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Financing University Education through Public-Private Partnership at Midlands State University in Zimbabwe

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Abstract

Zimbabwe suffered an economic meltdown between 2000 and 2009. Inflation rose to a record four-digit figure and unemployment rate was above 80%. The decade of severe political and economic challenges had a negative impact on the development all the sectors of the economy. Universities in the country were not spare the ordeal; there was an exodus of qualified personnel out of the university system to greener pastures outside of Zimbabwe. Expansion projects and programmes were stalled and the quality of education offered to students was greatly affected (Chimhowu, Manjengwa and Feresu 2012). In 2009, there was SADC-supervised political agreement in the country. From 2009 to 2011, government of Zimbabwe still could not finance University education. However, during this period, some of the universities started developing despite government's failure to finance infrastructural development projects at universities. This study investigated how a state university achieved massive expansion from in 2010. The study was carried out in 2012. Data were collected from the university's Fund Raising Documents. The key findings were that through public-private partnership (PPP), the university was able to construct and furnish a multimillion dollar state-of-the art administration block, construct and furnish five classroom blocks and a clinic at their Post Graduate Campus. A two-storey library and hostel are under construction at the main campus. The university has raised enough financial and material support from the PPPs to construct another two-storey building at their Post Graduate Campus. This paper concludes that PPPs are an effective way of financing university education.

Key Terms: Zimbabwe, Midlands State University, public-private partnership, supporting education

Introduction

World over, university education is regarded the sector as one of the main conduits of development aspirations. It is for this reason that national governments and the general public find it prudent to invest in universities. According to Huberts and Van den Heuvel (1999), the quality and quantity of education offered to students depends on level of funding that universities receive from their sponsors. In Zimbabwe, universities survive on fees paid by students, hand outs from the donor community and from government. However, government and donor fatigue have stalled the development of many universities. New partnerships are required to finance university education. The public-private-partnerships (PPP) were initiated to finance the operations of the Midlands State University. The University was established in 2000 through an act of Parliament. At the University, just as at all universities in the country, there was an exodus of qualified personnel. In 2010, the MSU was rated the fastest growing universities in the country. At its graduation ceremony of 2011, the Chancellor and Head of State and Government of Zimbabwe, President Mugabe described the phenomenal growth of MSU as titanic. In 2010 and 2011 respectively, the Vice Chancellor of the University won the prestigious Zimbabwe Institute of Management (ZIM) Manager of the Year award in the Public Sector Category. The current in-depth study investigated how the university managed to expand under difficult economic circumstances.

The starting point of the PPP was the formation of a fund raising committee (FRC). The committee was put in place by the Vice Chancellor of the University in early 2010. The committee was composed of top politicians from the Government of National Unity which had been established in 2009.

The committee also included prominent business people and academics from the University. The University alumni were also incorporated in the Fund Raising FRC of the university. This production details how the University mobilized funds to support its projects during the period in question.

The Genies of the PPP the University

In 2010, the Vice Chancellor of the university appointed a fund raising team. The team was to operate within the confines of the PPP principles. Their mandate was to raise funds to support both infrastructural development and pedagogical excellence in the university. One of the priority areas in the structural development was constructing a state-of-the-art library at the Main Campus in Senga. The team was tasked to come up with a set of clear roles and responsibilities of each of the partners in funding the university operations. Greater clarity of roles and responsibilities proved to be a key feature in facilitating improved performance of partnerships (Lane 1995).

The patrons of the committee include university staff and top government officials and retired governor of the Midlands Province. Government Ministers and Governors were appointed patrons of the fund raising committee. The committee sub-divided itself into smaller committees, each with specific functions to undertake. Each sub-committee was accountable to the main committee and a patron appointed by the Vice Chancellor of the university. According to Therkildsen (2001), accountability is easier in contexts where sub committees are clear of what they are expected to do. Where roles and responsibilities are blurred, accountability is also blurred.

The main committee identified several PPP options, namely dinner dance, kiosks, music galas, road show, selling fuel on campus, golf tournaments and requesting staff members to donate towards the establishment of the institute.

PPP for infrastructure development at the University

The University also adopted the Build, Operate and Transfer (BOT) schemes for those who were interested in putting up infrastructure at the University. The contract allowed the contractor to operate the building for 25 years before handing it over to the University. During the 25 years the contractor will have recouped the initial outlay of the project including profits. The PPP was guided by a master development plan for the University. The plan came after a wide consultation with government and the private sector.

The FRC organized a fund raising dinner which was graced by His Excellency Joaquim Chissano, the former President of Mozambique. The whole project was going to take 2 years to complete. According to the Minutes of the FRC meeting of 16 March 2010, the dinner raised US\$1 828 5999. At the occasion, a Construction company pledged to construct a Hall of Residence for students valued at US\$4.5million and a Commercial Centre at an estimated cost of US\$150million. At the same event, a local engineering company pledged to provide a detailed design of the library and that the company would meet 25% of the total cost elements of designing the library. In their minutes of 10 March 2010, the FRC reported that the library design was estimated at US\$21million. A local brick making company donated 50 000 standard bricks towards the construction of the library.

The University also organized a golf tournament which was decorated by an Insurance company at no cost to the university. The proceeds from the tournament were channeled towards the construction of the library. One of the leading companies in the cement manufacturing industry supplied over a thousand pockets of cement for the construction of the library. A paint manufacturing company donated paint worth over US\$3 000 to the university. Several individuals and companies supported other fund raising initiatives. For instance, Hardware Company in the province donated 20 new tires to be used as prizes of a golf tournament that was organized to raise funds for the construction of the library at the university. A local business person, who is also a former student of the University provided snacks for the tournament.

