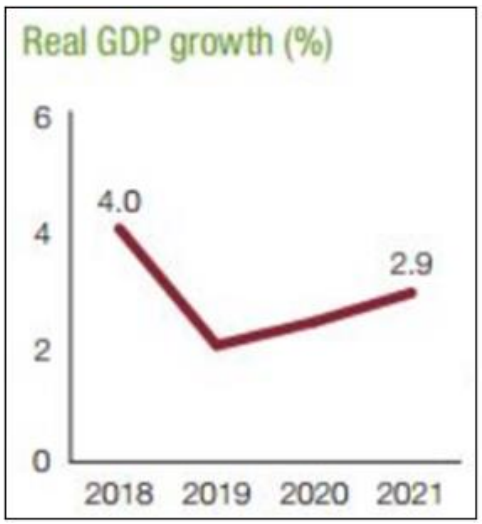
The country is located in the south-eastern part of Africa, bordering the Democratic Republic of Congo, Angola, Namibia, Botswana, Zimbabwe, Mozambique, Malawi and the United Republic of Tanzania (Figure 9). This means that the country is landlocked like many other African countries, which usually has a significant impact on the development of the country's economy (Faye, McArthur, Sachs, & Snow, 2004).

Throughout the past years, Zambia maintained peace and political stability due to maturing public institutions. From 2000 until the peak of copper prices in 2011, the country attained macroeconomic stability, pushing it above the threshold of lower-middle-income countries.

Figure 9: Map of Zambia (UNOCHA, 2020)

However, in recent years fiscal deficit increased due to several reasons but mainly because of declining copper prices. The GDP is estimated to be grown by 2 per cent in 2019, down from 4 per cent in 2018 (Figure 10). However, according to the WESP of the UN, the country has tightened the monetary policy stance because of the depreciation of the domestic currency and inflationary pressure (United Nations, 2020). The economy in Zambia is highly dependent on mining, which is the reason why lower cooper prices and slower mining activity are resulting in moderate growth forecasts in 2020 (AfDB, 2020). Moreover, the country is the largest copper

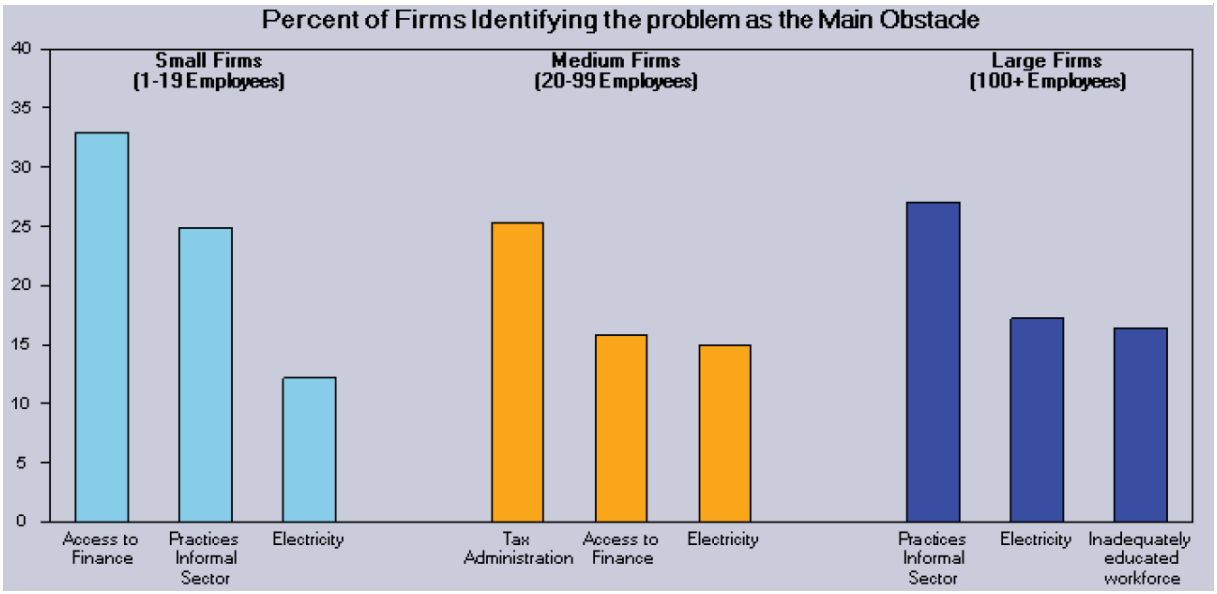
Figure 10: Real GDP Growth Zambia Forecast (AfDB, 2020)



producer in Africa, which points out its heavy reliance on this commodity and demand for market-relevant technology and education.

Still, in the recent 'Doing Business Report' from the World Bank (2020), the country is listed in rank 85 which is a significant improvement in comparison to 2014 and rank 111 (World Bank, 2014a) due to business environment improvements. As the World Bank (2014b) showed in its 'Enterprise Survey' (Figure 11), larger firms predominantly identified '*informal practices*', '*electricity*' and '*lack of skilled workforce*' as the key obstacles in the business environment, underpinning Zambia's status as a developing country.

Figure 11: Percent of Firms Identifying the Problem as the Main Obstacle in Zambia (World Bank, 2014b)



When talking about the business environment in Zambia, it is important to take a closer look into the historical developments, as during the years of 1991 until 2001 a privatisation phase let emerge a private sector with business practices that were devoid of contributions to the social dimension. It was assumed that business activities would automatically contribute to the betterment of the overall social situation in the country. However, foreign firms did not contribute to the development of labour standards either, while causing pollution of the environment especially with regards to the mining sector, leaving the local population behind (Vertigans et al., 2016).

In 2001 Levy Mwanawasa became president and implemented a new approach in the privatisation programme and governance issues and introduced the Global Compact in 2002. This had the effect that FDI in Zambia increased with the biggest stakes coming from Chinese firms that are mainly working in the mining sector. The Zambia Congress of Trade Unions demanded

a restructuring of the mining sector which included the formulation of CSR codes by the investors in order to ensure that local communities benefit from the operations. However, politics in Zambia is still clearly influenced by personalities as the institutions themselves are weak which outlines the importance for further capacity building (Vertigans et al., 2016). One key partner for Zambia in this respect has been the Swedish Government with continuously increasing financial contributions into development aid through Sida.

6.2 Sida

The ZAMITA project is conducted in close cooperation with Sida, which is the Swedish International Development Cooperation Agency. The mandate of Sida is the reduction of world poverty through the allocation of resources and knowledge to the people in Africa, Asia, Europe, and South America. In order to achieve this, the Agency collaborates with different actors from civil society, universities as well as the public and private sectors (Sida, 2019). However, it is important to note that Sida does not implement the development interventions but allocates financial resources and the development of knowledge and competence. The implementation of projects is ensured through cooperation partners who manage and execute the projects.

Sida is a public agency under the jurisdiction of the Swedish Ministry for Foreign Affairs and is, therefore, working on behalf of the Swedish parliament and government. The aim is to fulfil the Swedish development assistance policies and goals. The total amount of development aid that Sida governed in 2018 was USD 55.6 million financed through tax revenue, which makes Sida the most important organisation for development aid in Sweden and in terms of total available financial resources (Openaid.se, 2019). In the ZAMITA project, Sida is represented by the Swedish Embassy in Zambia (LKDF, 2014).

6.3 NORTEC

The Northern Technical College (NORTEC) started as an engineering skills training institute in 1964. The goal was to provide manpower with technical skills for the flourishing copper mines in Zambia. During the last decades, the college implemented more training with a focus on construction, service, IT, and entrepreneurship. NORTEC is administered by a management board and can be seen as a quasi-government institution. It incorporates four different academic departments which are: Mechanical, Electrical, Automotive/Heavy Equipment Repair and the Applied Sciences and Business Studies. Nowadays, the goal of the college is to

provide high quality technical and vocational training to meet the industry needs and thus contribute to the overall socio-economic development of the country (NORTEC, 2020). However, the institution fraught quality and capacity issues. Furthermore, lacks in state-of-the-art technology equipment and know-how are known issues and the college is in need of quality improvements while providing fitting facilities and trainers (LKDF, 2014).

