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Efficient Strategic Positioning in Developing Countries: The Case of North-South Strategic Alliances

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Summary

In this paper, we look at two aspects of developing country issues and postulate that knowledge concerning the determinants of success in strategic alliances involving states and firms would be useful to partners in helping them attain their respective objectives for development and performance. Our research hypotheses therefore suggest that, in developing countries, strategic alliances perform better than other organizational forms. Their success is based both on **the use of technological know-how in an efficient manner** and on **their capacity to obtain bank loans**. These hypotheses were verified through a multiple linear regression analysis of data taken from the Regional Program for Business Development (PRDE).

Kew words: strategic alliances, positioning, technological transfer, developing countries.

JEL Classification: M14.

Introduction

Research on strategic alliances involving on the one hand governments in developing countries and on the other hand foreign firms registered an unprecedented expansion during the 70's and 80's (Friedman and Béguin, 1971; Hegert and Morris, 1988). Research undertaken by certain academics initially revolved around economic development issues. The basic question was to determine if successful *strategic alliances* were instrumental in insuring the *accelerating growth* of developing countries (UNCTC, 1988). During the 1990's however, research basically concerned itself with *strategic alliances as a new form of organization* (Gugler, 1992; Lyles and Salk, 1996). In fact, "*market openness and globalization [have placed] on the agenda, more complex behaviours*" indicated Hafsi and Foucher (1996: 12). From a strategic perspective, this evolution was important in stating the importance of evolving from a strategic approach based on a products/market tandem to a strategy based on the control of resources and competencies. This new approach resulted in a re-examination of the entire concept and implementation of strategic alliances. More specifically, access to resources and competencies that permitted the acquisition and maintenance of a competitive edge (Hamel and Prahalad, 1990) became the focus of attention in the considerations linked to economic development in developing countries and company performances (Ouedraogo, 2003). Of all the new organizational forms, strategic alliances have been amongst the most utilized to access resources and competencies, synonymous with competitive advantage (Kogut, 1988; Beamish, 1984; 1988; Viola; 2000). In our research paper, we will explore, consecutively, why we should resort to strategic alliances, the specific characters strategic alliances adopt and what the specific concerns of developing countries are. Our research hypotheses therefore suggest that, in developing countries, strategic alliances perform better than other organizational forms. Their success is based on an efficient use of technological know-how and on their capacity to obtain bank loans. These hypotheses were verified through a multiple linear regression analysis of data from the Regional Program for Business Development (PRDE). A discussion on the implications of the results and a conclusion follow.

1. Why Do We Need Strategic Alliances?

If the quest for superior results remains the main goal of companies, (Chandler, 1962 ; Drucker, 1954 ; Andrew, 1971), certain theories and practises have, during the last 20 years, linked business

success to strategic alliances (Kogut, 1988; Beamish, 1984, 1988; Viola, 2000). Good products and strong product positioning are no longer sufficient to guarantee sustainable performance. In a world of globalization and internalization of markets, two other factors come into play and further our understanding of the issues: the emergence of a summary of trends on the technological and information front on the one hand and the noticeable evolution of the structure of global competition on the other hand (Dunning, 1995; Tarondeau, 1993; Gugler, 1992). Henceforth, the most successful firms are those who have the best control over strategic resources that are difficult to obtain on the market (Hamel and Prahalad, 1994; Doz and Hamel, 1998). The strategy perspective therefore evolves from a conception based on the tandem products/markets to one based on the control of resources and competencies. In this perspective, strategic alliances are perceived as a privileged access mode to resources and competencies (Kogut, 1988; Beamish, 1984, 1988; Viola, 2000) that are necessary to the acquisition or maintenance of sustainable competitive advantages (Hamel and Prahalad, 1990).

