

**FACTORS THAT DETERMINE FINANCIAL SUSTAINABILITY
OF PRIVATE UNIVERSITIES IN TANZANIA**

BY

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CERTIFICATION

The undersigned certifies that he has read and hereby recommends for acceptance by the University of Dodoma the dissertation entitled: **Factors that determine Financial Sustainability of Private Universities in Tanzania** *in* fulfillment of the requirements for the degree of Master of Business of Business Administration of the University of Dodoma.

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Date.....

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I, Ruth Rubagora , declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

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DEDICATION

This work is dedicated to my beloved husband, a true friend, Alfred, my son Samwel and my daughter Joan, who tirelessly, tolerated my long absence during the study.

ABSTRACT

This study investigated factors that determine financial sustainability of private universities in Tanzania. The general objective of this study is to explore financial sustainability of private universities in Tanzania. The reason being that; since private universities begun in Tanzania in the 1990s it is clear that the private sector has had a role to play in the provision of university education in Tanzania. Today, it is evident that the entrance of these private providers into higher education has increasingly reduced or supplemented the governments' heavy responsibility of providing education and the private sector's role is on the increase and continues to be welcome.

An explanatory case study was undertaken to investigate factors that determine financial sustainability of private universities. A combination of both secondary and primary sources of data was collected for this study. The instruments used for collecting primary data were questionnaires, face-to-face interviews schedules and Focus Group Discussions guide. Overall a total of 80 respondents who included university students, academic and non academic staff, service providers, partners/donors and government employees from HESLB in Dodoma zone.

The findings of this study clearly indicate that student fees specifically tuition fee represent a significant income source in all private universities. Their importance varies greatly however, depending on the legal framework in which a particular private university operate. Also that the strategies in place include number of students enrolled, high quality delivery in academic program, good leadership and governance, consultancy and research, publicity and advertisement and direct

involvement in community services. Not only that but also courses offered. Policies /strategic plan available and implemented, quality of human resource, number of students, strong control of fund, Diversification of university activities/projects, Good learning environment and use of financial institution (banks and DSE) are factors that determine financial sustainability of private universities in Tanzania . Finally the private universities are faced with the following; poor planning, weak policies and strategies, few number of enrolled students, poor government policies on Higher education Fraud.

It is until when Private Universities have Proper Planning and Budgeting, fundraising diversify their income, invest in the development and professionalization, concentrate on knowledge revolution, invest not in the large number of universities and students but good quality higher education they will be financially sustainable.

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ABBREVIATIONS

COSTECH:	Tanzanian Commission for Science and Technology
DVC:	Deputy Vice Chancellor
ESDP	Education Sector Development Programme
ESDP:	Education Sector Development Programme
HEAC	Higher Education Accreditation Council
HEAC:	Higher Education Accreditation Council
HEDP	Higher Education Development Programme
HEI	Higher Education Institutions
HEIB	Higher Education Investment Bank
HEIs	Higher Education Institutions
HESLB	Higher Education Students Loans Board
HESLB:	Higher Education Students Loan Board
HKMU	Harbert Kariuki Memorial University
ICT	Information and Communication Technology
MHEST	Ministry of Higher Education, Science and Technology (Tanzania)
MKUKUTA	Mpango wa Kukuza Uchumi na Kuondoa Umasikini Tanzania
MoE	Ministry of Education
MoEC	Ministry of Education and Culture
MoEVT	Ministry of Education and Vocational Training
MSTHE	Ministry of Science, Technology and Higher Education
MUM	Muslim University of Morogoro

NGO	Non-Government Organization
PPP	Public-Private Partnership
SAUT	Saint Augustine of Tanzania
SJUT	Saint John's University of Tanzania
TCU	Tanzania Commission for Universities
TEA	Tanzania Education Authority
TEA	Tanzania Education Authority
UDOM	University of Dodoma
UDSM	University of Dar es Salaam
UDSM	University of Dar es Salaam
URT	United Republic of Tanzania

CHAPTER ONE

INTRODUCTION

1.1 Background of the problem

Higher education in Tanzania has always been provided by the government as public services. Since private universities begun it is clear that the private sector has had a role to play in the provision of university education. Today, it is evident that the entrance of these private providers into higher education has increasingly reduced or supplemented the governments' heavy responsibility of providing education and the private sector's role is on the increase and continues to be welcome. However, with the resource challenge that private universities are encountering, critics have had a lot to say about the current state and the quality of service being provided.

One, the number of issues that are under scrutiny today springs from the fact that financing higher education in Africa is one of the most compelling issues in the industry of higher education. The cost of running institutions of higher learning education is exceptionally high. Many African countries are responding to the challenge of providing higher education by promoting the creation of private universities, but without clear policy environment for such institution.

As we noted above, there are numerous challenges facing public and private universities in Tanzania today and that these have been the subject of study, debates and analyses for some time now, in most cases the issues being raised are not very different from those found in other developing counties. "They usually encompass: policy issues at national and regional levels, funding issues covering both institutional and student support, academic issues covering both research and

teaching program quality, relevance, and diversification and competitiveness; access issues covering participation rates, equity and success rates; performance issues covering management effectiveness and accountability (MSTHE 1998: *Financial Sustainability of Higher Education in Tanzania*. Dar es Salaam, URT pg.12).

While it is generally agreed that in private universities, management practices such as financial management, diversity management practices, relationships management, staffing processes, recruitment and selection have always been critical processes, this study shall seek to set out, focus on and examine the factors that are associated with the effect of variations in flow of financial resources on the management of private universities.

Our area of concentration shall be to consider financial sustainability as one of the factors affecting the management of private universities in Tanzania. Although we regard the issue of financial sustainability as a general problem usually known, yet we believe that the magnitude of the problem is not sufficiently understood. The purpose is to get more information on the problem, but as an exploratory reaserach we intend not to necessarily uncover specific courses of action.

There will be a mention of other factors because these are in one way or the other interconnected. So it is our hope that an assessment on the relationship between student enrolment and the management of private universities, and the human resource situation and its effect on the management of private universities, that is to say staffing situation in the organization have a significant impact on the management of university operations and there is a significant positive relationship

between variations in financial resources and the management of private universities, will also be discussed.

In this study therefore, the term financial state shall refer to the process of planning, mobilizing, acquiring, utilizing and control of financial resources. Good (1959) defines finance for education as the science and practice of rising and expending of revenue for education or the management of monetary affairs of the company. According to Mushin (1977), money is looked at as an important factor in the continuity and growth of any organization. It is seen as the lifeblood of the organization on whose existence the organization depends. To him, without funds, the organization ceases to exist because there cannot be any means of facilitating its activities and functions. It enables the organization to achieve its objectives and aims in order to register success.

As we noted earlier, private higher education is one of the most dynamic and fastest growing segments of the 21st century (Attach, 1999). Recently, private higher education in Tanzania has grown at a rapid rate. But it did not exist in Tanzania until the end of 1995 mainly due to fiscal incapacity of the state to expand higher education through public universities and inability of the public universities to respond to immediate household demand for employment oriented courses hence, the government deciding to liberalize higher education scheme and allow the establishment of private institutions thus, the privatization of higher education was introduced in Tanzania.

However, more detailed comments on the emergence of private higher education in Tanzania, Varghese suggest that there are numerous reasons for their emergence on a large scale (Varghese, 2004).

First, the inability of the public sector to satisfy the growing social demand for higher education has necessitated the entry of the private sector in order to expand access conditions.

Second, the changing political view of larger scale public subsidies to social sectors will reduce investment possibilities in the productive sectors and hence the overall growth potentials of the economy.

Third, the demand for courses and subjects of study had changed and public universities were thus, unable to respond to this phenomenon. Fourth, the deterioration of public sectors that is due to severe lack of resources and population increases is not commensurate to the successful progress of the primary and secondary education.

It is therefore obvious that, given the large scale of expansion of Tanzanian private higher education, today there are more students enrolled at private university than in public. We contend by saying, private higher education in Tanzania, in general provides crucial service to the nation as the country struggles to increase access to higher education.

In this research, I would like to work on the theory that nonprofit private universities play an important role in Tanzania higher education by providing study opportunities for many students, who would otherwise not be able to find a place at a public institutions, providing a nation with high quality education at all levels, a nation that produce the quantity and quality of educated people sufficiently equipped with the requisite knowledge and skills to solve the society's problems, to meet the challenges of development and attain competitiveness at regional and global levels, enhancing socio-economic development in Tanzania.

1.2 Study focus and reasons for choosing Private Universities for my research

In this sub section I explain in details why I have chosen Private Universities to be the medium of my study. Partly I am expanding some points briefly mentioned earlier. Likewise I make a statement on the focus of the research argument.

1.2.2 Reasons for choosing private universities as a focus for this study

There are quite a number of reasons for choosing private universities as a medium for this research. Some of the reasons are more of facts which are proven and are clearly articulated by some studies. Other reasons are general conceptions which need to be proven during the process of this research work. So why did I choose to take private universities and what will be my focus throughout study?

First, I regard private Universities as that very important block of higher education which continues to become paramount due to the fact that knowledge has been proved to play a key role in fostering economic and social development. Like any

other higher education in Tanzania, it is agreed that, private universities in Tanzania make a significant contribution to broader objectives of national development.

Secondly, I consider the growth and expansion of private universities as a unique reality. Basically Tanzania is experiencing the establishment of several private universities in the recent past. Here I take seriously the idea of private sector as the fastest growing segment in higher education in Tanzania. This is particularly true in terms of the number of institutions. In fact, in Tanzania private universities and Universities College outnumber public universities and universities colleges (See Figure 1 and Figure 2). So basically, this reality affirms the fact that private sector, no doubt has become an important sector in Tanzanian economy.

This fact of growth and expansion has been considerably been analyzed. For example, (Bloom teal 2005) has positively argued that an analysis of the role of higher education in the context of Sub Saharan Africa shows that expanding higher education contributes to; promoting faster technological catch up, improving a country's ability to maximize output and decrease the knowledge gap and poverty. It is my argument also that those private universities are there to make these contributions.

Thirdly, I take a reason from running of private universities, whereby by being self financing, though not all as we shall see later, there has been a strong argument that private universities do reduce the financial role of the state.

Fourthly, I contend with the higher education fact that the importance of research and consultancy in a university cannot be overemphasized. Private Universities in Tanzania are also engaged in research and consultancy as central to the work of these institutions. So like in public universities, private universities regard research as hallmark are making a huge contribution in terms of research and dissemination of knowledge in their key findings of research studies. Private Universities are also engaged in corporate social responsibility.

Fifthly, I have taken into consideration the argument to be tested that private universities are relatively small and more importantly peaceful. By this very fact, the general assumption is that the quality of education given is high due to the low student teacher ratio. It is also assumed that the students, being few, have maximum use of facilities such as libraries, laboratories and information and communication technology that are vital for academic excellence and research.

The sixth and last reason is the current argument that private universities have produced graduates who fit very easily into the job market due to their focus and emphasis on offering market driven courses. In other words, the credibility attained by some of the private universities in some of the courses offered is also a contributory factor explaining why most of their graduates get jobs faster and more easily than their public university counterparts.

1.2.2 Focus of the Study in relation to reasons for choosing private universities for research

On the basis of six reasons stipulated in 1.2.1, that is private universities' contribution to the broader objectives of the national development; considerable or unique growth and expansion; the role they play in the reduction of financial role of the state; their contribution in terms of research and consultancy, their size, relative peace and efficiency as well as the good quality of graduates they produce, the topic factors that determine financial sustainability of Private Universities in Tanzania is by and large intended to explore finance and sustainability as something that contributes to or has an influence on the outcome of the six reasons we identify as motivations for the research on private universities.

Our argument here is clearly substantiated by the words of Mark Olweny who, in his unpublished paper *Determining the Unit Cost of Higher Education: The Case of the Faculty of the Built Environment at Uganda Martyrs University: East Africa ICT and Higher Education Symposium 2010, Kampala, Uganda, June 28-29, 2010* argues that “while the growth in private universities in Africa has met a pent-up demand for university education and are meeting and fulfilling a social function, the economic realities of operating a university cannot be ignored. It is therefore no surprise that within two decades of their founding, private universities is now faced with the reality of the interstices of global economic forces, national societal functions and, for many, ideological mandates that now compel them to rethink the models that the institutions were founded upon”.

Our focus shall follow the pattern of an understand that “increasingly, private universities are discovering the dependency complications related to a reliance on a single income source, which is on the whole *“unsustainable”*, as they are operating in an environment characterized by much uncertainty” (Olweny, 2010). It is by looking at the factors that determine financial sustainability, I shall seek to justify the ongoing debate in most private universities in Tanzania that, “there is a need for private universities to know how to generate additional income to fund not only their operations, but also to ensure an annualized profit as a buffer against any inevitable fluctuations” (Ibid, 2010).

In this light, in our study we would want to explore and reveal issues such as those of the cost of operating the private university, which as many commentators argue, has always run a deficit. Objectively, we would want also to ensure that there is an appreciation of what it costs to deliver higher education and thereafter to develop a model that ensured the financial sustainability of a private university into the future. This is our focus especially when considering the truth that private universities in Tanzania are, “for the most part, self-financing, and deriving much of their operational income from tuition fees. It therefore serves to reason that the programs provided were those that were in demand by the market, or more specifically, programs that would easily attract students, and as such guarantee an income stream. It is therefore not unusual to find similar programs across private institutions: business administration, computer sciences, accounting, marketing, economics, etc., programs which typically do not require major infrastructure inputs (Varghese, 2004).