6.4 UNIDO

UNIDO is a specialised agency in the United Nations system with headquarters in Vienna and with liaison offices in Brussels, Geneva, and New York. The mandate of UNIDO is to promote and accelerate inclusive and sustainable industrial development (ISID). As of 2019, the agency has 170 member states and can draw on several field offices, regional hubs, and investment and technology promotion offices (ITPOs) within most member states. The agency has four strategic priorities on which the development work is based, which are (UNIDO, 2020):

- Creating shared prosperity
- Advancing economic competitiveness
- Safeguarding the environment
- Strengthening knowledge and institutions

These priorities are achieved through four enabling functions:

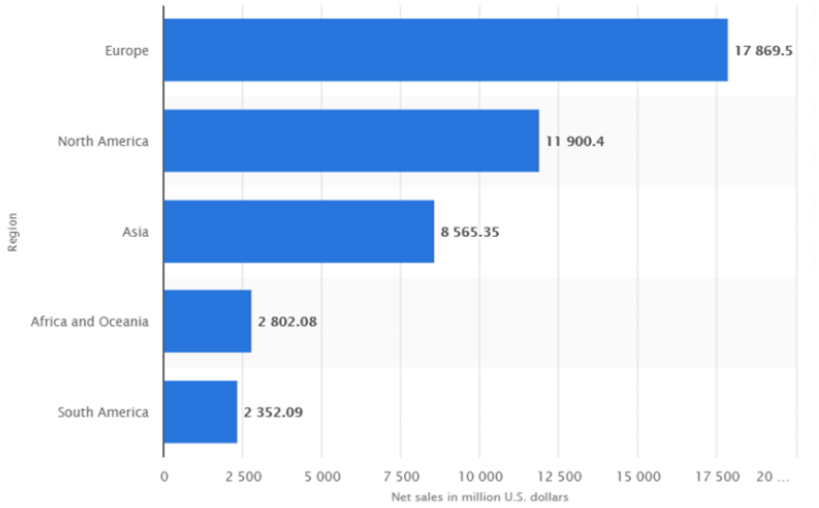
- Technical cooperation
- Analytical and research functions and policy advisory services
- Normative functions and standards and quality-related activities
- Convening and partnerships for knowledge transfer, networking, and industrial cooperation

UNIDO is also providing these services for the ZAMITA project. The UN institution is responsible for the overall project management and for ensuring smooth operation of the interventions by bringing in all respective resources of Sida, NORTEC and the Volvo Group. The main goal is to ensure the organisation of procurement actions, minor rehabilitation works, and that the financial reporting is conducted in a sound way.

6.5 The Volvo Group

The Volvo Group is one of the world's leading manufacturers of trucks, buses and heavy machinery for construction and mining and was founded in 1927. The group nowadays contains ten different business areas and offers transport solutions, power solutions for marine and industrial applications, and services such as finance with a total of around USD 43.5 billion net sales (Figure 12) (Wagner, 2019).

Figure 12: Breakdown of the Volvo Group's global net sales in 2018, by region (Wagner, 2019)

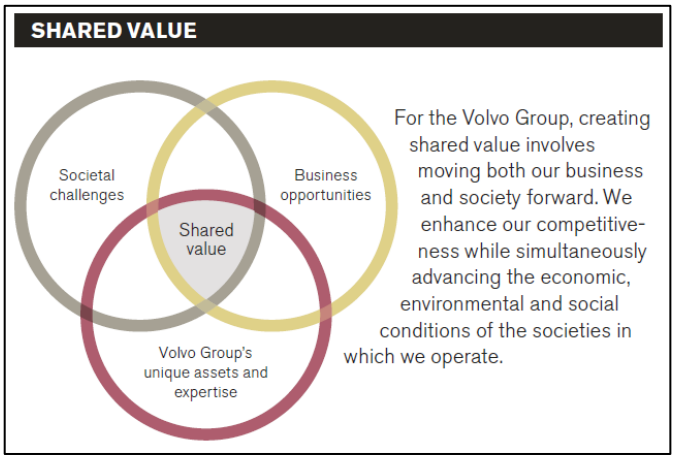


The multinational firm has its headquarters in Gothenburg, Sweden. Overall, the company employs over 100,000 people and sells its products into more than 190 countries (Volvo Group, 2020a). Production facilities are located in 18 different countries, with Europe (41 per cent of net sales) and North America (28 per cent of net sales) as key markets. Africa and Oceania together account for 6 per cent of net sales (Volvo Group, 2020b), which shows that there is still potential to further develop the business activity in this region considering the overall increasing economic activity in these regions.

Furthermore, the Volvo Group has established a profound CSR strategy throughout the past years. Specifically, the so-called "Shared Value" strategy (Figure 13) has important implications for the ZAMITA project. The implication is that the overlap of societal challenges such as the lack of education in a country, the unique assets and expertise of Volvo and the business opportunities in the markets can be combined and connected which leads to a shared value between all stakeholder. The private firm has made this strategy a key component in the overall business strategy. Within this strategy, the firm has identified three key areas where its business interacts with society, which are '*education and skills development*', '*traffic and worksite*

safety' and '*environmental sustainability*' (Volvo Group, 2018). The ZAMITA project therefore clearly fits into the education and skills development area.

Figure 13: Shared Value Strategy by the Volvo Group (Volvo Group, 2016)



6.6 ZAMITA PPDP

The goal of the ZAMITA PPDP was to

> *"establish a modern training academy in partnership with the private sector, specializing on skills development for Heavy Equipment Repair"*

with a time frame of four years in the city of Ndola (LKDF, 2014, p. 3). The project is embedded into the official Zambia Mining Skills and Training Framework (MSTF) and the industry-government collaboration called Zambian Mining Skills, Education and Training Institute (ZAMSET). The first phase of the PPDP started in 2015 and it is running under the LKDF which is a platform that is managed by UNIDO and aims to promote and foster industrial skills development especially among young generations.

In October 2019 the project partners announced the second phase of this project, called ZAMITA Phase II, which aims to continue the development aid process and fulfil the objectives of '*Improved Education and Skills Development*', '*Enhance access to skills training*', and '*Enhance private sector participation*' that are outlined in the 7th National Development Plan 2017-2021 of the Zambian Government (Ministry of National Development Planning Zambia, 2017, pp. 99–101). The time duration is indicated from 2019 until 2022.

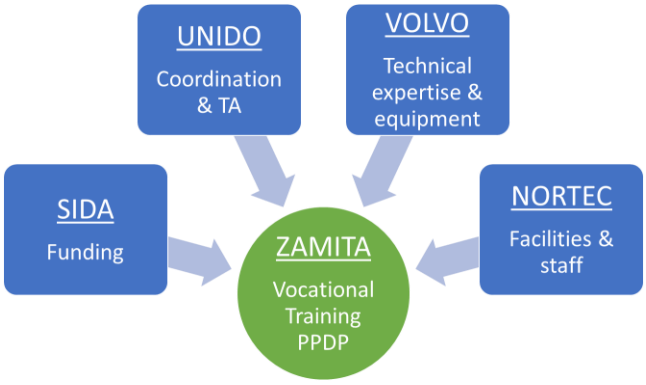
The LKDF works with various private sector entities in form of PPDPs in order to meet labour market needs (LKDF, 2019b). The tentative budget of the first and second phase of the ZAMITA project from 2015 to 2019 and 2019 to 2022 is indicated in Table 7.

Table 7: Tentative Budget ZAMITA Phase I+II (LKDF, 2017, 2019)

ZAMITA Phase I		**ZAMITA Phase II**	
Ministry – Host VTC (NORTEC)	1,256,000 USD	Ministry	1,060,000 USD
Volvo Group	1,705,000 USD	Volvo Group	955,554 USD
Sida	1,640,421 USD	Sida	1,249,357 USD
Total Budget	**4,601,421 USD**	**Total Budget**	**3,264,911 USD**

All in all, one can summarise the PPDP structure and the key contributions of each partner as depicted in Figure 14.

Figure 14: ZAMITA PPDP Structure (own illustration)



7. Case Study Findings

The objective of this chapter is to present the results of the analysis of the data gathered within the consideration of the theoretical background and the research questions of this master thesis. The case study findings are based on the analysis process that was conducted as described in chapter 5.

7.1 Data Analysis

According to Mayring (2000), the analysis of frequencies of categories is the last step of his method of category application, as this helps to get a clearer picture of the actual outcomes of the research. Furthermore, the data analysis also includes the support or refutation of the propositions stated in chapter 5.3 and the addressing of possible rival explanations in order to interpret the outcomes in the right way while ensuring internal validity of this single case study approach. The used Coding Agenda can be found in the Appendix in Table 10.

When taking a closer look on the outcome of the analysed data, one can notice predominantly that evidence can be found that is linked to the Resource-based View and the Transaction Cost Theory, as the categories connected to these two theories account for 322 out of 358 total coded text passages. Within those 322 coded text passages, 218 are allocated to the Resource-Based View categories and 104 to the Transaction Cost Theory categories. Compared to these two theories, only a little evidence could be found (36 coded passages) for Institutional Theory-based reasons in the data, which will be discussed in more detail further below. The following Table 8 summarises all categories with their respective frequency per analysed data source. With these frequencies, certain conclusions regarding the propositions and rival explanations can be made.