Literature on alliances has evolved and now privileges determinants such as assets specificity, expertise complementarity and shared risk between partners (Teece, 1986, 1988; Callon, 1994; Urban and Vendemini, 1994). However, of the many remaining questions, analyzing the impact of strategic alliances on the performances of each partner remains a major concern (Mothe, 1996). Most of the research in this area examined firms in industrialized countries. However, some researchers, of marginal importance until then, were increasingly interested in looking at strategic alliances in developing countries (Friedman and Kalmanoff, 1961; Beamish, 1984; Schaan, 1983; Child and Faulkner, 1998). These authors suggested, in particular, that strategic alliances of a traditionally microeconomic nature could be applied for macroeconomic purposes and become essential drivers of development in a world economy that is increasingly integrated. This point of view is expressed by Friedman and Kalmanoff (1961: 258): "The general assumption underlying this study was that the joint international business venture might constitute an important expression of changing relationships between the industrially developed and developing countries. That hypothesis has been abundantly confirmed by our country surveys and cases studies." On the other hand, Hébert and Beamish (1997) point out that joint ventures and different types of inter-firm cooperation can be useful leverage tools for industrial modernization. In fact, these authors think that joint ventures are the most appropriate means for companies to acquire the necessary resources and competencies given the hostile business environment in developing countries and the difficulties linked to resource utilization. What is, therefore, the distinct nature of joint ventures in developing countries?

2. The Distinct Nature of Strategic North-South Alliances

Inter-firm cooperative agreements cover a wide array of contractual dispositions such as commercialization agreements, licensing agreements and technology transfer agreements (Contractor and Lorange, 1988). Joint ventures are created when at least two independent firms share the capital and the control of an organizational entity that is legally distinct. Our research specifically looks at agreements between governments of developing countries and foreign firms. The first major studies on strategic alliances, and more specifically on joint ventures in developing countries, were done at Columbia University (Friedman and Kalmanoff, 1961; Friedman and Beguin, 1971). Their results, in particular those relating to the importance of strategic alliances in economic development, were supported by Reynolds (1979) and Tomlinson (1970) but suffered from methodological and conceptual disaggregation. In the early 1980's, Beamish's team at the University of Western Ontario went a step further by creating an autonomous and structured scope of research for grasping the issues surrounding strategic alliances in developing countries (Beamish, 1984; 1985; 1988; Schaan, 1983; Inkpen, 1992; Hébert, 1994). Then, the rapid development of strategic alliances in developing countries, as witnessed by the authors, joined the trend of multinational joint ventures as described by Dussauge and Garrette (1995). In fact, the multinational joint ventures that existed in developing countries in the last few decades were created mainly to comply with a country's laws rather than as solutions to economic imperatives. However, the economic environment of these countries has always been dominated by a preponderance of government corporations and other types of organizations such as private foreign firms, private/public partnerships and private local firms. During the last decade,

globalization has transformed this near-monopolistic environment into a vast setting of social and economic changes that encourages the emergence of strategic alliances. Therefore, authors such as Child and Faulkner (1998), Kaplinsky, (1997), Krishnan and al. (2002) suggest that strategic alliances can be highly performing within the context of developing countries. Thus, hypothesis 1:

H1: In developing countries, strategic alliances are more performing than other types of local organizations.

Now, what specific concerns do developing countries have?

3. Specific Concerns of Developing Countries

In a knowledge-based global economy, developing countries have no choice but to find ways and means of acquiring technology, knowledge and organizational capacities (Latouche, 2001). In this sense, East Asia has demonstrated, during most of the past thirty years, the advantages of globalization and the benefits of economic openness and liberalization (World Bank, 2000). Through cautious budget policies, substantial investments in technology and human resources, and by opening up their economies, these countries have witnessed impressive economic growth and have made significant gains in the battle against poverty. On the other hand, Africa attracts less foreign capital. A recent study of the United Nations Conference on Trade and Development (UNCTAD) shows that foreign direct investment in Africa was 9.1 billion dollars in 2000 compared to 10.5 billion dollars in 1999 (UNCTAD, 2000). This represents less than 1% of foreign investments in the world because, for the most part, the flow is from one industrialized country to another. At the same time, in 1999, exports from Africa accounted for less than 2% of world exports. These results show that Africa's integration to the world economy has not progressed as significantly as have other regions of the world. Yet, during the last few decades, African countries have continuously strived to develop their human competencies and have experimented, without success, with numerous development strategies. How does a country acquire the technology and knowledge essential to its development? How do we create the organizational skills that these countries require to move forward? Some answers to these questions were set forth in papers on strategic alliances in developing countries by researchers such as Friedman and Kalmanoff (1961), Beamish (1984), Schaan (1983), Child and Faulkner (1998), Ouedraogo (2003). For these authors, access to resources and competencies that allowed the acquisition and maintenance of a competitive edge (Hamel and Prahalad, 1990) became the focus of attention in the considerations linked to economic development in developing countries and company performances. For Barney (1991), resources and competencies are categorized in three types of hard and soft assets that are linked almost permanently to a firm: physical resources (technology, financing, property, raw materials, etc.); human resources (training, experience, intelligence of employees, etc.) and organizational resources (formal management structure, formal and informal planning, control and coordination systems, informal relations between groups both within the company and on the public front, etc). Some resource and knowledge expertise are formal and protected by copyright while others are informal or implied and have a specific importance, such as procedural knowledge (*savoir-faire*) which can be defined as an accumulation of knowledge integrated into working routines (Nelson and Winter, 1982; Amit and Schoemaker, 1993).

