Contracting Non-Academic Services To Private Providers:

The Dar Es Salaam Experience

by

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INTRODUCTION

The University of Dar es Salaam was established in 1961, first as a college of the University of London and later, in 1993, as a constituent college of the University of East Africa. In 1970 the University of East Africa was dissolved in order to allow for the establishment of autonomous national universities in each of the territories that constituted the East African Community then. Therefore the history of the management of the University of Dar es Salaam as an autonomous entity goes back to 1970. To appreciate the significance of contracting non-academic services to private providers it is necessary to understand the economic and socio-political context in which the university developed and operated after its inception.

The University was established by an Act of parliament known as University of Dar es Salaam Act No. 12 of 1970. The Act spelt out the principal functions of the university, the principal organs as well as the principal office bearers. The university’s relationship with the Government was implied in the Act in statements relating to the functions of the university, the composition of its organs and the appointing authority for its principal office bearers. Although in theory control of the University was vested in the council, in practice it was the party-cum-state that called the shots since the principal officers were appointed by and answerable to the Establishment, not the council! It is this ambivalence of authority that should, in my view, be held responsible for generating a crisis-ridden institution that characterised the University of Dar es Salaam for a number of years. Between 1970 and 1990 the university experienced a series of crises which later analysts (Mihyo 1998 and Mwapachu 1998) attribute to three main factors, namely, political interference, under-funding and poor management.

Political Interference

The Management Effectiveness Review workshops of 1990 identified Act 12 of 1970 as one of the sources of the university’s problems. This is because, in the judgement of many (Mkude 1996), the design of the Act was so rigid and restrictive that it denied the university the flexibility and adaptability required in order for it to adjust quickly to a fast changing world. In the words of Luhanga et co (2003:137), “the Act had been designed on the premise of state control, single party politics and a monolithic party ideology”. Universities like other institutions in society are often victims of the given nature and character of the state. Since 1967 Tanzania is said to have adopted a commanding model of governance. According one political scientist (Ndumbo 2003) this model is characterised by the following features: monopoly of power by those in office; unlimited discretionary power in the hands of those in office; great reliance on patronage; lack of meaningful accountability and a high degree of secrecy. Ndumbo (2003: 203) suggests that the crises of the University of Dar es Salaam were generated by the nature and character of the state.

The struggles that existed in the early years of this institution – between students and the state, for example – are a manifestation of an institution wanting to be what it should be, only to find that the state’s intentions are to use it otherwise.
It is worth pointing out that Ex-President Mwinyi expressed a similar concern when inaugurating the institutional Transformation Programme in 1993 when he said:

*The University of Dar es salaam is so far the only generalised university in the country. We will be doing an injustice to our society if we let it be dominated by a singular line of political thought. In rich countries, you can afford to have universities with a clear inclination towards an ideology or political philosophy. But experience elsewhere in the developing world has shown that using a university for particular political ends can lead to disastrous consequences including the disruption of academic life*” (UDSM 1993:12).

**Under-Funding**

The problem of political manipulation was compounded by chronic under-funding. The magnitude of the funding problem can best be appreciated by comparing the budgetary allocations from government over a period of seven years. Whereas in 1985/86 the government allocation to the university was USD 18.6 million, the allocation fell to USD 10.9 in 1992/93 (Corporate Strategic Plan page 4). Without adequate resources no institution can function smoothly and effectively. The crises of the 1970s and 80s were precipitated not by a single factor but by a combination of negative factors weighing upon an institution simultaneously. The UDSM Facts and Figures document of 1995 (page 1) clearly acknowledges this in the introductory section where it is says:

*Over the years there has been a marked decline of Government financial support to the education sector affecting institutions of higher learning including the University of Dar es salaam. The problem of lack of funds has been aggravated by the fact that our university is not operating efficiently.*

**Poor Management**

Whereas political manipulation and under-funding were indeed contributory factors in the poor management of the institution, there were other factors that are worth of mention. When the university was established in the 1960’s its location was physically and socially seen to be far from the city Centre, i.e. sixteen kilometres away. The intervening area was sparsely populated then. The university therefore had to endeavour to be self-sufficient in every thing including the handling of municipal services. It thus recruited its own crew of masons, cooks, plumbers, cleaners, carpenters, hall attendants, etc. In 1994/5 the number of non-academic staff working for the university was almost half the number of enrolled students, thus raising the unit cost per student. In order to comply with the country’s labour laws most of these workers had to be hired on permanent and pensionable terms. The overall effect was to accumulate an army of workers that were difficult to manage partly because of the protectiveness of the labour laws and partly because of extensive patronage. Even when there was no substantial work to be done (for lack of basic materials, for instance) the workers had still to be paid on a monthly basis. Firing a permanent worker was extremely difficult because the law gave the workers’ union a big say on the matter. On any particular case in which the management disagreed with the workers’ union and proceeded to effect termination, the matter invariably ended up in the court of law where the tendency was to rule in favour of the worker.