Table 8: Category Frequency per Data source (own illustration)

	Transaction Cost Theory					Institutional Theory				Resource-based View					
	T1	**T2**	**T3**	**T4**	**T5**	**I1**	**I2**	**I3**	**I4**	**R1**	**R2**	**R3**	**R4**	**R5**	**Total**
Video 1	2	0	0	0	0	0	0	0	0	0	0	1	2	1	6
Video 2	0	0	0	0	0	0	0	0	0	2	0	1	2	1	6
Video 3	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Video 4	2	0	0	1	0	0	0	1	0	4	0	0	1	1	10
Video 5	0	0	0	0	0	0	0	0	0	1	0	2	1	0	4
Document 1	0	0	0	0	0	0	0	2	1	0	1	2	2	1	9
Document 2	0	0	0	0	0	0	0	0	0	4	0	2	3	0	9
Document 3	1	1	0	1	0	0	0	0	1	2	2	3	4	4	19
Document 4	1	0	0	1	0	0	0	0	2	2	2	5	2	0	15
Document 5	2	1	0	2	0	0	0	0	2	0	2	1	4	0	14
Document 6	4	0	0	0	0	0	0	1	0	0	1	2	2	0	10
Document 7	0	0	0	0	0	0	0	0	0	0	0	0	0	3	3
Document 8	0	0	0	0	0	0	0	0	0	2	0	1	0	1	4
Document 9	0	0	0	0	0	0	0	0	0	3	1	0	1	2	7
Document 10	0	0	0	0	0	0	0	0	0	1	1	1	2	0	5
Document 11	1	0	0	0	0	0	0	0	0	0	1	1	1	0	4
Document 12	0	0	0	0	0	0	0	0	0	2	5	4	5	2	18
Document 13	1	1	1	5	0	0	0	0	3	2	8	5	3	2	31
Document 14	1	0	0	1	0	0	0	0	0	1	1	0	1	0	5
Document 15	4	2	0	15	2	3	1	4	0	3	12	4	5	3	58
Document 16	9	5	6	12	1	4	0	5	2	6	14	7	6	6	83
Document 17	11	0	4	2	1	1	0	2	0	0	5	4	6	1	37
Total	39	10	11	40	4	8	1	16	11	35	56	46	53	28	358

7.1.1 Addressing Propositions

Therefore, the findings will be evaluated vis-à-vis the propositions in order to confirm or refute them, which gives valuable implications towards the research questions.

Proposition 1:

With reference to the proposition 1 and the underlying Transaction Cost Theory, the gathered evidence shows two main aspects with regards to the rationale behind the participation in a PPDP from the Volvo Group's point of view.

First, with a total of 40 coded passages, the *exchange of information* (Category T4) is a key aspect which indicates that this helps to significantly reduce transaction costs since the PPDP enables all cooperation partners to share their lessons learned (also from other projects in the LKDF) and their specific expertise through e.g. technical assistance and lessons learned (see Video 4, Document 3,4,5,13-17). Furthermore, regular meetings of the project stakeholder foster information exchange and make sure that the project achieves the desired outcomes which helps Volvo to further strengthen its position within the market and ensures that the total amount of 2,660,554 USD invested into the two project phases are providing benefits towards its business goals.

Secondly, in connection to that, the *sharing of resources* (Category T1, 39 coded passages) such as equipment, facilities or know-how (Figure 14) between the project partners helps to reduce transaction costs for the private sector as Volvo does not have to acquire them through costly market mechanisms. It is important to note, that these resources are mostly tangible. The provision of facilities, staff and financial resources through all PPDP partners significantly reduces the burden and risks that Volvo would face if the company would pursue this project alone (see Document 16) and can be directly linked to the low frequency of the *liability of foreignness* (Category T5) which indicates that Volvo does not see this as a strong impact.

Furthermore, the fact that PPDPs are usually governed by *agreements* (Category T3) such as for example a memorandum of understanding (MoU) between cooperation partners underpins their commitment and creates better security in terms of management and project execution, thus leading to reduced risks and costs while leaving room for greater flexibility in comparison to actual contracts (see Document 13,16,17). Being flexible in highly volatile and risky markets is a crucial benefit for the private sector. As category T2 shows, *trust* also plays a role within this form of partnership which is specifically important for the private sector in order to protect its competitive advantage while cooperating with public actors, networks, and funding partners as discussed in chapter 3. At the same time, the data showed evidence, that this trust also opens potential towards further cooperation e.g. in other host countries with similar situations

such as within the LKDF framework (LKDF, 2015), and the fact that a second phase of the project was implemented underpins its successfulness from the perspective of all partners (see Document 3,5,13,15,16). Thus, it can be concluded that the evidence supports proposition 1.

Proposition 2:

The institutional theory gives implications for the effect that institutions have on the market entry of private sector firms. When taking this into account with regards to the evidence gathered through the qualitative content analysis, it becomes clear that one key advantage of a PPDP is that institutions from the host country but also from abroad are actively involved into the project (Category I3) and the host market, which helps to reduce the perceived risks from the institutional side (see Document 1, 15, 16, 17). Furthermore, as described in Pattberg (2012), such partnerships are often having the task to compensate weak institutions or institutional deficits within different governance levels inside of the host countries which shows how such partnerships can be beneficial not only for the private but also for the public stakeholders. The collected evidence supports this argumentation, as direct reference could be found for that in Document 1, 3, 4, 5, 13 and 16. This is strongly connected to the *lack of education* (Category I4) which shows that institutions lack capabilities, capacities and equipment to offer market-relevant education programmes. This gives an indication for a weak institutional status which is typically perceived in developing markets and implies increased risks for private sector firms as the business environment is unsecure. From this point of view, cooperating with the public sector in form of a PPDP provides enormous benefits as they are involved into the project and can share their plans and goals as stated in Video 1 and Video 4. Yet, the previously mentioned risk that new governments can possibly change the commitments of the current government still remains.

Category I1 has the third-lowest frequency of coded passages but still shows that some policies and rules are in place within the host country which can also help to explain why Volvo identified this country as an important market (see Document 16) besides of the industry that is located there since the institutions are able to provide some security to a certain extent. At the same time, only one coded passage within the sources of evidence gave an indication of the existence of *informal rules* (Category I2) which can be possibly explained from two different angles. The first most intuitive reason can be that the sources of evidence used are not explicitly focusing on this issue and thus no indication about this issue could be found. Nevertheless, since this aspect is not explicitly mentioned, one can assume that this is not a major issue with respect to the scope of the project and from the perspective of the involved project partners and particularly for the Volvo Group. However, as indicated in Figure 11, this issue seems to be a severe problem in the Zambian market.

At the same time, when reviewing the performance of Zambia with regards to corruption, it becomes clear that informal rules must be in place as corruption can be strongly connected to this. Zambia has scored 34 points in the Corruption Perceptions Index 2019 which is below the average of 39 in all African countries and shows that informal rules must be present in the market (Transparency International, 2020). Therefore, it can be assumed that the form of co-operation in a PPDP can prevent issues connected to this, as development aid projects have guidelines and frameworks that strongly try to prevent and prohibit such issues thus, minimising the risks faced by all parties. Because of this, the Volvo Group can ensure that aspects like this have only very limited influence on their business processes in the Zambian market by using the help of development agencies and public authorities. Taking this all together, it can be concluded that proposition 2 can be supported through the gathered evidence.

Proposition 3:

If one takes a closer look onto the total amount of categories R1 to R5 that could be assigned to text passages, it becomes clear that R2, R4, R3, R1 are the most frequent ones. They refer to *Cooperation Experience*, *Local Market Knowledge*, *Skilled Workforce*, *Long-term Goal,* respectively. This implies that according to the evidence gathered, the Volvo Group has high interest in further developing its unique resources through aspects such as organisational learning by cooperating with public actors, gathering better local market knowledge in the target country, contributing to the education of future workforce for its own business purpose, and pursuing its *CSR* goals (Category R5) which ultimately help to shape and define a certain image of the company vis-à-vis society and customers (see Document 8). With regards to the creation of skilled workforce, the evidence is also in line to Robertson et al. (2012) who postulate that the majority of development partnerships in the area of education are taking place in the field of technology. According to them, the private sector firms have high interest and also the expertise to support the training and development of a technology-savvy generation, which makes them employable and productive upon competition of vocational trainings. Thus, to help to develop a pool of competent, well trained and employable people who are available to take up jobs in local markets where the firm is active, is of high interest to develop competitive advantages (see Video 5, Document 17).

Furthermore, in accordance with Draxler (2008), it becomes clear that the private sector as an investor into a partnership that is not explicitly structured to generated profits, is rather focusing on long-term added value in areas like risk management, market development potential and image promotion (local and global customers), as well as the strengthening of relations with potential customers and the improvement of workforce quality and/or community relations (see Video 1, 2, 4). As Draxler (2008) further points out, ethical and moral commitment is a crucial

underlying element, as partnerships that have been pursued by the private sector with purely financial gain intention tend to fail and cause general bad functioning of the partnership. This has important consequences for the rationale behind a PPDP approach, as ethical and moral aspects are guided through implemented frameworks from both, the private and the public (see Document 16).

Another important aspect when analysing the correlations between different categories (Table 9) is the fact that the Category R2 can be linked-to Category T4, as the value-added through cooperation experience within a private sector firm, is mostly based on the exchange of information and lessons learned between the partners (see Document 16). This also makes clear, that shared information not only reduces costs but also helps to develop and obtain resources which further facilitates the development of competitive advantages and resources that are valuable, rare, inimitable, and difficult to substitute.

