

**THE EFFECTS OF SERVICES OF OUTSOURCED AGENTS ON
REVENUE COLLECTION IN LOCAL GOVERNMENT
AUTHORITIES:
A CASE STUDY OF TABORA DISTRICT COUNCIL**

By

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**A Research Report Submitted in Partial fulfilment of the Requirements for Award of
the Degree of Master of Business Administration in Corporate Management (MBA –
CM) of Mzumbe University**

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CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation/thesis titled, **“The Effects of Services of Outsourced Agents on Revenue Collection in Local Government Authorities: A case study of Tabora District Council** in partial/ fulfilment of the requirements for the award of the of degree Master of Business Administration in Corporate Management (MBA-CM) of Mzumbe University.

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DEDICATION

To my loving parents Mr. Alhaj Abbas Ishabailu and Mrs. Ajiri Issa who brought me up to my academic success. To my wife Mariam H. Seif for her endless encouragement during my studies as well as research time. Lastly, to my loving daughter, Ajir for their encouragement by words and prayers.

LIST OF ABBREVIATIONS

DC	:	District Council
DT	:	District Treasurer
IMF	:	International Monetary Fund
IT	:	Information technology
LGA	:	Local Government Authorities
LGR	:	Local Government Reform
LGRP	:	Local Government Reform Program
MC	:	Municipal Council
MEO	:	Mitaa (Hamlets) Executive Officer
No	:	Number
OC	:	Other Charges
PMO-RALG	:	Prime Minister's Office -Regional Administration and Local Government
PPP	:	Public Private Partnership
REG	:	Regulation
REPOA	:	Research on Poverty Alleviation
SPSS	:	Statistical Package for Social Sciences
UNESCAP	:	United Nations Economic and Social Commission for Asia and Pacific
WB	:	World Bank

ABSTRACT

Mobilization of resources for performing Local Governments Authorities functions is regarded as a critical issue for the Local Authorities existence. Outsourcing revenue collection is considered as a means to increase Local Authorities revenue collection and for establishing a platform for more effective and efficient Local Government revenue administration.

Generally objective of the study was investigating the impact of service outsourced in revenue collection to private agents on the performance of revenue collection function in Local Authorities citing the case of Tabora District Council.

The study collected data from Revenue Collector, Councilors and officials of Tabora District Council. The main findings of the study are that private revenue collectors have managed to significantly increase the amount of fees collected compared to what was collected before. The section also describes the general way in which the researcher carried out the research. It describes the sampling procedures and states the main instruments used in data collection from the field

The Data was computerized and processed using SPSS Computer software. The analysis of quantitative data involved production and interpretation through frequency, tabulation and graphs.

Conclusions, Proper planning for making decision on outsourcing, Proper implementation of procurement procedure is of great importance ,Agreement on between the council and contractors in order to safeguard the council's estimates and to establish system for monitoring and evaluation on revenue collectors performance to ensure that the council's interests are safeguarded.

Finally, recommendations on Revenue collection out sourcing is one of the way of improving revenue collection performance through analysis of its revenue sources potential, Proper mechanism of ascertaining the collection costs of its revenue, Proper insurance and provide conducive environment for private revenue collections.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

Outsourcing of revenue collection function is one of many initiatives in the new Public Private Partnership (PPP) Policy in Tanzania. The main objective of these policy reforms is better service to the citizens through combined efforts from the public and the private sectors and other stakeholders. Outsourcing of service delivery to the private sector became a more common practice in Tanzania in the mid 1980s. Revenue collection was among the activities outsourced by the LGAs.

For different categories of the Councils, it was more common with outsourcing of different kinds of revenue. For district Councils it was more common with collection of market fees and produce cess. For municipal Councils it was more common with outsourcing of livestock and bus stand fees. For city Councils, it was more with outsourcing of bus stand fee, billboard and parking fees, while for town councils it was more common with outsourcing of hotel (guest houses) levy and bus stand fees.

1.2 Background to the research problem

In order for the Local Government to perform their statutory obligations, the Local Government Reform Program (LGRP) introduced a way forward for the councils to privatize its functions to private sector, so that they can perform on behalf of the councils. Revenue collection is among the outsourced functions by the council to private collectors.

The revenue collection in local government authority in Tanzania is done from different own sources of councils, sources are like property tax, hotel levy, car parking fee, market dues and bus terminal fees. The revenue collections are done by the different employees from the council who are engaged to different points of collection.

One major administrative problem today for many councils in Tanzania is that of inability to collect fully the revenues as projected. In most councils there are huge gaps between reported and projected revenues. Recent studies conclude that this is due to: poor

administrative capacity to assess the revenue base, poor administrative capacity to enforce the fees and tax, corruption, including embezzlement of revenues and external pressure on the local finance department to provide optimistic projections.(REPOA. 2004) .In this setting, fundamental issues to be addressed in the context of local government fiscal reforms are to redesign the current revenue collection structure and to strengthen financial management.

Some councils have already started to explore methods to reduce the financial gap caused by the tax and fees rationalization by privatizing revenue collection to private collectors to increase revenues from existing sources such as car parking, bus terminal, natural resource products and livestock auction fees. Some of these councils are Bagamoyo District Council (DC), Ilala Municipal Council (MC), Iringa District Council, Kilosa District Council, Moshi District Council and Mwanza City Council (CC).

The privatization of revenue collection was enhanced by the guidelines on privatizing local government services issued in 2001 by the President's office- Regional Administration and local government and by the local government Reform program (2003) and that of Public Procurement Act no 21 of 2004.

1.3 Statement of the research problem

One of the recommended suggestions for the improvement of revenue collection in Local Governments is for Local Authorities to outsourced services some of its revenue source collection to private companies. Many Local Authorities adopted the suggestions in various degrees, some services outsourced only few of their sources and some most of the revenue sources. However, the implementation of the outsourced has produced mixed results in the Councils revenue collectors performance.

As a result, substantial powers, functions, responsibilities and services were devolved to local governments. To enable them achieve the intended objective of effective service delivery, local governments were mandated to generate their own revenue from local taxes to be supplemented with the central governments grants. Initial efforts to collect these revenues followed traditional bureaucratic systems, where local governments directly collected the taxes through sub-county and parish chiefs. The system was for

associated with several challenges including; high administrative costs; collection, monitoring and management technical hitches. The system also proved detrimental because it promoted poor and unfair tax assessments, conniving between taxpayers and collectors for exemption or less pay, and it was closely linked to corruption and all kinds of negligence at the collection points.

Under the new arrangement, Local governments agreed to work in partnership with private firms in the collection of revenue on a temporary contractual basis. This was based on the belief that the private partners in revenue collection not only have a greater personal stake in controlling collectors, but also effectively penalise under-performing collectors. It was also believed that the desire for profits would make the private firms more cost effective while competition with other firms would ensure effectiveness. This would eventually lead to efficiency, effectiveness and accountability in revenue collection.

1.4 Objectives of the Study

This study focuses on accomplishing the following objectives.

1.4.1 General Objective

Generally objective of the study was investigating the impact of service outsourced in revenue collection to private agents on the performance of revenue collection function in Local Authorities citing the case of Tabora District Council.

1.4.2 Specific Objectives

- i. To examine the reasons for outsourcing revenue collection.
- ii. To examine procedures and ways for getting agents for revenue collection.
- iii. To investigate the results and effects of outsourcing revenue collection agents.
- iv. To identify problems and challenges associated with revenue collection by outsourced agents.
- v. To examine the impact of outsourcing revenue collection of LGA Revenue collection efficiency.

1.5 Research Questions

The research was focus on obtaining detailed information based on the following questions:

- i. What are the reasons for outsourcing Revenue collection?
- ii. What are procedures and ways of recruiting revenue collection agents?
- iii. What are the results and effects of service by outsourcing agents in revenue collections?
- iv. What are problems and challenges encountered as the results of service outsourced agents in revenue collection?
- v. What measures are to be taken to improve revenue collection performance through outsourced of revenue collection to private agents?

1.6 Significance of the Study

The study was done on privatisation of revenue collection which is one of the policy reforms operational in Tanzania, thus, the study explored and it highlighted the weaknesses and strength of using private firms in collecting revenues. The study findings also contribute to theoretical debates on the subject of privatisation of revenue collection and service delivery as well as a way forward to the improvement of the policy/reform. The study also benefits all stakeholders who include central government, local governments, private revenue collecting firms and the general public. This is done by providing them with insights on how to cooperate and improve efficiency and effectiveness in revenue collection, and how to ensure effective accountability for the collected public revenues. While for the academicians, the findings of the study will be a point of reference and a basis for further research in the same field.

1.7 Scope of the Study

The study assessed the local government revenue collection performance in Tabora district Council, focusing on the adoption of the public-private sector partnership as a tool that had been opted for with an intention of improving the revenue collection process. More emphasis was put on establishing the reasons why there was need to abandon the previous bureaucratic method of revenue collection, the ways in which the reform was

implemented, its impact on revenue collection, and the challenges faced in implementing the policy or reform.

1.8 Limitations of the study

1.8.1 This study faced a number of limitations as listed below:

- i. Those potential respondents were not available on timely for interview when the study progress hence failure to some extent to gather all necessary primary data.
- ii. Difficulty in accessing classified information from the management team in private revenue collectors in local authorities.

1.8 Delimitation of the study

As mitigating factors, the researcher sent early information to the respondents and encouraged them to reply in order to minimize the non responsive questionnaires.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Management of revenue collection is one of the Local Government Authorities' (LGAs) crucial factors for financing provision of good services to the citizens. The LGA's capacity to raise revenue is important for their financial sustainability and ability to promote the well-being of their local communities.

Many LGAs in Tanzania have reformed their revenue collection systems in order to improve these activities. The reforms include mainly outsourcing of revenue collection. This represents an opportunity for the LGAs to implement the much needed changes aiming at revenue enhancement and cost savings. Revenue sources include taxes, licenses, permits, fees and charges.

By 2000, most of the LGAs in Tanzania Mainland used the private sector to collect revenue on their behalf. One of the reasons for that it was expected that outsourcing of revenue collection to private collectors would have lead to a more predictable revenue stream for the Councils and also lower administrative costs.

Another reason was to avoid the problem of political interference in revenue collection. Furthermore, there was an assumption that revenue collection agents would be able to more easily fire non-performing or corrupt staff as compared to LGAs. However, the Councils' experience is that these expectations have not always been realized.

According to a report issued by the Research on Poverty Alleviation (REPOA no 09 of 2009) one of the key issues when outsourcing revenue collection is the assessment of the actual revenue potential for various tax bases. Currently, this assessment by Councils is done mostly on an ad hoc basis, often based on the previous years' reported revenue collections. In addition, the assessments reflected in the contracts are in many cases outdated and do not reflect changes over time of the revenue base.

Outsourcing revenue collection is considered to be more effective in increasing the rate of compliance (Guideline issued by PMO-RALG). When a contractor collects revenue, it

becomes his or her daily activity and may develop skills on how to improve compliance. However, Councils have continuously experienced problems with private collectors in complying with the terms of contract.

Privatisation is the private sector involvement in service provision, giving the responsibility over services previously performed by the public to the private sector. Local government(s) is that part of a government which is most accessible to the average citizen that closely touches him and presents the most opportunities for the public service.

The privatisation form of decentralization primarily refers to two things: on one hand, it refers to any shift of activities or functions from the state to the private sector and more especially any shift of the production of goods and services from the public to private (Starr, 1988). Starr's observation of the concept is comprehensive in explaining the ideal privatisation process. It covers a bit of terrain from contracting government with private providers of goods and services to hiring consultants, working with nongovernmental organisations in the delivery of government services, to the creation of management of government corporations. However, in the developing world, privatisation takes relatively a divergent course especially in line with the privatisation of services, where direct control of the services provided by the private agencies is profoundly observed. This is evident from the efforts of the government to establish a legal framework to regulate the social and economic activities of the private agencies, while at the same time financing services that are privately produced and consumed.

According to Guislain (1997), privatisation may cover subcontracting and management contracts. In subcontracting, the public agency that previously conducted the activity now subcontracts its execution to a private party. Subcontracting can cover an entire public service like revenue collection, trash collection, or only part of the activity like water or electricity meter reading or billing. In management contracts, it may or may not be performance-based in these cases. There is a temporary transfer of management responsibility without transfers of ownership or real transfer of control like markets.

2.2 Theoretical Model

The study on public-private sector partnership in revenue collection was conceptualized in within the theory of public choice. Thus, the starting point in this section was to sketch out the historical overview of privatisation of revenue collection in relation to the theory of public choice.