The proliferation of non-core activities and the powerful role of the workers’ union together with the political patronage that went with it, gradually lured the management to shift attention away from the core mission to peripheral matters. This situation went unchallenged for a long time. By 1990 the city had
expanded so much that the university could no longer regard itself as isolated. It was strongly linked to the city Centre. Likewise, the private sector had also developed sufficient capacity to be able to provide some of the municipal services to the university. No attempt was however made to exploit these developments for the benefit of the university until after 1990 when the university experienced one of its worst crises – a crisis that led to its closure for no less than eight months. The closure gave the management and the Government time to reflect upon what had gone wrong and what needed to be done to rectify it. (A full account of the 1990 university crisis can be found in chapters two and three of Luhanga et co 2003).

MOTIVATION FOR CONTRACTING OUT

The Council of the university appointed a commission of inquiry to investigate the cause of the crisis. In its report the commission confirmed three things, namely, that the university was physically in bad shape, that relations between the various categories of staff were bad and that student welfare had been neglected, as the following extract from the report amply suggests.

In the opinion of the commission, the issue of bad relations has continued up to the present without being adequately dealt with and this has made the situation worse. The bad economic conditions have also aggravated the situation so that, for example, low salaries have in turn resulted in lack of good work performance. It also brought about lots of complaints. Furthermore, lack of adequate services in the face of the many that were in need of them led people to suspect corruption and favouritism on the part of senior officers”. (Mroso Report 1990:44). (A version translated from the Swahili original).

To address the inefficiency issue, in early 1991 the university conducted a series of management effectiveness workshops involving a broad spectrum of academic and administrative staff. These workshops were the first steps taken by UDSM to understand better the problems constraining its development and operations as well as the first comprehensive educative process for UDSM staff on the need to reform its management. One of the surprising discoveries was that the university lacked a business focus; it was having its hands in too many things that consumed substantial resources without clear justification. The overwhelming conclusion of the participants was that the university needed to make a complete overhaul of its operations (including its legal status) in the light of the profoundly changed and changing environment. Since operationalisation of this resolution required a credible strategy, the university decided to send out feelers for an expert to help prepare the strategy. After failing to obtain positive response, the university decided to put together a team of its own staff to draft a plan that would guide the university in its resolve to overhaul its operations systematically and holistically. The ultimate product of this effort was a document called the university of Dar es salaam’s ‘corporate strategic plan’, which was approved by the council in 1994. The idea of contracting out non-academic services and the rationale for it was mooted in section 4.4.4 of this document.

Section 4.4.4 of the corporate strategic plan addresses the question of the non-core services, which in the document are referred to as ‘special services’. Of the three paragraphs that make up this section, the first lists the services in question as ‘printing and publishing, transport, security, cleaning, staff housing, businesses, schooling, health services, canteen etc’. The strategy for handling these services is the subject matter of the second paragraph, which reads as follows:

All ‘special services’ will be subjected to a critical review regarding costing, efficiency and effectiveness. Basically all areas listed should be considered for privatisation, contracting out, leasing arrangements etc
The reason for doing this is also given in the same paragraph:

Some of these areas absorb considerable budgetary shares leading to a blown-up corporate overhead structure, while at the same time taking up a considerable percentage of management’s time – time that could be more effectively deployed in areas directly related to the prime outputs of the university (i.e. teaching, research and public service).

A commissioned study conducted by Kienbaum in 1993 established that the UDSM student unit costs consisted of a substantial amount of overhead costs – costs that in fact had nothing to do with academic delivery. These findings were later confirmed by yet another commissioned study on cost cutting and income generation that was conducted in 1995 and 1998, (UDSM: 1995, UDSM: 1998).

It can be said that contracting out was motivated by the following three inter-linked factors:

• The need to reduce the student unit cost that had been judged to be disproportionately high;
• The need for the university to focus its attention on its core business and prime outputs;
• The desire to run these support services professionally by placing them in the hands of people whose primary mission is to run such services. Division of labour tends to promote efficiency!