Table 9: Category Correlation (own illustration)

Category system	T1	T2	T3	T4	T5	I1	I2	I3	I4	R1	R2	R3	R4	R5	Total
T1		1	1	6	0	0	0	2	0	1	5	2	2	2	22
T2	1		1	3	0	0	0	0	0	1	3	0	1	1	11
T3	1	1		1	0	0	0	0	0	1	1	1	0	0	6
T4	6	3	1		1	1	0	1	0	0	7	2	1	0	23
T5	0	0	0	1		0	0	0	0	0	1	0	1	0	3
I1	0	0	0	1	0		1	1	0	0	0	0	0	0	3
I2	0	0	0	0	0	1		0	0	0	0	0	0	0	1
I3	2	0	0	1	0	1	0		0	1	1	0	0	1	7
I4	0	0	0	0	0	0	0	0		0	1	0	1	0	2
R1	1	1	1	0	0	0	0	1	0		3	8	9	5	29
R2	5	3	1	7	1	0	0	1	1	3		5	4	2	33
R3	2	0	1	2	0	0	0	0	0	8	5		9	2	29
R4	2	1	0	1	1	0	0	0	1	9	4	9		2	30
R5	2	1	0	0	0	0	0	1	0	5	2	2	2		15
Total	22	11	6	23	3	3	1	7	2	29	33	29	30	15	214

Moreover, in this regard one very key aspect that becomes apparent when taking a closer look onto the data, is the fact that the Volvo Group pursues long-term business goals in the Zambian market which are closely linked to the availability of skilled workforce (correlation between Category R1 and R4). It is important to understand that this, as far as the data shows, is an important motivation for the Volvo Group to engage in this project, as this facilitates their foothold in the Zambian market (see Video 2, 4, 5, Document 15, 16). In order to sell their products, skilled personnel need to be available in the market that can ensure high-quality maintenance and repair for the customers of Volvo. However, at the same time through this long-term goal, Volvo can also help to reduce youth unemployment and thus contribute to their CSR goals. As shown in chapter 6.5, Volvo describes in their Sustainability Reports (Document 7-11) and by

the CSR Director in Video (Video 2), that the creation of '*shared value*' is a key aspect with regards to this. This can be linked to Robertson et al. (2012) who argue, that the participation of the private sector in education development activities that are not profit-driven, is generally a part of their corporate strategy, and often a key part of their CSR strategy which also includes that employees can feel part of a firm that 'does good' for societies which can positively influence the motivation of the workforce. With reference to the previously in chapter 4.3 mentioned implications of McWilliams and Siegel (2010), it can be said that the evidence of this research shows similar results in case of the CSR strategy of the firm that helps to establish differentiation towards the competition.

All these aspects can be seen as building up unique resources (mostly intangible ones) through the PPDP and thus creating competitive advantage while facilitating the access to the domestic market by providing it with a skilled workforce that can handle the heavy-duty vehicles sold by the Volvo Group. Therefore, it can be concluded that the evidence gathered supports proposition 3.

7.1.2. Addressing Rival Explanations

In the following chapter, the in Table 5 described rival explanations will be addressed, in order to rule out alternative explanations for the findings and to increase the internal validity of the case study.

1. The Null Hypothesis:

Due to the strong findings that could be identified, the first rival explanation can be ruled out with high probability, as the ZAMITA project is guided by clear development and business goals and was build up through the cooperative effort from several project participants.

2. Threats to Validity:

The second rival explanation can be ruled out as well since the case study aims to contribute to the understanding of the underlying rationale of the Volvo Group for their participation in the ZAMITA PPDP project. Threats to validity are mitigated through the analysis of different sources of evidence that display a broad array of different viewpoints. There is no ambition to compare the phenomenon between different points in time but rather from the strategical perspective when it occurred.

3. Direct Rival explanation:

Rival explanation three is concerned with the possibility that any other reasons are the cause of the phenomenon instead of the ones investigated. The possibility that this direct rival is actually affecting the researched project can be seen as marginal, since the category system was rationalised through the deductive Category Application System by Mayring (2000) (Figure 6), which includes several rounds of finetuning of categories, in order to identify all possible drivers. If there is another driver of this phenomenon, all sources of evidence disregarded it completely, which can be seen as highly unlikely.

4. Commingled Rival explanation:

The possibility that unobserved aspects also influenced the Volvo Group's decision to engage in the ZAMITA PPDP cannot be fully ruled out, as this decision included various other stakeholders and decision-making processes on the personal level in the past, making it difficult to examine the process in its complete and true procedure, which would be the only option to rule out other "hidden" influencing factors.

5. Super Rival explanation:

The super rival explanation considers the influence of a "larger" force that influences the phenomenon in a significant way. With respect to the case study in this master thesis, such larger force could be for example the Swedish government that insisted in the participation of a Swedish MNE in the project, in order to fulfil the development goals, meaning that the Volvo Group was forced to participate in this project. As shown in the analysis, this point plays to a certain extent a role as the Swedish Government and Sida try to include private sector firms into their interventions (see Document 14), even though it is clear that this is hardly the reason for the project execution overall. The project aims for multiple benefits at the same time, combining interests and goals from various stakeholders. However, the Volvo Group has a strong interest in the Zambian market and thus it can be assumed that the participation is rather based on self-interest and voluntariness (see Video 2, 4, 5).

7.2 Limitations

There are several aspects that need to be mentioned with regards to the limitation of this work that also point a way for further research. First of all, it is important to mention that the findings of case studies tend to be more complex in nature which makes it challenging to translate them into easily accessible and realistic pictures. As stated by Yin (2009) it is crucial to understand in reviewing any document, that it was written with a specific goal and for a specific audience

other than the researcher. Therefore, he mentions that it is important to constantly try to identify such objectives which minimises misleading conclusions and fosters critical interpretation of the sources of evidence. With respect to this, Jewitt (2012) noted that it is necessary for analysing videos, to understand the background of a video, the context of its production, and the original purpose and audience, as these aspects are embedded in the video. Crucial aspects might be missing in the video, as they would not serve its purpose. This is important to take into consideration with regards to the findings since the published videos are one key source of evidence. At this point and as previously mentioned, one should also take into account that not all of the six by Yin (2009) presented sources of evidence were used in this study, as they were not readily available, retrievable or viable. Thus, this can be identified as a connection point for future research, as a broader set of sources of evidence is likely to generate a clearer picture of the topic.

Secondly, the design of a single-case study limits the ability to generalise the outcomes of this work towards a broader scope. Even though, as suggested by Yin (2014) the use of theory helps to mitigate this problem which was followed in this work, but still leaves a non-neglectable issue towards external validity. Since this work has its main focus on one private sector firm, the outcomes are hardly transferable to other cases. This goes hand in hand with a need to consider other industries apart from the heavy-duty vehicle industry in order to complete the picture in a more holistic way and find more general indications with respect to the rationale of private sector engagements in PPDPs.

Thirdly, it is crucial to take into account that the focus of this work lays on the Zambian market, which has comparable but also unique and different characteristics to other developing countries and thus can only provide first insights into the broader topic of PPDPs and market entries into developing markets. The fact that vocational training PPDPs under the LKDF are also used in a similar way in different markets mitigates this problem to a certain extent and shows that common issues and rationales between markets and private sector firms are given. At the same time, this also elucidates that the private sector in PPDPs with different focus opposed to vocational training might pursue different goals.

Lastly, as mentioned previously, there is only a small available scientific literature basis that is focusing on PPDPs and their connection to market entries of private sector firms. Thus, there is the need to further research specific cases and the findings of this work should be critically re-evaluated in the future vis-à-vis other studies with the same focus, in order to be able to assess the outcomes in a more general way.

8. Discussion and Conclusion

As the analysis of the case study findings in the previous chapter indicates, certain conclusions can be extracted with regard to the research questions, which will be now discussed in more detail.

The evidence showed that the Volvo Group as the private sector company engaged in the ZAMITA PPDP, as this form of cooperation brings various different benefits. Three main categories could be identified, in which the company experiences significant issues with respect to the market entry in a volatile and less developed market such as the Zambian market. First, there are various aspects that need to be considered with regarding transaction costs and entering developing markets. Secondly, the institutions are commonly less well developed and lacking clear guidelines, laws, and presence. Thirdly, resources play a significant role, as companies need to decide how they use, access, and develop their resources in order to create and sustain competitive advantage through the process of a market entry.

The fact that the ZAMITA PPDP is a project within the LKDF and a successful replication of other PPDPs schemes on vocational training from other countries, is important to consider. With a connection to this and as Robertson et al. (2012) argued, the PPDPs with focus on education in the technology field are particularly appealing to the private sector firms, the public sector and the development actors. The private sector firms rarely make large financial investments in education partnerships, as they rather contribute with products, expertise, and in-kind services, which also ensures that they are more flexible as less non-retrievable assets are being invested. Furthermore, as mentioned by Schaeffer and Loveridge (2002) that participants in such a cooperation form let all stakeholders gain experience in working together in a successful way throughout the project time, as they build up mutual trust and start to work closer together. This could be confirmed by the evidence gathered and could be identified as a major reason for the Volvo Group's to start such cooperation in Zambia, as long-term, organisational learning, and strong CSR related goals could be pursued through this.