Prior to the emergence of public choice theory, many economists tended to consider the government as an agent outside the scope of economic theory, whose actions depended on different considerations than those driving economic agents. The public sector remained the main actor in the development process of most countries both developed and developing. The sector was the main actor in production and distribution of goods and services in most economies; especially those that embraced centrally planned economic policies (Nkya, 2000). The commanding heights of these economies were directly owned and managed by the public sector. The development of public choice theory was accelerated with the formation of the Public Choice Society in the United States in 1965. It attempted to look at governments from the perspective of the bureaucrats and politicians who composed them, and made the assumption that they acted basing on Budget-Maximizing Model in a self-interested way for the purpose of maximizing their own economic benefits.

However, following the winds of change in the form of many and far-reaching social, political and economic reforms, the role of the public sector in the development process substantially changed in many countries. This change guided by the public choice theory had its roots in Neo-liberalism.

Neo-liberalism, which was an extension of liberalism, had its original proponents in the rich western market democracies. Neo-liberalism attacked absolutism and feudal privileges, while advocating for constitutional and representative governance. (Heywood, 1997). The Neo-liberal theory and its subsequent proponents advocated for several reforms including: fiscal rectitude, competitive exchange rates, free trade, decentralisation, privatisation, and limited intervention among others to pave way for competition and public choice. The reforms were supported by the Washington based organisations

like the International Monetary Fund (IMF), and the World Bank (WB). This was done basing on the assumption that the private sector would promote an efficient and effective economic development and growth. As a result, the role of the private sector in bringing about sustainable development in most economies had increasingly been recognised and acknowledged.

Public choice theory attempted to look at bureaucratic governments from the perspective of the business and made the assumption that they acted basing on budget-maximizing model in a self-interested way for the purpose of maximizing their own economic benefits. Thus, in the public choice theory, the optimal mechanism for allocating goods and making decisions was the market. Public bureaucracies and representative democracy were both seen as seriously flawed in comparison. In particular, public sector expenditure was seen as seriously flawed in comparison. In particular, public sector expenditure was seen as inherently prone to excessive growth. There was an in-built tendency to over-supply on the side of public bureaucracies. This in-built tendency to over-supply reflected weaknesses in representative democracy and the operation of public bureaucracies. Public choice theorists regarded existing democratic arrangements as very poor predictors of citizens preferences. They thus, proposed the application of the market notions in public managements. And because of its attachment to the market notion of trading and competition, the public choice theory was much related to the concept of power decentralisation as an opportunity to promote competitions among government agencies.

The public choice theory as seen in the neo-liberal perspective aptly explained Tanzanians recent decentralisation policy reforms, where fiscal decentralisation was a major tool. In public choice, the partnership between the private and public sector was viewed as presenting opportunities to promote competition among government agencies and private firms respectively so that citizens can vote with their feet being able to move to the localities where the level and mix of services relative to the taxes they pay was closer to meeting their preferences. Indeed, considering the way in which private sector partnership was implemented, it was based on opening equal opportunities to all private firms to enter a partnership with the government on merit. This opened the sector to

complete for reconsideration in case of another opportunity and the direct beneficiary was to be the public sector because then the services provided would be better. Thus, the successful conceptualisation of this theoretical discussion called for establishing whether the assumption that the partnerships in revenue collection would create their own conditions for success (Tote Meyer, 1994); and whether fiscal privatisation was the answer to all challenges of local government revenue collection performance.

Dwelling on the positive public choice theory, which focuses on the question of what government policies were likely to be implemented in a given political setting, in a state like Tanzania where the Local governments continued to register low revenue turnovers and a lot of malpractices, it offered the option of engaging the private sector in the collection of local revenue. This was based on the assumption that the private sector-led economic growth and development, was generally more efficient (both productive and allocative efficiencies) and effective (Buse and Walt 2002). The sector was more dynamic, resilient, creative, innovative and vibrant than the public one.

On the other hand, dwelling on normative public choice theory, which considers what policies would produce a desirable outcome if they were implemented. This was because despite the fact that good governance tends to be a pure public good for the mass of voters, there may be many interest groups that had strong incentives for lobbying the government to implement specific inefficient policies that would benefit them at the expense of the general public. This was the case when revenue collection was still under the Central Government, or other civil servants that minded less about the outcomes of their efforts especially if they were not to benefit the individual collectors, which increased the level of poor performance in revenue collection.

2.3 Meaning and Reasons for Outsourcing

Outsourcing as defined on the Web sources is as follows: Outsourcing is subcontracting process, such as product design or manufacturing, to a third-party company (en.wikipedia.org/wiki/Outsourcing); The transfer of a business function to an external service provider (en.wiktionary.org/wiki/outourcing);

BNET Business Dictionary definition for outsourcing is the transfer of the provision of services previously performed by in-house personnel to an external organization, usually under a contract with agreed standards, costs, and conditions. Areas traditionally outsourced include legal services, transport, catering, and security. An increasing variety of activities, including IT services, training, and public relations are now being outsourced. Outsourcing, or contracting out, is often introduced with the goal of increasing efficiency and reducing costs, or to enable the organization to develop greater flexibility or to concentrate on core business activities. The term subcontracting is sometimes used to refer to outsourcing.

Outsourcing or sometimes called contracting out is one of the type and techniques of privatization as an alternative service delivery techniques employed to maximize efficiency and increase service quality.

Outsourcing can be defined as a situation whereby the government competitively contracts with a private organization, for-profit or non-profit, to provide a service or part of a service. In the case of outsourcing revenue collection function it means the use of private agencies or organizations to collect revenue for and on behalf of the Local Authority.

2.3 Changed conditions for responsible authorities

Outsourcing of revenue collection – as well as other outsourced activities – implies changed conditions for management of the activities. The responsible authorities at operative level, the LGAs, get a new role with new tasks and this comes also for responsible authorities at higher government level.

Before a decision on outsourcing of an activity – here revenue collection – is made, the responsible authorities, LGAs, have to conduct a proper planning as conditions for outsourcing. These conditions include examination of a competitive market for the concerned activity. Questions that have to be addressed are for instance: Is there a market for this issue with alternative and competing service providers? Are the functions to be outsourced sustainable enough to compete on the market? Conditions for outsourcing also include a new role for the LGA. That is they now become regulators, procurers and inspectors instead of service providers. The new roles also set new ethical standards for

LGA in order to safeguard public interest (Reg74 of PPP2005).

However, a decision for outsourcing has to be preceded by an examination of whether required conditions for outsourcing are in place and also needs to adapt existing policy and regulation as well as information available for monitoring and evaluation of the changed performance.

Once a decision of outsourcing is taken, the LGAs are responsible for a proper procurement and management of the private collectors. This implies invitation of potential bidders in an open and transparent procurement procedures and allowing for suitable time for bidding with fair competition between invited bidders. Evaluation of the bids has to be conducted with predictable criteria and contracts have to be established with clear conditions for both parties.

When the contract is established, the LGAs will be in charge of the new roles with a continuous monitoring and evaluation of running procedures and also checking on how the procured revenue collector runs his/her activities.

Authorities at higher government levels will be in charge of two roles with the outsourcing reforms. One role is to support the LGAs management in the procurement process and another role is to safeguard the public interest by evaluating the LGAs management on these activities.

Powers for LGAs to raise their own revenue are provided for by the Local Government Finances Act No.9 of 1982 (as amended). In utilizing such legal provisions, LGAs enact by-laws on the basis of which they can levy taxes, licenses, fees and charges. On the other hand, the Minister responsible for local government may impose rating rolls or procedures limiting the Authority's powers of taxation. In principle, no local government revenue generation is allowed without referring to the law.

2.4 Government policies and regulations

The system for outsourcing revenue collection activities is governed by various established policies, laws and regulations as follows:

2.4.1 Outsourcing policies

In order to make outsourcing a success, capacity to package service properly is required within the Local Authorities. Application of proper, efficient and transparent tendering procedures is required (Reg 63 of ppp2005). Also LGAs need to have a capacity to regulate and monitor performance of the revenue collection outsourced activities .

2.4.2 Laws and regulations

The procurement of the revenue collection agents is governed by the public procurement laws (Public Procurement Act No. 21 of 2004)

The law requires the LGAs to establish Tender Boards and Procurement Management Units within the Council as management instruments for the control and handling of the procurement proceedings under the responsibility of the Council Director. The Council Director is responsible to the Council through the Finance Committee.

2.5 Local Government Reform Program

The Government of Tanzania is committed to providing high quality and responsive services to all Tanzanians wherever they are in the country. This is a challenge not only to the national government but also to Local Government Authorities as well. Achieving the stated goal will require fundamental changes in the way that the national and local governments organise and conduct their activities, people, systems and resources.

It is in this context that, in 1996, the Government of Tanzania prepared the Local Government Reform Agenda. The vision of the reform agenda is that democratically elected, autonomous Local Government Authorities (LGAs) will deliver services according to locally defined needs, though within the national policies and legal frameworks. LGAs will make their own decisions about human, financial and physical resource allocation in a transparent manner, and be accountable to the local electorate and the Central government.

In short, the overall objective of the reform is to improve service delivery by making Local Authorities more democratic and autonomous within the framework established by Central Government.

2.6 Local Government Revenues and Local Tax Administration

According to guidelines for improvement of Revenue performance in Local Authorities issued by President's Office- Regional Administration and Local Government (2002), tax is defined as an obligatory payment to the Government. It could be assessed and paid on a person, entity such as business and assets such as buildings. When one pays for a specific service, that payment is called a user charge, such as the charge or fee payable for the use of certain facilities, for example, parking. The overriding purpose of any revenue/tax system is the financing of public services and not to meet administrative costs of the Local Authority.

Powers for Local Authorities to raise their own revenue are provided by the Local Government Finances Act No. 9 of 1982. In utilising such legal provisions, Local Authorities have to enact by-laws on the basis of which they can levy taxes, licenses, fees and charges. On the other hand, the Minister may impose rating rules or procedures limiting the Local Authority's powers of taxation. In principle, no local revenue generation is allowed without referring to the Law. In its efforts to support reforms in local revenue generation within Local Authorities, the Government in the guidelines has identified a number of factors, which should be considered by different Local Authorities.

According to a paper by PMO-RALG (2006), "Transforming the Local Government revenue system in Tanzania" states that, whilst the rationalization of taxes has eliminated the "nuisance" factor of some charges, the diminishing local revenue base and the increasing reliance on central government transfers have serious implications for local government accountability and long-term sustainability of local investments. The abolition of local government revenue sources in 2003 and 2004 had a significant negative impact on local government revenue collections; the abolition of the Development Levy had a particularly negative impact on rural districts, whereas the near abolition of business licenses significantly reduced the revenue-raising ability of urban councils.

The paper states further that, despite the introduction of a “closed list” of permissible local revenue sources, no regulatory framework exists which consistently defines the taxable base for the permitted local revenues, or in which local jurisdictions these taxes should be paid. Likewise, little or no assistance was provided to local authorities in transforming their previous revenue structures consistent with the new “closed list” approach. As such, within PMO-RALG’s mandate for ensuring the proper management of the finances of local government authorities, PMO-RALG should pursue the introduction of a standardized regulatory framework for local revenue administration.

Compliance costs and horizontal inequities would be reduced by the introduction of a nationally standardized framework for local revenue administration, which would assure that taxpayers across the country would face the same administrative processes and procedures in all local jurisdictions.

The regulatory framework should be developed in such a way that it provides flexibility to LGAs by allowing them to select from various different options how to administer local taxes as appropriate for local circumstances.

For instance, the reform of the local government revenue system could allow for asymmetries in revenue assignments. Furthermore, private firms or the Tanzania Revenue Authority would be allowed to act as revenue collection agents for local authorities whenever appropriate.

2.7 Management and Outsourcing of Revenue Collection Experience

According to Odd-Helge Fjeldstad et al (2008), Outsourcing of revenue collection was enhanced by the guidelines on outsourcing local government services issued in 2001 by the President’s Office - Regional Administration and Local Government after which most of Local Authorities including Tabora District Council started embarking on implementing the outsourcing exercise. Outsourcing of local tax administration processes is an attractive option when private firms are more efficient at performing certain local revenue administration functions.

Local governments could rely to varying degrees on outsourcing of local revenue administration processes. First, it is common in developing and developed countries alike to outsource the valuation of taxable properties to private sector firms.

Second, reliance on private tax collection agents is still quite common in many developing countries. Third, private firms are relied on in some countries in the enforcement of local taxes, as local authorities may sell the unpaid tax liabilities to private collection agents (at a discount), who can then pursue collection of the outstanding debt with the taxpayer directly. If the enforcement of local revenue collection is outsourced to a private firm beyond the control of the local council, this may reduce the political interference with local revenue collections.

However, historical evidence and recent experiences from Africa, for instance Mozambique, give reason for concern: Such reforms have achieved few lasting results - the transfer of skills by foreign contractors has been limited and the contract has been very expensive for the government. Tax practitioners are therefore increasingly questioning the value of outsourcing tax administration.