It should be emphasised that contacting was facilitated by several external factors, some of which have already been hinted at. One such factor was availability of people in the open market who had developed the capacity to provide these services to satisfaction. When the university was established back in 1961 such capacity was not readily available in the open market. The second factor was that, unlike in 1961 when the university appeared to be far from the city Centre, the university was now organically linked to the city Centre.

The third factor is the fact that the philosophy of downsizing and concentrating on core business had already become a popular topic in Government circles as a result of the Civil Service Reform Project. It is however important to emphasise that the decision to contract out was taken by the university independently of the Civil Service Reform Project.

The most important factor that really gave the university the confidence to embark upon contracting out was its redefined vision and mission. One of the good things about strategic planning, which the university made extensive use of, is that it forces people to think issues through. The vision and mission of the university was thought through and redefined in such a way as to leave no doubt in anybody’s mind concerning what the core functions of the university were and where the bulk of its resources should therefore go. This entailed a re-alignment of priorities in resources allocation. Anything that did not have a direct bearing on the core business of the university was regarded as peripheral and therefore subject to special scrutiny and review.
THE PROCESS ITSELF

The process of contracting out any particular service usually begun with the appointment of a task force to study the matter thoroughly and make appropriate recommendations. This was in line with the procedure suggested in the corporate strategic plan itself.

*Before a recommendation about the future set-up of each of the services is adopted, clear information on the efficacy of the selected option in comparison with other alternatives will have to be obtained, studied and then approved by UDSM (page 34).*

The terms of reference of the task force included the following:

(a) To characterise the current service in terms of sensitivity, operational efficiency and customer satisfaction.

(b) To find out whether in the open market there exist operators that are sufficiently competent to provide the given service at a reasonable price and to the satisfaction of the consumer.

(c) To recommend the most suitable strategy of transiting to the new operational mode.

Before 1998 the Programme Management Unit in consultation with the Chief Administrative Officer appointed the task forces. After February 1998 this responsibility was transferred to the Income Generation Unit. This unit has since been responsible for initiation, co-ordination and supervision of all contracted services. Five people staff the unit, namely:

- An overall co-ordinator
- A cost controller
- An administrative officer
- An accountant
- An office management secretary

If in the opinion of the task force a particular service can be outsourced with minimal risk of failure, then the next step is to invite companies or organisations to bid through the normal tendering system. Appendix A shows the services that have been contracted out so far, the companies currently operating them, and location and duration of each contract. The services, as it can be seen, include general cleaning of premises (both inside and outside), gardening and landscaping, security of off-campus hostels, all types of catering (for staff and students), as well as hotel and marketing services. This information has been extracted from Mlimani Newsletter, Issue No 32, of October 2002.

It might be worth pointing out here that highly professional services like printing, publishing, bookshop and ICT have not been contracted out but have instead been transformed into limited liability companies wholly owned by the University. This is because of the underdevelopment of these services in Tanzania today and their criticality to the mission of the university. The purpose of hiving-off these units from the corporate structure of the university is to give them greater autonomy to operate efficiently and compete effectively without being hampered by institutional policies that are not business-minded. Services being considered for future contracting out or re-rationalisation include medical services, staff housing, student campus hostels management, maintenance and repair of infrastructure, maintenance and management of sports facilities, and some aspects of accounting.
Assessing Competence

Before awarding a tender the Board must satisfy itself that the winning company or organization has competent personnel, adequate equipment and enough experience to provide the relevant service to satisfaction. The items that the Board tends to pay special attention to include the following:

1. Certificate of Registration, valid business licence and Registered Office/Premises.
2. Working gears relevant to the contract proposed.
3. Workforce, organization and supervisory skills.
4. Experience based on similar contracts elsewhere indicating duration in each case.
5. Fees that the bidder intends to charge and possible terms of payment. Fees indicated should specify the operational area the bidder is interested in.

Monitoring

Monitoring is being done by administrative officers in respective faculties and institutes. In the case of hostels, monitoring is done by wardens. These work very closely with the Income Generation Unit, which does the overall co-ordination and monitoring. There are agreed upon criteria used for assessing and monitoring performance. Since the nature of services vary considerably, the assessment criteria also vary accordingly, as shown in Appendices B and C. The monthly payments and contract renewal possibilities are contingent upon satisfactory performance. Before taking up an offer a contractor is required to study and sign an agreement which contain details of what is expected of the contracting parties. This document is legally binding.