One can conclude that private firms such as the Volvo Group use PPDPs to enter markets in developing countries, due to various different reasons. Predominantly, the development of a skilled workforce, the establishment of local community relations, the contribution towards the CSR goals, and the creation of new global partnerships are promising benefits to contribute to the future goals of the firm in the respective markets where they anticipate the bulk of their future growth. Furthermore, the possibility of empowering and engaging employees for positive commitment in external communities adds real value to the communities which is also in the interest of the public and development partners. Moreover, this also contributes positively to the brand recognition and firm image of the private sector, which is often desired as a strategic

goal. Another expectation of the private sector in connection to the PPDP is that when helping local people to climb the economic ladder through better education and facilitation of finding jobs in other firms (e.g. mining industry), these individuals are well trained to use the firm's products (e.g. Volvo's heavy-duty machines) and services which further stimulates demand for these products in the respective market. Therefore, a strong connection can be drawn to Figure 3 and the findings of Robertson et al. (2012) mentioned above.

Moreover, when considering the findings while taking Figure 14 into account and putting this into the perspective of Figure 2 it becomes clear that all partners in the ZAMIT PPDP have their specific tasks which are governed by UNIDO and could identify great compatibility between their respective goals. The approach of a PPDP as a form of cooperative effort helps the Volvo Group to access the Zambian market in a more efficient way which would be difficult through other market entry forms. The project partners help to reduce the liability of foreignness and reducing transaction costs by sharing resources and market-relevant knowledge but also contribute and strengthen the CSR goals of the company. This would be significantly more difficult through other market entry forms such as JV's or greenfield investments, as higher resource commitment would be necessary. Since PPDP's have usually clear development goals, they are inherently connected to establishing new policies to mitigate the problem of informal rules or the presence of weak institutions and volatile business environments in the respective markets. Therefore, it can be concluded that PPDPs are an appropriate form of market entry if the goals of the private sector are driven by rather long-term goals and strategic goals (e.g. CSR). However, even though most market entry forms are well researched, there is huge potential for future research to further examine the rationale of the private sector to engage in such form of PPDP cooperation in other projects. This would contribute to finding more evidence regarding this topic and to better understand the underlying motivation in a more general and broader way.

All in all, it can be summarised with having the limitations of this master thesis in mind, that the PPDP as a form of market entry into developing markets such as the Zambian, can be beneficial with regards to the circumstances and goals of the company. The outcome indicates that especially market-seeking, strategic asset-seeking and efficiency-seeking firms can use this form to reach their respective goals due to the characteristics of such form of cooperation. As long as there is any compatibility between the public and private goals, FDI's in form of a PPDP can be a powerful tool to reach multiple benefits for all. Developing countries are facing many challenges in which better education of locals can be seen as a key to overcome most of the gaps faced. Thus, more research of PPDPs in the future can be seen as highly valuable, in order to contribute to the betterment of living conditions while increasing the effectiveness of ODA, since many developing countries are still highly dependent on foreign aid and FDI.

9. References

AfDB (2020, February 28). Zambian Economic Outlook. Retrieved from https://www.afdb.org/en/countries-southern-africa-zambia/zambia-economic-outlook

Anderson, E., & Coughlan, A. T. (1987). International Market Entry and Expansion via Independent or Integrated Channels of Distribution. *Journal of Marketing*, *51*(1), 71–82. https://doi.org/10.1177/002224298705100106

Anderson, E., & Gatignon, H. (1986). Modes of Foreign Entry: A Transaction Cost Analysis and Propositions. *Journal of International Business Studies*, *17*(3), 1–26. https://doi.org/10.1057/palgrave.jibs.8490432

Andersson, T., & Svensson, R. (1994). Entry Modes for Direct Investment Determined by the Composition of Firm-Specific Skills. *The Scandinavian Journal of Economics*, *96*(4), 551. https://doi.org/10.2307/3440796

Asiedu, E. (2005). *Foreign direct investment in Africa: The role of natural resources, market size, government policy, institutions and political instability*. *WIDER research papers: Vol. 2005.24*. Helsinki: UNU WIDER. Retrieved from http://www.wider.unu.edu/publications/working-papers/research-papers/2005/en_GB/rp2005-24/

Atkinson, J. (2002). Four Steps to Analyse Data from a Case Study Method. Retrieved from http://aisel.aisnet.org/acis2002/38

Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, *17*(1), 99–120. https://doi.org/10.1177/014920639101700108

Blomstrom, M., & Kokko, A. (1997). How foreign investment affects host countries. Retrieved from http://documents.worldbank.org/curated/en/992201468765633696/How-foreign-investment-affects-host-countries

Bremen, P., Oehmen, J., Alard, R., & Schönsleben, P. (2010). Transaction Costs in Global Supply Chains of Manufacturing Companies. *Journal of Systemics, Cybernetics and Informatics*, *8*(1), 19–24.

Brouthers, K. D., & Brouthers, L. E. (2000). Acquisition or greenfield start-up?: Institutional, cultural and transaction cost influences. *Strategic Management Journal*, *21*(1), 89–97. https://doi.org/10.1002/(SICI)1097-0266(200001)21:1<89::AID-SMJ85>3.0.CO;2-8

Brouthers, K. D., Brouthers, L. E., & Werner, S. (2003). Transaction cost-enhanced entry mode choices and firm performance. *Strategic Management Journal*, *24*(12), 1239–1248. https://doi.org/10.1002/smj.362

Bwalya, S. M. (2006). Foreign direct investment and technology spillovers: Evidence from panel data analysis of manufacturing firms in Zambia. *Journal of Development Economics*, *81*(2), 514–526. https://doi.org/10.1016/j.jdeveco.2005.06.011

Chauhan, Y., & Marisetty, V. B. (2019). Do public-private partnerships benefit private sector?: Evidence from an emerging market. *Research in International Business and Finance*, *47*, 563–579. https://doi.org/10.1016/j.ribaf.2018.10.002

Child, J., & Tsai, T. (2005). The Dynamic Between Firms' Environmental Strategies and Institutional Constraints in Emerging Economies: Evidence from China and Taiwan *Journal of Management Studies*, *42*(1), 95–125. https://doi.org/10.1111/j.1467-6486.2005.00490.x

Choi, C. J., Lee, S. H., & Kim, J. B. (1999). A Note on Countertrade: Contractual Uncertainty and Transaction Governance in Emerging Economies. *Journal of International Business Studies*, *30*(1), 189–201. https://doi.org/10.1057/palgrave.jibs.8490066

Cleeve, E. A., Debrah, Y., & Yiheyis, Z. (2015). Human Capital and FDI Inflow: An Assessment of the African Case. *World Development*, *74*, 1–14. https://doi.org/10.1016/j.worlddev.2015.04.003

Coase, R. (1998). The New Institutional Economics. *The American Economic Review*, *88*(2), 72–74. Retrieved from https://www.jstor.org/stable/116895

Darley, W. K. (2012). Increasing Sub-Saharan Africa's Share of Foreign Direct Investment: Public Policy Challenges, Strategies, and Implications. *Journal of African Business*, *13*(1), 62–69. https://doi.org/10.1080/15228916.2012.657981

Delios, A., & Beamish, P. W. (1999). Ownership strategy of Japanese firms: Transactional, institutional, and experience influences. *Strategic Management Journal*, *20*(10), 915–933. https://doi.org/10.1002/(SICI)1097-0266(199910)20:10<915::AID-SMJ51>3.0.CO;2-0

Di Bella, J., Grant, A., Kindornay, S., & Tissot, S. (2013). Mapping Private Sector Engagements in Development Cooperation. Retrieved from http://www.nsi-ins.ca/wp-content/uploads/2013/09/Mapping-PS-Engagment-in-Development-Cooperation-Final.pdf

Dikova, D., & van Witteloostuijn, A. (2007). Foreign direct investment mode choice: Entry and establishment modes in transition economies. *Journal of International Business Studies*, *38*(6), 1013–1033. https://doi.org/10.1057/palgrave.jibs.8400297

DiMaggio, P. J., & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, *48*(2), 147. https://doi.org/10.2307/2095101

Doh, J. P. (2000). Entrepreneurial Privatization Strategies: Order of Entry and Local Partner Collaboration as Sources of Competitive Advantage. *Academy of Management Review*, *25*(3), 551. https://doi.org/10.2307/259309

Draxler, A. (2008). *New partnerships for EFA: Building on experience*. Paris: United Nations Educational Scientific and Cultural Organization, International Institute for Educational Planning (UNESCO-IIEP).

Dunning, J. H. (2015). *Explaining International Production*. *Routledge revivals*. Hoboken: Taylor and Francis.