A Rural Development Authority in the province also donated in kind towards the construction of the university. The Authority donated river sand to meet all the requirements of the library up to the first floor of the structure. However, the Authority asked the university to source for transport to ferry the building material to the site. The Managing Director of coal mine over 300km away from the university responded by saying, “Our trucks pass through Gweru carrying goods to Harare. We are going to make sure that our trucks will transfer whatever material you have in Harare to the university. This will be carried free of charge. Our trucks usually come back home empty and this is an excellent opportunity for us to assist in line with our corporate social responsibility commitment.” In this context, corporate social responsibility refers to the commitment of business to contribute to sustainable development of universities.

Construction work at the university requires quarry stones. A stone crusher in the province donated 10 cubic meters of quarry stones per month till the library project is completed. With resources from different organizations, the university was able to construct five classroom blocks, two office blocks and a clinic in 5 months. According to the Minutes of the FRC of 2 March 2011, the estimated value of the structures is U\$102 million. The same company donated stones for the construction of three classrooms and a clinic at the university.

Part of the assistance also came from publishing houses. According to the Minutes of the FRC of 28 October 2010, a local Business Journal Editor pledged to offer advertising services to the university. The PPP initiative linked the Business Journal with the University's office of Information and Publicity. A local National Airline was also ready to assist in the construction of the university library. The Air line gave the University air tickets to local destinations which were raffled at the dinner dance that the university had organized. The Mining Industry also chipped in to assist in the construction of buildings at the university. One of the mines in the province pledged support in the construction of a Mining Engineering Department. The introduction of the Department helps to expand the number of degree programmes that the university offers. The same mine has in the past constructed mining schools in the country. The idea was quickly adopted by the University management and plans are at advanced stage along this initiative. The mining school would be named after the mining giant. One of the Construction companies in the province developed interest in building Hostels for students. This was to be done under the BOT arrangement. The project is already underway at the university. With the support of the public such projects would be too expensive for the university to undertake.

The University does not have a Commercial Centre on Campus. The nearest shopping centre is in the City centre, which is over 10 km away. One prominent real estate business man in the capital city pledged to construct a Commercial Centre at the University. The centre will be built under the BOT arrangement. According to the Minutes of 4 October 2010, the university has agreed to produce a detailed construction plans to guide the funders. The plan includes 12 month cash flow projections, Gantt charts and detailed infrastructure designs. The bill of quantities was determined by a local engineer. Upon production of the bill of quantities, a different construction company based in Harare pledged to supply electrical and plumbing materials for the new library.

The business community also supports the initiatives at the university. In their meeting of 28 October 2011, the business community donated beef, one business person pledged to construct a classroom block at the University's Business school. The businessman was going to name the building after people of his choice. One of the giant mining companies in Matebeleland committed themselves to offering transport support to the business of constructing the university.

The University FRC established mini markets at the campuses. These sell food staffs to students and the local communities. The tuck shops were established in existing infrastructure. They also set up fuel service station at the campus. Staff members would have the privilege of buying fuel on account. At the time of the decision, the nearest service station to the university was 12 km away. The decision to establish mini marts and fuel station was applauded by staff members. The service station was established by Total Zimbabwe at no cost to the university. The university guaranteed Total Zimbabwe the sole rights to supply fuel at the University.

PPPs for Academic Excellence

The business community also promised to assist the disabled students at the university with tuition fees. One communications company is already paying tuition fees for over 300 students at the university, which translates to U\$150 000 per semester. This scholarship is available to students from poor economic and social backgrounds.

Furnishing the library is one of the areas of academic excellence. The FRC Minutes of April 2010 reveal that one Rotary Club had donated books worth over U\$400 000. The books were located in a warehouse in Pretoria – South Africa. The organization asked the university to organize transport with which to carry the books to the university. The books are still to be transported. The Diaspora is one of the alternatives for raising funds for universities. The university set up fund raising sub committees in other countries to support teaching and learning at the centre. Through this initiative, the university received books, computers and stationery worth over \$200 000. More could still be done in line with engaging the Diaspora to support teaching and learning at the university. The Diaspora, especially the alumni could also be approached to offer lecturers at to students at a subsidized cost to the university. This suggestion comes in the realization that the university is suffering lack of qualified staff to teach modules at Masters Level in most disciplines. The same staff could also be asked to supervise PhD students as a way of funding the operations of the university.

Conclusion

Universities are institutions for promoting development, through teaching, research and community service. These functions require funding and most universities suffer financial challenges. Institutions cannot by themselves achieve efficiency and effectiveness in carrying out their

mandate. They need to be assisted. The private sector, non-governmental organizations and ordinary people have to make their contribution in financing the operations of universities. The public–private partnership (PPP) for university education delivery protrudes as the best option for harnessing the resources for efficient public service delivery in Zimbabwe. The PPP approach enables the actors to jointly create rules, norms and structures that govern their relationships in providing university education to the public. PPPs call for much disclosure about the activities of the University. In away, such a partnership requires explicit standards and performance measures because accountability requires clearly stated aims. With financial support from the public and civil society comes greater demand for accountability and by the university. The paper claims that efficiency requires attention to goals of an institution. PPPs protrude as a medium for finding solutions and creating opportunities to address the challenges of both private and state-run universities.

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