PRINCIPAL DIFFICULTIES ENCOUNTERED

Contracting out implies laying off the existing workforce in the respective service areas. Understandably, curtailing a person’s regular source of income is both cruel and painful. Resistance from the affected workers was therefore the first huddle to overcome. Human rights activists sided with the workers, arguing that it was fundamentally wrong of the university to snatch a job from one person and give it to another. It therefore took the university a good deal of skill and tact to persuade the workers’ union to accept the inevitability of contracting out. Since the Council had already directed the management to strategically withdraw from non-core business, the question that was subject to discussion was how to go about it and not whether to do it. It was made clear to the union leaders that in carrying out the exercise there were two options, namely, to use the statutory provisions of the labour laws or to use the ‘golden handshake’ scheme which was being used by the Government in laying off civil servants within the Civil Service Reform Programme. The latter scheme was much more beneficial to the worker than the former. However, in order for the latter to operate there had to be a signed agreement between the employer and the workers’ union. The former approach did not require a signed agreement with the union. The university made it clear that it would only use this option if the union refused to negotiate. The problem was compounded by the fact that the workers union had its support and stronghold in the very service areas that were earmarked for contracting out. In the end the union opted to negotiate for an attractive retrenchment package. The negotiations were long and tedious, but eventually an agreement was signed. According to the law, union leaders could not be laid off until permission to do so was obtained from leaders at higher levels of the union hierarchy. Since some union leaders were also affected by the exercise, the university had to enter into negotiations at a higher level. Eventually, permission was obtained. The table below shows the number of staff involved in the three phases of retrenchment so far implemented.
Table No. 1: Phases of Retrenchment

<table>
<thead>
<tr>
<th>S/NO.</th>
<th>YEAR</th>
<th>Number of Support Staff Retrenched</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1996/97</td>
<td>638</td>
</tr>
<tr>
<td>2</td>
<td>1997/98</td>
<td>43</td>
</tr>
<tr>
<td>3</td>
<td>1999/00</td>
<td>346</td>
</tr>
</tbody>
</table>

Staff involved in the first phase were of various categories. However, the majority came from loss making commercial units. The second phase involved staff from the Printing Press and Bookshop. Cleaners, cooks and messengers were involved in the third phase.

It might be worth pointing out here that the university tried, within certain limits, to show care for the interests of the retrenched workers in order to demonstrate to them that the exercise was being done not out of vindictiveness but out of concern for the future of the institution. For example, the university asked the new operator of the Silversands hotel to give employment to some of the workers that were being laid off. Instead of picking only some, the operator decided to give a chance to all of them. So upon receiving their terminal cheques, all the 36 former staff of Silversands hotel were employed by the new operator. They signed an employment contract with him. Unfortunately, many of them decided to terminate their contracts after a few months because they failed to cope with the demands of the new operator. The first to leave was the branch secretary of the workers’ union.

Another illustrative example of management’s caring attitude concerns the lease of one of the cafeterias. About 25 former cafeteria staff had requested to be allowed to continue running one of the cafeterias privately. The management did not object but advised them to form a company and submit a bid along with other companies. It also helped them with the registration process. They eventually won the tender. I understand they are still running it and at a profit. Before contracting it out this same cafeteria had more than eighty (80) employees!

External difficulties experienced include an attempt by the Department of Civil Service to change the terms of the Agreement signed between the university and the workers’ union on the ground that the package offered was better than that which the Civil Service Department was offering its retrenches. This was rather strange because the money for the entire package had already been approved and released by the donor with whom the university had negotiated; and the request to the donor, with all the terms and conditions, had been endorsed and forwarded by the Government. Thanks to the VC’s intervention this matter was eventually settled. Otherwise it could have soured further the already delicate relations between the university and the union.

The costs involved in the 1996/7 and 1997/8 retrenchment were as follows:

- One month salary in lieu of notice: Tshs. 20,617,235.00
- Four months’ salary per year of service: Tshs. 789,841,522.00
- Transport and Travel costs: Tshs. 152,498,201.00
- Leave days compensation: Tshs. 20,658,913.00
- On transit allowance: Tshs. 12,043,052.00
- House allowance for 3 months: Tshs. 10,273,949.00
- Special allowance (re-settlement): Tshs. 399,600,000.00

Total Tshs: 1,405,532,872.00

Payments for the 1999/00 retrenchment were directly handled by the Government. All that the university did was to submit the service details of each staff involved.
BENEFITS OF CONTRACTING OUT

Benefits associated with contracting out can be divided into two categories, namely, those that are non-tangible and those that are tangible.