Dunning, J. H., & Lundan, S. M. (2008). *Multinational enterprises and the global economy* (2nd ed.). Cheltenham: Elgar. Retrieved from http://lib.myilibrary.com/de-tail.asp?id=177936

Engel, E., Fischer, R., & Galetovic, A. (2008). Public-Private Partnerships: When and How. Retrieved from http://econ.uchile.cl/uploads/publica-cion/c9b9ea69d84d4c93714c2d3b2d5982a5ca0a67d7.pdf

Erramilli, M. K., & Rao, C. P. (1993). Service Firms' International Entry-Mode Choice: A Mod-ified Transaction-Cost Analysis Approach. *Journal of Marketing*, *57*(3), 19–38. https://doi.org/10.1177/002224299305700302

Faye, M. L., McArthur, J. W., Sachs, J. D., & Snow, T. (2004). The Challenges Facing Land-locked Developing Countries. *Journal of Human Development*, *5*(1), 31–68. https://doi.org/10.1080/1464988031000166020 1

Gatignon, H., & Anderson, E. (1988). The Multinational Corporation's Degree of Control over Foreign Subsidiaries: An Empirical Test of a Transaction Cost Explanation. *The Journal of Law, Economics, and Organization.* Advance online publication. https://doi.org/10.1093/oxfordjournals.jleo.a036954

Hennart, J.-F. (1991). The Transaction Costs Theory of Joint Ventures: An Empirical Study of Japanese Subsidiaries in the United States. *Management Science*, *37*(4), 483–497. https://doi.org/10.1287/mnsc.37.4.483

Hennart, J.-F., & Larimo, J. (1998). The Impact of Culture on the Strategy of Multinational Enterprises: Does National Origin Affect Ownership Decisions? *Journal of International Business Studies*, *29*(3), 515–538. https://doi.org/10.1057/palgrave.jibs.8490005

Hennart, J.-F., & Park, Y.-R. (1993). Greenfield vs. Acquisition: The strategy of Japanese In-vestors in the United States. *Management Science*, *39*(9), 1054–1070. Retrieved from https://www.jstor.org/stable/2632812

Herzer, D., Klasen, S., & Nowak-Lehmann, F. (2008). In search of FDI-led growth in develop-ing countries: The way forward. *Economic Modelling*, *25*(5), 793–810. https://doi.org/10.1016/j.econmod.2007.11.005

Hoskisson, R. E., Eden, L., Lau, C. M., & Wright, M. (2000). Strategy in Emerging Econo-mies. *Academy of Management Journal*, *43*(3), 249–267. https://doi.org/10.5465/1556394

Hymer, S. H. (1977). *The international operations of national firms: A study of direct foreign investment*. Zugl. Cambridge Mass. U, Diss. 1960 (2. pr). *MIT monographs in economics: Vol. 14*. Cambridge, Mass.: MIT Pr.

Jewitt, C. (2012). An introduction to using video for reserach: National Centre for Reserach Methods Working Paper. Retrieved from http://eprints.ncrm.ac.uk/2259/4/NCRM_workingpaper_0312.pdf

Johansson de Silva, S., Kokko, A., & Nordberg, H. (2015). Now Open for Business: Joint Development Initiatives between the Private and Public Sectors in Development Cooperation. Retrieved from http://www.oecd.org/derec/sweden/Private-and-public-sectors-in-development-cooperation.pdf

Kim, W. C., & Hwang, P. (1992). Global Strategy and Multinationals' Entry Mode Choice. *Journal of International Business Studies*, *23*(1), 29–53. https://doi.org/10.1057/palgrave.jibs.8490258

Knack, S. (2001). Aid Dependence and the Quality of Governance: Cross-Country Empirical Tests. *Southern Economic Journal*, *68*(2), 310. https://doi.org/10.2307/1061596

Knutsen, T., & Kotsadam, A. (2020). The political economy of aid allocation: Aid and incumbency at the local level in Sub Saharan Africa. *World Development*, *127*, 104729. https://doi.org/10.1016/j.worlddev.2019.104729

Kosack, S., & Tobin, J. (2006). Funding Self-Sustaining Development: The Role of Aid, FDI and Government in Economic Success. *International Organization*, *60*(01), 6. https://doi.org/10.1017/S0020818306060097

KS, J., Chowdhury, A., Sharma, K., & Platz, D. (2016). Public-Private Partnerships and the 2030 Agenda for Sustainable Development: Fit for purpose? Retrieved from https://www.un.org/esa/desa/papers/2016/wp148_2016.pdf

Larimo, J. (2003). Form of investment by Nordic firms in world markets. *Journal of Business Research*, *56*(10), 791–803. https://doi.org/10.1016/S0148-2963(02)00467-8

Lieberman, M. B., & Montgomery, D. B. (1998). First-mover (dis)advantages: Retrospective and link with the resource-based view. *Strategic Management Journal*, *19*(12), 1111–1125. https://doi.org/10.1002/(SICI)1097-0266(1998120)19:12<1111::AID-SMJ21>3.0.CO;2-W

LKDF (2014). Zambian Industrial Training Academy (ZAMITA): Private-Public Development Partnership (PPDP) within Zambia's Mining Skills and Training Framework (MSTF). Retrieved from https://open.unido.org/api/documents/3163300/download/Project%20Document%20140279

LKDF (2015). How-To Guide: Developing and Implementing a Vocational Training Public Private Development Partnership. Retrieved from https://www.lkdfacility.org/resources/how-to-guide-developing-and-implementing-a-vocational-training-ppdp/

LKDF (2019a, July 23). Retrieved from https://www.lkdfacility.org/

LKDF (2019b, July 23). About the LKDF. Retrieved from https://www.lkdfacility.org/about/about-lkdf/

Makino, S., Isobe, T., & Chan, C. M. (2004). Does country matter? *Strategic Management Journal*, *25*(10), 1027–1043. https://doi.org/10.1002/smj.412

Mayring, P. (2000). Qualitative Inhaltsanalyse. Grundlagen und Techniken, *1*(2), 1–10. Retrieved from http://www.qualitative-research.net/index.php/fqs/article/view/1089

Mayring, P. (2014). Qualitative Content Analysis: Theoretical Foundation, Basic Procedures and Software Solution. Retrieved from http://files.qualitative-content-analysis.webnode.at/200000075-82241831d6/Mayring(2014)QualitativeContentAnalysis.pdf

McWilliams, A., & Siegel, D. S. (2010). Creating and Capturing Value: Strategic Corporate Social Responsibility, Resource-Based Theory and Sustainable Competitive Advantage. *Journal of Management*, *37*(5), 1480–1495. https://doi.org/10.1177/0149206310385696

Melville, D. (2016). Public–Private Partnerships in Developing Countries. *Review of Market Integration*, *8*(3), 152–169. https://doi.org/10.1177/0974929217714673

Meyer, K. E. (2001). Institutions, Transaction Costs, and Entry Mode Choice in Eastern Europe. *Journal of International Business Studies*, *32*(2), 357–367. https://doi.org/10.1057/palgrave.jibs.8490957

Meyer, K. E., & Estrin, S. (2001). Brownfield Entry in Emerging Markets. *Journal of International Business Studies*, *32*(3), 575–584. https://doi.org/10.1057/palgrave.jibs.8490985

Meyer, K. E., Estrin, S., Bhaumik, S. K., & Peng, M. W. (2009). Institutions, resources, and entry strategies in emerging economies. *Strategic Management Journal*, *30*(1), 61–80. https://doi.org/10.1002/smj.720

Meyer, K. E., & Peng, M. W. (2005). Probing theoretically into Central and Eastern Europe: Transactions, resources, and institutions. *Journal of International Business Studies*, *36*(6), 600–621. https://doi.org/10.1057/palgrave.jibs.8400167

Milgrom, P. R., North, D. C., & Weingast*, B. R. (1990). The role of institutions in the revival of trade: The law merchant, private judges, and the champagne fairs. *Economics and Politics*, *2*(1), 1–23. https://doi.org/10.1111/j.1468-0343.1990.tb00020.x

Ministry of Foreign Affairs of the Netherlands (2013). *Public-private partnerships in developing countries: A systemic literature review*. *IOB study: Vol. 378*. The Hague: Ministry of

Foreign Affairs of the Netherlands Policy and Operations Evaluation Department (IOB). Retrieved from http://www.government.nl/documents-and-publications/reports/2013/06/13/iob-study-public-private-partnerships-in-developing-countries.html

Ministry of National Development Planning Zambia (2017). Seventh National Development Plan 2017-2021. Retrieved from https://www.mndp.gov.zm/wp-content/uploads/2018/05/7NDP.pdf

Mitchell-Weaver, C., & Manning, B. (1991). Public-private partnerships in third world development: A conceptual overiew. *Studies in Comparative International Development*, *26*(4), 45–67. https://doi.org/10.1007/BF02743762

Nakata, C., & Sivakumar, K. (1997). Emerging market conditions and their impact on first mover advantages. *International Marketing Review*, *14*(6), 461–485. https://doi.org/10.1108/02651339710192993

NORTEC (2020, March 19). About Us. Retrieved from http://www.nortec.edu.zm/?page_id=100

Noorbakhsh, F., PNONaloni, A., & Youssef, A. (2001). Human Capital and FDI Inflows to Developing Countries: New Empirical Evidence. *World Development*, *29*(9), 1593–1610. https://doi.org/10.1016/S0305-750X(01)00054-7

Nyborg, K., & Brekke, K. A. (2004). Moral Hazard and Moral Motivation: Corporate Social Responsibility as Labor Market Screening. *SSRN Electronic Journal.* Advance online publication. https://doi.org/10.2139/ssrn.645741

Okafor, G., Piesse, J., & Webster, A. (2015). The motives for inward FDI into Sub-Saharan African countries. *Journal of Policy Modeling*, *37*(5), 875–890. https://doi.org/10.1016/j.jpolmod.2015.07.003

Openaid.se (2019, March 19). Retrieved from https://openaid.se/aid/2018/

Pan, Y., & Tse, D. K. (2000). The Hierarchical Model of Market Entry Modes. *Journal of International Business Studies*, *31*(4), 535–554. https://doi.org/10.1057/palgrave.jibs.8490921

Pattberg, P. (2012). *Public private partnerships for sustainable development: Emergence, influence and legitimacy*. Cheltenham: Edward Elgar.