Acquisition of resources and formal expertise

Resources and competencies can be formally described in detail and can be protected by copyright: they also exist in the form of assets or in plans and formulas (Miller and Shamsie, 1996). Badaracco (1991: 34) enumerates four conditions linked to resources and knowledge expertise: "First, the knowledge must be clearly articulated and reside in packages. Second, a person or group must be capable for opening the package, of understanding and grasping the knowledge. Third, the person or group must have sufficient incentives to do so, and fourth, no barriers must stop them." An example of this occurs when, in developing countries, firms sign knowledge transfer contracts allowing them to tap into the necessary technology for industrial production (Oman, 1984). However, Kiggundu, Jorgensen and Hafsi (1983) note that success becomes uncertain and problematical when knowledge transfer between developed countries and developing ones extends

further than the technical realm and involves the environment. In such cases, transferring technology towards developing countries hits snags related to implementation (Munir, 1998). The eventual acquisition of resources and competencies is linked to the value of the legal system that protects them (Miller & Shamsie, 1996). According to the type of industry or the geographical zone, the legal protection system can be more or less performing according to the importance of the resources and knowledge expertise. Thus, hypothesis 2:

H2: It is easier to access technological expertise through strategic alliances than through locally operated companies.

Acquisition of resources and implied expertise

Nelson (1987) points out that resources and competencies based on knowledge are more or less transferable. In fact, the valuation of these assets depends not only on a company's ability to integrate new knowledge (Cohen and Levinthal, 1990) but also on its ability to create the necessary social interactions needed to create new knowledge (Kogut and Zander, 1992) and its capacity to choose, maintain and reactivate organizational knowledge (Garud and Nayyar, 1994). In order to maintain and develop these different capacities, companies must have access to sufficient human resources, both in numbers and quality. Given this postulate, it is suggested that the capacity to maintain and develop expertise is directly related to the general context in which companies evolve. In other words, African firms find it particularly difficult to develop the necessary expertise and to maintain the levels of expertise (Austin, 1990; Kiggundu, 1989). Therefore, access to implied expertise depends on the level of development of a specific country.

An approach based on resources and expertise **must therefore be viewed** in a specific context. For example, Gauthier et al. (1995) and Saadi (1999) demonstrate that many companies in developing countries, mainly smaller firms, are unable to access the financing systems. In these cases, strategic alliances represent, for the management of these companies, an effective tool to bolster their financial requirements. Sleuwaegen and Goedhuys (2002) have also pinpointed how strategic alliances reinforce the capacity of firms to contract bank loans. Recently, Nicholas and Wang (2005) studied the process of knowledge and learning transfer in joint ventures in China. Their results show that joint ventures are an essential tool both for learning and for building capabilities based on strong leadership and trust. These papers demonstrate that strategic alliances are better than other types of organizational forms. Thus, hypothesis 3:

H3: In developing countries, the capacity to contract bank loans is greater when it occurs within the context of strategic alliances rather than through other local organizational types.