With result of market pressure, (Mark Lowey, 2010) has strongly argued that the situation has obviously resulted in numerous, similar, and in some cases identical, programs across the various public and private universities, may be even within the same university, with faculties and universities scrambling to attract students to bring in extra funding. This approach to higher education is fraught with problems: academic staff numbers are unchanged, facilities and other infrastructure aren't expanded, and the pressure on academic resources, particularly the libraries, increased exponentially. The impact of this approach is being cited as the reason for increasing cases of cheating by students and for a drop in the quality of student projects, as academic faculty were not able to cope with the large student numbers. Intentionally, we wish to link factors that determine financial sustainability in private universities and the future of these universities especially when it comes to their credibility - contribution to the broader objectives of the national development; considerable or unique growth and expansion; the role they play in the reduction of financial role of the state; their contribution in terms of research and consultancy, their size, relative peace and efficiency as well as the good quality of graduates they produce.

1.3 Statement of the Research Problem

The important role that private universities in Tanzania play on enhancing the success of national efforts to boost productivity, competitiveness and economic growth cannot be ignored. Government of Tanzania is faced with the challenge of expanding higher education through public universities and the inability of the public universities to respond to the household demand for employment oriented courses mainly due to fiscal incapacity. Private Universities in Tanzania have played

major roles on providing academic opportunities for many students, creating employment opportunities as well as increasingly assisting the governments' heavy responsibility of providing education.

As Tanzania celebrate the emergency of private university, on the other hand, the country has witnessed so many problems associated with the running and managing of these universities, such as very low student enrolment; gross imbalance in science relative to liberal arts; gender imbalance; poor financing; unregulated, uncontrolled proliferation of tertiary training institutions; a tendency to distort the real worth of academic programs.

The Government of Tanzania is faced with the challenge of expanding higher education through public universities and the inability of the public universities to respond to the household demand for employment oriented courses mainly due to fiscal incapacity.

Moreover, private universities in Tanzania, which are characterized by small segment of higher education makes an important contributions in providing opportunities for many students.

However, these universities are simultaneously facing a rapidly changing funding environment and a steadily rising need for services from the communities they serve. Of the recent global concern in relation to the future of private universities in Tanzania, we argue that the recent world economic crunch has even made the private universities to suffer more especially due to foundation endowments and giving

going down which eventually leads to deficits that are reflected in reductions in spending especially in some of the academic programmers. Despite its contributions, private universities in Tanzania are constrained by financial unsustainability in their operating environment.

1.4 Research Objective

The general objective of this study is to explore financial sustainability of private universities in Tanzania.

1.4.1 The specific objectives include:

- a. To examine how private Universities in Tanzania finance education programmers
- b. To assess the various strategies in place for financial sustainability in private universities in Tanzania.
- c. To analyze whether the financing is sustainable.
- d. To determine factors associated with educational goals and funding mechanisms in private universities in Tanzania

1.5 Research Questions

The research questions stems out from the central theoretical argument that;

From this central theoretical argument the researcher has come up with the following four major research questions that need to be answered when the research is completed;

1. How private Universities in Tanzania finance education programmers?

2. What are the various strategies in place for financial sustainability in private universities in Tanzania?
3. Is financing in private universities in Tanzania sustainable?
4. What are factors that are associated with educational goals and funding mechanisms in private universities in Tanzania?

1:6 Significance and Rationale of the Research on Financial Sustainability

When completed, this study is expected to provide findings which will enable private universities to put measures in order to have diversification of sources for sustainable financing. The author of this research is of the opinion that higher education of a good quality is critical for a nation to become globally competitive. In these days of knowledge revolution, it is not the large number of universities but good quality higher education which will determine the growth of Tanzania.

There are five areas of the significance of the research;

- I. *Assisting private* university education providers in Tanzania in understanding the contexts of severe crisis of funding, general resource incapacity and the impact it has on these universities and the country in general.
- II. *Providing opportunities* for private university education providers to think about, discuss, and reflect upon the future of private university education which, as many people speculate, is beginning to have negative affects and jeopardizes the state of the quality of education being provided.
- III. *Suggesting* that there is a need for more positive and constructive relationship between private and public sectors in Tanzania in dealing with the challenges of resources in higher learning institutions. If this is maintained, it may lead to discussions such as how best to offer education

that is relevant to the society, sustainable development at the same time applicable in the world of globalization and international competitiveness.

- IV. *Opening eyes* of the government of Tanzania by suggesting that although the entry of private providers into higher education in Tanzania is welcome, regulatory mechanisms for their operation must continue to be put in place.
- V. *Indicating* to private investors in Tanzania that privatization of higher education may result into serious problems. For example, literature suggest that private investors, for instance, are insensitive to social aspirations and ideals for which higher education has traditionally stood, including the socialization of graduates to their communities, teaching the young civic responsibilities, preparing interns for their professional training, and maintaining universities as places of unfettered research and debate for the pursuit of truth. Unregulated, the private sector will decrease access to higher education by disadvantaged groups, including women, the disabled, and the marginalized.

In sum and on the similar note, we suggest that; by studying factors that determine financial sustainability in private universities in Tanzania, we aim also to assist these institutions to be able to maintain quality of service these institutions provide to Tanzania by enabling to see the importance of embarking on productive review of their activities in order to supposedly, address associated challenges such as; the professional productivity of staff, remuneration of staff, the need to enhance linkages with society at larger as well as enhance and expand research and postgraduate training.

On the *rationale* side of the research, we argue that Private Universities across Tanzania, indeed across Africa and the world in general, face mounting challenges many of which point toward the issue of sustainability, particularly financial sustainability.

Tanzania Commission for Universities (TCU), the body which was born out of need to establish a harmonized higher education system in Tanzania. TCU was born through enactment of the Universities Act No.7 of 2005. TCU is a body with corporate mandated to recognize, approve, register and accredit universities operating in Tanzania, and local or foreign university level programs being offered by non-TCU registered higher education institutions. TCU also coordinates the proper functioning of all university institutions in Tanzania so as to foster a harmonized higher education system in the country. In order to ensure that such a harmonious higher education system does not compromise institutional peculiarities and autonomy, each university has the legal right to operate under its own charter (Tanzania Commission for Universities Rolling Strategic Plan 2009/10 - 2013/14 October, 2009 p.8)

This research contends with TCU that there is a growing social demand for education in Tanzania and this needs a clear analysis on how higher education is offered, coordinated and evaluated. Also the fact that there is growing awareness and social demand for education at all levels, among many countries in the world, Tanzania has also recognized the critical role of higher education in ensuring sustainable national development. Currently, tertiary education is recognized as an important and critical pillar of human development. Furthermore, in today's life-

long learning framework, higher education has proved to provide not only the high-level skills necessary for the labor market, but is also essential for training professionals who, in discharging their duties, make decisions that have a big impact on communities and societies.

Therefore, a research on **factors that determine financial sustainability of Private Universities in Tanzania** comes at the right time and is a crucial project in the sense that higher education has also “continued to experience exponential expansion, including the establishment of private universities. This situation has been considered as a threat to the quality of the institutions being established and the education provided, which could be compromised if a regulatory framework was not instituted” (TCU, 2009). In this research therefore our focus will be on “financial sustainability” (See for example Diane Russell 1995. *Theory and Practice in Sustainability and Sustainable Development, Research and Reference Services Project PAPER 5: Theory and Practice in Sustainable Development*. January 1995/PN-ABU-367. U.S. Agency for International Development Center for Development Information and Evaluation p.4 and 6 of private universities in Tanzania. We shall use the term *sustainability* to mean a measure of how the growth, maintenance, or degradation of a resource or set of resources affects a population’s ability to sustain itself. Indicators are used to measure these effects. A resource can be natural or human, and includes knowledge, technical, financial and other social systems. The term *financial sustainability* is a component of benefit sustainability that addresses issues of management capability for eventual self-financing for development investments. Financial and benefit sustainability are components of

planning for sustainable development which is an analytic process rather than a development outcome.

Lastly, in this research we regard private universities as important as public universities for the purpose of indicating how valid the research is. For example, it is believed that Universities are beacons of hope to see that by having a financially sustainable university, the duty of helping the both public private universities to rise to their expected role of being not only the centre of scholarly discourses but also the champion of good governance and the seed-bed of democratic values and principles is achieved. Divisive issues that tend to plague the broader society should not be allowed to flourish on campuses unchallenged. Issues that seem to be creeping into even respected universities today include: ethnic cleavages and tribalism, religious fundamentalism and bigotry, increased levels of violence and threatening behavior, brutality and vandalism.

1.7 Area of the Study

The government of Tanzania granted official permission for private universities and colleges to operate since 1997. This study will therefore focus on selected accredited private universities in Tanzania. Apart from the study area mentioned, the research will be underpinned by empirical data; national documents on higher education; public access information from private universities; and theoretical data from theories of non-profit organizations as well as review of international literature on private higher education institutions.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

As noted earlier, factors contributing to financial unsustainability play a major role in reducing performance of private universities in Tanzania. This chapter provides the theoretical and empirical literature on factors contributing to financial unsustainability of private universities. Sub section 2.0 begins by offering an introduction part of the study. While sub section 2.1 presents theoretical literature of the study, sub section 2.2 provides empirical literature of the study. The theoretical literature of the study reviews definitions of key terms and concepts used by the study. It also provides an overview of factors contributing to financial unsustainability of private universities as well as determinants of financial unsustainability of private universities. In addition, it covers theoretical framework of the study. On the other hand, the empirical literature demonstrates studies conducted related to financing process of universities by drawing experiences from the global level, narrowed to regional and finally Tanzanian context. While sub section 2.3 offers a conceptual framework of the study, sub section 2.4 provides critical review of literature. The last part, sub section 2.5 presents a conclusion which centers on the knowledge gap filled by the study.

2.1 Definition of Research Key Terms

Research key terms includes; Sustainability, Financial Sustainability, Private Universities in Tanzania, and Cost Sharing in Higher Education in Tanzania, Privatization of Higher Learning Education, and higher education.

2.1.1 Sustainability

Although “sustainability” challenges universities in Tanzania to rethink their missions and to restructure their courses, research programs, and life on campus, and that both staff and graduates are increasingly exposed to notions of sustainability, which are emotionally, politically, ethically, and scientifically charged, the researcher will maintain *sustainability to mean the capacity for continuance into the long term service delivery of private universities in Tanzania*, mainly in the area of finance and sustainability. In a more elaborative analysis, Patricia León (1993: 13,14) suggest that: financial *sustainability* of a non-profit organization is its capacity to obtain *revenues* in response to a demand, in order to sustain *productive* processes at a steady or growing rate to produce *results* and to obtain a *surplus*. It must be kept in mind that financial *sustainability* may be achieved at the project, program or organizational level.

If this is met then private universities will be able to deal with conflicting norms and values, uncertain outcomes and futures, and a changing knowledge base. At the same time they will need to be able to contextualize knowledge in an increasingly globalized society.

2.1.2 Privatization of Higher Learning Education

In their booklet, entitled *Education Privatization: Causes, Consequences and Planning Implications*, Paris 2002 UNESCO: International Institute for Educational Planning, Banfield and Levin has argued that Privatization is one of the hottest issues currently being debated in the education sector. It is fast becoming a widespread trend when considering education reform, as it eases the pressure on

governments to meet increasing demand and relieves them of excessive costs. In developed countries, the issues at hand are provision and accountability.

The term ‘privatization’ is an umbrella term referring to many different educational programmes and policies. As an overall definition, ‘privatization is the transfer of activities, assets and responsibilities from government/public institutions and organizations to private individuals and agencies’. Also, privatization is often thought of as ‘liberalization’ – where agents are freed from government regulations, or as ‘marketization’ – where new markets are created as alternatives to government services or state allocation systems (Levin, 2001). As far as the research is concerned (private universities in Tanzania), the researcher will consider “Privatization” to mean a situation where a government decides to transfer control of a government, and thus public owned, resource to the private business sector, either partially or totally. Likewise, the researcher shall, in the case of Tanzania maintain that sometimes the government continues to exert a certain amount of control over the education industry or service.

2.1.3 The Categorization of Tanzania Private Universities

In this section, the researcher agrees with Varghese (2004: 8) who categorizes private higher education institutions as follows:

1. State-supported private institutions;
2. Not for profit Private higher education institutions, and
3. For profit Private higher education institutions.

State-supported private higher education institutions receive minimal or substantial funding support from the government and are regulated by public authorities, while private higher education institutions are owned and operated by trusts that rely heavily on endowments and fees collected from the students. Private higher education institutions, on the other hand, operate to produce profit. Varghese further argues that private higher education institutions heavily rely on student fees as a major source of financing the institutions and offer courses in market-friendly subject areas. Levy (in this issue) categorizes private higher education institutions as religious, elite, demand-absorbing and commercial. A clear-cut categorization of Tanzania private universities is to a certain extent elusive because they manifest the three characteristics expounded above, i.e. religious (because almost the majority of them are owned by, or affiliated to, religious organizations), are demand-absorbing and commercial, or are for-profit. With effect from the academic year 2005/2006, academically-qualified students enrolled in private universities also qualify for Government loans through the HESLB. This means these institutions indirectly receive funding from the Government making them also qualify to be categorized as state-supported private higher education institutions.

2.1.4 Private University

The fourth and final stage is the granting of the Certificate of Accreditation. A Certificate of Accreditation may be granted after a university has attained full registration status and conducted an internal self-evaluation in accordance with the institutional self-assessment and quality assurance guidelines prescribed by the Commission. This certificate is granted after the Technical Evaluation Committee

appointed by the Commission has made a thorough review and assessment of the following issues:

- (a) The adequacy and quality of existing academic, administrative and technical support facilities, programs, services and procedures;
- (b) The conditions, criteria and procedures used to select and admit students; the adequacy and quality of curricula, instructional and learning environment, materials, equipment, methods and related support services;
- (c) The adequacy of the ratio of facilities and services such as staff: student ratio, students: facility ratio; etc.
- (d) The adequacy of numbers, qualifications, and experience of academic, administrative and technical support staff;
- (e) The conditions for course completion, students assessment and grading system and procedures, examinations regulations and the credibility of external examination; and
- (f) The conditions for the university's academic awards and graduation (TCU 2006: 22-23)

It has also been argued that the main motives for establishing private universities in Tanzania have been threefold;

- a. A genuine desire to participate fully in the provision of education in response to the call by the government republic of Tanzania
- b. Political prestige and economic reasons
- c. To cater for needs of specific segment of the society

Furthermore, as far as financing of private universities is concerned, we shall discuss those which are self financing whereby student's fees are considered to be the main

source of income for managing the institution. Since they are self – financing universities, fees charged are also high. Therefore in general students coming to private universities are those with the capacity to pay. Source of fund include grants from the owners of the institution, students fees, donations , internal generating activities, HESLB and TEA.