Outsourcing of some customs activities, for instance verification, convoy security, and warehousing can be appropriate, although recent experiences suggest it may be expensive and susceptible to corruption. Instead, it might be a better approach to upgrade customs' own capacity to carry out these tasks. Outsourcing of other activities such as valuation and entry processing is risky, since it places the collection of government revenue directly into the hands of non-government interests. In countries with a high level of corruption, there is no reason to believe that those interests will be any less corrupt or more transparent in their dealings than staff of the public revenue agency. Furthermore, placing private customs personnel in line jobs in operational units may compound the current failure to manage and, thus, entrench the problems.

According to a study by Odd-Helge Fjeldstad et al (2008), on Outsourcing Revenue Collection: Experiences from Local Government Authorities in Tanzania, seven Local

Authorities shows that a large number of revenues sources have been outsourced in recent years as shown in Table 2.1.

Table 2.1: Outsourced Revenue Collecting agents in Seven Councils

REVENUE SOURCE	Dar-es-salaam CC	Ilala MC	Kinondoni MC	Mwanza CC	Kilosa DC	Kisarawe DC	Moshi DC
Property rates		X	X	X			
Market fees		X	X	X	X	X	X
Forest Levies					X	X	
Livestock Auction & abattoir fees				X			
Bus Stand fees	X			X	X	X	
Parking fees	X			X			X

Source: Odd-Helge Fjeldstad et al (2008)

Odd-Helge Fjeldstad et al (2008) examines recent experiences with privatised revenue collection in seven urban and rural councils in Tanzania, with particular focus on the outsourcing of revenue collection to private agents.

The article concludes that privatised collection offers no ‘quick-fix’ to increasing a local government authority’s revenue, as well as easing administrative problems with the revenue collection. While collection has increased and become more predictable for some Council, which have outsourced revenue collection, others have experienced substantial problems with corruption and exceptionally high profit margins for the private agents at the expense of accomplishing a reasonable return to the local government authority. However, when appropriately managed and monitored, the outsourcing of revenue collection can establish a platform for more effective and efficient local government revenue administration.

2.8 Empirical Review

Although many research studies has been undertaken by different scholars and professionals in relation to the issue of revenue collection in Tanzania local authorities, but researcher found non among the studies which is directly related to the subject matter

(assessment of performance of private revenue collectors in Local Government Authorities) The following are some brief review on the findings found in these studies.

Semboja and Therkilder (1992), in their study on resource mobilization in local authorities in Tanzania revealed that local authorities are not able to collect sufficient revenue to finance the operations and maintenance of basic services. These authors identified several causes of poor revenue collection in local authorities among them, are five reasons:

- (i) The administration of revenue collection has generally been poor.
- (ii) Certain potentially important sources such as producer's success market dues have not yet been fully exploited.
- (iii) There are people who strongly believe that local authorities are not inherently inefficient, and their displacement through privatization does not necessarily result into better performance.
- (iv) They argue that there are local authorities that have not privatized any of their revenue sources elsewhere in the world that are models of corporate excellence and competitiveness.
- (v) Public ownership failure is significantly attributed to un-clarified objectives, particularly in relation to revenue collection.

In order to increase fiscal autonomy of local authorities in Tanzania, they consider option for reform, which goes with Substantial restructuring of the current tax system, Capacity building, improved integrity and increased autonomy with observation of these; they caution that the same may raise mismanagement.

According to Octor et al. (1997), the poor financing of a council in its own development projects, is due to unstable revenue base, which has led to the public dissatisfaction and criticism on the poor performance of councils in the provision of social services and development activities. It was revealed that local authorities in Tanzania including Shinyanga District Council strengthen its revenue collection capacity.

Katera and Ngalewa (2009) examine recent experiences with outsourced revenue collection to private agents in local government authorities in Tanzania. Based on evidence

from four urban and three rural councils, the study examines how systems of privatized tax collection perform with respect to revenue generation, administration, and accountability. The selected councils were Dar es Salaam and Mwanza City Councils, Ilala and Kinondoni Municipal Councils, and Kilosa, Kisarawe and Moshi district councils. The study concludes that outsourcing offers no 'quick-fix' neither to increasing local government revenues nor to reducing tax administrative problems.

While collection has increased and become more predictable in some councils which have outsourced revenue collection, others have experienced substantial problems with corruption and exceptionally high profit margins for the private agents at the expense of accomplishing a reasonable return to the respective local government authorities.

However, when appropriately managed and monitored, outsourced revenue collection may establish a foundation for more effective and efficient local government revenue administration.

A paper presented by the Permanent Secretary, PMO-RALG, during the National Convention on Public Sector Reform (Maimuna Tarishi 17 -18 June 2008) shows that through privatization of Market fees revenue Rungwe District Council increased the source revenue by 83% and Iringa Municipal Council through privatization all of its revenue sources was increased by 173%.

However, there are some reported cases of poor performance of privatizing revenue collection. The editorial of This Day magazine report is quoted that, "Some years back when the Dar es Salaam City Council (DCC) decided to privatise revenue collection to private agents, the motive was to ensure substantial increase in revenues from its various sources.

However, astonishing revelations have emerged from Prime Minister Mizengo Pinda's tour of Dar es Salaam that ended over the weekend. When winding up his three-day tour of Ilala, Temeke and Kinondoni Municipalities, Mr Pinda observed that the DCC various ventures were actually recording lower-than-expected revenue collection. The premier

cited the daily revenue collection of 1.5m/- paid to Kinondoni Municipality by a private contractor at the Ubungo Bus Terminal, saying it was very low compared to the number of buses and businesses operating at the terminal.

It is for this reason that we strongly support the directive given by Mr Pinda(Prime Ministers) to the Controller and Auditor General (CAG) to audit and scrutinize revenue collection at the Ubungo Bus Terminal as well as the Kariakoo Market Complex in the city.

At the Ubungo Bus Terminal, for instance, the agent contracted to collect entry fees from vehicles and passengers is said to retain a larger percentage of the revenue collected, and submitted only peanuts to the Kinondoni Municipal Council. It is ridiculous to learn that the agent, who has hardly made any investment at the Ubungo Bus Terminal, has been submitting such a meagre amount on a daily basis to the municipal council.

Observers now express fears that the official margins understate the actual margins since the revenue potential reflected in the contracts between the councils and the agents in many cases is underestimated. According to procedures, outsourcing revenue collection must be based on an open tender process. Was there any tender process prior to contracting the current agent at the bus terminal? We must also demand explanation from relevant authorities as to why the same agent has been contracted to collect fees from car parking lots, which are under the supervision of the DCC. How much does revenue collected from these parks account for? And how much is being submitted to the DCC? It is our hope that the Controller and Auditor General will come up with answers to these pertinent questions in his final audited report".

Following the Prime Minister's visit, Dar-es-salaam City Council terminated the contract and started collecting itself and according to a press report of the City Director, the Council is now collecting daily revenue of four million shillings compared to 1.5 million, which was remitted by the agent.

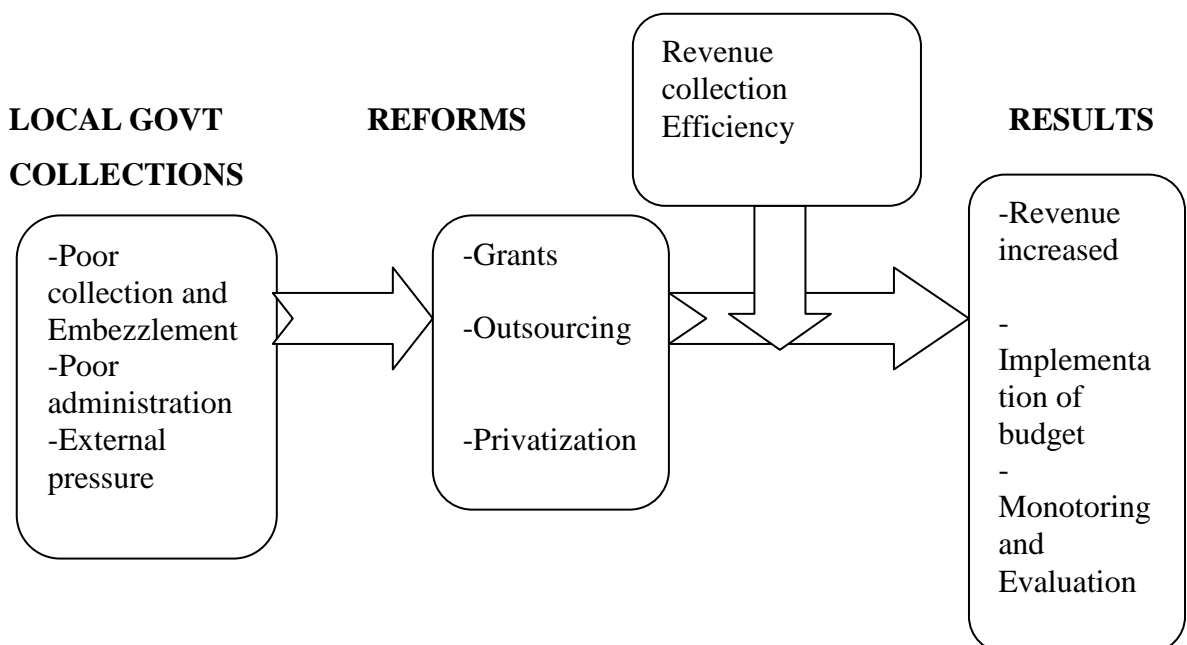
Local Government Reform team (1998), States that, to make substantial increase in own revenue and to enhance tax payers' compliance, the revised legislation shall make provision for the following, Increasing the cost effectiveness of council tax collection by reducing the number of minor local government taxes, which generally cost more to collect

than they yield simplifying the local government tax structures and strengthening the administration introducing a less costly of levying property tax in all urban councils, allowing user fees for all services that the government does not declare as fee, removing ambiguities and overlaps between central government and local government, making the local government tax collection system more transparent Securing a fair and equitable treatment of all tax payers.

2.9 Conclusion

Basing on the above empirical studies, the researchers have different contribution to the privatization of revenue collection in Local Government of Tanzania .Most of the researches done before and after the Local Government Authorities privatizing the revenue collection to different agents. From these studies pressure the researcher to look for the performance of private revenue collectors in Local Government Authorities.

Figure 2.2: Conceptual Framework



Source: Researcher's work (2012)

Based on the conceptual framework (figure 2.2), the Local Government Collections having facing different problems that the revenue collected from different sources are not

sufficient to cover the responsibilities of the councils, due to poor administration and revenue collected are misused by the authorities. There is also external pressure on the local finance department to provide optimistic projections.

Due to these problems different reforms were formulated to solve the problem like outsourcing/privatization and giving grant to authorities, hoping the reforms will help to solve the problem. This study which was conducted in Tabora District measured the efficiency of the outsourcing revenue collectors in LGA in order to see if the revenue increases, decreases or remain unchanged.

Due to Local Government reform of 1998 arguments on how to improve the revenue collection on Local Authorities own sources, it was important to engage in outsourcing system. Tabora District Council privatizes some sources with the aim of increasing its own sources.

So the above Conceptual Framework designed with the major purposes of assessing the efficiency of private revenue collectors if the revenue increased, decreased or remain unchanged but after the analysis of data collected concerning the privatization of parking fees and central bus stand shows that the revenue collected after privatization increased compared to that collected before privatization.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the research report strategy, techniques, methods and resources that were used in data collection, the various sources of data, types of data to be collected as well as description of the techniques that was used in data analysis. The section also describes the general way in which the researcher carried out the research. It describes the sampling procedures and states the main instruments used in data collection from the field.

3.2 Study Area and Its Characteristics

This research were conducted in Tabora District Council for a period of six months starting from October 2012 to March 2013. The reasons for selecting Tabora District Council as a study area were;-

- i. Its one of the first 38 selected pilot LGA to implement Local Government Reform Programme in 1998.
- ii. The Council has experience in outsourced revenue collection.
- iii. There is no recorded case of a similar type of research conduct in Tabora District Council and
- iv. It is easily accessible to the researcher in terms of obtaining the required information.

Tabora District Council is a Local Government Authority established through The Local Government Urban Authorities Act no 7 1982 (as amended by Act no 6 of 1999) and it derives its legitimacy and functions from this Act.

3.3 Research Design

A case study design was employed in this study in order, to get respondents who pay revenue to private revenue collectors. The design was selected due to its flexibility in terms of data collection and analysis and also due to its depth of the study variable. Accordingly, the approach adopted in this study was descriptive as opposed to exploratory or explanatory (Yin 1994). Also the design was holistic case study as opposed to multiple

embedded as suggested by Yin (1994). The main reasons were to have efficient use and sample of the few resources that were available and to have deeper analysis of the situation.