4. Methodology

Sample Description

The aim of the Regional Program for Business Development (PRDE), initiated by the World Bank and the Canadian International Development Agency, is to create a report on the general state of the manufacturing sector in several African nations. Several universities are involved, including HEC Montreal, Oxford and the Université Libre d'Amsterdam as well as several African countries, including Cameroon, Ghana, Ivory Coast, Kenya, Burundi, Zambia and Zimbabwe. The data base used was taken from firms in Cameroon. The PRDE collected data based on three years (1993-1995) by panel findings. The panel represented a sample of 611 companies. A team of researchers administered a questionnaire directly to local managers. Nine subjects were discussed: business development, the company in general, technology, labour markets, financial markets, resolution of conflicts, infrastructure, rules and regulations and business assistance programs.

The Operationalization of Variables

The operationalization of variables results from a knowledge of each variable and a precise definition of each variable. We have identified, in the data base, the most pertinent indicators for accurate measuring a variable. In certain cases, we have introduced binary variables.

For the dependent variables, we retained, for the three year period of the study (1993-1995), sales value and number of jobs (Gauthier et al., 1995). On the other hand, for explanatory variables, in relation to different types of companies, we retained as numeric variable, a capital structure that was transformed into five dichotomous variables according to the types of shareholder (local, public, foreign or mixed). Therefore, private domestic firms (ENDOM) were qualified as having only local investors, public firms (ENPUB) only public shareholders while private/public partnerships (ENPEP) shared both public and local shareholders. Foreign private firms (ENPET) were largely held by foreign private investors. Finally, strategic alliances (ASTRA) were qualified as having both local and foreign shareholders.

As for access to financial resources (CEMPR), we retained the variable of borrowing power. For access to technological expertise (STECH), we retained the access to or absence of a technical expertise contract (see Table 1).

Table 1

Operationalization of variables

DEPENDENT VARIABLES
<i>Sales value (VENTS)</i> : increasing sales from 1993 to 1995. LOG
<i>Number of jobs (EMPL0)</i> : increasing jobs from 1993 to 1995. LOG
INDEPENDENT VARIABLES: TYPE OF ENTERPRISES
<i>Strategic alliance (ASTRA)</i> : local and foreign shareholders
<i>Domestic firms (ENDOM)</i> : local investors
<i>Public firms (ENPUB)</i> : public shareholders
<i>Private/public partnership (ENPEP)</i> : public and local shareholders
<i>Foreign private firms (ENPET)</i> : foreign private investors
OTHER INDEPENDENT VARIABLES
<i>Access to financial resources (CEMPR)</i> : borrowing power: 1 – Yes; 2 – No
<i>Access to technological expertise (STECH)</i> : technical expertise contract access: 1 – Yes; 2 – No

Descriptive analysis of data

Mean and standard deviation comparisons were conducted on the different variables in order to identify any extreme values that could influence the results of our analysis (Christensen, 1997; Anderson, 1982). By so doing, our objective was to identify and if necessary, delete any extreme values to avoid altering the nature and relevancy of the statistical results. In our analysis, mean and standard deviation comparisons do not show very high extreme values on selected variables, thereby not affecting the credibility of results (see Table 2).

Table 2

General description of variables

	Sample N	Means \bar{X}_1	Standard deviation S	Minimum	Maximum
Dependent variables					
LGVENTS	475	18.6488	1.56381	17.4666	21.0534
LGEMPLO	513	3.1756	.87216	2.5065	4.7143
CEMPR	611	.4321	.14432	.2727	1
STECH	611	.1424	.16074	.0419	.4576
Independent variables					
ASTRA	611	.2126	.40960	.00	1.00
ENDOM	611	.5558	.49740	.00	1.00
ENPEP	611	.0189	.13648	.00	1.00
ENPET	611	.1032	.30449	.00	1.00

After a descriptive analysis, we conducted a multiple linear regression analysis in order to estimate the impact of the independent variables on the dependent variables.

5. Statistical Results: Test of Hypotheses

In order to verify our first hypothesis, we conducted two multiple regressions (ANOVA) with SPSS software and took into account the independent variables ASTRA, ENDOM, ENPEP, ENPET and each dependent variable LGVENTS (Sales Value) and LGEMPLO (Number of Jobs). Then, in order to measure the non-correlation sequence of residuals (postulate of the independence of residuals), we applied the Durbin-Watson decision variable. When residuals are not correlated, this variable must be approximately 2. Values of order d that are higher (inferior) to 2 indicate a negative (positive) autocorrelation between related residuals. In our regression, the Durbin-Watson decision variable equals 1.720 which is hardly meaningful. This result indicates an absence of correlation sequences between estimated residuals.