Table 1: TCU-Recognized Private University Colleges and their Geographical Location, 2008

<i>Private Universities and University Colleges</i>	
Hubert Kairuki Memorial University	Dar es Salaam
International Medical and Technological University	Dar es Salaam
St. Augustine University of Tanzania	Mwanza
Mount Meru University	Arusha
University of Arusha	Arusha
Muslim University of Morogoro	Morogoro
Zanzibar University	Zanzibar
St. John’s University of Tanzania	Dodoma
Teofilo Kisanji University	Mbeya
Aga Khan University Tanzania Institute of Higher Education	Dar es Salaam
Tumaini University Dar es Salaam College	Dar es Salaam
Iringa University College	Iringa
Makumira University College	Arusha
Kilimanjaro Christian Medical College	Kilimanjaro
Stefano Moshi Memorial University College	Kilimanjaro
Mwenge University College of Education	Kilimanjaro
Weil University College of Health Sciences	Mwanza
Sebastian Kolowa University College	Tanga
Ruaha University College	Iringa
University College of Education Zanzibar	Zanzibar

Source: Adapted from Tanzania Commission for Universities (2008) *Guide to Higher Education in Tanzania, 2008* Fourth Edition. Dar es Salaam: TCU pp. iii-iv.

2.1.5 *Cost Sharing in Higher Education in Tanzania*

Throughout to the researcher, the concept “Cost sharing in higher education” will refer to a “a shift in the burden of higher education costs from being borne exclusively or predominantly by government, or taxpayers, to being shared with parents and students” (Johnstone, 2003a, p. 351).

This cost sharing, may take the form of tuition, either being introduced where it did not hitherto exist or being rapidly increased where it already did, or of public institutions charging more nearly break-even, or full, cost fees for room, board, books, and other costs of student living that may formerly have been covered mainly by the government. A shift of the cost burden from the government to student and family may also come in the form of a reduction or even a *freezing* (especially in inflationary times) of student grants. Similarly, it may come in the form of a reduction of the *effective grants* represented by student loan subsidies.

2.1.6 *Quality of education in Private universities*

It is very difficult to generalize on the quality of private universities. They vary widely, depending on the agency responsible for establishing the university, the legislative requirements for infrastructure and other facilities. The quality education institution is based on various factors, such as level of infrastructure facilities, the quality of programs offered, the qualification levels of teachers, the performance of students in their evaluation while in the university and their performance on labour market. For profit private universities operate like enterprises generating profit. Tuition fee is the backbone of many private universities. The income of private

universities is determined therefore by the number of students and the rate of tuition level, for an attempt to attract a large number of students in order to maximize profit.

2.1.7 Higher education

As it is known in East Africa, likewise in Tanzania “the term higher and tertiary education is used interchangeably they both refer to the advanced level of education offered beyond a full course of secondary education” (See Roadmap to Quality Assurance (2007); Handbook for Quality Assurance in Higher Education: IUCEA East Africa pg. 16).

2.2 Theoretical perspective of the study

2.2.1 Introduction

Being an exploratory research, the aim of this study was to indicate patterns, ideas or hypotheses surrounding the problem of financial sustainability in private universities in Tanzania. My focus will be on gaining insights and familiarity with the subject area and therefore assist private universities in Tanzania for more rigorous investigation within their universities. This exploratory research therefore seeks to address the key questions of how to provide additional funds, use them in ways that will yield more results and distribute them in equitable terms to better serve the young people in private universities in Tanzania.

2.2.2 Summary of Key Issues Raised During Literature Review Exercise

This section summarizes major key issues which have come up which relate directly to the study. Then what follows will be an expanded argument by different writers so as to indicate the framework of argument for the research. The following are the key

points from literatures which will be taken into consideration during my research; Definition of finance for education, Factors that determine financial sustainability, Money being looked at as an important factor in the continuity and growth of any organization, That financial sustainability has to do with trends in cash flow, That money should not be spent haphazardly by financial controllers but with care, concern and responsibility, That financial sustainability can be achieved by ensuring constant financial flows. In other words, financial control system needs to be efficient, proper and well lay out.

A serious problem of theft in organizations as a concern for financial sustainability of organizations. That and endeavor to achieve financial sustainability should always consider the role of financial managers. There is also the argument that person who has custody of money should not maintain accounting records of that money. Protecting the funds against waste, fraud and inefficiency is an important major for financial sustainability. Ensuring accuracy and reliability in accounting and operating data is crucial and securing compliance with the organization's financial policies has to be maintained. While some literatures have linked financial sustainability with financial accountability, others literatures see the connection between financial sustainability and financial record keeping, financial planning and budgeting, as well as planning and budgeting.

2.2.2.1 Categorization of Key Issues found in the Literature Review

Financial resources and institutional operation.

The review regarding financial resources and institutional operation suggest that the issues emerging that are critical to the current study show that funds (in the case of

my research a focus on private universities' fund must; be well planned, be used in proper and vital areas, the funds must not be retained but made to flow in the right channels and be rationally budgeted.

2.2.2.1.1 Defining Finance in Education

Good (1959) defines finance for education as the science and practice of rising and expending of revenue for education or the management of monetary affairs of the company. According to Mohsin (1977), money is looked at as an important factor in the continuity and growth of any organization. It is seen as the lifeblood of the organization on whose existence the organization depends. To Mohsin, without funds, the organization ceases to exist because there cannot be any means of facilitating its activities and functions. It enables the organization to achieve its objectives and aims in order to register success and effectiveness. This is in line with equity theory, states supports that when employees perceive the ratios of their inputs (e.g. experience, effort, education etc) to outcomes (rewards) are equivalent to the ratios of other employees then there is existence of equity and employees will work for the success of the organization. But if these ratios are not equivalent, inequity exists and therefore tension is created which may lead to lack of continuity and growth of the organization, in my exploratory research. Other related literatures on a more similar argument regarding financial management in private universities is concerned, there are ideas on how to tackle private university funding. It is argues that the problem is to think about financial resources in terms of classroom funding, which includes textbooks, lecturer salaries, field trips, and forgetting librarians, administrators, research, infrastructure expenses to mention a few.

2.2.2.1.2 Factors that Determine Financial Sustainability

In order to facilitate discussions in this study, we shall also seek to indicate that when one talks about factors that determine financial sustainability as a problem facing private universities in Tanzania, there is a need to note the reality that if finances are not sustainable other main issues classified under: organizational matters, governance policy and procedures, infrastructural matters, and student welfare are also affected.

2.2.2.1.3 Trends in Cash flow

Since my study area is mainly concerned with financial sustainability that has to do with trends in cash flow, I have take Mohsin's strong argument regarding cash. For him cash is the money which the organization can distribute immediately without any restriction. The term cash includes coins, currency and cheques balances in the bank accounts. Sometimes near cash items such as marketable securities or bank deposits are also included in cash. Financial flow is concerned with managing funds and ensuring that there are always funds to aid the operations of the organization all the time by monitoring: cash flows into and out of the organization, cash flows within the organization and cash balances held by the organization at the time of financing deficit or investing surplus cash.

As money plays a vital role in the functioning of any organization, it has to be jealously planned and controlled. It must be used for proper and vital areas, which are to make the organization prosper. In order to take this theory further, I intend to research on how money is used in private universities will enable me find out as to whether the problem of financial sustainability is directly linked to improper use of money.

2.2.2.1.4 Care, Concern and Responsibility among Financial Controllers

In this section, Mohsin's concepts have been broadened by Campsey and Brigham (1985) who have strongly noted that money should not be spent haphazardly by financial controllers but with care, concern and responsibility. For them, in any organization, whether profit-making or non-profit making, funds must not only be maintained but must be made to flow in the right channels. An organization has to establish specific, achievable and widely acceptable goals to which the organization can be financially committed. Goals are needed to provide a basic reference for the allocation of funds. This conceptual reality is important in my research, because it will take me to another important area of research whereby I shall be looking at the connection between financial sustainability and planning.

2.2.2.1.5 The Interdependence of Finances and Implementation Plans

On a more similar connotation, literature by Pocock and Taylor (1981) note that ensuring constant financial flows focuses on financial control whose aim is to obtain the desired financial results through the implementation of plans and using feedbacks to attain the objectives. They further observe that two activities must be put in place to bring about financial control in any organization. These include laying out financial power or duties of financial managers and accountability of the financial resources which necessitates keeping records. Is this what is happening at private universities? This is the area that I shall need to explore further in order that study on financial sustainability of private universities may be understood.

2.2.2.1.6 The Problem of Theft

In some other literature, it is also argued in some other literatures that theft in organizations is another concern for financial sustainability. For example, Briston (1891) states that money is more susceptible to theft than any other asset. There is great need for its prudent management and ensuring that it is always monitored. He further agrees that financial control needs delegating adequate authority to individuals who have been assigned the responsibility to perform the financial duties. The reason advanced is that good financial management depends on officials dealing in financial matters. My research will explore the possibility of theft in private universities.

2.2.2.1.7 Need for knowledge and expertise in relation to the role of Financial Managers

Further literatures suggest that the financial control system needs to be efficient, proper and well lay out. For example, Ellsworth (1998) and Fess (1969) support this by emphasizing that attitudes and knowledge are not a preliquisite for successful financial management but the possession of ethics as moral principle, guide the conduct of the individuals whether they are acting alone or as members of the organization which involves having rules and procedures to guide in the management of funds.

2.2.2.1.8 The Importance of Complying with Policy Implementation

In order that we can understand more about policy issues and how they are related to success or failure in making finances sustainable in private universities, we turned briefly to Mohsin (1977), he suggests that the financial manager is also expected to

advise his or her colleagues and subordinates about financial structure and on how it should operate. This is done aiming at reducing financial scandals in the organization. To support this, Ramadhan (1967) asserts that financial control serves as an advisory role. He or she has to give timely and accurate information on the management's progress to carry out its plan.

Lindsay and Sametz (1967) agree that an efficient and effective finance ministry like that of the university should aim at the desirable internal control system for the purpose of: protecting the funds against waste, fraud and inefficiency; Ensuring accuracy and reliability in accounting and operating data and securing compliance with the organization's financial policies.

2.2.2.1.9 The Link between Financial Sustainability and Financial Accountability

Some literatures have linked financial sustainability with financial accountability. For example, in Kinene's article (1996), accountability is widely known as the biggest problem associated with managing funds; more so, when there is crucial need to show that money is spent correctly. According to Wetson and Brigham (1969), financial record keeping is an accounting control that relates to protection of funds or assets of the organization and reliability to financial reports. Briefly, record keeping is concerned with reporting and measurement of financial position. Financial management uses information provided by the accounting system to make decisions, which would enable the organization to achieve its goals. To Meigs and others (1962), keeping books of accounts is a requirement for proper use of

resources at one's disposal, authority or approval to use those funds and report to persons who supervise one's activities or who provide resources used.

Some other literatures see the connection between financial sustainability and financial record keeping. For example, according to Horne (1968), the success of any organization highly depends on proper financial record keeping. There is need to design, install and keep custody of all the accounting books and records. Keeping of financial records is pointed out as an important issue as regards actual operations of money that is consumed (expenditure) and money received (receipt). Keeping of records is very instrumental in providing information about financial control. Nkata and Onek (1991), consider financial record keeping at any organization level as passing and following four steps: authorization, approving, executing and recording. That is, top management authorizes payment, the financial controller may approve it and there should be one person to execute payment by preparing invoices and later recording the transactions by the Accounting Department.

Meigs and others (1962), agree that any person who has custody of money should not maintain accounting records of that money. This is clear especially when a person is having custody of money will not be inclined to waste it if he or she knows that another person is maintaining a record of that money. Horne (1968), goes ahead to indicate that a person maintaining the accounting record should not have access to the money and therefore has no incentive to falsify the records.

For an effective record keeping of financial matters, Briston (1981) emphasizes on sub-division of duties so that no one handles transaction completely from the beginning to the end.

The research will seek to test my long hold view that it is not proper for an individual charged with the custody of cash to get involved in the accounting function. This is because when financial errors or any improper actions are made the individual can conceal such blunders.

Therefore, Hass and Bierman (1975), are of the view that it is significant that the finance functional areas of management are brought into focus, for a broad mutual enrichment of functions between management and accounting which is a vital feature in the successful life of the organization. Most organizations, however, need proper sub-division of duties and a careful design of accounting procedures to provide a basis for adequate financial control. Financial management particularly concerns cash management. We mentioned are that cash is the money which the organization can distribute immediately without any restriction.

According to Banfield (1973) financial planning and budgeting is a periodic assessment for an organization's revenue and expenditure proposed by finance department and presented to the leadership by the head of the directorate of finance and planning of the organization. It can also be said to be a plan especially one concerning a particular period of time, specifying how money is coming in, for instance, to a faculty or a business and payment will be allocated. He further sets out clearly the process of rational financial planning drawing from rational choice theory previously established in economics and the study of decision-making.

Three divisions of rational choice are central to financial planning and budgeting as a reflective of cognitive activity undertaken apart from operational activity. This includes, listing of all the opportunities for action open to decision makers, identifying all the consequences which would follow from the adoption of each of the possible actions and selecting the action which would be followed by the preferred set consequences.

On the other hand, Wyatt (1989) looks at traditional planning and budgeting as a branch of applied science, according to which the role of the planner is to bring technical knowledge and tools of rational inquiry to bear upon problems of policy implementation and decision-making. Several empirical studies of professional planners have noted that their occupational self image is associated with a belief in the “rational” character of planning Wyatt (1989).