Non-tangible Benefits

The first non-tangible benefit worth of mention is the change in people’s perception of the central business of the university. Expending enormous resources on non-core business had often blurred the distinction between what is core and what is peripheral to a university. According to Omari & Mihyo (1991) many of the crises in African universities were often triggered by some kind of non-academic service dissatisfaction or a political issue. By distancing itself from non-core business operations, the university was sending an important message to both staff, students and the general public as to what its core business is. As a matter of principle, the university should not involve itself in matters that are not related to its core business unless it is absolutely necessary. Using this same principle the university management was able to persuade Government to handle directly all payment relating to sponsorship instead of using the university as its agent, as had been the case in previous years. Sponsorship was always viewed politically and so it was another source of strikes and conflicts that disrupted academic programmes. The move by the university management was at first resented by both students and the Government, but currently nobody is dreaming of going back to the old order. Although strikes have not been eliminated altogether, they are far fewer now than before.

Another important benefit in this sub-category is that, whereas before the office of the Chief Administrative Officer had 14 units under its span of control, after contracting out or privatisation these units were drastically reduced. The office therefore had more time to attend to long term planning. Moreover, the time and energy thus saved could be invested in other activities that had a closer link to the university’s core mission and thus hopefully help to improve the quality of the output.

The professional touch brought to these non-academic services by the new private operators is another non-tangible benefit that ought to be recognised. Asked what he thought about contracting out, one of the persons interviewed had the following to say:

“Oh, it’s great! The university is now much cleaner and the services like cafeteria are now operated by a number of private companies that compete for customers. The latter has made it possible for UDSM teaching timetable to use the full day without the need to provide for lunch break because food is available for long hours”.

Another interviewee responded as follows:

“It’s an excellent idea; its benefits include increased efficiency in areas like cleaning - the campus looks much cleaner now than in the past; completion of repair works is on time - in the past a minor repair could take several days; also good workmanship is assured since contractors want to impress in order to be considered favourably in future bids”.

The university cannot be a jack of all trades. There are services that other people are better placed and equipped to provide. With the limited resources at its disposal the university cannot train a sufficient number of professionals to provide non-academic services to the required standard. This is where the subsidiarity principle ought to be exploited.
Tangible Benefits

There are two ways of viewing the tangible benefits. Before privatisation a number of units like the Silversands hotel, the DUP, the cafeteria etc were operating at a loss (i.e. what they earned could not pay salaries and cost of operations). The university had to give them a subsidy in order to keep them afloat and avert labour unrest. So one of the tangible benefits of privatisation is absence of loss-making units to sink money into. Commercial units constantly in the red then were the Silversands hotel, student cafeterias, staff canteen, the Bookshop and the Printing press. Under the new arrangement these units are supposed to pay rent to the university. However, in the case of the cafeterias, the university is charging the operators only a token rent in order to prevent them from hiking food prices. The food prices therefore do take account of the student’s ability to pay.

According to a recent study (IGU 2003) in the academic year 1999/00 the cafeteria department staff salaries and benefits amounted to Tshs. 117,500,000.00, cooking gas and water amounted to Tshs. 112,000,000.00. The same department purchased food stuffs amounting to Tshs. 103,569,408.00. The total income after food sales for the same year was Tshs. 116,843,972.00. Thus the department generated only Tshs. 13,276,665.00. It is obvious that this sum could not cover the costs of staff benefits, gas and water. The university therefore had to foot this bill to the tune of more than Tshs. 200,000,000.00! The private operators meet all those costs themselves and are also able to make some profit.

The second tangible benefit is the actual amount of money saved by hiring private operators to carry out essential municipal services. Table 2 a and b below show what the university paid the cleaning staff in the academic year 1999/2000. Table 3 a and b show what the university would have paid in subsequent years had it continued with these services as compared to what it has actually paid to the contractors doing the same job.

Table 2.A: Cost of Workers Engaged in Cleaning Halls of Residence During Year 1999/2000

<table>
<thead>
<tr>
<th>No. of workers</th>
<th>Salaries</th>
<th>NSSF/PPF</th>
<th>Medical allowances</th>
<th>Fare allowances</th>
<th>Total (Tshs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>63,029,040</td>
<td>9,454,356</td>
<td>3,300,000</td>
<td>2,292,526</td>
<td>77,100,792</td>
</tr>
</tbody>
</table>

Table 2. B: Cost of Messengers and Cleaners in Academic Zones During Year 1999/2000

<table>
<thead>
<tr>
<th>No. of workers</th>
<th>Salaries Tshs</th>
<th>NSSF/PPF Tshs</th>
<th>Medical Allowances Tshs</th>
<th>Fare Allowances Tshs</th>
<th>Total Tshs</th>
</tr>
</thead>
<tbody>
<tr>
<td>149</td>
<td>131,542,080.00</td>
<td>19,731,312.00</td>
<td>6,800,000.00</td>
<td>2,059,452.00</td>
<td>160,132,844.00</td>
</tr>
</tbody>
</table>

Table 3. Comparison of Costs in Tshs.