On the other hand, the R value and the adjusted R^2 value take on respectively the values of .377 and .372. In an ideal situation, the closer R^2 is to value 1, the more interesting the model. On the other hand, these coefficients do not allow us to determine if the model is pertinent on a statistical basis. Therefore, hypothetical tests were needed to check if the linkage produced in the regression is not simply created artificially. Another way of understanding the test is to compare the p value (switching probability) with α (where α is type 1 risk).

Therefore, in order to evaluate the dependence between variables, the F ratio had to be examined. When we look at Table 3, we note that the relationship between the linear combination of the independent variables and the passive variable is significant, given that the level of relevant significance to $F(4,475) = 71.153$ of the analysis of variance equals $.000 < p = .05$. In other words, the independent variables are significant in explaining the dependent variable.

The values of the standardized regression coefficient β for each of the independent variables retained are respectively .490, -.105, .157 and .278. This coefficient ranks the different variables according to their respective effect on the independent variable; the higher beta is, the more effect a variable has in comparison to the others. As illustrated in Table 3, for sales volumes, strategic alliances in developing countries perform better than other types of companies.

Table 3

LGVENTS (sales value)

ANOVA						
Independent variables	β	ρ	Adjusted R-Square	F	Sig F	DW
ASTRA	.490	.000	.372	71.153*	0.000	1.720
ENDOM	-.105	.079				
ENPEP	.157	.000				
ENPET	.278	.000				

N = 475
 * $\rho < .05$

In the second regression, software calculated the Durbin-Watson value at 1.827, which corroborates once again the absence of possible autocorrelation between variables. As well, the relationship between the linear combination of the independent variables and the passive variable is significant, given that the level of relative significance to $F(4,513) = 59.002$ of the analysis of variance equals $.000 < p = .05$. The β coefficients (see Table 4) have respective values of .371, -.193, .136 and .193 relating to the ASTRA (strategic alliance), ENDOM (domestic firms), ENPEP (private/public firms) and ENPET (foreign firms) variables. As shown, the value of β in strategic alli-

ances is higher than in other organizational types. This brings us to conclude that, with regard to job numbers, strategic alliances perform better than other types of companies.

Table 4

LGEMPLO (number of jobs)

ANOVA						
Independent variables	β	ρ	Adjusted R-Square	F	Sig F	Durbin Watson
ASTRA	.371	.000	.312	59.002 [*]	0.000	1.827
ENDOM	-.193	.001				
ENPEP	.136	.001				
ENPET	.193	.000				

N = 513
 * $\rho < .05$

In order to validate the second hypothesis, we applied the same regression and the Durbin-Watson value reached 2.084. This result confirmed that there were no sequential correlations between estimated residuals. In the variance analysis, the level of relevant significance to $F(4,611) = 40.575$ was, in this case, equal to $.000 < p = .05$ which proves that the relationship between the linear combination of the independent variables and the passive variable is significant. To put it more simply, the independent variables greatly explain the dependent variable. Data in Table 5 also show that β coefficients post respective values of .397, -.090, .078 and .023 for the same independent variables. This leads us to believe that access to technological expertise is easier in strategic alliances than in firms that are strictly local (See Table 5).

Table 5

STECH (Access to technological expertise)

ANOVA						
Independent variables	β	ρ	Adjusted R-Square	F	Sig F	DW
ASTRA	.397	.000	.206	40.575 [*]	0.000	2.084
ENDOM	-.090	.125				
ENPEP	.078	.041				
ENPET	.023	.624				

N = 611
 * $P < .05$

As for the third hypothesis, the Durbin-Watson statistic equals 1.985. This indicates no sequential correlations between estimated residuals. On the other hand, the level of relative significance to $F(4,611) = 14.026$ of the analysis of variance equals $.000 < p = .05$. Therefore, the relationship between the linear combination of the independent variables and the passive variable remains significant. Finally, the β coefficients in Table 6 are respectively .296, .084, .177 and .167 for the ASTRA, ENDOM, ENPEP and ENPET variables. Comparing the β values leads us to the conclusion that the capacity to obtain bank financing is higher in strategic alliances than in other organizational forms (see Table 6).