Among the key contributors to the debates on planning in organisations is Mintzberg (1994) whose classic study of managerial work rejected the systematic and theoretical based model of management typically proffered in the early textbooks and instruction manuals of management science. Mintzberg emphasizes the administrative character of the work of management and in particular the pragmatic mode of management planning. He argued that organizations do not engage in formal planning, not necessarily to create strategies but to program the strategies they already have, that is, to elaborate and operational their consequences formally.

2.2.2.1.10 The Necessity of Proper Planning and Budgeting

While talking about the importance of planning and budgeting, Bottner (1983) argued that, the formal planning system can yield the following to any organisation. Plans provide a context for treating together different types of organisational activity.

Bulman and Deal (1991), comment on the role of plans and budgets as a sign of good management that an organisation must conduct periodically if it wants to maintain its legitimacy.

They cite with approval Cohen and March's (1974) study of planning in universities that identified functions of plans as symbols, as games and as excuses for interaction.

According to Button (1998), financial plans and budgets provide an occasion for cultivating values. These will include those required by controlling superior organisations. While discussing financial planning and budgeting in large scale organisations, Suchman, (1997) argued that financial planning and budgeting is taken to be any process through which stakeholders in an organisation come together to provide for, or promote the well being of the organisation they serve.

The following are intrinsic to this definition; the idea of developing a joint strategic vision for an organisation owned by all stakeholders and a belief that ways must be found to enable stakeholders to participate effectively in the financial plan process.

However, Straus (1978) argued that financial planning is involved wherever and whenever people come together in an organization whether big or small and that for purposes of previewing a task and coordinating their activities towards accomplishing it effectively, the meaning and significance of a plan is constructed in use by the members of an organization through ways in which they orient themselves to the plan of action.

2.2.2.1.11 Determinants of Financial Sustainability of Private Universities

Proper policies, systems of managing finances in the private universities, comprehensive strategic plans, working according to plans, having competent human resources to effect the plans as well as having a good system of financing higher education in Tanzania are among the determinants of financial sustainability of private universities in Tanzania.

Literature by Pocock and Taylor (1981) note that ensuring constant financial flows focuses on financial control whose aim is to obtain the desired financial results through the implementation of plans and using feedbacks to attain the objectives. They further observe that two activities must be put in place to bring about financial control in any organization. These include laying out financial power or duties of financial managers and accountability of the financial resources which necessitates keeping records. Is this what is happening at private universities? In some other literature, it is also argued that theft in organizations is another concern for financial sustainability. Briston (1891) states that money is more susceptible to theft than any other asset in any organisation. There is great need for its prudent management and ensuring that it is always monitored. He further agrees that financial control needs

delegating adequate authority to individuals who have been assigned the responsibility to perform the financial duties. The reason advanced is that good financial management depends on officials dealing in financial matters.

Lindsay and Sametz (1967) agree that an efficient and effective finance ministry like that of the university should aim at the desirable internal control system for the purpose of: Protecting the funds against waste, fraud and inefficiency; ensuring accuracy and reliability in accounting and operating data and securing compliance with the organization's financial policies. Some literatures have linked financial sustainability with financial accountability. For example, Kinene's (1996), conceive accountability to be widely known biggest problem associated with managing funds; more so, when there is crucial need to show that money is spent correctly. According to Wetson and Brigham (1969), financial record keeping is an accounting control that relates to protection of funds or assets of the organization and reliability to financial reports.

2.3 Preliminary Research Information and Findings

Introduction

In preparation for the understanding of the environment surrounding our subject area of this research, that is, financial sustainability in private universities in Tanzania, a general overview and examination of the literature study was conducted. The outcome of this work was to come up with some guiding points for consideration which have taken and are considered to be crucial for this project. In this sub section we summarize the findings.

An Overview and Context from a Desk Based Information

First, there are studies which seek to indicate and emphasize the role of Higher Education [which comprises a bulk of private universities] in National Development in Tanzania. These studies argue quite categorically that, in an attempt to address development challenges, Tanzania came up with its “Development Vision 2025” which among other things envisages “a well-educated and learning society.”

Under the vision it is the determination of leaders to be a nation with high quality education at all levels; a nation that produces the quantity and quality of educated people sufficiently equipped with the requisite knowledge and skills to solve the society’s problems, to meet the challenges of development and to attain competitiveness at regional and global levels. This is considered critical after realizing that the quality of our workforce is a serious constraint to our development efforts. Thus, education including the application of information and communication technology (ICT) shall continue to rank high in our efforts to ensure sustainable development.

It is unfortunate that the many Declarations and agreements made by the global and regional bodies such as the United Nations Millennium Declaration (2000) and its eight Millennium Development Goals and the New Partnership For African’s Development report (2005); Higher Education and its potential contribution to national development are not mentioned directly.

Tanzania, Africa and the World: Considering Other Initiatives in Improving University Education

On the other hand, the African action Plan (2005) and the Report of the Commission for Africa start to mention higher education more specifically. While stressing the importance of quality primary and secondary education, they acknowledge the important role the higher education sector can play in enhancing socio-economic development in Africa.

The African Action Plan report lays emphasis on developing research and higher education capacity as well as information and communication technologies (ICTs). The commission for Africa report identifies four priorities in the sector including professional skills, physical infrastructure, human resources and research capacity.

It is apparent from the main international declarations and agreements on development in Africa that the approach has been to address issues such as debt relief, trade, infrastructure development, good governance etc without considering the need to have skilled/professional human capital capacity in place.

On the other hand, the African action Plan (2005) and the Report of the Commission for Africa start to mention higher education more specifically. While stressing the importance of quality primary and secondary education, they acknowledge the important role the higher education sector can play in enhancing socio-economic development in Africa. The African Action Plan report lays emphasis on developing research and higher education capacity as well as information and communication technologies (ICTs). The commission for Africa report identifies four priorities in the sector including professional skills, physical infrastructure, human resources and

research capacity. It is apparent from the main international declarations and agreements on development in Africa that the approach has been to address issues such as debt relief, trade, infrastructure development, good governance etc without considering the need to have skilled/professional human capital capacity in place.

A Constructive Debate on the Concept of Privatization

There are studies which aim to map out the debate for privatization of education. On a general overview, the debate for privatization of education has become a global issue in recent years. The debate has come in different forms with different interpretations such as deregulation; increasing the role of parents in the financing of education (Belfied and Levin 2003); private ownership of the funding and management of schools and the private investment with focus on cost recovery (Ndebbio1983; Psacharopolous and Woodhall 1997; and Olaniyan 2001). The heavy burden of ever-increasing government expenditure on higher education in both developed and developing nations no doubt necessitated the debate. As indicated by Kitaev (2003) private education is a reality and has been growing around the world together with globalization. Even in Tanzania; the centrally planned countries of Eastern Europe, France and the egalitarian Germany; former Soviet Union, China, Mongolia; where the culture of private ownership of educational institutions was alien; the wind of globalization and market reforms have reverted the situation.

University Education Privatization in Tanzania

On Privatization of Higher Education in Tanzania, literature suggest that since 1995, when it became legally possible for private higher education to operate in Tanzania, the sector has grown to become a significant part of the country's higher education

system. Likewise, the government deciding to liberalize higher education scheme and allow the establishment of private institutions thus, the privatization of higher education was introduced in Tanzania. Given the large scale of expansion of Tanzanian private higher education, by 2006, 68% of students are enrolled at public university (MHEST, 2006). Private higher education in Tanzania, in general provide crucial service to the nation as the country struggles to increase access to higher education.

Indeed, private sector participation in the provision and ownership of universities would ensure the production of quality graduates and enjoy a closer contact between the private universities and the industries and so, will ensure that the universities are more relevant to the needs of society. For education to serve truly as the primary agent for achieving sustainable development, democratization, liberalization, decentralization and privatization must be taken as essential policy precursors for improvement of standards and quality.

However, as far as this growth is concerned, many studies have examined and indicated the problems that lead to the privatization of higher education in Tanzania. These will be summarized in the “empirical findings” section of our literature review.

There are studies which analyze the issue of cost sharing in higher education in Tanzania. Literature has clearly indicated that cost-sharing in higher education is not new to Tanzania. The policy existed during the colonial period and in post-independence Tanzania until 1967 when the government adopted African Socialism. However, during the colonial period and even after independence, students in higher

education institutions paid tuition fees, and students from poor families received the assistance of government bursaries (URT, 1998, 75–76).

In 1967, the government decided to grant bursaries to all students admitted to the University College of Dar es Salaam, which was then the only public university. In 1974, the government abolished the bursary system and assumed all of the higher education costs of students admitted to public higher education institutions. (The university continued the practice of charging tuition fees, but charged it only to the government—thus making the tuition fee the accounting equivalent of a per-student governmental appropriation.)

Cost-sharing in higher education in Tanzania was officially reinstated in the late 1980s largely due to the government's inability to finance free public higher education in addition to all of the other pressing public needs. Some movement toward greater cost-sharing was part of the wide-ranging economic and social reforms under the IMF/World Bank-sponsored structural adjustment programs.

The government first decided upon a course of cost-sharing in higher education in 1988 but, for reasons of political expedience, made its formal announcement of the policy in January 1992. The government's announcement described the introduction of cost-sharing in higher education as necessary to maintain the quality of academic programs, to encourage need students to attend higher education, and to improve access to higher education, while at the same time containing government expenditures in higher education (URT, 1998, 76). Conclusively therefore, while as Luhanga (2003, p. 6) correctly observes that cost sharing in higher education in

Tanzania is a politically sensitive issue, it remains a sine qua non for expanding participation in higher education.

Financial Resource Constraints

The other area of studies concentrates on Higher education in Tanzania suffers a severe crisis of funding. Literatures attribute this to the collapse of many national economies in Africa. This is taken by many studies to be a major source together with the accompanying destabilization of social structures to have thrown all institutions, including those of higher education, into a prolonged crisis. We content with this struggle of universities to survive and find new directions in rapidly deteriorating conditions as our personal experience.

In order to cope with this challenge, a variety of structural adjustment programmes (SAPs) were introduced in the 1980s and 1990s to reverse the economic and social crises. These programmes were intended, first, to give freer reign to market forces by removing rigidities in the production, pricing, marketing and exchange rate regimes. They also sought to cut back the role of the state, downsizing it and reducing its reach. All this was to be combined with the rapid opening up of the economy to international competition.

Whatever the benefits of SAPs – and this is a much-contested issue - they have entailed enormous social costs, including the deindustrialization of national economies and the substantial loss of national control over economic and social policy-making. The results are yet new challenges to Tanzania as well as most Africa's universities – the downgrading of university funding (in favor of basic

education) and the pressure on them to adjust to the severe austerity regimen imposed by the various economic stabilization policies, at the same time as they were pressured to increase enrolment and maintain quality levels, without commensurate increases in resources.

Looking at the issue of funding crisis, some other studies have argued that most African Universities, including Tanzania have got leaders who possess little experience with “Institutional Advancement” as an alternative source of funding. This area of university administration, which broadly includes development, public relations and alumni activities, has contributed to the advancement success of private universities in some parts of the world such as United States of America.

The findings have shown that there are many sophisticated mechanisms and techniques that make a college or a university in the United States financially successful. General strategies include university strategic planning, prestige, age and experience, communication techniques, advancement strategies, skills and team building, endowment income, stable enrollment, and tuition increase. For more than three-fourths of American universities, institutional advancement strategies are among the five top sources of funding (Bongila 2003).

The Public-Private Partnership: A Model for Cooperation

The literature review also rests on studies on Public-Private Partnership which aimed to open new perspectives for the future of higher education in Tanzania. This area seem to go hand in hand with studies concerned with presenting historical analysis of public and private higher learning institutions in Tanzania.

One is that the problems that lead to the privatization of higher education in Tanzania include: The fiscal incapacity of the state to expand higher education through public universities and inability of the public universities to respond immediately to household demand for employment-oriented courses. Private higher education is characterized by a small segment of higher education yet makes important contributions in providing opportunities for many students, who would otherwise not be able to find a place at public institutions.

Secondly, from the literature we have reviewed, there is a need for more positive and constructive relationship between private and public sectors in dealing with the challenges in their systems. Such challenges must include how best to offer education that is relevant to the society, sustainable development at the same time applicable in the world of globalization and international competitiveness.

Thirdly, we deduced that the operation of university education in Tanzania has been confronted with numerous problems that threaten the realization of its vision and mission. In the modern age of information and technological progress and globalization, the society expects the university to be more dynamic and responsive to changing and competitive world economy. Also, in this era of massive demand for education, which governments find it difficult to fund alone, promoting, stimulating and motivating the participation of the private sector in developing and investing in education can be highly rewarding.

Fourthly, we have also realized that there are factors responsible for emergence and growth of private universities in Tanzania which include; the inability of the public

sector to satisfy the growing social demand for higher education has necessitated the entry of the private sector in order to expand access conditions, the changing political view of larger scale public subsidies to social sectors will reduce investment possibilities in the productive sectors and hence the overall growth potentials of the economy, the demand for courses and subjects of study had changed and public universities were thus, unable to respond to this phenomenon. The deterioration of public sectors that is due to severe lack of resources and population increases is not commensurate to the successful progress of the primary and secondary education and the transition from state planning to market forces which is also associated with the expansion of private sector in higher education. In fact, privatization of education, especially, higher education was an integral part of the reform measures and at times, of the conditionality for receiving external funding support during the transition period.

Fifth, for the past decade Tanzania university system has been going through radical transformation and reforms. These reforms, according to Tanzania Commission for Universities are geared towards expanding access, promoting and ensuring quality and increasing institutional efficiency and thereby be responsive and relevant towards the production of qualitative, globally competitive entrepreneurial and self-reliant graduates.