Patton, M. Q. (2009). *Qualitative research & evaluation methods* (3. ed., [Nachdr.]). Thousand Oaks, Calif.: Sage.

Peng, M. W. (2003). Institutional Transitions and Strategic Choices. *Academy of Management Review*, *28*(2), 275–296. https://doi.org/10.5465/amr.2003.9416341

Peng, M. W., & Heath, P. S. (1996). The Growth of the Firm in Planned Economies in Transition: Institutions, Organizations, and Strategic Choice. *Academy of Management Review*, *21*(2), 492–528. https://doi.org/10.5465/amr.1996.9605060220

Poulton, C., & Macartney, J. (2012). Can Public–Private Partnerships Leverage Private Investment in Agricultural Value Chains in Africa?: A Preliminary Review. *World Development*, *40*(1), 96–109. https://doi.org/10.1016/j.worlddev.2011.05.017

Qian, N. (2015). Making Progress on Foreign Aid. *Annual Review of Economics*, *7*(1), 277–308. https://doi.org/10.1146/annurev-economics-080614-115553

Ramamurti, R., & Doh, J. P. (2004). Rethinking foreign infrastructure investment in developing countries. *Journal of World Business*, *39*(2), 151–167. https://doi.org/10.1016/j.jwb.2003.08.010

Rivera-Santos, M., & Rufín, C. (2010). Odd Couples: Understanding the Governance of Firm–NGO Alliances. *Journal of Business Ethics*, *94*(S1), 55–70. https://doi.org/10.1007/s10551-011-0779-z

Robertson, S., Mundy, K., & Verger, A. (2012). *Public private partnerships in education: New actors and modes of governance in a globalizing world*. Cheltenham: Edward Elgar Publishing.

Rodriguez, P., Siegel, D. S., Hillman, A., & Eden, L. (2006). Three lenses on the multinational enterprise: Politics, corruption, and corporate social responsibility. *Journal of International Business Studies*, *37*(6), 733–746. https://doi.org/10.1057/palgrave.jibs.8400229

Rowley, J. (2002). Using case studies in research. *Management Research News*, *25*(1), 16–27. https://doi.org/10.1108/01409170210782990

Rozenberg, J., & Fay, M. (2019). *Beyond the Gap: How Countries Can Afford the Infrastructure They Need while Protecting the Planet*: The World Bank. https://doi.org/10.1596/978-1-4648-1363-4

Samii, R., van Wassenhove, L. N., & Bhattacharya, S. (2002). An Innovative Public–Private Partnership: New Approach to Development. *World Development*, *30*(6), 991–1008. https://doi.org/10.1016/S0305-750X(02)00015-3

Saunders, M., Lewis, P., & Thornhill, A. (2009). *Research methods for business students* (5. ed.). Harlow: Financial Times Prentice Hall.

Saunders, M., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (Eighth edition).

Schaeffer, P. V., & Loveridge, S. (2002). Toward An Understanding Of Types Of Public-Private Cooperation. *Public Performance & Management Review*, *26*(2), 169–189. https://doi.org/10.1177/1530957602238261

Sida (2017, 10 March). Public Private Partnership. Retrieved from https://www.sida.se/English/partners/Resources-for-specific-partner-groups/Private-sector/Collaboration-principles/Public-Private-Development-Partnerships-PPDP/

Sida (2019, November 28). About Sida. Retrieved from https://www.sida.se/English/About-us/About-Sida/

Spiller, P. T. (2013). Transaction cost regulation. *Journal of Economic Behavior & Organization*, *89*, 232–242. https://doi.org/10.1016/j.jebo.2012.03.002

Swiss Agency for Development and Cooperation (2013). Stocktaking Assessment of the Public-Private Development Partnership Portfolio of SDC. Retrieved from https://www.newsd.admin.ch/newsd/NSBExterneStudien/337/attachment/en/1247.pdf

Taylor, C. R., Zou, S., & Osland, G. E. (1998). A transaction cost perspective on foreign market entry strategies of US and Japanese firms. *Thunderbird International Business Review*, *40*(4), 389–412. https://doi.org/10.1002/tie.4270400405

Tong, T. W., Reuer, J. J., & Peng, M. W. (2008). International Joint Ventures and The Value of Growth Options. *Academy of Management Journal*, *51*(5), 1014–1029. https://doi.org/10.5465/amj.2008.34789680

Transparency International (2020). Corruption Perceptions Index 2019. Retrieved from https://www.transparency.org/whatwedo/publication/corruption_perceptions_index_2019

UNIDO (2019, July 23). Open Data Platform s Programmes and Projects at a glance. Retrieved from https://open.unido.org/

UNIDO (2020, February 10). UNIDO in brief. Retrieved from https://www.unido.org/who-we-are/unido-brief

United Nations (2020). World Economic Situation and Prospects 2020. Retrieved from https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/WESP2020_FullReport_web.pdf

UNOCHA (2020, March 29). Maps & Infographics Retrieved from https://www.unocha.org/media-centre/maps-infographics

Vertigans, S., Idowu, S. O., & Schmidpeter, R. (2016). *Corporate Social Responsibility in Sub-Saharan Africa*. Cham: Springer International Publishing. https://doi.org/10.1007/978-3-319-26668-8

Volvo Group (2020a, February 10). About Volvo Group. Retrieved from https://www.volvogroup.com/en-en/about-us.html

Volvo Group (2020b, February 10). Our Global Presence. Retrieved from https://www.volvogroup.com/en-en/about-us/organization/our-global-presence.html

Wagner, I. (2019, February 15). Volvo Group – breakdown of the global net sales by region 2018. Retrieved from https://www.statista.com/statistics/267257/global-net-sales-of-volvo-by-region/

Warner, M., Kahan, D., & Lehel, S. (2009). *Market-oriented agricultural infrastructure: Appraisal of public-private partnerships*. *Agricultural management, marketing and finance occasional paper: Vol. 23*. Rome: Food and Agriculture Organization of the United Nations.

Wheeler, D., & Mody, A. (1992). International investment location decisions. *Journal of International Economics*, *33*(1-2), 57–76. https://doi.org/10.1016/0022-1996(92)90050-T

Williamson, O. E. (1985). *The economic institutions of capitalism: Firms, markets, relational contracting*. New York, NY: Free Press. Retrieved from http://www.loc.gov/catdir/bios/simon051/87011901.html

World Bank (2014a). *Doing Business 2015: Going Beyond Efficiency*: The World Bank. https://doi.org/10.1596/978-1-4648-0351-2

World Bank (2014b). Enterprise Surveys: Zambia Country Profile 2013. Retrieved from https://www.enterprisesurveys.org/content/dam/enterprisesurveys/documents/country/Zambia-2013.pdf

World Bank (2016). The State of PPPs: Infrastrcuture Public-Private Partnerships in Emerging Markets & Developing Economies 1991-2015. Retrieved from https://library.pppknowledgelab.org/PPIAF/documents/3551

World Bank (2017a). *Global Investment Competitiveness Report 2017/2018: Foreign Investor Perspectives and Policy Implications*: The World Bank. https://doi.org/10.1596/978-1-4648-1175-3

World Bank (2017b). *Public-Private Partnerships: Reference Guide 3.0*: World Bank. https://doi.org/10.1596/29052

World Bank (2020). *Doing Business 2020: Comparing Business Regulation in 190 Economies*: Washington, DC: World Bank. https://doi.org/10.1596/978-1-4648-1440-2

Yin, R. K. (2008). *Applications of case study research* (2. ed., [Nachdr.]). *Applied social research methods series: Vol. 34*. Thousand Oaks, Calif.: Sage.

Yin, R. K. (2009). *Case study research: Design and methods* (4. ed.). *Applied social research methods series: Vol. 5*. Los Angeles: Sage.

Yin, R. K. (2014). *Case study research: Design and methods* (5. edition). Los Angeles, London, New Delhi, Singapore, Washington, DC: Sage.