(a) Halls of Residence

<table>
<thead>
<tr>
<th>Option</th>
<th>1999/00</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own Staff</td>
<td>77,100,792</td>
<td>99,362,552</td>
<td>99,362,552</td>
<td>148,644,803</td>
</tr>
<tr>
<td>Contractor</td>
<td>Nil</td>
<td>57,921,120</td>
<td>54,626,400</td>
<td>55,332,960</td>
</tr>
<tr>
<td>Difference</td>
<td>41,441,432</td>
<td>44,736,152</td>
<td>93,311,843</td>
<td></td>
</tr>
</tbody>
</table>
(b) Academic Zones

<table>
<thead>
<tr>
<th>Option</th>
<th>1999/00</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own staff.</td>
<td>160,132,844</td>
<td>179,647,112</td>
<td>179,647,112</td>
<td>192,626,974</td>
</tr>
<tr>
<td>Contractor</td>
<td>Nil</td>
<td>134,023,680</td>
<td>131,332,320</td>
<td>139,939,000</td>
</tr>
<tr>
<td>Difference</td>
<td>45,623,432</td>
<td>48,314,792</td>
<td>52,687,974</td>
<td></td>
</tr>
</tbody>
</table>

Except for the year 1999/00, the benefit figures for ‘Own staff’ have been projected on the basis of annual salary increases as well as special salary increases announced by the government over the last three years. Thus contracting out the cleaning function has resulted in a saving of Tshs. 145,979,817.00 for the year 2002/03. This information has been obtained from a recent study by IGU assessing the cleaning function. A comprehensive study to cover other functions is yet to be done.

It should also be pointed out here that the salary savings do not benefit the university directly since salaries are computed and released by the Treasury on the basis of names of persons actually on post. A retrenched staff is automatically deleted from the payroll. The money paid to contractors is derived from the operational budget, which has been enhanced to take account of the new mode of service delivery, which the government encourages and supports. It is also worth pointing out that the savings appear substantial partly because the work force used by contractors is much smaller and the salaries of unskilled or semi-skilled labour in the private sector are much lower than those in the public sector.

The institution’s overall judgement regarding the success of this scheme is positive. The university management is determined to contract out as many non-academic services as possible so that academic matters can be given the attention and resources they deserve. Students have not reacted negatively to the scheme because under the new arrangement they get better food and cleaning services. Welfare issues that used to spark off strikes have now been reduced to one item, namely, money. They want more money from their sponsors. They have come to accept that the university is not their sponsor.

6. Practical Advice

Each university operates in an environment unique to it. Most universities, however, operate under severe resource constraints. What needs to be asked is whether the limited resources currently at their disposal are being used wisely. It could be that a substantial amount of financial and human resources are still tied to non-core business. My advice to any university that has not yet done so is to begin by sharpening its business profile and then proceed to ask itself a couple of questions. Which business belongs to the core mission and which business is only supportive of that mission? Must the university operate supportive business directly? Aren’t there other players in society who could provide that support in a better and perhaps cheaper way? These are questions that the institution should ask itself.

A sharpened business plan is best stated and enshrined in a strategic plan that is drawn up in a participatory manner so that a broad spectrum of stakeholders can contribute to its shape and texture. Many universities have had different experiences with strategic planning. The university of Dar es salaam has recorded its experience in a book, authored by Luhanga and co (2003), called Strategic Planning and Higher Education Management: UDSM Experience. It is possible to engage an external expert to draw up a strategic plan for an institution. However, experience has shown that unless the institution itself leads the process the chances are that the plan will lack a sense of ownership and support. Individual actors in an institution may have excellent ideas about developing the institution, but unless these ideas are freely shared and formally endorsed by a broader spectrum of stakeholders those ideas are unlikely to last beyond the individual’s tenure. Leadership means ability to persuade colleagues, both intellectually and
emotionally, that changing towards a particular direction is in the best interest of the institution. What matters most is the education process to generate first a shared vision of the desirable shape of an institution, and secondly a commitment to pursue and implement that vision. If a leader can mobilise and sustain a critical mass of people genuinely committed to the vision, there is a good chance that the undertaking will succeed.