Sixth, is the literature on government of Tanzania as a key stakeholder in the private universities in Tanzania. At this stage of the proposal, it is also worth noting and indicating that the government of Tanzania has not only been a stakeholder but also her participation in working together with private universities has been generally

speaking productive. For example, the ministries which have so far featured in private universities' service provision are the Ministry of Finance, Ministry of Science, Technology and Higher Education and the Ministry of Lands and Human Settlements.

Besides dealing with assisting students with funding in the form of loans through HESLB via private universities, the Ministry of Finance also appropriates a budget to the Education Fund whose objectives are: *to raise funds for the education sector through leveraging tax exemptions for any donations made to the public and private education sector e.g. some faith based universities enjoys tax exception on equipment they receive as donations from overseas, "to negotiate with the exchequer so that it contributes close to the maximum of 2 percent of the Government's yearly operational budget into the fund, to devise an equitable formula for the distribution of the fund to basic and tertiary education institutions"* (Luhanga, M.L (2003), *The Tanzanian Experience in Initiating and Sustaining Tertiary Education Reforms A case study prepared for a Regional Training Conference on Improving Tertiary Education in Sub Saharan Africa: Things That Work!* Accra, September 23-25, 2003).

The Ministry of Science, Technology and Higher Education is the parent Ministry of the all universities in Tanzania. Without its firm support, the programs run by private universities would not have succeeded. The Ministry of Lands and Human Settlements has been instrumental in getting the universities' land.

2.4 Conceptual Frameworks

For the purpose of our research, the researcher concludes by saying that there seem to be no thesis on Tanzania which clearly and directly addresses factors that determine financial sustainability of private universities in Tanzania.

However, the information we got from studies we have discussed above sheds some light on the issue of resources and funding challenges in private universities in Tanzania as well as on of things to remember when one is dealing with the question of sustainability of these institutions.

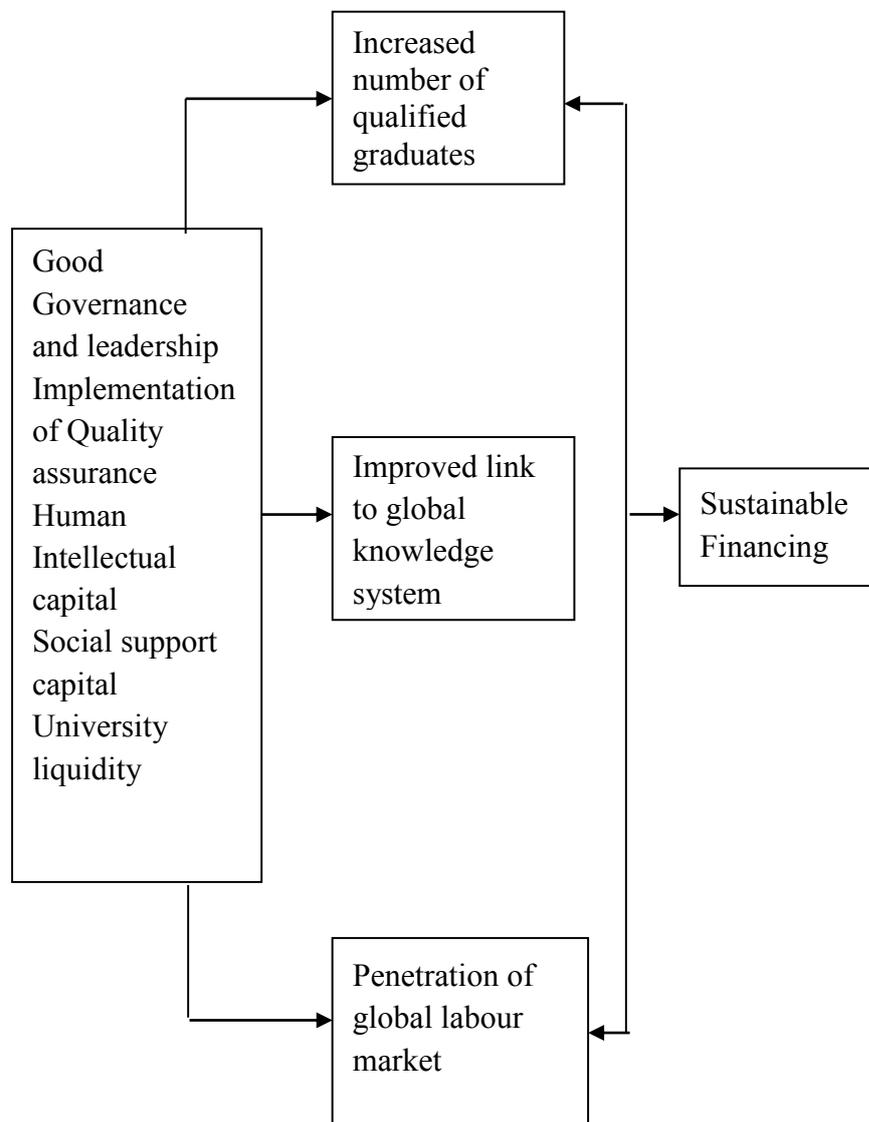
The researcher acknowledges that private universities in Tanzania have contributed quite a lot to the building of the nation of Tanzania and that they have got remarkable feature ownership and affiliation. Of the 20 registered private universities and university colleges, only one private university is not affiliated or owned by a religious organization based in Tanzania or abroad, as well as being able to provide services both as religious as well as secular universities.

However, there remains an issue of financial and resource base of these private universities in Tanzania as they grow and admit more students -exploding enrolment, which go side by side with huge unmet demand; poor infrastructure for teaching and research, and weak links to the global knowledge system. In this research, we shall therefore examine the issue of sustainability and future of these institutions.

Conception framework

The diagram below conceptualizes sustainable financing private universities and the impacts it bears on increased number of qualified graduates, improved link to global knowledge system as well as penetrating to the global labour market. It visualizes how each part of the model or framework is linked and interacts with the private university objectives and activities. Interaction takes place because information from each part is used to make decision about project objectives and activities. The arrows indicate feedback to and from different part.

Figure 1: Conceptual Framework



2.5 Conclusions

So far, we have appraised the information found in the literature associated with my chosen area of research, which is Factors that determine financial sustainability of private universities in Tanzania.

The researcher therefore conclude on the opinion that the research wishes to explore, and discuss the issues of resource constraints or underfunding in these universities, which as commentators suggest, this serious problem is currently reflected in inadequate infrastructure, insufficient educational facilities, high student –lecture ratio, inadequately trained academic and managerial staff and use of outmoded technology in teaching and learning in comparison to the best funded universities.

Likewise others have even critically indicated that the expansion of student enrolment in private universities is constrained by the fact that the majority of these institutions still operate from rented premises in urban and semi-urban areas, unable to undertake large-scale construction of new educational facilities because of their limited financial resources.

The infrastructure and other resources are inadequate and dilapidated to such an extent that they can no longer withstand the growing number of enrolments. Yet, some of the private universities are very busy expanding enrolments to generate the much-needed tuition fees to run these institutions. Enrolment expansion without the concomitant expansion of educational facilities negatively impacts on the quality of education.

Some point out that, Tanzania private universities heavily depend on tuition fees and donations from benefactors as the major sources of income. Very few private universities (if any) undertake any commissioned or contracted research and consultancies which can generate the much-needed extra income for these institutions, because their major focus is teaching, rather than independent research and consultancy.

Furthermore, it is said that most private universities, because of the background, experience and to some extent academic qualifications, are unable to undertake serious publishable research and consultancy. The majority of Tanzania private universities are unable to attract highly academically qualified and experienced faculty, except retired academics, because of the relatively poor working conditions [e.g. security of employment], poor compensation and remuneration, geographical location of most of these institutions and, to some extent, academic leadership.

This research therefore, has the task of *discovering* the realities being presented by commentators. It is my hope that when completed, ~~the~~ research will come up with the up to date analysis of source of financing education programs, whether there is sustainable financing, challenges and possible suggestions for strategies for survival of private owned universities in Tanzania.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter presents the profile study area and research methodology that was used towards the production of the research output on factors that determine financial sustainability of private universities in Tanzania. The chapter is organized into six sub sections as follows: research design, target population, sampling and sampling techniques, data gathering methods and instruments, and data analysis plan.

3.2 Research Design

Babbie (2000) defines research design as a plan or blueprint of how you intend to conduct a research. Similarly, Seltiz *et al.* (1962), cited by Kothari (2004) define a research design as the conceptual structure within which research is conducted. In the same token Neuman (2000) asserts that research design focuses on the end product and logic of research. It entails what kinds of results are aimed at and thus the kind of strategy to be planned for. The research design is therefore best determined by the purpose of study that arises from the research question. The nature of the problem under study necessitated application of explanatory research design. The use of this design however, was complemented by a descriptive one. The main purpose of using explanatory research design builds on explaining factors that determine financial unsustainability of private universities in Tanzania. Equally important, Descriptive research designs was also used to portray an accurate profile by answering the question of what are the factors that determine financial sustainability of private universities in Tanzania.

3.2.1 Qualitative research approach

Quantitative research approach was used as the major approach over Qualitative. This is due to its capability of interpretation and generation of data (Denzin and Lincoln, 1994). Mason (2002) contend that qualitative researching is an exciting and a highly rewarding activity as it engages the interaction between the researcher and the participant to get information about the problem under investigation, in ways that matter. Chambua (2010) advocates the use of qualitative research approach due to reliable information from individuals inner feelings obtained through non probability sampling.

3.2.2 Quantitative research approach

On the other hand, quantitative research approach was used to supplement the qualitative one. Neumann *et al*, (2009) contends that, one of the major advantages of quantitative technique is its perfection when probability sampling is employed. If done correctly, probability sampling allows having a representative snapshot of the population understudy.

3.3 Target Population

The target population for this study included *university* students pursuing courses related to finance and accounting. It also included teaching and non teaching staffs working at private University of Tanzania and its correspondence campuses. Equally important, it purposively selected senior administrative/management staffs, service providers, partners/donor representatives and government employees from HESLB in Dodoma zone offices.

3.5 Data Gathering Techniques and Instruments

Although a substantial amount of data for this study were gathered through the use of both published and unpublished materials and therefore covered the conceptual nature of the study, in this subsection, I discuss additional tools that I used to get data so as to cover statistical as well as analytical side of the study.

3.5.1 Data Gathering Techniques

Data for this study were collected through a combination of methods, also called triangulation. The mixed methods approach employed involved the techniques of data collection for both qualitative and quantitative approaches. The techniques for qualitative data collection included interviews and focus group discussion while observation was used as the technique of quantitative data collection. The purpose of using both qualitative and quantitative techniques of data collection was to ensure reliability and validity of data to be collected. According to Neumann *et al*, (2009), triangulation facilitates collection of different kinds of data and generates great confidence in arriving at a conclusion. In this study both primary and secondary data were collected and used.

3.5.2 Secondary Sources

Secondary data according to Kothari (2004) refers to data that is already available, which has already been collected and analyzed. Data were collected through library research involving various documents, both published and unpublished reports, books and journal articles. In this study, secondary data was obtained from different sources including the University of Dodoma Libraly, Ministry of Education and Vocational Training, Saint Johns' University of Tanzania as Libras well as HELSB

offices. They were further reviewed and major points summarized. The information obtained from these sources was used to check for consistency of information generated through observation, questionnaires and structured interview schedules.

3.5.3 Primary Sources

The procedure involved the collection of original data from the study area through the use of data collection techniques such as questionnaire with open and close – ended questions which were distributed to both students and staffs. In addition, techniques such as the use of face to face interview, observation and Focus Group Discussion were employed.

3.6 Data Collection Instruments

Three research instruments of data collection tools were employed in this study. These included questionnaires and Focus Group Discussion guide for 60 students as well as 20 teaching and non teaching staffs who included 8 senior administrative/management staffs, 5 service providers, 5 partners/donor representatives and 2 government employees from HESLB in Dodoma zone offices.

3.6.1 Questionnaires

The study administered semi structured questionnaires containing both close and open ended questions to avoid bias results. A questionnaire is the most widely used tool especially in quantitative research. The questions were short to the point, yet with flow that the respondents could use to provide quick and accurate information. Oral consent was sought from the respondents before the interviews were conducted. Questionnaires

were used because they were considered capable of collecting a lot of information within a relatively short time.

3.6.2 Focus Group Discussion Guide

The purpose of using the FGDs' guide was to obtain an in depth information from both students and university staffs on the factors contributing to financial unsustainability of private universities in Tanzania. A set of open- ended questions in Kiswahili served as a guide for the FGDs. The FGDs guide also served to probe for clarification. A total of four FGDs were conducted in the studied area. It included two FGDs sessions for university students, and two FGDs session for university staffs. After the FGDs session, participants of each group were given feedback about the issues raised during the sessions. For example, how to manage factors that enhance financial sustainability in private universities.

3.6.4 Face to face Interview schedule

Newman *et al*, (1950) argues that face to face interviews have the highest response rates. Interviewers also can observe the surroundings and can use non- verbal communication and visual aids. The purpose of using the interview schedule was to enable the researcher to get more information directly and clarify some questions and arguments. The instrument was also useful and appropriate for collecting information from both private university and government officials since it was used to supplement data gathering from questionnaires and documentation.

3.7 Data Processing and Data Analysis

According to Beng (1989), data analysis refers to a search for pattern in data recurrent behaviors, objects or body of knowledge. Once a pattern is identified, it is interpreted in terms of a social theory or the setting in which it occurred since in this research both quantitative research methods were employed a sequential data analysis was preferred towards analyzing quantitative data first, followed by qualitative once later. When the field exercises were completed, all quantitative information collected were coded, organized, analyzed and converted into percentages, tables, and figures by using computers programmed known as statistical package for social sciences (SPSS). In this study, analysis including cross tabulation, was applied to examine the relation between independent and dependent variables. Data coding in qualitative research refers to organizing the raw data into conceptual categories or turning humanity into cold numbers. In this study, the coding of qualitative data involved organizing data into themes, data reduction that's refining, and finally drawing links between themes, thus arriving at conclusion and verification.