The study also used a historical research design. A historical research design is one that uses historical facts and backgrounds relating them to the situation at hand in order to deduce or to predict the future. The collection of revenue in Tanzania has been revised in various ways from the traditional bureaucratic system of revenue collection. Thus, the researcher was guided by the historical research design to analyse the local revenue collection methods before and after privatisation. Under this method, both primary and secondary evidence was used especially in line with local revenue collection under the different systems and local governments efficiency and effectiveness. In the same way, the historical design was used to logically analyse and double-check historical records about the collection of revenue before privatisation, its benefits and challenges and the general revenue performance during this period. This enabled the researcher to make comparisons for a logical assessment. In the same way, the historical records helped in cross-checking for the approval or disapproval of the findings because they provided reports on the turnover and reasons for the increase or decrease in revenue collection at the time. This helped to examine the validity and reliability of the conclusions, a quality needed in this study for reliable references and generalisations.

3.4 Population

3.4.1 Population sample

Population is a target group to be studied, it is the total collection of elements about which we wish to make inferences, and a member of population is an element. It is a unit of study. A part of a population is known a sample. The process of drawing a sample from a larger population is called sampling. The purpose of sampling is to obtain fairly accurately the characteristic of the population. The chief aim of sampling is to make an inference about unknown parameters from a measurable sample statistics. (Krishnaswami, 2002). The study population was made up from council workers, revenue collecting agent and tax payers.

3.4.2 Sample and sampling

In practice, it is difficult to find complete lists or records of all of the elements in the population of the study. This results in a sample drawn from lists which do not necessarily contain all of the elements. Cooper & Schindler (2003:179) describe sampling as the procedure by which some elements of a given population are selected as representative of the entire population. The primary purpose of sampling is that by selecting some elements of a population, the researcher can draw conclusions about the entire population. A sampling method can be classified as probability or non-probability. It also examines the sample size that was used for the research study and, furthermore, explains how the sample size was calculated.

3.4.3 Sampling Techniques

3.4.3.1 Systematic sampling Techniques

This is one of the methods of sampling design under probability method of sampling. The method requires selection of an element of the population at the beginning with a random start. After that one selects other elements in the population by skipping 'n' observations. 'n' is called the step. The sampling skip interval used was 2. The step was adopted, because many studies in Tanzania which adopted this technique opted for a step 2 (Rutashobya, 1992).

The researcher employed this technique because it is simple to design and easy to determine sampling distribution of mean or proportion. Apart from that, it provides a better representation compared to simple random sampling.

3.4.3.2 Data Collection Techniques

The methods were used in the study included Library Research by reviewing documents and reports and field survey/research through questionnaires and interviews to obtain the required information. The methods was selected because of the nature of the study, which required information from various sources. The techniques used included both primary and secondary data collection methods.

3.4.3.3 Primary Data was collected through questionnaires and interviews:-

a) Questionnaires(Appendix A)

Questionnaires used were both open and closed and administered to random sample respondents.

Sampling procedures used was probability approach by stratified random sampling from the sample frame (population) of Councillors, revenue collectors and taxpayers from three main revenue sources of property tax, market dues and bus stand and parking fees which have experienced outsourcing as shown in table;

Table 3.1: Sample Frame and Size

SAMPLE FRAME	ESTIMATED POPULATION	SAMPLE SIZE
Councillors	48	12
Revenue Collectors	130	37
Tax Payers	4000	88
TOTAL	4178	137

Source: Researcher's Plan (2012)

The questionnaire targeted to get qualitative information about how they assess the performance of the Council revenue collection when there were outsourced compared to when were not outsourced. How they assessed the amount remitted to Council on the outsourced revenue sources. There assessment of the procedures on collection agent's procurement and their views on whether the Council should outsource or not outsource. Respondents were asked to suggest on what can be done to improve outsourced revenue performance, how to ensure the Council gets the right remittance, and which sources can be outsourced and which source should not be outsourced. Sample of questionnaire used are shown in Appendix A.

b) Interviews

Interviews were conducted individually to select respondents using non-probability approach through judgement/purpose sampling to those considered suitable for the study from the Council Management and Revenue Administrators.

Interview guide and checklist with a flexible method of interviewing was used. Those interviewed included the District Director, District Treasurer, Revenue Accountant, Procurement Officer, District Solicitor, Market Master and District Valuer.

Apart from the information obtained from questionnaires, the interviews aimed on getting information on the procedures in outsourcing implementation i.e. how the decision to outsource was reached, the process of selecting the agents, how the collection are monitored and managed, problems involved and how they were solved. Through Interviews information on sources of secondary data, which gave required information on subject was ascertained and provided.

3.4.3.4. Secondary Data were obtained mainly from the Council reports and documentation, which included: Final annual audited financial statements: The Council profile: Quarterly and Monthly financial reports: Contract documents on outsourced revenue sources; Tendering documentation and Financial correspondence. Secondary data provided quantitative information on revenue collection performance when both outsourced and not outsourced verification of procurement procedures and the contract management of the outsourced revenue sources.

3.4.3.5. Data Analysis and presentation

This study used both qualitative and quantitative approaches in data analysis. A qualitative method was applied in analyzing and interpreting the information. Appropriate data analysis techniques such as tables and histogram were used to interpret the results in order to be easy understandable and helpful in data analysis procedures .Collected data was organized and coded so that they can easily be processed using the computer packages.

The information obtain from the questionnaires were sorted according to respondents sample groups (Revenue Collectors, Taxpayers, and Councillors). Edition was done on accuracy, consistency and completeness of the information, and classified. The information will computerized and processed using SPSS computer software. The analysis of quantitative data involved production and interpretations through frequency, tabulation

and graphs. The SPSS was used to analyse the data that lead to the answer of research question.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter discusses the data and findings of the research. The chapter begins by giving the revenue sources with outsourcing experience, followed by a historical performance of outsourced Revenue Sources, Management and Procurement Procedures of Private Agents to collect revenue on behalf of the Council and Questionnaire Findings on Outsourcing.

4.2 Differences in Revenue Collection

This section, presents findings on the differences in revenue collection by comparing the periods before and after privatization of revenue collection. Before privatization means, the period from July, 2007 to February, 2009, and after privatization takes the period from March, 2009 to April, 2010.

4.2.1 Revenue Collection before Privatization

Based on the findings of this study, Tabora District Council revenue collection before privatization shows that the revenue collection for car parking fees and at bus terminal was not constant for the whole period; it kept changing from year to year. For example, the highest revenue collection was Tsh.90,922,700/= on June 2008 and the lowest revenue collection was Tsh.38,006,750/= on June 2007. The reason for that trend is that most of the workers were not trustful in submitting the amount collected in full, but also most of workers were not serious on collecting revenue from those who were suppose to pay fee, thus is why the trend was changing during the whole period.

4.3 Revenue Sources with Outsourcing Experience

4.3.1 Collection trend

The interviews and Council documents revealed that Tabora District Council started to outsource revenue collection function from 2001. Records show that Tabora District Council has experienced outsourcing revenue collection in the following four sources;-

- i. Market dues and stalls
- ii. Property tax

- iii. Bus stand and parking fees and
- iv. Hotel levy

Performance of revenue collection trend of the outsourced revenue is as shown in the Table 4.1.

Table 4.1: Collection Trend for Outsourced Revenue Sources (In Tanzania shillings)

YEAR	PROPERTY TAX	MARKET DUES AND STALLS RENT	HOTEL LEVY	BUS STAND AND PARKING FEES
2001	58,866,551	134,009,270	7,414,682	13,860,000
2002	46,573,040	190,452,400	7,907,510	23,960,000
2003	76,305,886	169,171,050	9,629,590	31,173,000
Jan-June 2004*	34,910,310	77,437,750	5,301,238	13,184,439
2004/2005	45,917,278	160,862,000	10,093,510	30,542,550
2005/2006	98,672,000	176,892,169	7,368,585	33,074,000
2006/2007	110,908,790	166,245,650	16,606,580	38,006,750
2007/2008	84,888,772	395,394,607	36,346,886	90,922,700
2008/2009	139,837,000	354,477,395	47,779,600	125,105,660
2009/2010 up April	108,751,815	279,721,760	30,737,410	131,672,200

Source: Tabora District Council Treasurer financial reports (2001-2010)

Note:

* The financial year was six months (January-June 2004) as a transition to change from calendar financial year and start to be the same with central Government financial year of July to June.

Table 4.1 can be expressed by Figure 4.1 and individual source graphic presentation of the collection trend are presented in Appendix B.

As shown in table 4.1 and figure 4.1 , after outsourcing in 2003, property tax collection increased from 46,573,040/= to 76,305,856/= an increase of 64 percent. When the Council started collecting itself in 2007/2008, the collection dropped from 110,908,790/= in 2006/2007 to 84,888,772/= in 2007/2008, a drop of 23 percent. However, the collection

increased to 139,937,000/= in 2008/2009. The Council's own collection does not take into account the collection cost it incurred. If this was to be considered, then the increase is much more.

Bus stand and parking fees outsourcing started in 2003. The system was the agent to remit to the Council monthly pre agreed amount prior to the month collections. Contract periods were one year and then it was re advertised to get new agents. The first year contract (2003) the agent was to pay the Council three million Tanzania Shillings per month. At the time, the Council was collecting an average of two million shillings per month including collection cost. This meant an increase of one million shillings or 33% if you disregard the Council collection cost, but if you exclude the Council collection costs which is direct cost (not with overheads) and it was estimated to be 500,000/=. Then the increase was 1,500,000/= or 50% above the Council collections.

In 2005/2006 the amount to remit increased to 3,655,000/= and in 2006/2007, it was set at 4,800,000/= per month. In the year 2006/2007 there were problems on the agent not remitting the contract amount resulting into arrears of 13,010,000/=.

The Council terminated the contract and took legal actions against the agent. The case was not resolved up to the time of the research. The Council started collecting itself and started with an average of 6,000,000/= which increased to an average of 8,000,000/= per month without considering collection cost in 2007/2008. If collection costs are excluded, the collection started with an average of 4,500,000/= per month which was slightly less than agents remittance of 4,800,000/= and increased to 6,000,000/= at the end of 2007/2008.

In 2008/2009, the bus stand and parking fees revenue was outsourced again. The contract price was 19,800,300/= per month. The agent paid the full amount of 19,800,300/= in the first month and in the second month he paid 17,027,000/= and requested the Council to reduce the amount to 13,000,000/=. The reasons given by the agent was that the Council bylaw which gave it mandate to collect the revenue and was his base in assessment of the amount have areas which was impossible to collect. The Council agreed to reduce the amount to 13,500,000/= which was paid for the remaining of the contract period. This

amount was an increase of 125 percent from the amount the Council was collecting with the consideration of its collection costs.

When the agents contract ended in March 2010, the Council started collecting itself and in April 2010, it collected 14,818,000/= and if you consider direct collection costs of about 2,200,000/=, the collection is 12,618,000 which is less by 882,000/= to what it was getting from the agent. The Council has advertised for private collection and has selected an agent who has offered to pay 18,040,000/= per month and is expected to start collection on July 2010. This collection will be an increase of 43 percent over what it collected in April with consideration of collection costs.

Table 4.1 and figure 4.1 above show that, bus stand and parking fees increased from 23,960,000/= in 2002 to 31,173,000/= after outsourcing in 2003. An increase of 30 percent without collection costs consideration.

There is drastic increase from 2006/2007 to 2007/2009 of 139 percent, which increased from 38,006,750/= to 125,105,660/=.

Hotel levy was outsourced in 2003. The system like in property tax was the agent to collect with Council receipt books and get 20% of the collection. The collection increased from 7,907,510/= in 2002 to 9,629,590/= in 2003, an increase of 22 percent without considering Council collection costs as shown in table 4.1 .

Hotel levy outsourcing was terminated after one year. The reasons like in property tax was the allegations that the agents collected hotel levy without issuing receipts, harassment procedures to tax payers by the agents and poor performance. In May 2010, the Council attempted to acquire an agent for hotel levy collection but failed to get the right candidate and is to be advertised again.

The major limitation with the historical comparison of the revenue performance when outsourced and not outsourced is on the unavailability of actual information on the Council collection costs.