CEMPR (Borrowing power)

ANOVA						
Independent variables	β	ρ	Adjusted R-Square	F	Sig F	DW
ASTRA	.296	.000	.079	14.026*	0.000	1.985
ENDOM	.084	.184				
ENPEP	.177	.000				
ENPET	.167	.001				

N = 611

* P < .05

The results of our analysis illustrate that strategic alliances (ASTRA) are better performers than other organizational types when it comes to creating jobs and selling more goods. Moreover, these results show that performance is based on technological expertise and the capacity to borrow money. We shall now analyse the significance of these results.

6. Discussion

Are the performances of strategic alliances superior to those of locally based firms?

Statistical results indicate that in general, strategic alliances are better performers than locally based firms (hypothesis 1). This is part of the answer to many hypotheses formulated in earlier studies (Friedman and Kalmanoff, 1961; Friedman and Béguin, 1971; Beamish, 1984; 1988; Schaan, 1983; Hébert and Beamish, 1997). In fact, since the early 1980's, strategic alliances have been considered the most appropriate organizational type in a world where globalization creates many problems on an economical level (Kogut, 1988), strategical level (Dunning, 1979) and organizational level (Hamel, 1991; Jarillo, 1988). Strategic alliances are viewed as a privileged tool by which firms can acquire the expertise they are lacking while at the same time maintaining their own key areas of expertise. However, this vision of strategy is not shared by everyone. For example, authors such as Porter (1990; 1991) and Reich (1986) warn firms about the dangers, pitfalls and misconducts of strategic alliances. These authors believe that certain firms use alliances simply as "Trojan horses" to maliciously gain access to a partner's knowledge and expertise. On this question, Hamel (1991) notes that the greatest factor in guaranteeing the success of a strategic alliance is the implementation of contractual terms and contractual systems that allow access to a partner's knowledge and expertise without allowing the transfer of knowledge that a firm wishes to keep private. Hamel also believes that this is one reason why Japanese are able to learn quickly from their Western partners whose knowledge is easily imitated. However, Western partners have difficulty gaining access to the knowledge of their Japanese partners, mainly because of the complexities of the culture and business practices in Japan. This risk allows Porter (1991) to maintain that strategic alliances are only transitory solutions and unstable structures that necessarily lead to failure. However, apart from these reservations, the tendency, in most research results, is largely favourable to strategic alliances as the preferred type of organizational form capable of responding to the many challenges faced by developing firms (Beamish and Killing, 1997).

However, if strategic alliances seem to be the most well adapted form capable of meeting the challenges of firms in industrialized countries, what can be said about companies in developing countries? Most of the researchers interested in this question maintain that strategic alliances are beneficial in helping developing countries reduce the development gap between themselves and industrialized countries, mainly by increasing the performances of other locally owned firms (Friedman and Kalmanoff, 1961; Beamish, 1984, 1988; Hébert and Beamish, 1997; Gherzouli, 1997). The acquisition of knowledge through strategic alliances stimulates resources, business environments and leadership in local firms. In this perspective, Chrysostome (2000) has shown that alliances

facilitate a better transfer of knowledge between companies in industrialized countries and those in developing countries. However, he adds that cultural and linguistic differences are often stumbling blocks to knowledge transfers. Recently, Krishnan et al. (2002) measured the contribution of strategic alliances to local companies operating in an Indian context. Their results show that alliances do not result in significant contributions to local firms if they are focused on research and development or technological innovations. However, alliances that revolve around publicity and product promotion provide benefits to local businesses by allowing them to increase their sales and profits. Authors also note that cultural differences between partners have a negative impact on performances as a whole. These examples complement and strengthen our own results and show that strategic alliance contributions can be of many varied types.

Acquisition of formal and informal competencies

The resource perspective, contrary to Porter's sectorial approach, suggests that companies can create sustainable competitive advantages by relying on the resources and competencies of a firm (Wernerfelt, 1984; Barney, 1986). This perspective implicitly suggests that a company's competitiveness lies not only in its positioning but also within the company itself in the form of distinct resources and competencies. Several authors have tried to operationalize this. For example, Miller and Shamsie (1996) suggested that a distinction could be made between property-based resources and knowledge-based resources. In a case study of Hollywood studio companies, they showed that property-based resources are more performing when they operate in a stable environment; while knowledge-based resources are more profitable and adaptable when operating in a turbulent and uncertain environment. These results concur with ours and illustrate that the efficiency of any resource depends on the appropriate environment.