3.8 Validity and reliability of Research Instruments

In this part of the dissertation we justify and verify the acceptability usefulness of the instruments that I used in the study. I also indicate the trustfulness of the instruments.

3.8.1 Validity

Refers to the extent to which methodologies and instruments measure what they are supposed to measure. A data collection method is reliable and valid to the extent that

it produces the same results repeatedly. Valid evaluations are ones that take into account all relevant factors, given the whole context of the evaluation, and weigh them appropriately in the process of formulating conclusions and recommendations. Validity refers to the quality that a procedure or instruments used in research is accurate, correct, true, and meaningful and right. In order to obtain reliable data, the researcher will be careful and clear in operationalising research concepts and variables, and being keen with the way questions asked to respondents so as to obtain consistent information.

3.8.2 Reliability

Entails consistency and dependability of data collected through repeated use of a scientific instrument or data collection procedure under the same conditions. Absolute reliability of evaluation data is hard to obtain. However, checklists and training of evaluators can improve both data reliability and validity (Enon, 1995). This research ensured reliability by formulating questionnaires which were explicit, unambiguous and less complicated. In addition, the researcher was very keen on clarity of instructions given to data collection methods. The clearer the instructions, the higher the reliability of what is to be obtained and supposed to be measured.

3.9 Ethical consideration

Equally important, the researcher explained clearly to the respondents the intention of the study and its advantages to the region and to the country so as to inspire their involvement in the study. The information obtained was treated confidentially and used for the intended purpose

CHAPTER FOUR

RESEARCH FINDINGS AND ANALYSIS

4.1 Introduction

The central problem addressed in this research investigation is the lack of adequate financial funding to ensure the sustainability of private universities in Tanzania. Therefore, the findings, analysis and recommendations of this study report on financial sustainability in private universities in Tanzania are based on a wide range of data collected through desk based research, questionnaires, site visits and interviews. It is through meeting many persons in selected private universities, especially senior management officials, who agreed to contribute to this project, in particular those who filled in the main questionnaire and those who hosted site visits which provided crucial qualitative information leading to the compilation of this report.

4.2 Respondents Profile

In this part of the dissertation the description of people that gave useful information and set a context for the data collected. This includes age of the respondents, education and sex.

4.2.1 Social – Demographic characteristics of respondents

The study consisted of 80 respondents of which 60 were students and 20 included staff from various sections that is private universities, HESLB staff

Table 2: Social – Demographic characteristics of respondents

Respondents' Profile	Distribution	Respondents	Percentage
Age	18-30	22	28
	31-40	37	46
	41-50	15	19
	50 and above	6	7
	Total	80	100

Source: Field work survey, 2012

4.2.1.1 Distribution of respondents by Age

37 respondents were aged 31 -40 with (46%), 22 respondents aged 18-20 with (28%) followed by 15 respondents aged 41 -50 with 19% and last by 6 respondents aged 50 and above with (7%). This shows that the majority of private university students are in the age of 31 – 40 and the minority in the age of 50 and above.

The education level of respondents ranged from secondary education to university education. Respondents with bachelor degree were (77%), which comprises the largest portion of respondents. The level of education in diploma was the second largest group of respondents comprising 15% followed by Masters Level which comprises 8% and last level was PHD with 0%

4.2.1.2 Distributions of respondents by Education

Respondents' Profile	Distribution	Respondents	Percentage
Education	Diploma	12	15
	Bachelors degree	62	77
	Masters	6	8
	PhD	0	0
	Total	80	100

4.2.1.3 Distributions of Respondents by Sex

Respondents' Profile	Distribution	Respondents	Percentage
Sex	Male	48	60
	Female	32	40
	Total	80	100

The number of male respondents 48(60%) surpassed the number of female respondents 32(40%).

This shows also that the number of male students in private universities is large compared to the number of female, whether in study or at work place.

4.2.2 PRIVATE UNIVERSITIES UNDER STUDY

Table 3: Private Universities under study

Name of the University	Location	Year of Commencement	Accreditation Status	Owner	Programmes Offered
The Hubert Kariuki Memorial University (HKMU)	DSM	1996	No 001 of 4 th May, 2000	Individual	Certificate to Masters
St Augustine University of Tanzania (SAUT)	Mwanza	1996	No 002 Of 25 th Sept, 2002	Roman Catholic	Certificate to PHD
St John University of Tanzania (SJUT)	Dodoma	2007	No 022	Anglican	Certificate To Masters
Muslim University of Morogoro (MUM)	Morogoro	2005	No 019 Of 26 th June, 2008	Muslim	Certificate to Bachelor

Source: TCU, 2010

4.2.2.1 Location of Private Universities

Statistics have shown that almost all private universities have been established and are located in major cities in Tanzania, namely Dar es Salaam, Morogoro, Dodoma, and Mwanza. This suggest that their location is strategic in the sense that it is these big towns where populations are high which means it makes easy for the students to be found. We also suggest that it is general perception that economically students

living in towns are in a better position to access some funding sources which allows them to pay for their university fees privately. However, this leaves the question as students in rural areas are also under consideration when these private are being established.

4.2.2.2 Year of Commencement

According to the table on 4:2:2 TCU Data, this study indicates that within a period of about a ten years that is 1996-2005, there has been a steady growth of Private Universities in Tanzania. Further analysis suggests that the rapid expansion of the higher education sector in Tanzania has been due to the rising demand for higher education. Likewise, there is also a strong argument among respondents that private providers have taken advantage of the slow pace of expansion of the public higher education sector.

4.2.2.3 Owners

Research suggest that most private universities in Tanzania are religious affiliated.

4.2.2.4 Accreditation Statuses

According to the time of accreditation of Private Universities established between 1996 and 2005 Tanzania, the table under 4:2:2 indicated that these private universities were accredited between 2002 to 2008. This suggests that the pace of establishment of private universities needs quality control. This is why Tanzania Commission for Universities (TCU) was established to ensure appropriateness, relevance and quality status of facilities, programmes, courses, students and staff. However, our study also indicates that substantially higher levels of investment and

effort are still required to raise the level of tertiary education, in terms of both quantity and quality, to a point where it can ensure greater economic competitiveness and potential to participate in the knowledge economy. This will be achieved if TCU continues to stimulate a culture of continuous improvement of higher education in relevant institutions especially through periodic review of their quality assurance system, accreditation status and issuance of regulatory guidelines.

4.2.2.5 Programs offered

In general, private universities under study have one common approach to programmes offered. Clearly, they offer comparatively fewer common programmes. They tend to prefer education, business studies, information communication and technology, and the social sciences. Further to these findings, we also argue, under the issue of financial sustainability, that financial considerations determine the courses offered by these private universities. Since many of them are self financing, they must offer courses that have a premium both in the education and labour market.

4.3 How private universities in Tanzania finance education programmes?

In this section, the study aimed to uncover and explore the task of funding private universities in Tanzania. The purpose is to meet expectations which seek to advice on the need for private universities to devise a financing approach to higher education development that enables them to meet the challenges. Also seek to examines current practices in private financing higher education in Tanzania, taking into account the significant similarities and differences that exist among private universities.

It is therefore through this understanding that respondents were expected to indicate the sources of income in private universities which are HESLB sponsored students, Employers sponsored students and Private sponsored students. But also indicate how private universities collect fund from those sources.

4.3.1 Sources of income

The findings of this study clearly indicate that student fees represent a significant income source in all private universities. Their importance varies greatly however, depending on the legal framework in which a particular private university operate.

While all private universities can charge fees for some groups of students on the basis of the programmed, their level is regulated by the government of Tanzania and in some cases contributes only a bigger percentage to a private university's income through loans programmed (HELSB).

As it is indicated throughout this study, Private Universities in Tanzania faces many challenges that prevent them from contributing to the knowledge economy. Although these challenges are many, for example; "...the brain drain, poor working and living environments, poor leadership and governance, HIV/Aids and globalization" (Oyewole, O.B. (2006:3), our research focus is on limited funding and the question of financial sustainability. Table 4 below, seeks to indicate some major sources of funding for Private Universities through students payments. By understanding this trend in the area sources of income, it is our hope that this research would help Private Universities overcome this challenge and constraint.

Table 4: Private Universities Funding: Sources of Income

Data Collection was by multiple responses by 80 respondents who were included in this study.

Source of Finance Sponsorship Information	Frequency	Percentage
HESLB sponsored students	68	85
Employers sponsored students	20	25
Private sponsored students	80	100

Source: Field Work Research, 2012

4.3.1.1 HESLB – Sponsored students

Respondents indicated that the HELSB is one of the reliable sources of financing for private Universities in Tanzania by 85%. The HESLB funding is categorized according to the courses and the status of the student concerned. So fund received by student from HELB is not enough to cover all university bills. In that manner students are required to top up so that to meet universities requirement. However, during interviews the issue of categorization of who to get what amount for loan was a challenge. Also during discussion with staff they showed their concern on the delay on the collection of fund from HESLB which cause carrions like strikes and delay in university daily operations.

4.3.1.2 Employers

25% of the respondents indicated that an employer is another source of fund for private universities in Tanzania. Some of the students who attend the higher learning education are workers who need to increase their knowledge. And due the need of

the certain institutions they allow their employees to undergo further studies on their cost.

4.3.1.3 Private (relative and self sponsorship)

100% of respondents showed that the private sponsored students (relative, friends, individual person and donors) are directly involved in supporting their children, spouses, relatives or employers in making sure that they get their education. Most Private universities have internal charges which are not sponsored by HESLB. Not only that but also that the remaining part of the tuition fees which is not paid by HESLB is covered by them.

4.3.2 Collection Methods

The purpose of this subsection is to get to know how money is collected from various sources. This helps to determine and understand the connection between source of funding and budgetary practices for institutional growth. Thus, in spite of the magnitude of financial needs confronting the private universities, the collection methods will also help in the understanding, their leeway, when considering a significant adjustment to their allocated amount, is minimal. I also wanted to know as to whether the method of collection has any connection to problems in budget management, such as the lack of transparency in decision-making, fragmentation in budget responsibilities and the absence of measures for curbing out-of-control budgets in higher education.

Collection methods for private universities

The respondents were therefore students and staff who answered by multiple

response. The Following information was obtained on how private universities use various categories to collect fund. The charges are mainly in three categories that are Tuition fee, institutional charges (that is all other charges except tuition fee and research and consultancy) and research and consultancy fee.

Table 5: Collection methods for private universities

Fees/charges	Frequency	Percentages
Tuition	79	98.75
Donation	27	33.75
Grants	12	15
Penalties	35	43.75
Application	79	98.75
Examination	76	95
Research and consultancy	23	28.75
Identity card	62	77.50
Caution	65	81.25
Uniform	23	28.75
Rental	73	91.25
Development fund	20	25
Medical contribution	7	8.75
Clinical rotation and supervision	12	15

Source: Field work 2012

Dominated method of collecting fund for private universities is through tuition fee which carries 98.75 % of the whole university income. Other methods contribute 1.25% from other sources like donors or research and consultancy.

4.4 What are the various strategies in place for financial sustainability in private universities in Tanzania?

In here questions were directed to students and staff. The respondents were students

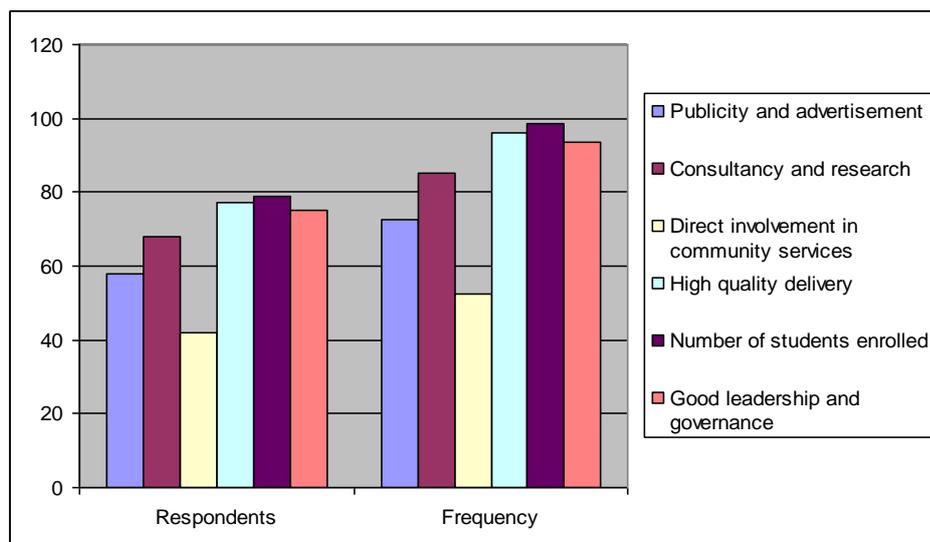
and staff who were able to come up with the following information by multiple responses on identifying various strategies in place for Financial sustainability in private universities in Tanzania

Table 6: Various strategies in place for financial sustainability in private universities in Tanzania

Strategies	Frequency	Percentage
Publicity and advertisement	58	72.50
Consultancy and research	68	85
Direct involvement in community services	42	52.5
High quality delivery in academic program	77	96.25
Number of students enrolled	79	98.75
Good leadership and governance	75	93.75

Source: Field work 2012

Figure 2: Various strategies in place for financial sustainability in private universities in Tanzania



Source: Field work 2012

4.4.1 Publicity and advertisement

72.50% of the respondents signify the publicity and advertisement as one strategy for financial sustainability. Hence the cost involved should be managed to allow benefit to the university.

4.4.2 Research and Consultancy

85% of the respondents clearly indicated that the challenge for private universities in Tanzania is to find ways to sustain the costs of establishing high quality research and consultancy programmes. As their budgets are already stretched thinly over many sections, other options need to be found. We are of the opinion that one way of coping with the resource constraints is to partner private universities with research institutes within and outside the country for the conduct of research, thereby leveraging access to equipment, all the while building valuable relationships between private universities and research organizations in both the public and the fellow private sectors.