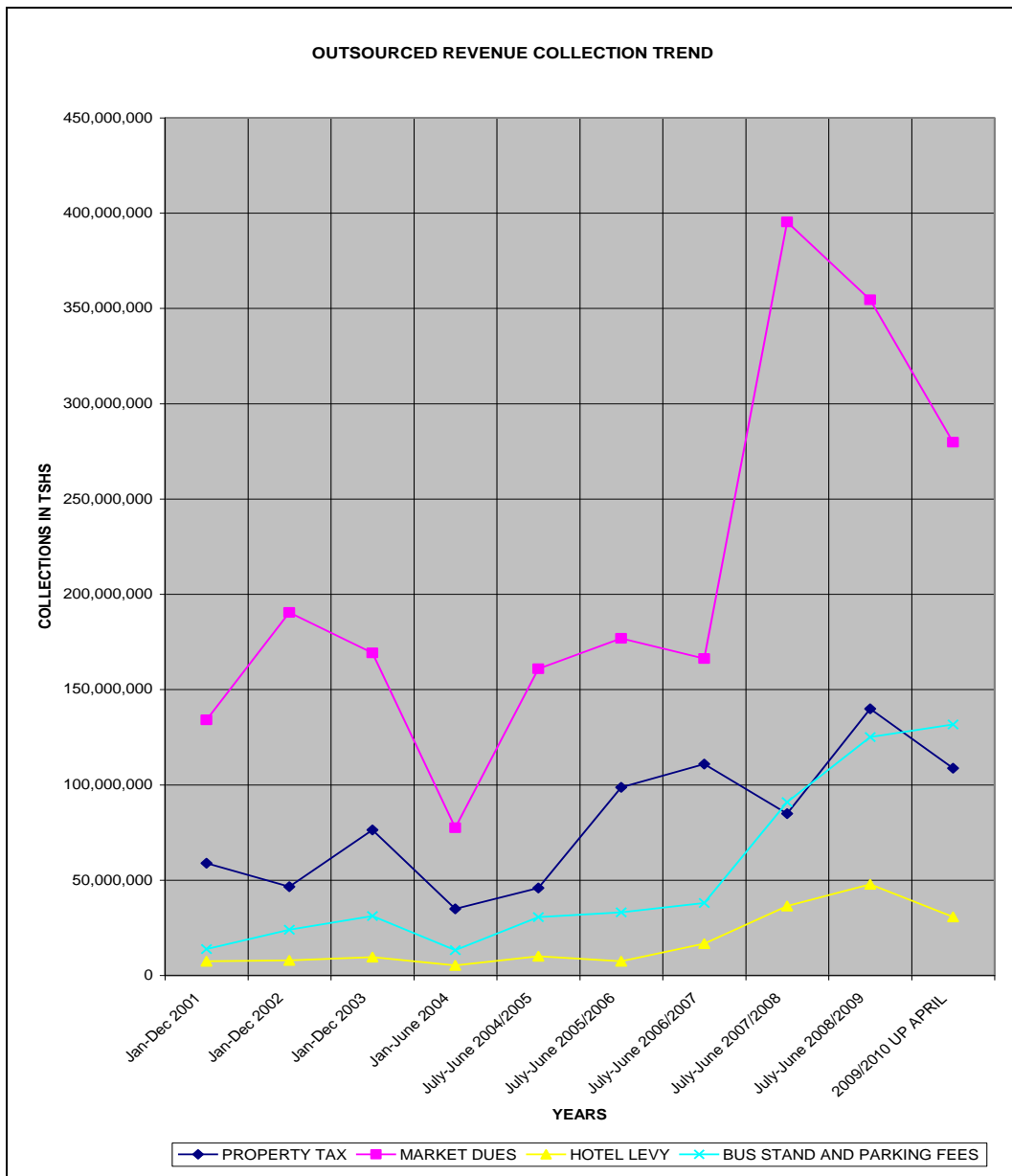
The Council has not instituted a mechanism of tracking actual collection costs it incurs on revenue collections. The collection costs, which are indicated to some of the sources, are calculation estimates by the Council officials and base mainly on direct cost like purchase of receipt books and labour cost for those sources whose collectors are employed specifically to the source and have no other duties. Since the amount remitted by the agents have no or minimal cost to the Council (follow up and administrative), a fair comparison is to deduct the costs from the Council's own collections.

Furthermore the remittance limits, which the Council set while deciding on accepting agents bids do not consider its collection costs.

4.2.2 Revenue Collection trend for outsourcing

Based on the findings of this study, Tabora District Council revenue collection before outsourcing shows that the revenue collection for car parking fees and at bus terminal was not constant for the whole period; it kept changing from month to month. For example, the highest revenue collection was Tsh.125,105,600/= on July 2008 and the lowest revenue collection was Tsh.90,922,700/= on October 2007.

The reason for that trend is that most of the workers were not trustful in submitting the amount collected in full, but also most of workers were not serious on collecting revenue from those who were suppose to pay fee, thus is why the trend was changing during the whole period.



Source: Research findings analysis (2012)

4.2.3 Historical Performance of Outsourced Revenue Sources

The first attempt on outsourcing by Tabora District Council was in year 2001 on market dues and stalls revenue to three of its then nine markets of Loya, Bukumbi and Miswaki markets to three different agents. The system was the agent to remit to the Council monthly pre agreed amount prior to the month collections. The Loya Market Agent was to remit to the Council Tanzania shillings 3,500,000 per month while the Council was then collecting an average of 3,000,000/= without excluding collection costs.

The Loya market agent managed to collect for only three months and surrendered while the other two collected for only one month and the collections were reverted to the Council. The reasons for failing was that they could not collect enough to meet the remittance amount, cover their cost and get profit. Another attempt to outsource market dues and stalls was done in 2005/2006 but the Council failed to get appropriate agents who met the Council conditions especially on the remittance amount. The recent attempt was in May 2010 but the Council again did not accept any bidder for the same reasons.

Property tax collection outsourcing started in 2003 to three agents who were distributed to three zones with 28 wards. The Council itself collected in eight wards in rural and peripheral areas. The system was the agent to collect using Council's receipt books and get 20% of the collection. Contract periods were one year and then it was re advertised to get new agents. Private agent's collection of property tax was terminated in 2007. According to the interviewed Council officials the reasons for termination was that there were allegations that the agents collected property tax without issuing receipts, harassment procedures to tax payers by the agents and poor performance. The other reason was that, the Council had employed Ward Executive Officers.

The Council felt that, using the newly employed Ward Executive Officers it was more capable to collect property tax itself.

In 2008/2009, there was a Government decision to give the task of property tax collection to Tanzania Revenue Authority (TRA) on behalf of the Councils. However, TRA decided to start with Dar-es-Salaam Councils as pilot area before involving to other urban Councils. Because of this, the Tabora District Council has not outsourced property tax collection and continued using WEO's while waiting for TRA takeover.

4.3 Management and Procurement Procedures of Private Agents to Collect Revenue on Behalf of the Council

Interviews with Council officials and reviews of tendering documents (advertisements, bids evaluation reports, awarding and copies of contracts) revealed that, outsourcing of revenue collection in general was based on an open tender process, based on guidelines provided by the Local Government Reform Programme. Later on, procurement of

collecting agents followed the Public Procurement Act No 21 of 2004 and Local Government procurement regulation of 2007.

Steps and criteria on selecting private agents are as follows;-

- i. The Council conducts an assessment to determine the revenue potential and the tender bids are expected to be within the assessment.
- ii. Approval to outsource is sought from Finance and Administration Committee.
- iii. Floating the tender to eligible bidders who are registered and licensed, have experience, and of sound financial positions.
- iv. The bidders are expected to make a thorough investigation of the source potential and are accessed with the required information from the Council.
- v. Selection criteria are to select the highest evaluated bid price falling within the Council estimates.
- vi. There are two systems of remitting revenue to the Council. For those using Council receipts and paid percentage were submitting weekly together with receipts books for verification, this was in property tax and hotel levy. For those agents with fixed sum, submission was monthly and payment done before starting collection of the month, this was in market dues and stalls rent and bus stand and parking fees.
- vii. Initially performance bond or bank guarantee was required where the collection was to use Council receipt and the agent was getting a percentage of the collection. To those agents who have to prepay a fixed amount before collection, performance bond or bank guarantee was not required. Recent advertisement required all agents to provide bank guarantee.

Interviews with the Council official on there views on outsourcing issues showed that most of them agreed to outsource revenue collection. Their main reasons include;-

- i. Outsourcing will give them more time to concentrate on their professional works instead on revenue collection functions.
- ii. Outsourcing reduces chances of political interferences in revenue collection activities for political gains.

- iii. Administration costs on revenue collection is reduced, considering that the Council has to follow Government regulations and rates in providing staff benefits, work hours, employment rules and bureaucracy in making decisions.
- iv. There are increases in amount collected when outsourced compared to when the Council was collecting.
- v. Revenue collections of the outsourced sources are more predictable and the Council gets the revenue in lump sum enabling it to plan efficiently its expenditures.

Problems encountered while outsourcing as mentioned by Council official's include the following First, poor assessment on the revenue potential of the sources by agents, which results in complaints and arguments soon after getting the job. Second, lack of experienced and qualified tax collection agents. Thirdly, problems of most agents Companies being operated as personal business as the result the agents failing to operate smoothly once the owner have problems.

Fourth is political interference to the agents operation. Fifthly, unsatisfactory support from some of the Council officials to agents work and the sixth is some of the agents not being honest and trustful.

4.4 Findings on Outsourcing

Questionnaires answers by respondents from sampled Revenue collectors, Taxpayers and Councillors were entered and analysed using SPSS and the findings are summarized and presented by tables and bar charts.

4.4.1 Respondents Characteristics

Revenue collectors are the Council employees with minimum education qualifications of form four. Out of 37 Revenue collectors, 23 were males (62%) and 14 were females (38%).

Problems encountered while outsourcing as mentioned by Council official's include poor assessment on the revenue potential of the sources by agents, which results in complaints

and arguments soon after getting the job. Lack of experienced and qualified tax collection agents.

Taxpayers were a mixture of businessman, farmers, employees or retired persons who are involved in business in Councils markets and pay market dues and stall rents, who owns properties and pay property tax and those who owns and operate vehicles and have to pay bus stand and parking fees. Out of 82 Taxpayers who indicated their sex, 65 were males (79%) and 17 were females (21%). Six Taxpayers did not indicate their sex.

Out of 12 Councillors respondents, 11 were males (92%) and one female (8%). Councillors are political leaders who represent their people in the Council. Being a Councillor is not an employment and are supposed to be engaged in other economic employment like agriculture, business etc.

Problems of most agents Companies being operated as personal business as the result the agents failing to operate smoothly once the owner have problems.

Political interference to the agents operation, unsatisfactory support from some of the Council officials to agents work and some of the agents not being honest and trustful.

4.4.2 Questionnaire Findings

The findings on the respondents views on the performance of outsourced revenue collections compared to when not outsourced as shown in table 4.2 and figure 4.2 show that 33.3% of the respondents view the performance of outsourced revenue is the same or better than when not outsourced. 37% think to be worse than and 29.6% do not know. 83.3% of the Councillors who have more access to the information on the collection think it is the same or better than when not outsourced. 33.3% of Revenue collectors and 26.4% of the Taxpayers think the same. 38.9% of the Revenue collectors and 39.1% of Tax payers think it is worse than when not outsourced while 27.8% and 34.5% do not know respectively.

The overall view of respondents on the outsourced revenue collection performance seems to be negative and contradicting with the positive results of the empirical quantitative

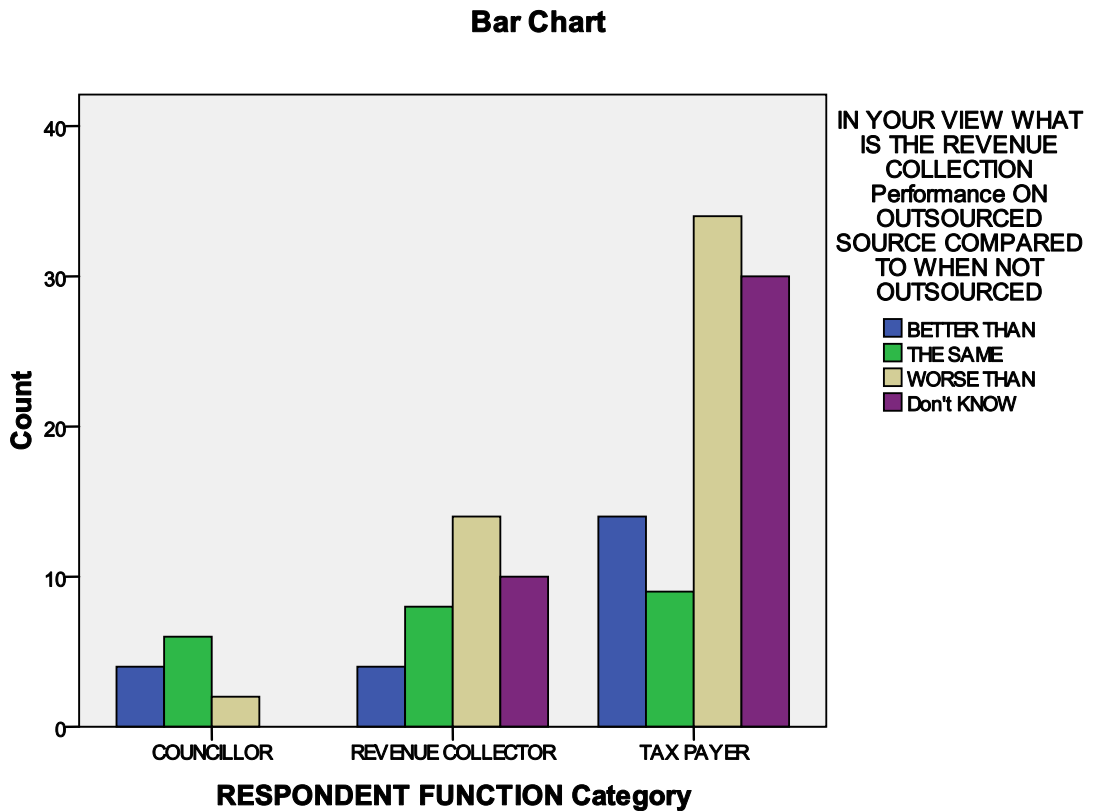
collection performance as shown in table 4.1 and figure 4.1. The main reason for this could be that most of the respondents except for Councillors have no information on the amounts the agents are remitting to the Council.