In response to a questionnaire sent round to colleagues regarding the advice one would give to any university that wants to improve its management efficiency, one responded as follows:

“\textit{It must have a clear institutional vision; it must be able to study the existing situation exhaustively, identify and quantify weaknesses and recommend revolutionary remedial measures; it must be ready to learn from others who were there before to avoid re-inventing the wheel; it must discuss measures to be taken with all stakeholders; it must ensure that top management has bought the resolve to part with running the institution the old way; it must be guided by a well prepared strategic plan}”.

The fragility of the political and economic terrain in Africa might easily discourage any leader from daring to take bold decisions that could change an institution for the better. Despite this fragility, Africa is badly in need of leaders who are bold enough to initiate and steer change in the higher education sector. Otherwise the future of higher education institutions in Africa will remain bleak.

**THE AUTHOR**

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REFERENCES


UDSM-IGU(2003):“Assessment of cost-cutting measures relating to cleaning operations Unpublished internal report.
## APPENDIX A

### UNIVERSITY OF DAR ES SALAAM

#### PRIVATE OPERATORS PROVIDING SERVICES AT UDSM

<table>
<thead>
<tr>
<th>S/N</th>
<th>COMPANY</th>
<th>CONTRACT PERIOD (VALIDITY)</th>
<th>PREMISES (LOCATION)</th>
<th>TYPE OF BUSINESS (ACTIVITY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Real Estate Surveyors and Associated Ltd.</td>
<td>One year from 16th September 2002 to 15th September 2003</td>
<td>Halls of Students Residence 5 and 7</td>
<td>Cleaning and gardening</td>
</tr>
<tr>
<td>2</td>
<td>Property Market Consult Ltd.</td>
<td>One year from 16th September 2002 to 15th September 2003</td>
<td>IRA Building, Faculty of Education, Kiswahili Building, ERB Wooden House (Zone V)</td>
<td>Cleaning and gardening</td>
</tr>
<tr>
<td>3</td>
<td>Care Sanitation Suppliers Ltd.</td>
<td>One year from 16th September 2002 to 15th September 2003</td>
<td>Halls of Students Residence No. 1,3 and 6</td>
<td>Cleaning and gardening</td>
</tr>
<tr>
<td>4</td>
<td>FUNCHA Suppliers Company Ltd.</td>
<td>One year from 16th September 2002 to 15th September 2003</td>
<td>Prospective Campus College of Engineering and Technology (Zone I), Faculty of Commerce &amp; Management, Centre for Continuing Education and Faculty of Science (Zone III)</td>
<td>Cleaning and gardening</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mabibo Hostel block E and F</td>
<td>Cleaning</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Three months (temporary) from 16th September 2002 to 15th December 2002</td>
<td>Cleaning</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mabibo Hostel block A</td>
<td>Cleaning</td>
</tr>
<tr>
<td>5</td>
<td>Tropical Hygiene Contractors &amp; Technical Services</td>
<td>One year from 16th September 2002 to 15th September 2003</td>
<td>Kijitonyama and Ubungo Hostels</td>
<td>Cleaning, Security and Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Halls of Students Residence No. 2 and 4</td>
<td>Cleaning and gardening</td>
</tr>
<tr>
<td>6</td>
<td>Land Care Ltd.</td>
<td>One year from 16th September 2002 to 15th September 2003</td>
<td>Faculty of Law, Library, PESC, DARUSO &amp; GAMES offices, DUP Building &amp; New Lecture Theatres (Zone II).</td>
<td>Cleaning and gardening</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mabibo Hostel</td>
<td>Landscaping</td>
</tr>
<tr>
<td>S/N</td>
<td>COMPANY</td>
<td>CONTRACT PERIOD (VALIDITY)</td>
<td>PREMISES (LOCATION)</td>
<td>TYPE OF BUSINESS (ACTIVITY)</td>
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<tr>
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<td>-----------------------------</td>
</tr>
</tbody>
</table>
| 7   | Alpha Quality Services          | One year from 16th September 2002 to 15th September 2003 | FASS Buildings, Nkurumah Hall, Auxiliary Police and Telephone house (Zone IV)  
Mabibo Hostel block C and D | Cleaning and gardening |