4.4.3 Direct Involvements in community services

10% of the respondents have strongly indicated that although higher education is regarded as a strategic change agent, private universities have not done well in terms of direct involvement in community services. This is linked to their weak resource base. If this continues, then education can not be treated as a strategic agent for mindset transformation and for the creation of a well educated nation, sufficiently equipped with the knowledge needed to competently and competitively solve the development challenges which face the nation. In this light, the private universities should work towards securing enough financial resources which will enable them to

revisit their education system by restructuring and transforming it qualitatively with a focus on promoting creativity and problem solving through direct involvement in community services.

4.4.4 High quality delivery in academic program

96.25% of respondents suggest that quality of academic delivery is one for financial sustainability. We can also say that The quality of education in the private universities could be based on various factors such as the level of infrastructural facilities, the quality of the programmes as assessed by the Tanzania Commission for Universities (TCU), the qualification of the academic staff, and students' academic and performance in the labour market. There are requirements set by TCU to control the quality of programmes offered in Tanzanian Universities, the universities and programmes that meet the requirements are accredited by TCU. The facilities for staff development and research opportunities are limited in private universities, this equally reduce the quality of education in private universities in Tanzania.

4.4.5 Numbers of students enrolled

98.75% of respondents show the importance of the number of students who enroll in private universities. Students who qualify for post-secondary schooling either enroll in the regular programmes in the public universities, self-sponsored programmes in the public universities, private universities, middle-level colleges including the national teacher and other training colleges (both certificate and diploma).

4.4.6 Good leadership and governance

Like quality of education delivered, the question of good leadership and governance is given 93.75% response as far as running and sustainability of private universities is concerned. For example, the rationale for financial sustainability is evidenced in strategic planning which is a common plan for most private universities I visited. In their plan, they all agree that the growing infrastructure, costs of learning, research and consultancy (e.g., lecture theatres, halls of residence, libraries, on one side and lecturers and research facilities on the other) require an institutional response that sets priorities and ensures support is cost-effective.

4.5 Is financing in private universities in Tanzania sustainable?

The question whether private universities are financially sustainable is broad. In this section therefore we analyzed some facts regarding how to measure sustainability. We discovered that private universities in Tanzania need a comprehensive approach that combines different tools that can provide immediate as well as mid- and long-term solutions to ensure financial sustainability and thus preserve the quality of their higher education systems. Depending on the situation and constraints specific to each university, a number of measures will be more relevant or realistic than others. These measures include introducing cost sharing and more cost-efficient modes of delivery, managing student flows, streamlining social expenditure, improving governance and management practices, and challenging the government to continue or broaden the base in providing incentives for private sector development – i.e. private universities in the country. Solutions for the sustainable financing of private higher education systems therefore exist provided a strategic medium-term approach

for internal reform of the a particular private university is developed and backed by sustained leadership and adequate and sustainable resources.

Private universities rely heavily on tuition for their core funding tuition fees. As stated earlier, private universities also rely on limited government support mainly through the HESLB which also provides loans to students enrolled in specific programmes and the TEA – Tanzania Education Authority which provides grants and soft loans for capital development in private education institutions. Given the fact that a major problem facing private universities in Tanzania is that of obtaining critical funds to carry out the necessary activities to fulfill their mission, The question is whether private universities will survive when the government of Tanzania is no longer able to give loans to students given recent worldwide financial crisis which in recent years have forced it to the top of the policy agenda not only in Tanzania.

4.5.1.1 Students response on the ability to pay fees and other charges

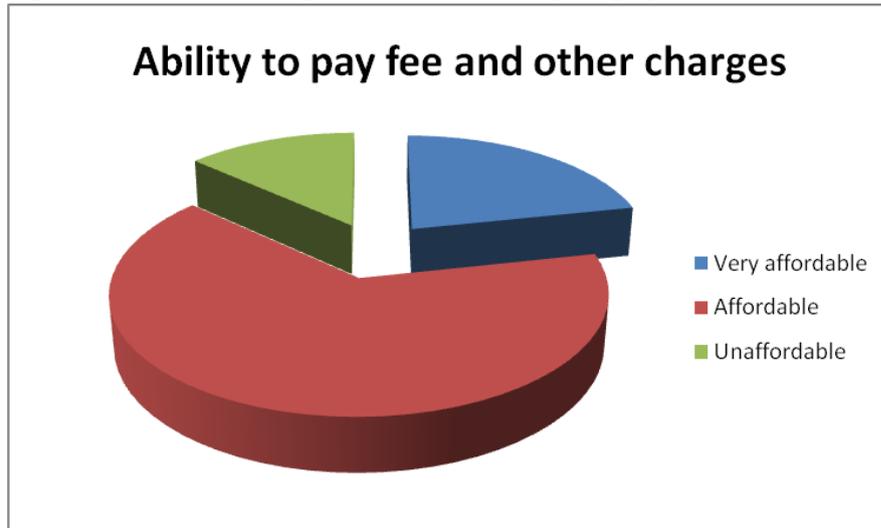
This response were taken from 60 students where the following responses were acquired.

Table 7: Students response on the ability to pay fees and other charges

	Respondents	Percentage
Very affordable	13	21.66
Affordable	39	65
Unaffordable	8	13.34
Total	60	100

Source: Field work,2012

Figure 3: Students response on the ability to pay fees and other charges



According to the findings above, 63% of the respondents showed that the majority of students who are in private universities manage to pay fees and other charges charged by the university. This doesn't mean that they are comfortable but also that the necessity of education can not be ignored. 9% of the respondents revealed that the small number of the Tanzanian community can manage to pay fees and other charges without any straggles while the remaining 13% implied the difficulty in paying which means they are low income earners in the community.

4.5.1.2 Staff response on the ability to pay fees and other charges

According to the findings above, 55% of the respondents showed that the majority of students who are in private universities manage to pay fees and other charges charged by the university. This doesn't mean that they are comfortable but also that the necessity of education can not be ignored. 40% of the respondents revealed that the isolated Tanzanian community can manage to pay fees and other charges without any straggles while the remaining 5% implied the difficulty in paying which means they are low income earners in the community.

Table 8: Staff response on the ability to pay fees and other charges

	Respondents	Percentage
Very affordable	8	40
Affordable	11	55
Unaffordable	1	5
Total	20	100

Source: Field work,2012

4.5.2 Responses on Sustainability

Table 9: Responses on Sustainability of financial sustainability in Private universities

Sustainable	Responses	Percentages
Yes	12	15
No	68	85
Total	80	100

Source: Field work, 2012

Private universities rely heavily on tuition fees and other charges from students to meet their running costs. 85% of the respondents revealed that the large number of Private Universities are not sustainable. On the other hand, 15% of the respondents showed that few private universities are sustainable. However the private universities manage to operate efficiently by increasing their fees and other charges to students and relying heavily on part time academic staff the way of reducing expenditure.

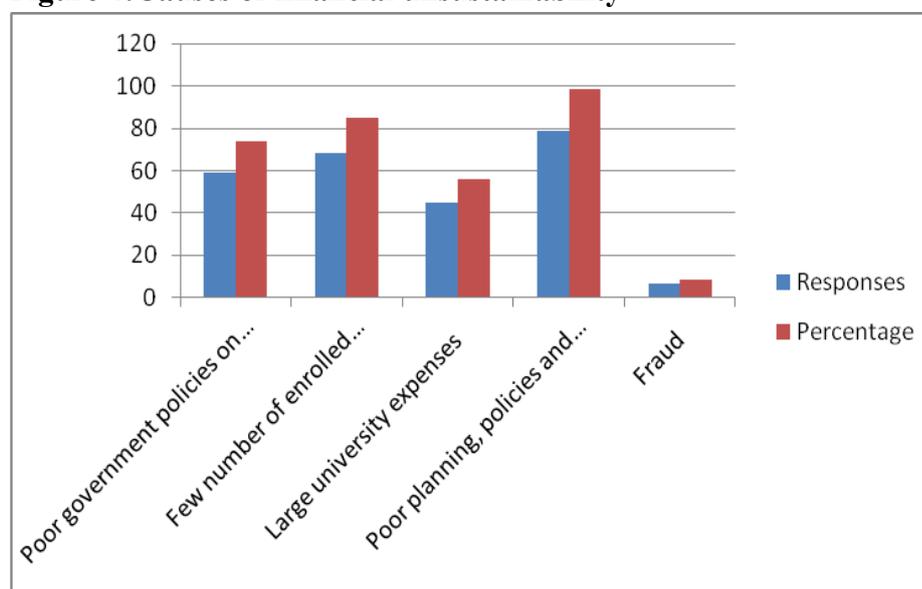
4.5.3 Causes-Multiple Response

Table 10: Causes of financial unsustainability

	Responses	Percentage
Poor government policies on Higher education	59	73.75
Few number of enrolled students	68	85
Large university expenses	45	56.25
Poor planning, policies and strategies	79	98.75
Fraud	7	8.75

Source: Field Work 2012

Figure 4: Causes of financial unsustainability



Source: Field Work 2012

4.5.3.1 Poor planning, policies and strategies

The planning and Development sector has not been given the priority in the life of private universities. They are either under the finance office or under human resource office. The universities need to establish independent directorate where the issues of strategic planning will be accommodated. This should consider the

Developing need related policies; Developing strategies manageable within available resources; Participation of all stake-holders in developing vision, mission and objectives; Developing policies congruent with national plans and Transparency of policies & strategies Ability to change according to national & international economic changes. This argument is supported by 98.75% of the respondents.

4.5.3.2 Few number of enrolled students

Most of private universities in Tanzania depend mostly on Tuition fee and other charges. 85% of the respondent indicates few number of enrolled students being the cause of financial unsustainability. Which means the number of enrolled students will determine the level of income the university is going to collect from specific academic year. If the students are few that mean the income collected will not be enough and loss will happen. Likewise if students are many the university will be able to breakeven, gain profit and have funds for reserve. Though the challenge is there for the continuous increase in fees and other charges for Private Universities which do not favor the marginalized group with poor/low income.

4.5.3.3 Poor government policies on Higher education

Lack of subsidies from the Tanzania government as compared to public/government owned universities. The Government has ignored the truth that the students who graduate in private universities do serve the Government as that who graduate in public universities. Also that the subsidies given to the public universities come from the same tax payers who also have children in private universities. That is why in the study 73.75% of the respondent argued heavily on the poor government policy

on higher education as the cause for financial unsustainability of private universities in Tanzania.

4.5.3.4 Large university expenses

Private universities should avoid unnecessary expenses and concentrate with the value of asset that can be used up to obtain revenues. 56.25% of the respondents indicated that this can also be the cause for the financial unsustainability of private universities in Tanzania.

4.5.3.5 Fraud

Financial management is highly needed which means the university need to plan and control financial resources that is cash and cash equivalent, money and money related operations to increase the value of the university If fraud is avoided, the university will be able to achieve liquidity, solvency and profitability which will lead to financial sustainability of the private universities. This came as one of the causes by 8.75% of the respondents though some of the fraud can be made in procurement process like tendering and purchase but also in recruitment process like recruiting ghost workers or misuse of fund like meals and accommodation from HESLB for students.

4.6 Which factors are associated with educational goals and funding mechanisms in private universities in Tanzania?

Table 11: Factors are associated with educational goals and funding mechanisms in private universities in Tanzania

Factors	Frequency	Percentage
Courses offered	74	92.50
Policies /strategic plan available and implemented	79	98.75
Quality of HR	62	77.50
Number of students	69	86.25
Strong control of fund	79	98.75
Diversification of university activities/projects	70	87.50
Good learning environment	74	92.50
Use of financial institution	51	63.75

Source: Field Work 2012

4.6.1 Courses offered

The courses offered in Private universities in Tanzania are commercial consideration, for profit making. This courses require less investment in terms of infrastructure and equipment. Such courses include Business Administration, Accountancy, Finance, and Development Studies. 92.50% of the respondents said that students to join the private universities are motivated with the type of the courses offered as many will help them to be employed no only by the public sector but also by private sectors.

4.6.2 Policies /strategic plan available and implemented

Private universities should invest in developing ,implementing, maintaining and evaluating their policies and strategic plans. This will enhance the efficiency in various sectors for the sustainability of private universities in Tanzania as the direction, tells where you are now and where you want to be in future. 98.75% of the respondents signify the truth in this.

4.6.3 Quality of HR

The universities seem to have weak planning on investment in human capital. But the establishment of staff development fund in some of the universities will increase the number of qualified staff in both academic and administrative staff. Also the TCU requirement on the status of staff which contribute to the grading of the university will improve the situation. 77.50% of the respondents insisted on quality of human resource as the factor for sustainability of private universities in Tanzania.

4.6.4 Number of students

The students are required to apply for higher educating through TCU who will select the students to join universities. The qualification of students who join public university is different from that of private universities. 86.25% implies that if the number of students is high this will automatically mean the higher the income to be collected that specific academic year .

4.6.5 Strong control of fund

Strong control of fund should be observed from the collection stage, expenditure stage and on the preparation of private universities financial statements. This will be

measured on good performance which means it making profit in terms of capital employed and net profit margin ratios. To insure the financial control procedures are in place, efficiently and effectively implemented. Value for money also should be taken into consideration. That is why 98.75% of the respondents insisted on the strong control of fund as the major factor . With the limited recourse, if they are used efficiently and effectively with transparency the sustainability of private universities in Tanzania will be granted.

4.6.6 Diversifications of university activities/projects

Diversification in finance means reducing risk by investing in a variety of assets. Private universities should borrow this idea and take carriage to invest in other activities which in return will help in financial sustainability rather than depending in one source of income like tuition fee. 87.50% of the respondents viewed this as an impotent factor for the sustainability of private universities.