Table 4.2: Responses to Outsourced Revenue Collection Performance

			Better than when not outsource	The same as when outsourced	Worse than	Don't know	Total
RESPONDENT FUNCTION Category	COUNCILLORS	Count	4	6	2	0	12
		% within RESPONDENT FUNCTION Category	33.3%	50.0%	16.7%	.0%	100.0%
	REVENUE COLLECTOR	Count	4	8	14	10	36
		% within RESPONDENT FUNCTION Category	11.1%	22.2%	38.9%	27.8%	100.0%
	TAX PAYER	Count	14	9	34	30	87
		% within RESPONDENT FUNCTION Category	16.1%	10.3%	39.1%	34.5%	100.0%
Total	Count	22	23	50	40	135	
	% within RESPONDENT FUNCTION Category	16.3%	17.0%	37.0%	29.6%	100.0%	

Source: Research findings,(2012)

Fig. 4.2: Graphical Representation of Respondents on Revenue Collection Performance



Source: Researcher's Findings (2012)

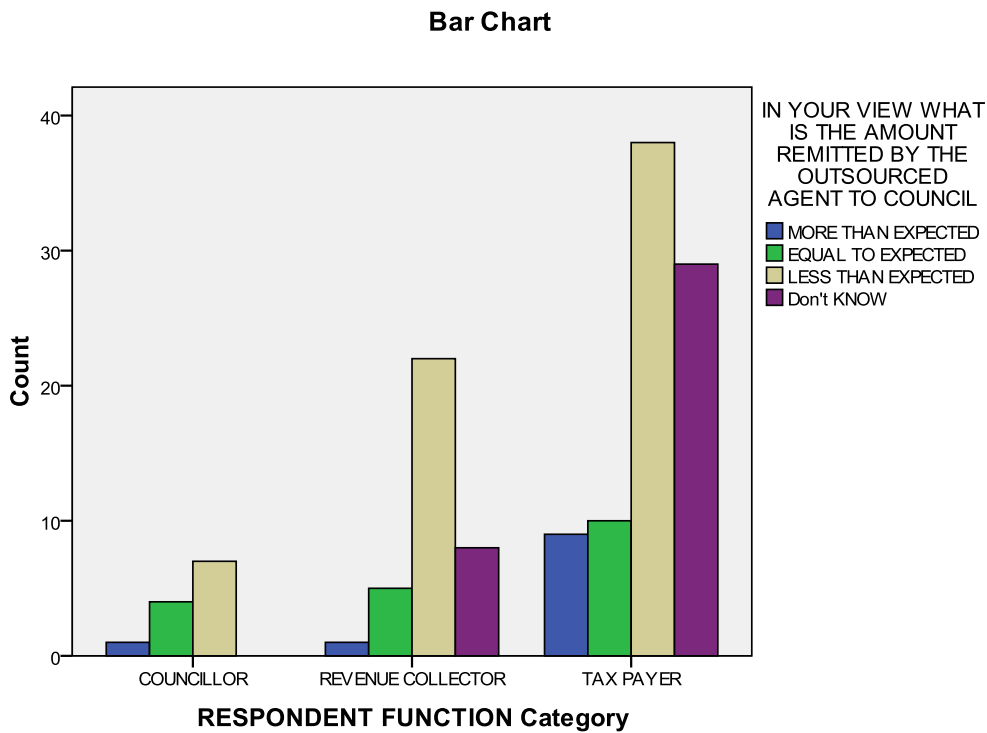
Findings on the respondent's views on the amounts remitted by the agents to the Council shows that, 50% of the respondents think it is less than expected. The percentage is more to Revenue collectors, which is 61.1%, followed by Councillors 58.3% and Taxpayers 44.2%. Those who think it is equal to or more than expected is 22.4% being 41.6% of Councillors, 16.7% of Revenue collectors and 22.4 of Taxpayers as indicated in the following table 4.3 and figure 4.3.

Table 4.3: Responses to Amount Remitted by the Outsourced Agent to Council

			More Than Expected	Equal To Expected	Less Than Expected	Don't Know	Total
RESPONDENT FUNCTION Category	COUNCILLORS	Count	1	4	7	0	12
		% within RESPONDENT FUNCTION Category	8.3%	33.3%	58.3%	.0%	100%
	REVENUE COLLECTOR	Count	1	5	22	8	36
		% within RESPONDENT FUNCTION Category	2.8%	13.9%	61.1%	22.2%	100%
	TAX PAYER	Count	9	10	38	29	86
		% within RESPONDENT FUNCTION Category	10.5%	11.6%	44.2%	33.7%	100%
Total	Count	11	19	67	37	134	
	% within RESPONDENT FUNCTION Category	8.2%	14.2%	50.0%	27.6%	100%	

Source: Research findings (2012)

Figure. 4.3: Graphical Representation of Respondents on Amount Remitted by the Outsourced Agent



Source: Researchers Findings (2012)

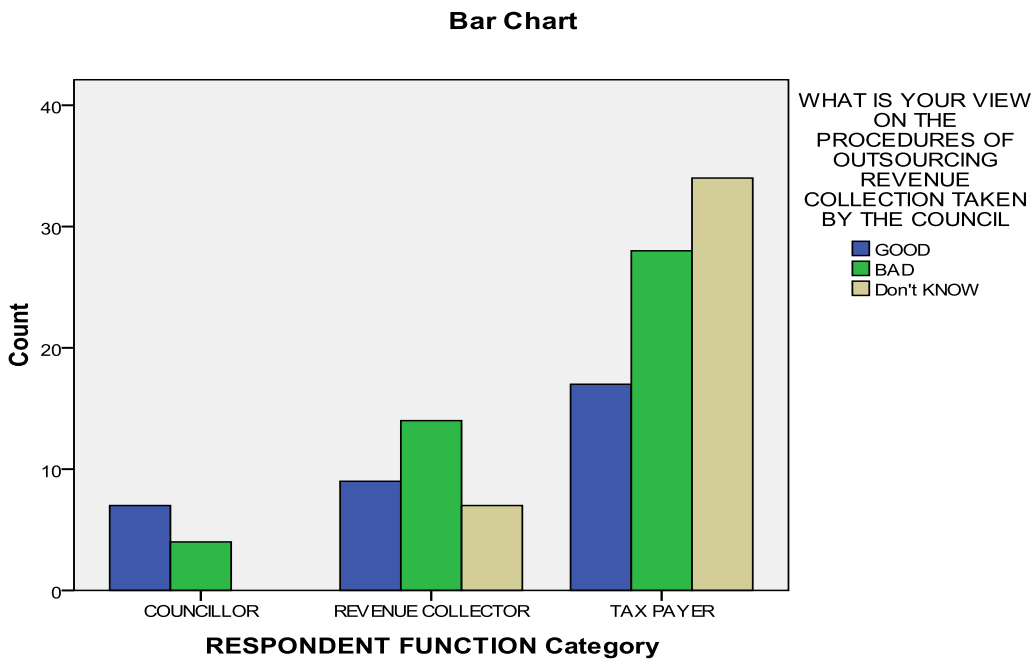
Findings on the respondents views on the procedures used in acquiring collecting agents as indicted in table 4.4 and figure 4.4 below shows that, 27.5% of the respondents think the procedures used by the Council on outsourcing are good (63.4% of Councillors, 30% of Revenue collectors and 21.5% of Taxpayers). 38.3% think are bad (36.4% of Councillors, 46.7% of Revenue collectors and 35.4% of Taxpayers). 34.2% of the respondents said they do not know.

Table 4.4: Responses to the Procedures of Outsourcing Revenue Collection

			GOOD	BAD	Don't KNOW	TOTAL
RESPONDENT FUNCTION Category	COUNCILLORS	Count	7	4	0	11
		% within RESPONDENT FUNCTION Category	63.6%	36.4%	.0%	100.0%
	REVENUE COLLECTOR	Count	9	14	7	30
		% within RESPONDENT FUNCTION Category	30.0%	46.7%	23.3%	100.0%
	TAX PAYER	Count	17	28	34	79
		% within RESPONDENT FUNCTION Category	21.5%	35.4%	43.0%	100.0%
Total	Count	33	46	41	120	
	% within RESPONDENT FUNCTION Category	27.5%	38.3%	34.2%	100.0%	

Source: Research findings (2012)

Figure. 4.4: Graphical Representation of Respondents on the Procedures of



Source: Researchers Findings (2012)

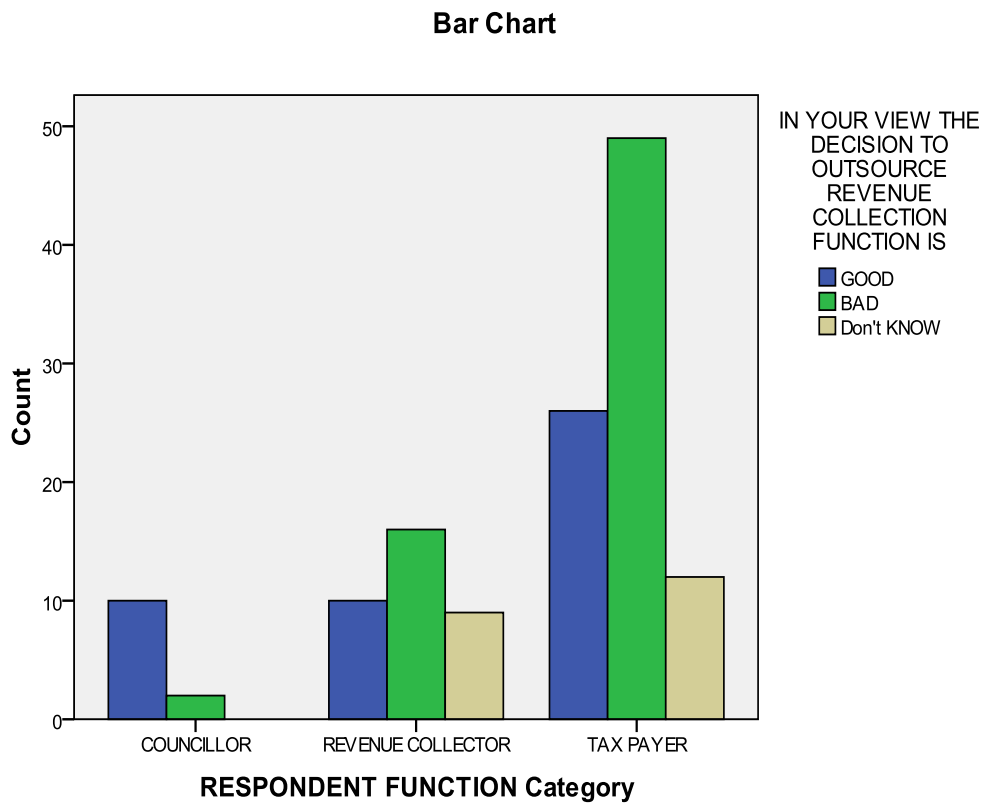
On the decision to outsource revenue collection, 34.3% of the respondents said it was good decision being 83.3% of the Councillors, 28.6% of Revenue collectors and 29.9% of Taxpayers. 50% of the respondents think it is bad decision being 16.7% of the Councillors, 45.7% of Revenue collectors and 56.3% of Taxpayers. 15.7% of respondents said they do not know as shown on the following table 4.5 and figure 4.5.