| 8   | Landscape Specialist Co.        | One year from 1st May 2002 to 30th April 2003          | Zone III: (Play grounds, swimming pool to Uvumbuzi road, Dispensary, Sinza flats on the same side of the dispensary. Areas outside Engineering, Ubungo gate, University road to the junction with Sam Nujoma road.  
Zone IV: Area on the eastern side of Cafeteria No. 2 including Sinza flats and Academic bridge to University road bordered by valley of waste water with a strip of 3m from DUP bookshop and Post house; Area at the former Oasisi container, Area from University road along Kilimahewa road, University mosque, University chapel to Kilimahewa houses. Area between halls 5 and 3, which borders Kilimahewa road and Simba road. Area from the valley at hall 2, including external areas of Simba houses bordering University and Simba roads. | Landscaping |
| 9   | Tomas Kironde Associates Ltd.   | One year from 1st May 2002 to 30th April 2003          | Zone I: (New estates centre [inside and outside], oxidation ponds, areas from nursery school to Sinza road [Sinza house No. 12], University road and Mlimani Primary School)  
Zone II: (The areas from the hut at UDASA Club up to Vodacom sub-station, Lamboni, Darajani, Majumba 40, Mbughuni, Ng’ambo flats, Kileleni, Pump house, Mpakanı quarters to Mlimani Services station) | Landscaping |
<table>
<thead>
<tr>
<th>S/N</th>
<th>COMPANY</th>
<th>CONTRACT PERIOD (VALIDITY)</th>
<th>PREMISES (LOCATION)</th>
<th>TYPE OF BUSINESS (ACTIVITY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Care Sanitation Supplies Ltd.</td>
<td>One year from 1st May 2002 to 30th April 2003</td>
<td>Zone V: (Area around Ubungo flats and houses, area outside VC residence and Research flats; University road and area between the road and Central Science Workshop, area outside the fence of Auxiliary Police towards University /Changanyiken roads up to Mobitel sub-station. Areas outside old estates, Auxiliary Police quarters, Mbezi quarters and house, area around Cafeteria No. 3).</td>
<td>Landscaping</td>
</tr>
<tr>
<td>11</td>
<td>GEMA Security Services Ltd.</td>
<td>One from 1st February 2002 to 31st January 2003 (For Mabibo Hostel)</td>
<td>Kijitonyama, Ubungo and Mabibo Hostels</td>
<td>Security Services</td>
</tr>
<tr>
<td>12</td>
<td>Spencon Services Ltd.</td>
<td>One year from 1st January 2001</td>
<td>Silversands Hotel</td>
<td>Hotel Services</td>
</tr>
<tr>
<td>13</td>
<td>Hill Park Restaurant &amp; Bar</td>
<td>Five years from 30th October 2000 to 29th October 2005</td>
<td>Former Staff Canteen near Police Office</td>
<td>Catering and Bar Services</td>
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<tr>
<td>14</td>
<td>Umoja Catering Services</td>
<td>Two years from 6th September 2001 to 5th September 2003</td>
<td>Cafeteria No. 2</td>
<td>Catering Services</td>
</tr>
<tr>
<td>15</td>
<td>Kwik Kook Katerers</td>
<td>Four years from 1st September 2000</td>
<td>Cafeteria No. 1</td>
<td>Catering Services</td>
</tr>
<tr>
<td>16</td>
<td>Vicky Mlay</td>
<td>Three years 1st October 1999</td>
<td>Ubungo Hostel Canteen</td>
<td>Catering Services (service has been tendered)</td>
</tr>
<tr>
<td>17</td>
<td>Umoja Catering</td>
<td>Three years from the date of award of tender and acceptance (Tender Board met on 15th September 2002)</td>
<td>Cafeteria No. 3</td>
<td>Catering Services</td>
</tr>
<tr>
<td>S/N</td>
<td>COMPANY</td>
<td>CONTRACT PERIOD (VALIDITY)</td>
<td>PREMISES (LOCATION)</td>
<td>TYPE OF BUSINESS (ACTIVITY)</td>
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<tr>
<td>18</td>
<td>Hill Park (T) Ltd.</td>
<td>Three years from 1st June 2002</td>
<td>Mabibo Hostel</td>
<td>Catering Services (Fast Food Restaurant)</td>
</tr>
<tr>
<td>19</td>
<td>Trade Good Ltd.</td>
<td>Three years from 1st July 2002</td>
<td>Mabibo Hostel</td>
<td>Cafeteria &amp; Bar Services</td>
</tr>
<tr>
<td></td>
<td><strong>SUPERMARKET SERVICES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>3m Tanzania Ltd.</td>
<td>Five years from 21st August 2000</td>
<td>Former Mlimani Cooperation Shop near UDSM Police Station</td>
<td>Selling of consumer goods</td>
</tr>
<tr>
<td>21</td>
<td>Hill Park (T) Ltd.</td>
<td>Four years from 1st June 2002 to 31st May 2006</td>
<td>Mabibo Hostel</td>
<td>Selling of Consumer goods</td>
</tr>
</tbody>
</table>