4.6.7 Good learning environments

This another factor which carries 92.50% of the respondents. Good learning environment comprises of infrastructure, equipments, availability for places to do practicals as they are needed like hospitals, qualified academic and administrative staff. Good learning environment will facilitate the reduction in examination malpractices. copying and teaching/learning difficulty for both staff and students.

4.6.8 Use of financial institution

Bearing in mind the financial spending of private universities in Tanzania is based on Academic expenditure, administrative expenditure, and other expenses which

include investment expenditure. Due to that reason the 63.75% of the respondent indicated the need for private universities to make use of financial institution where they can get extra fund like overdrafts, loans, buying shares in DSE for their stability, growth and expansion.

4.7 Conclusion

Throughout this study we provided a comprehensive overview of private higher education financing in Tanzania. We explained the fundamental problems faced by private universities namely the combined pressure of a rapid growth in demand and a growing scarcity of financial resources. We also presented the dramatic consequences of these trends on quality.

In our initial analysis we maintained that private universities in Tanzania have a great role to play in training and development of human capital in Tanzania. This argument goes hand in hand with the fact that if private universities are successful in their vision and missions, it is obvious that their work will help Tanzania diversify her economy, carry out economic transformation, and support sustainable growth.

In the study we also argued that private higher education plays a key role in training qualified individuals who will be able to implement new technologies and use innovative methods to establish cost-efficient and effective enterprises and institutions. However, in order for owners of private universities to reap the benefits of this investment in human capital, their higher education institutions must secure financing to provide quality training and sound professional prospects to their students.

We conclude that our research findings suggest that currently, private higher/tertiary education development is unsustainable—resources per student are declining and the quality of education is affected. In a country like Tanzania, these issues are particularly pressing in times of financial global crisis, when available resources for tertiary education tend to diminish not only in public but also private universities. In other words our thesis Factors that determine financial sustainability of private universities in Tanzania provides a clear illustration of the need to explore innovative ways to diversify and secure financing for private higher education in Tanzania. This argument therefore takes me to the final section of the dissertation where I make a general conclusion and provide recommendations for improvement.

CHAPTER FIVE

RESEARCH CONCLUSION AND RECOMMENDATION

5.1 Summing Up and Concluding Remarks

The main objective of this study was to investigate “*Factors That Determine Financial Sustainability of Private Universities in Tanzania*”: a case of four selected private universities, namely SJUT – St. John’s University of Tanzania, HKMU – Hebert Kairuki Memorial University, SAUT – St. Augustine University of Tanzania and MUM – Muslim University of Morogoro. Deep consideration for these private universities has been taken to their great role they play in the Tanzania’s social-economic development.

The study suggests that the private universities are fast expanding segment of Tanzania University educational system. In terms of number, private universities out-numbers the government universities in Tanzania, though in terms of enrolment, they enrolled small size and offered courses that are market friendly and in limited disciplines. The private universities in Tanzania are not necessarily profit oriented in nature.

Generally speaking, operational efficiency of private universities should be higher than that of the public universities by increasing the gap between the revenue generated from the university fees and the running cost of the university. Staff cost being the major item of the expenditure, is reduced by relying heavily on part-time academic staff. This increases the profit margin level as this is an indication that there is high operational efficiency.

We also noted that many of the private universities in Tanzania are relatively new having been established between 1999 and 2011 and operate with a limited number of academic and other staffs. One of the unique qualities of private universities in Tanzania is that they have very few regular staff. The general trend is that of a large number of part-time academic staff or sabbatical staff and a very few number of full-time academic staff.

On a similar note, we noted also that the emergence of private universities in Tanzania raises an issues related to national development from a broader perspective. There are some disciplines which are very important for the development of the country but are not market friendly; these courses are not offered by some private universities.

The study revealed that between 1995 to date, private sector has been a fast expanding segment of higher education in Tanzania. The study deduced that the need for private universities in Tanzania has been enhanced by a number of factors as follows.

A burgeoning demand from students for access and the inability of the public universities to satisfy the growing social demand for university education has necessitated the entry of private university in order to expand the access conditions, the declining capacity of public universities, the demand for courses and subjects of study had changed and public universities were thus unable to respond to this phenomenon, pressure by external agencies to cut public services, a growing

emphasis on and need for a highly skilled labour force that target the local market, and the beginning of interest by foreign providers.

Likewise, this study has discovered that; the problem of financial sustainability in private universities can be broadly characterized in three ways.

First, increases in education spending due to factors affecting demand for and supply of education services – among them, technological progress, demographic change and consumer expectations.

Second, resource constraints relating to private universities inability to generate sufficient resources to meet its education system obligations – an issue which takes on particular relevance in the current context of financial crisis.

Third, education spending is rising as a proportion of gross domestic product (GDP) and poverty levels in Tanzania. This is the issue of economic sustainability.

The study examined sources of income to ensure financial sustainability in these universities basing on the current business environment in the country. Data were gathered through a number of methods. These included interview, focus group discussion and questionnaire. The findings of the study indicated that all private universities face challenges in terms of limited financial resources. However, these universities are striving hard to raise sources of revenue for the purpose of being financial sustainable. It was further revealed that there are a number of ways that could be used to generate revenue and make private universities financially

sustainable, but fundraising culture has not grown enough, and thus threatening private universities' sustainability in the country. The findings revealed that, mismanagement of fund, physical infrastructure, business and management skills and entrepreneurial skills have shown to have impacted the smooth education service delivery in the country. The study also discovered that the increasing number of private universities whose financial backbone is sought mainly from tuition fees will not make them sustainable.

5.2 Recommendations

The purpose of this section is to provide a range of recommendations for consideration by private universities.

Since this study has significantly revealed the importance of private universities in Tanzania to understand that there are various reasons which have contributed to not achieving financial sustainability, as we conclude our study we want to emphasize that it is until private universities are financially sustainable, when their efforts to contribute to the nation building especially in responding to a changing society and its demands and in contributing to the achievement of a globally competitive will be achieved.

And since the study has also provided an analysis of the current state of both understanding and development of a financially sustainable private university by identifying factors that contribute to the success or failure in process.

Importantly, we wish to make recommendations for action on the part of all major stakeholders – private universities, the government of Tanzania and donors who support these universities, therefore we recommend that;

- A. Private university authorities must bear in mind that their universities have to play a key role in helping their universities overcome all of financial challenges. To overcome what we believe may be one of the biggest threats to the financial sustainability of private universities in Tanzania, fundraising should be part of the ongoing project.
- B. We also believe that universities themselves need to continue to seek to further diversify their income. This requires a proactive approach on several levels.
- C. To position themselves in an increasingly competitive environment, private universities need to identify their strengths and specialism, allowing them to develop an adequate branding strategy. This should be complemented by an analysis of their activities in relation to the potential for income generation.
- D. To turn the strategy into reality, private universities will also need to invest in the development and professionalization of their staff. None of this is possible, though, without the private university leadership's experience and commitment to the process.
- E. We propose that in order for Private Universities to enjoy financial sustainability they need to be self dependent on all financing, with their traditional donors playing only a supporting role, with suggestions on the expansion of internal sources of financing, i.e. broadening income generating activities.
- F. Private Universities should look into long term, large scale financing options both within and outside Tanzania to finance infrastructural development.

- G. Enhance education and information sharing to students, staff and other stakeholders on the importance of wise use of limited resources.
- H. Creation of conducive education business environment and incentives to abide by the law of Tanzania and under higher education policy.
- I. Addressing internal administration issues by employing competent accountants and financial managers.
- J. There must be a better understanding and partnership between the private and public universities in Tanzania rather than leaving the university education either to the public or market forces.
- K. This study has deliberately concerned itself with financial sustainability, given that private universities in Tanzania plays a major role in the nation building but they struggle in terms of financial resources. It therefore leaves the gap in the sense that further attempts must be made to analyze the growth, expansion, and the challenges - beyond financial sustainability of private universities in Tanzania.
- L. Additionally, systematic research is needed to examine the extent of wastage, in terms of finances and human resources, in private universities, with the aim of suggesting policy options and mechanisms for financing university education. Research is also needed to establish the effect of establishing more private universities on Tanzania's university education, in terms of access, quality and relevance of their programmes in the labour market.

Nonetheless, it is worth noting that the percentage of private universities that achieve financial sustainability remains very low or to be precise nonexistent. This is due not to a lack of creativity or commitment, but rather to the fact that many private

universities continue to have a donor-dependent vision. The private universities, with Government support, have to make some hard choices if they are to offer quality education, affordable by both the private students and parents. The partnership approach, with the private and public universities, government, and donors working together to formulate viable financial and operational policies and activities, is the appropriate starting point.

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APPENDICES

Appendix A: Main Questionnaire

Dear Respondent,

An academic study is being conducted on factors that determine financial sustainability of private universities in Tanzania. You can readily contribute information to this study by answering the questions in this instrument. All the information given will be treated confidentially for purely academic purposes.

Thank you for your cooperation.

SECTION A

Background Information

1. Sex of the respondent Male Female
2. Age (a). 18-30 (b). 31-40 (c) 41-50 (d) 50 and above
3. Level of Education
 - a. Diploma
 - b. Bachelors degree
 - c. Masters
 - d. PhD
4. Position of the respondent
-
-
5. The time spent in the University (years)
6. Type of University (private/public).....
7. When the University was opened (year).....

8. Where does Private Universities in Tanzania obtain their fund for implementation of planned activities?

HESLB Sponsored students { }

Employers sponsored students { }

Private students (Student, Relatives and Donors) { }

9. a. Does the Private Universities in Tanzania collect money from its own source?

Yes { } No { }

b. If yes; please tick in the bracket on the method where you think Private Universities in Tanzania use to collect the own source funds;

Tuition fees { } Penalties { }

Donations { } Application fees { }

Grants { } Examination fees { }

Research Money { } Rental charges { }

7 a. Do you think the fund collected is enough for the Private Universities' operations? Yes { } No { }

b. If Yes, What do you think are the factors determine financial instability in Private Universities? Kindly mention them;

.....
.....
.....
.....
.....

8 What do you think are the ways in which private universities in Tanzania put themselves in the market world?

Please tick the correct answer

- Publicity and advertisement { }
- Consultancy and research { }
- Direct involvement in community services { }
- High quality delivery in academic program { }
- Good leadership and governance { }
- Number of students enrolled { }

9a. Does the university encounter any problems? Yes { } No { }

b. If yes please tick in the correct answer;

- Limited resources { }
- Quality assurance and relevant { }
- Building a skilled human capital that is lecturer { }
- Information and communication Technology { }
- Donor /dependency syndrome { }
- Low remuneration { }

10 What do you think are the major effects caused by the problems mentioned above

- Serious shortage of lecturers { }
- Poor infrastructure and facilities e.g. library { }
- Limited expansion and accessibility { }
- Weak academic staff member { }
- High mobility of employees { }

11a. Can you suggest some of strategies which the University can use in order to sustain its future? Yes { } No { }

b. If yes, kindly mention five suggestions;

- i.
- ii.
- iii.
- iv.
- v.

Appendices B: Focus Group Discussion Guidelines for questions

The questionnaire will reflect all the variables that formed part of the research question. The process of filling the questionnaire is planned to take 30 minutes to one hour to complete.

The questionnaire will give a summary to the research objective, contact details of the researcher and the study leader on the first page followed by the questions;

1. How do private universities achieve sustainability?
2. Where do they draw their financial resources?
3. Do private universities properly meeting educational needs of students In Tanzania?
4. Are there enough resources to foster quality provision of higher education?
5. What strategies in place to ensure sustainability?

Appendix C: Students Questionnaire

Dear Respondent,

An academic study is being conducted on financial sustainability of private universities in Tanzania. You can readily contribute information to this study by answering the questions in this instrument. All the information given will be treated confidentially for purely academic purposes.

Thank you for your cooperation.

SECTION A

Background Information

- 1 Sex of the respondent Male Female
- 2 Age (a). 18-30 (b). 31-40 (c) 41-50 (d) 50 and above
- 3 Level of Education
 - e. Diploma
 - f. Bachelors degree
 - g. Masters
 - h. PhD
- 4 The time spent in the University (years)
- 5 Where do you obtain your fund to pay for your studies?

HESLB Sponsored students	{ }
Employers sponsored students	{ }
Private students (Student, Relatives and Donors)	{ }

6 a. Does the Private Universities in Tanzania collect money from its own source? Yes { } No { }

c. If yes; please tick in the bracket on the method where you think Private Universities use to collect the own source funds;

Tuition fees	{ }	Penalties	{ }
Donations	{ }	Application fees	{ }
Grants	{ }	Examination fees	{ }
Research Money	{ }	Rental charges	{ }

7 a. Do you think the fund collected is enough for the Private Universities operations? Yes { } No { }

b. If Yes, What do you think are the causes of financial instability in Private Universities in Tanzania? Kindly mention

them;.....
.....
.....
.....

What do you think are the ways in which private universities in Tanzania put themselves in the market world?

Please tick the correct answer

Publicity and advertisement	{ }
Consultancy and research	{ }
Direct involvement in community services	{ }
High quality delivery in academic program	{ }
Good leadership and governance	{ }

Number of students enrolled { }

8 a. Does the university encounter any problems? Yes { } No { }

b. If yes please tick in the correct answer;

Limited resources { }

Quality assurance and relevant { }

Building a skilled human capital that is lecturer { }

Information and communication Technology { }

Donor /dependency syndrome { }

Low remuneration { }

9 What do you think are the major effects caused by the problems mentioned above

Serious shortage of lecturers { }

Poor infrastructure and facilities e.g. library { }

Limited expansion and accessibility { }

Weak academic staff member { }

High mobility of employees { }

10 a. Can you suggest some of strategies which the University can use in order to sustain its future? Yes { } No { }

b. If yes, kindly mention five suggestions;

a.

b.

c.

d.

e.

12. Are there negative (or and) positive things would you like to indicate about private universities? What are these?

Positive

.....
.....
.....

Negative

.....
.....
.....