Table 4.5: Responses to the Decision to Outsource Revenue Collection Function

			GOOD	BAD	Don't KNOW	TOTAL
RESPONDENT FUNCTION Category	COUNCILLORS	Count	10	2	0	12
		% within RESPONDENT FUNCTION Category	83.3%	16.7%	.0%	100.0%
	REVENUE COLLECTOR	Count	10	16	9	35
		% within RESPONDENT FUNCTION Category	28.6%	45.7%	25.7%	100.0%
	TAX PAYER	Count	26	49	12	87
		% within RESPONDENT FUNCTION Category	29.9%	56.3%	13.8%	100.0%
Total	Count	46	67	21	134	
	% within RESPONDENT FUNCTION Category	34.3%	50.0%	15.7%	100.0%	

Source: Research findings (2012)

Figure 4.5 Graphical Representation of Views on the Decision to Outsource Revenue Collection Function



Source; Researcher’s and Findings (2012)

Findings on the respondents views on outsourcing revenue collections in general shows negative response as shown in tables 4.2 to 4.5 and figures 4.2 to 4.5, unlike the positive results of the quantitative collection performance trend of outsourced revenues as shown in table 4.1 and figure 4.1. The reasons for this contradiction include the following. First, as mentioned earlier, most of the respondents except for Councillors do not get information on the amounts the agents are remitting to the Council.

Secondly, there is a general fear by some of the respondents especially Revenue collectors that outsourcing will result in their termination or loss of some of the benefits their getting. Thirdly, the aggressive nature of collecting agents, which is more than Council's staffs makes the Taxpayers prefer Council collection than outsourcing and fourthly, outsourcing

provide less opportunity for political interference and naturally not preferred by politicians like Councillors.

The general comments and suggestions given by the respondents on the outsourcing issues include;-

- i. The Council should make sure they have accurate and update information on the source it intends to outsource. This will ensure it get the right remittances.
- ii. The Council should have a close monitoring of the performance of the collecting agents and take immediate actions to those not performing.
- iii. There must be increased transparency on the revenue collection to both outsourced and not outsourced sources.
- iv. The Council must have education and sensitization programs to educate and raise Taxpayers awareness in tax collection matters.
- v. Outsourcing should only be to those sources that are difficult to collect.
- vi. Collecting agent's employees should be trained on the proper collection procedures.
- vii. Legal actions must be taken to those who default tax payments and those who embezzles Council revenues.
- viii. The Council must meet development aspirations of its Taxpayers for them to pay willingly.

4.5 Incidence of Failure of Payment by Business Actors

This research found that, the normal charging rate to all business actors is Tsh. 500/= daily. Business actors who fail to pay parking fees are required to pay a penalty of Tsh.50, 000/=. However, business actors claim that, the penalty is too high from the normal rate of Tsh. 500/=, which is almost a hundred times of the charging rate. In supporting this one respondent said;

“One day I failed to pay Tsh. 500/= as a parking fee, those private collectors with the help of Council auxiliary police (mgambo) took me to police station and I ended up paying the penalty of Tsh 50,000/=. It pains me till today”

4.5.1 Revenue Collection Process

The study found out that, most of business actors are paying parking fees to the private collectors. The outsourced revenue collectors use their own employees who are all over the

council. However there is a perception that there are few business actors who do not pay the fee. For example, one private revenue collector reported that;

“Few business actors do not pay parking fees because they do not know the use of it, there is no good parking area and sign. Probably after giving them education they pay.”

4.5.2 Challenges to Tabora District Council

The use of outsourced sector for revenue collection brings some challenges to Tabora District Council. These challenges have their basis on the delays in submission by the private collectors, the contract, political interests, and the approach used by collectors in revenue collection.

4.5.3 Delays in Submission:

The study found out that, the private revenue collectors are not observing the time agreed in their contract. For example, the Council Officer of Revenue said:

“The payments are to be submitted prior to the coming month between 25th and 30th or 31th of each month but bad enough the funds are submitted on 15th of the next month or after. This results into discharge of contract and delaying of accomplishment of various activities because the funds are not there.”

4.5.4 Compliance of the contract

The private revenue collectors are not faithfully in the sense that, they are required to submit the revenue collected exactly as stipulated in the contract. However, the trend has been that they collect the money first and then they start thinking of paying. In addition, some they do not pay the exact amount as required. Instead, they always pay less and keep complaining that, collections are not good as expected. In fact, the Council officer said the following with serious concern;

“The private collectors increase Council revenue, but they submit at late time and sometimes less amount than agreed in the contract”

4.5.5 Political Interest

Most of politicians believe that, those private collectors are there for personal interest even though politicians know that the revenue collected by private collectors is higher than

revenue collected by Council, and the revenue will be used for covering Council expenditure. Council Officer of Revenue on this said;

“On Council meetings politicians claim that private revenue collectors are there for personal interest and private collectors do not submit the whole amount to the Council”

With this thinking and negative airing, the Council is compelled to re -think on whether it should continue using private collectors or decide to go back to the original system. However, the Council acknowledges higher level of revenue collections by private collectors despite their few problems.

4.5.6 Challenges to private collectors

During the process of revenue collection private collectors encounter different challenges, the most notable are

- (i) Most of the business actors sometimes pay the parking fee when they are ready to leave the place. If the collector is not there, the driver leaves without paying.
- (ii) Some of stakeholders refuse to pay the fee simply because there is no parking signs in most of the parking areas.
- (iii) During rainy season business actors do not want to open their car windows. This is used as an excuse for not paying the fees.
- (iv) Some of stakeholders refuse to pay on the ground that they do not know what the money is used for. They keep shouting at fee collectors and then leave without paying their dues.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the data and findings of the research. The chapter begins by giving the revenue sources with outsourcing experience, followed by a historical performance of outsourced Revenue Sources, Management and Procurement Procedures of Private Agents to Collect Revenue on Behalf of the Council and Questionnaire Finding on Outsourcing.

This chapter presents the summary of findings, conclusions and recommendations emanating from the major findings of the study. Finally, the chapter winds up by providing new areas for future research.

5.2 Summary of Findings

5.2.1 Respondents Characteristics

Revenue collectors are the Council employees with minimum education qualifications of form four. Out of 37 Revenue collectors, 23 were males (62%) and 14 were females (38%) shown in Table 4.2.

Taxpayers were a mixture of businessman, farmers, employees or retired persons who are involved in business in Councils markets and pay market dues and stall rents, who owns properties and pay property tax and those who owns and operate vehicles and have to pay bus stand and parking fees. Out of 82 Taxpayers who indicated their sex, 65 were males (79%) and 17 were females (21%). Six Taxpayers did not indicate their sex shown in Table 4.2.

Out of 12 Councillors respondents, 11 were males (92%) and one female (8%). Councillors are political leaders who represent their people in the Council. Being a Councillor is not an employment and are supposed to be engaged in other economic employment like agriculture, business etc.

5.2.2 Questionnaire Findings

The findings on the respondents views on the performance of outsourced revenue collections compared to when not outsourced as shown in table 4.2 and figure 4.2 below shows that 33.3% of the respondents view the performance of outsourced revenue is the same or better than when not outsourced. 37% think to be worse than and 29.6% do not know. 83.3% of the Councillors who have more access to the information on the collection think it is the same or better than when not outsourced. 33.3% of Revenue collectors and 26.4% of the Taxpayers think the same. 38.9% of the Revenue collectors and 39.1% of Tax payers think it is worse than when not outsourced while 27.8% and 34.5% do not know respectively.

5.2.3 Respondents on Amount Remitted by the Outsourced Agent

Findings on the respondents views on the procedures used in acquiring collecting agents as indicted in table 4.4 and figure 4.4 below shows that, 27.5% of the respondents think the procedures used by the Council on outsourcing are good (63.4% of Councillors, 30% of Revenue collectors and 21.5% of Taxpayers). 38.3% think are bad (36.4% of Councillors, 46.7% of Revenue collectors and 35.4% of Taxpayers). 34.2% of the respondents said they do not know.

5.2.4 The Decision to Outsource Revenue Collection Function

Findings on the respondents views on outsourcing revenue collections in general shows negative response as shown in tables 4.2 to 4.5 and figures 4.2 to 4.5, unlike the positive results of the quantitative collection performance trend of outsourced revenues as shown in table 4.1 and figure 4.1. The reasons for this contradiction include the following.

First, as mentioned earlier, most of the respondents except for Councillors do not get information on the amounts the agents are remitting to the Council.

5.2.5 The Procedures of Outsourcing Revenue Collection

On the decision to outsource revenue collection, 34.3% of the respondents said it was good decision being 83.3% of the Councillors, 28.6% of Revenue collectors and 29.9% of Taxpayers. 50% of the respondents think it is bad decision being 16.7% of the Councillors,

45.7% of Revenue collectors and 56.3% of Taxpayers. 15.7% of respondents said they do not know as shown in 4.5 and figure 4.5.

5.2.6 The Decision to Outsource Revenue Collection Function

Findings on the respondents views on outsourcing revenue collections in general shows negative response as shown in tables 4.2 to 4.5 and figures 4.2 to 4.5, unlike the positive results of the quantitative collection performance trend of outsourced revenues as shown in table 4.1 and figure 4.1. The reasons for this contradiction include the following. First, as mentioned earlier, most of the respondents except for Councillors do not get information on the amounts the agents are remitting to the Council.

5.3 Conclusions

The presentation addresses four items of importance for an efficient management of governmental activities outsourced to private agents. and the collectors' performance as well as enforcing sanctions when conditions in the contracts are violate.

Planning before outsourcing

Proper planning for making decisions on outsourcing of revenue collection implies good preparation of the decision on outsourcing. This is done by conducting feasibility studies covering the Council's assessment of the value of outsourcing and of their capacity to manage the outsourced activities.

Procurement of Revenue Collection Agents

Once there is a decision on outsourcing of revenue collection, proper implementation of the procurement procedures is of great importance. Council's procedures for procuring revenue collectors need to be open and competitive in order to acquire the best bidders in the market. Equally important, is evaluation criteria – established by the Council for assessment of the submitted bids – clearly and openly are presented in the tendering document.

Management of outsourced revenue collection contracts

The contract is an important illustration of what is agreed on between the Council and the contractors in order to safeguard the Council's estimates. The contracts are also an important tool for monitoring and inspecting revenue collection agents' performance and for use of sanctions in case of violation of the contract conditions.

Monitoring and follow up of contracts and collectors' performance

Councils need an established system for monitoring and evaluation of the revenue collectors' performance to ensure that the Council's interests are safeguarded. This implies checking of the revenue collectors' reporting to the Councils. It also implies monitoring and evaluation of the contracts

5.4 Recommendations

While revenue collection outsourcing is one of the ways of improving revenue collection performance, there is a need to take necessary actions to ensure success. Some of the recommendation suggested are:-

- i. The Council should conduct a thorough analysis of its revenue sources potential. This requires having adequate database of the sources, investigation of the proper collection procedures and anticipated problems in there collections. This exercise could be better conducted by hiring professional consultants who are unlikely to be prejudiced by the Council's current performance and political interferences.
- ii. The council should institute a proper mechanism of ascertaining the collection costs of its revenues. This is essential to establish the true benefits of the sources, provide actual assessment of the Council's revenue collection performance and for the Council to make a fair thresholds to the amounts it set for agent's remittance.
- iii. The Council and the Central Government must understand that private revenue collection business is a new business opportunity. There are very few private revenue collection firms with the required expertise and experience to conduct the business. Just like what it does to support and promote construction contractors, like education on how to make assessment and prepare bid documents,

management of contracts and the management of their firms. This should also be done to private revenue collection firms to increase the competitive nature in revenue collection outsourcing. Likewise, Council staff should also be trained on procurement of private collecting agents and management of outsourced revenue collection contracts.

- iv. The Council must get proper insurance like performance bonds and advance payment bonds to safeguard them from unscrupulous private agents.

- v. It is the Council's obligation to provide the conducive environment for private revenue collections. This includes tax payers education and sensitization campaigns, enacting and enforcing the required bylaws, increasing transparency in revenue collection and most important is to provide the required services which are recognized and appreciated by the taxpayers.

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APPENDICES

**APPENDIX A: QUESTIONNAIRE ON THE EFFECTS OF SERVICES OF
OUTSOUCED AGENTS ON REVENUE COLLECTION IN LOCAL GOVERNMENT
AUTHORITIES.**

I am a Master Degree student of the Mzumbe University conducting a academic research titled “On the effects of services of outsourced agents on Revenue Collection in Local Government Authorities. A case of Tabora District Council. The purpose of this research is to assess the performance of private revenue collectors in the local authorities using Tabora District Council as a case study.

Your responses will be treated with high confidentiality and you are not required to write your name.