Zaheer, S. (1995). Overcoming the Liability of Foreignness. *The Academy of Management Journal*. (38), 341–363. Retrieved from https://www.jstor.org/stable/256683

Zimmermann, K. F. (2013). Youth Unemployment and Vocational Training. *Foundations and Trends® in Microeconomics*, *9*(1-2), 1–157. https://doi.org/10.1561/0700000058

10. Appendix

Zusammenfassung

Die Globalisierung und steigende Marktsättigung in vielen entwickelten Ländern übt immer mehr Druck auf private Firmen aus, in internationale Märkte mit größerem Wachstumspotenzial zu expandieren. Folglich kanalisieren diese Direktinvestitionen in solche Absatzgebiete, die immer öfter, aufgrund der hohen Wachstumspotenziale, in Entwicklungsländern zu finden sind. Gleichzeitig haben jedoch viele dieser Länder mit Lücken in verschiedenen Sektoren, wie z. B. der Technologie oder der Bildung zu kämpfen und haben einen Bedarf an marktrelevantem Know-how. Daher versucht das Kooperationsformat sogenannter Public-Private Development Partnerships (PPDP), diese Bedürfnisse des privaten wie auch des öffentlichen Sektors zusammen zu bringen und explizit die Lebensbedingungen der Menschen in den Entwicklungsländern zu verbessern. Jedoch bleibt es bis dato unklar, inwieweit diese Art der Kooperation den Markteintritt privater Firmen beeinflusst und was die Vor- und Nachteile solch einer Kooperation sind. Diese Masterarbeit soll daher einen Beitrag zu einem besseren Verständnis dieser Art der Zusammenarbeit leisten und die zugrunde liegende Motivation des privaten Sektors bzgl. solch einer Partnerschaft analysieren. Mithilfe einer Einzelfallstudie über ein PPDP Projekt in Sambia und unter Einbeziehung von Transaktionskosten-, Institutions- und der Ressourcentheorie konnten verschiedene Treiber identifiziert werden. Insbesondere das Teilen von Ressourcen und Informationen, sowie die geteilten Risiken zwischen den Projektteilnehmern bieten attraktive Möglichkeiten, neue Märkte effektiv und risikoarm zu erschließen. Darüber hinaus eignen sich den Erkenntnissen zufolge, solche Projekte gut, um eine internationale CSR Strategie umzusetzen.

Abstract

Globalisation and increased market saturation in most developed countries put private sector firms under pressure to expand into international markets with higher growth potential. Thus, some private firms channel foreign direct investments into such markets which are increasingly located in developing countries. At the same time, these countries often face lacks in various different sectors such as technology, education, or access to international markets and are in the need of market-relevant knowledge. Therefore, the format of so-called Public-Private Development Partnerships (PPDP) tries to combine the need of the private and the public sector while explicitly improving the livelihood of people in developing countries. However, it remains unclear in how far such a cooperation form, influences the private sector market entry decision and what exactly are the advantages and disadvantages. This master thesis aims to contribute to a better understanding of the underlying rationale of the private sector to engage in such a form of partnership through a single-case study approach, focusing on a PPDP project in Zambia. With consideration of Transaction Cost Theory, Institutional Theory, and the Resource-based View, various drivers of such cooperation could be identified. Notably, aspects such as sharing of resources and information, as well as risk-sharing between project partners are beneficial opportunities in order to expand effectively into new markets. Moreover, according to the evidence gathered, such projects are a viable option to implement an international CSR strategy.

Coding Agenda

Table 10: Coding Agenda (own illustration)

Theory	Categories	Definition	Example	Coding Rule
Institutional Theory (Proposition 3)	**I1: Policies/ Formal Rules**	Formal policies and rules that are put in place through institutions	Acknowledging this, mining industry stakeholders have signed a memorandum of understanding around the "Mining Skills and Training Framework (MSTF)". The aim of the memorandum is to consolidate and improve skills development by creating an organisation named "Zambian Mining Skills, Education and Training Institute (ZAMSET)", which would plan, commission, and monitor contracted mining education initiatives. (Document 16)	Statements will be coded that give reference towards the presence of formal policies or rules in the Zambian market concerning the project.
Institutional Theory (Proposition 3)	**I2: Informal Rules**	Informal rules that impact the market	"Create a lobbying function (formally or informally), such as a lobby group for skills training" (Document 15)	Statements will be coded that give reference towards informal rules within the Zambian market.
Institutional Theory (Proposition 3)	**I3: Involvement of institutions**	The presence of institutions	"The support extended by the Ministry of Higher Education and the Ministry of Commerce Trade and Industry was crucial in the success of the ZAMITA." (Document 6)	Statements will be coded that give references towards the presences of institutions in the Zambian market (e.g. ministry for education, Sida, UNIDO) through providing information and support.
Institutional Theory (Proposition 3)	**I4: Lack of education**	The absence or weak performance of institutions in terms of providing education	"In many instances, mine companies have complained that despite having locals with appropriate qualifications, many still lacked the required knowledge especially in modern mining technologies	Statements will be coded that give reference towards the absence or performance gaps in providing education from institutions in the Zambian market.

			that the firms have adopted." (Document 5)	
Theory	**Categories**	**Definition**	**Example**	**Coding Rule**
Resource-based View **(Proposition 2)**	**R1: Long-term Goal**	Long-term goals of the private sector entity that help to build unique resources throughout time	"Why we chose to join this programme is really that we see the business need for trained well-skilled technicians and drivers in the future for our business expansion in certain countries like the countries in Africa." (Video 2)	Statements will be coded that give reference towards the long-term goals of the private sector company that helps to develop unique resources and competitive advantage in the host market.
Resource-based View **(Proposition 2)**	**R2: Cooperation Experience**	Experience in co-operation with other stakeholders which facilitates organisational learning	"Over a period of five years, the Volvo Group is planning to set up ten vocational training programmes in Africa. The Volvo Group is partnering with development organisations and schools in different countries" (Document 3)	Statements will be coded that can be related towards co-operation experience of the private sector company which helps to create competitive advantage within the host country.
Resource-based View **(Proposition 2)**	**R3: Skilled Workforce**	Apprenticeships and development of skilled workforce	"To increase job opportunities and improve the general level of education for service technicians, the Volvo Group is initiating an apprenticeship training program in Zambia together with the Swedish International Development Cooperation Agency (Sida) and the United Nations Industrial Development Organization (UNIDO)." (Document 12)	Statement will be coded that give reference towards the development of a skilled workforce.
Resource-based View **(Proposition 2)**	**R4: Local Market Knowledge**	Knowledge about the local market (demands, problems etc.)	"By concentrating on vocational training, the Volvo Group can stimulate economic growth and help reduce unemployment, while remedying the	Statements will be coded that give reference towards the local market knowledge of the private sector company.

			scarcity of trained mechanics and technicians." (Document 11)	
Resource-based View **(Proposition 2)**	**R5: CSR**	Contribution towards the CSR strategy	"In parallel, Volvo, a global company manufacturer of heavy duty construction equipment and transport trucks, has recognized skills development as a key area of interest for their business both in terms of filling skills needs for their own purposes and from the perspective of contributing to strengthening African economies." (Document 16)	Statements will be coded that give reference towards the contributions of pursuing the CSR strategy of the private sector company.
Theory	**Categories**	**Definition**	**Example**	**Coding Rule**
Transaction Cost Theory **(Proposition 1, 4)**	**T1: Resources shared**	Resources shared by project partners	"As part of the project, the institution will be provided with modern equipment and its trainers will undergo skills upgrading in technical and teaching proficiency. In addition, local trainers will receive support from a Volvo Group master trainer." (Document 16)	Statements will be coded that give reference towards the sharing of non-financial resources between project partners.
Transaction Cost Theory **(Proposition 1, 4)**	**T2: Trust**	Level of trust between project partners	"When a company involves itself and commits to a development project for several years, as the Volvo Group is doing here, it's completely different from the investments companies normally make within the framework of their social sustainability programmes," he says." (Document 3)	Statements will be coded that can be related to the level of trust between project partners.

Transaction Cost Theory **(Proposition 1, 4)**	**T3: Agreement**	Agreements between project partners	"Based on the agreed funding limits, necessary items will be supplied by Volvo. Upon the agreement of the stakeholders, UNIDO will supply the items that are not part of Volvo contribution, depending on budget availability." (Document 17)	Statements will be coded that give reference to established agreements between project partners.
Transaction Cost Theory **(Proposition 1, 4)**	**T4: Information Exchange**	Information sharing between project partners	"It also helps all the partners to try new things and learn from this and then apply the learning in other parts of the world, with shared risk." (Document 15)	Statements will be coded that give reference to the sharing of information between project partners.
Transaction Cost Theory **(Proposition 1, 4)**	**T5: Liability of Foreignness**	The firm-specific costs that are faced by the private sector company which would not occur for local firms	"It would not be feasible through a private-sector-only approach. Without a public sector partner, the private sector partner would not be able to implement the proposed training programme on this scale as (i) the operation of trainings on this scale would not benefit the company and (ii) there would be doubts about undue competition and involvement in an area that is essentially governed by the public sector." (Document 17)	Statements will be coded that can be related to firm-specific costs caused by its liability of foreignness.