Hypothesis H₂ states that, when technological knowledge is available, strategic alliances perform better than other types of companies. This was verified through our statistical results relating to the value of sales and the number of jobs created. In fact, the first type of empirical studies in the technological knowledge realm examined only technological transfers (OECD, 1998; UNCTAD, 1995). This conception of technological transfers – without any acknowledgement of the importance of knowledge – has been contested. Marcotte (1999) shows that the most important elements in the technology transfer process are linked to cognitive and experiential knowledge acquired by local partners. As our statistical results show, it seems necessary not only to integrate technology within the technology transfer process but more importantly, to integrate management and organizational capacities that exist with and are integral to the technology (Hafsi, 1990; Kiggundu, Jorgensen and Hafsi, 1983). We also suggest that, in the turbulent and complex environments of developing countries, the transfer of resources based on technological knowledge is more adapted to the situation, rather than a transfer of resources based on proprietary rights, such as copyrights, ownership of operating licences or equipment.

Hypothesis 3, which states that the capacity to contract bank loans is easier within strategic alliances than in other types of companies, was also verified statistically with regards to sales value and number of jobs. Literature confirms the importance of strategic alliances in the mobilization of financial resources. Most research papers on the performances of alliances in developing countries highlight the important role a foreign partner plays in reinforcing the financial capability of the alliance (Gherzouli, 1997; Saadi, 1999). These papers show that, in his willingness to cooperate, the local partner's objective is mainly linked to reinforcing his financial capability rather than attaining strategic development objectives. Our research also comes to the same conclusions by illustrating that local partners are more inclined to look for financial partners that are able to back-up their activities or their international development.

7. Conclusion and Future Research

This research shows that strategic alliances involving governments and companies that operate in developing countries offer better results than the performances of local firms. It also demonstrates

that companies involved in strategic alliances gain more advantages than other types of businesses with regards to technological expertise and the capacity of attaining the necessary financing.

These results allow managers to do better the entire performance of their firms. In fact, the results have shown that the performance of strategic alliances is better than that of other types of firms. This should encourage management to contract strategic alliances. Also, our results have shown that it is easier, within the structure of a strategic alliance, to obtain financing and technological knowledge than it is for locally operated firms. This result should encourage local managers to concentrate their efforts on these key points – precisely, financing and technological knowledge – and to better manage them in the future.

Our research can also be useful for governments and development practitioners. In fact, as it relates to the performance of strategic alliances, this research allows them to appreciate what impact strategic alliances can have on other types of local firms. Our results can also serve as a guide for governments and development practitioners who wish to define an economic development global strategy based on strategic alliances.

But, one might think this research is limited by the fact that the data base goes back quite a few years. In fact, it is at least ten years old (1993-1995). One can therefore question the relevancy of the data with regards to our findings. For our part, we believe that the data base is still relevant because this research is not only the most important study ever undertaken in these countries but it is also the most complete. Moreover, given the fact that the environment has not changed significantly, we suggest that the variables identified in the data base are still relevant to an acceptable level. Finally, a qualitative research conducted with twelve managers of firms in our sample base has substantiated the main variables found in our data base (Ouedraogo, 2003).

However, some studies, by Kiggundi, Jorgensen and Hafsi (1983), Kiggundi (1989) and Munir (1998) for example, suggest that if knowledge transfers between companies of developed countries and developing ones involve a relationship between the firm and the environment, the theories developed by researchers regarding companies in the Western world do not necessarily apply. Socio-cultural and ethical parameters that touch upon a company's performance increase the complexity of the environment in developing countries. The performance of strategic alliances would depend on the acknowledgement of these parameters. Can we therefore conclude that strategic alliances, by taking advantage of the actual globalization context, play a role in reducing the gap between economies in developed countries and those in developing ones? This question opens up new research possibilities that could be examined in future studies.

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