Below is a sample questionnaire on the effects of service outsourced agents in revenue collection to private agents on improvement of revenue collection performance in Tabora Disrict Council

1. PERSONAL PARTICULARS

Respondent Function.....

Sex (Male/Female).....

2. Have you experienced paying/collecting/having information of outsourced revenue sources (yes/No).....If yes which sources you have been involved with (mention them)

a)

b)

c)

3. In your view what is the revenue collection performance on outsourced source compared to when not outsourced (tick your choice)

- a) Better than
- b) The same
- c) Worse than
- d) I don't know

Please comment on problems and challenges facing outsourcing and ways to improve outsourced performance of outsourced revenue

.....

4. In your view, what is the amount remitted by the outsourced agent to council?

- a) More than expected
- b) Equal to expected
- c) Less than expected
- d) I don't know

Please suggest action to be taken for the Council to get the correct remittance

.....

.....

5. What is your view on the procedures of outsourcing revenue collection taken by the council

- a) Good
- b) Bad
- c) I don't know

Please give suggested on what procedure to be followed to get collecting agents

.....

.....

6. In your view the decision to outsource revenue collection function is

- a) Good
- b) Bad
- c) I don't know

7. If the Council is to outsource, which sources are ideal to be outsourced?

- a)
- b)
- c)etc

Which sources should not be outsourced?

- a)
- b)
- c)etc.

8. Please, make any comments you have on outsourcing revenue collection to private agents

THANK YOU FOR YOUR COOPERATION

**APPENDIX B: GRAPHIC PRESENTATION OF OUTSOURCED REVENUE
COLLECTION TREND**

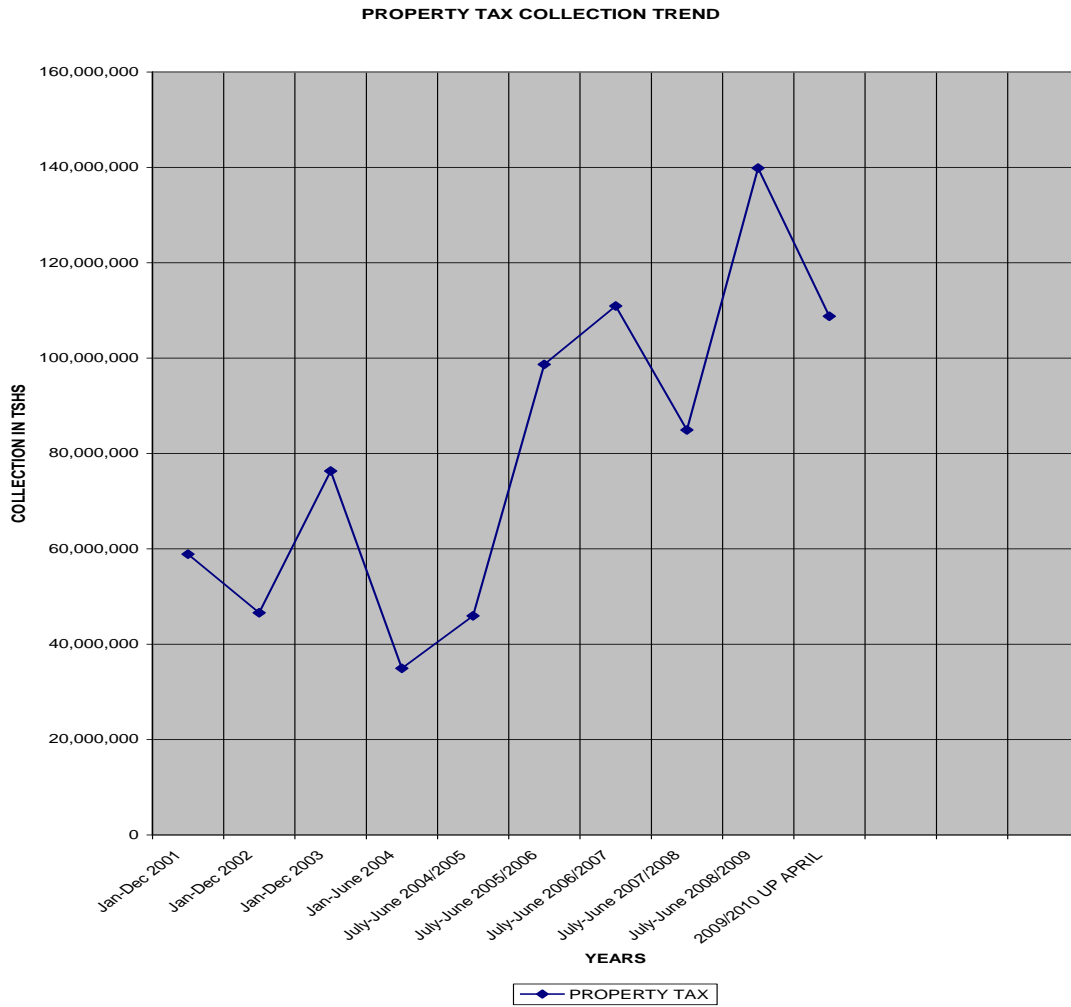


Fig B.1 Collection Trend Graph Based on Property Tax

MARKET DUES AND STALLS RENT COLLECTION TREND

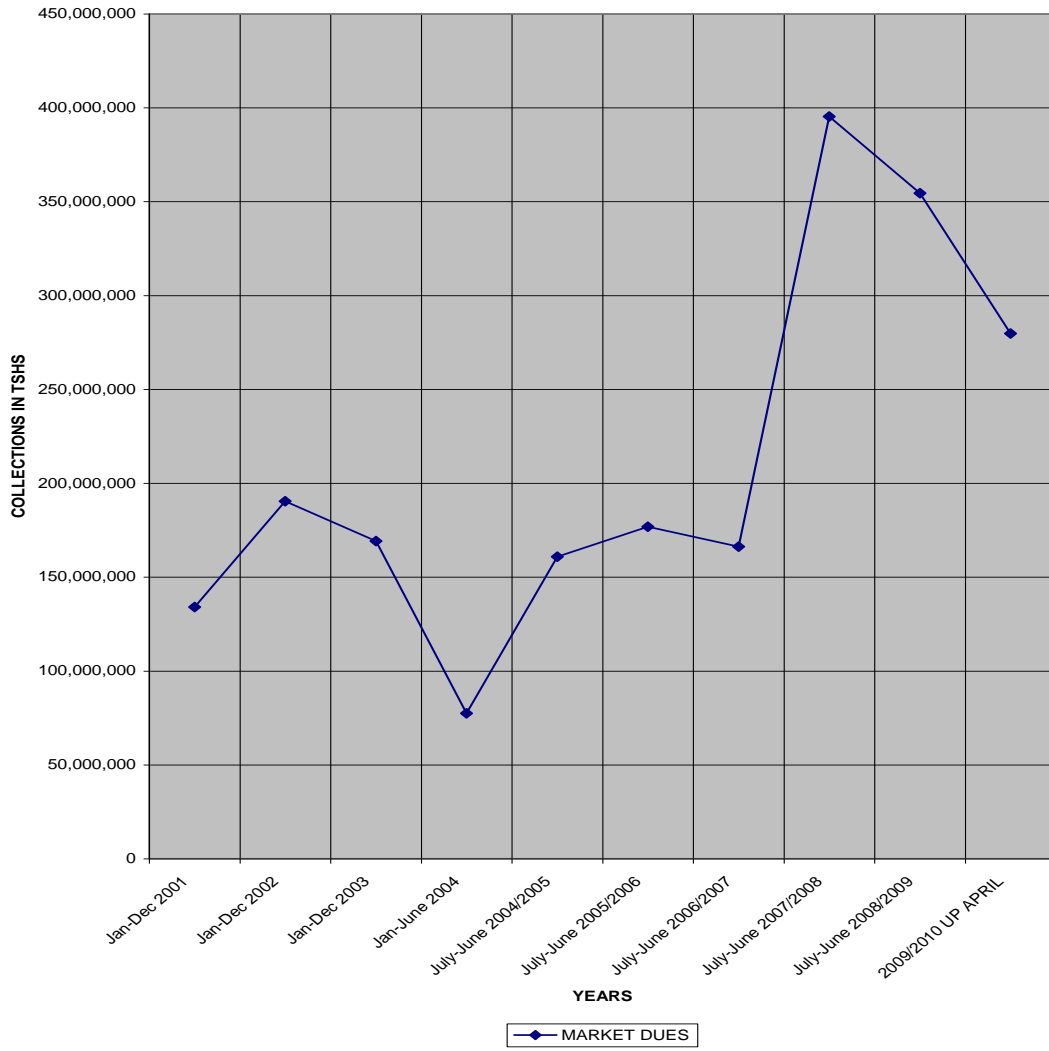


Fig B.2 Collection Trend Graph Based on Market Dues and Stalls rent

HOTEL LEVY REVENUE COLLECTION TREND

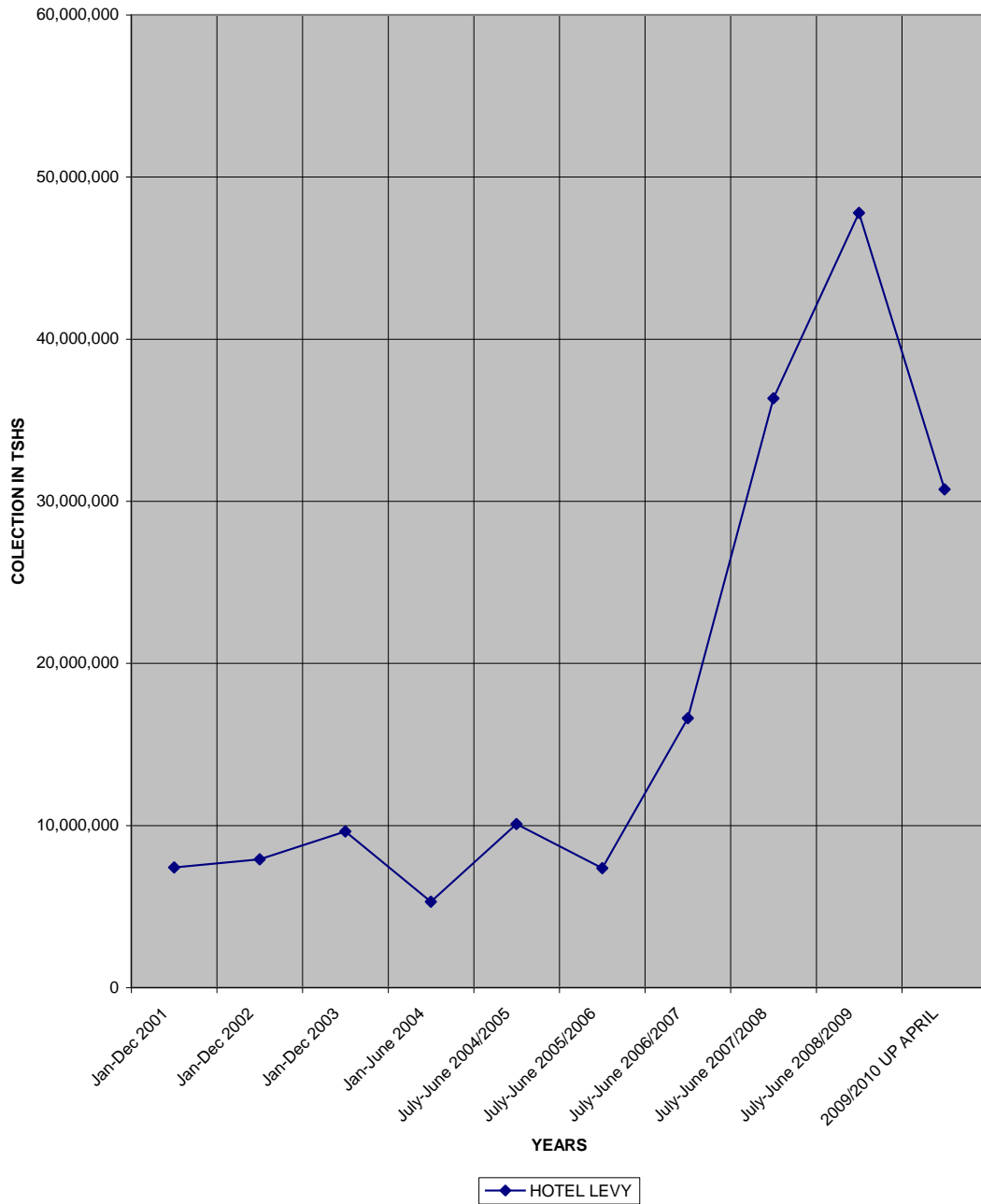


Fig B.3 Collection Trend Graph Based on Hotel Levy

BUS STAND AND PARKING FEES COLLECTION TREND

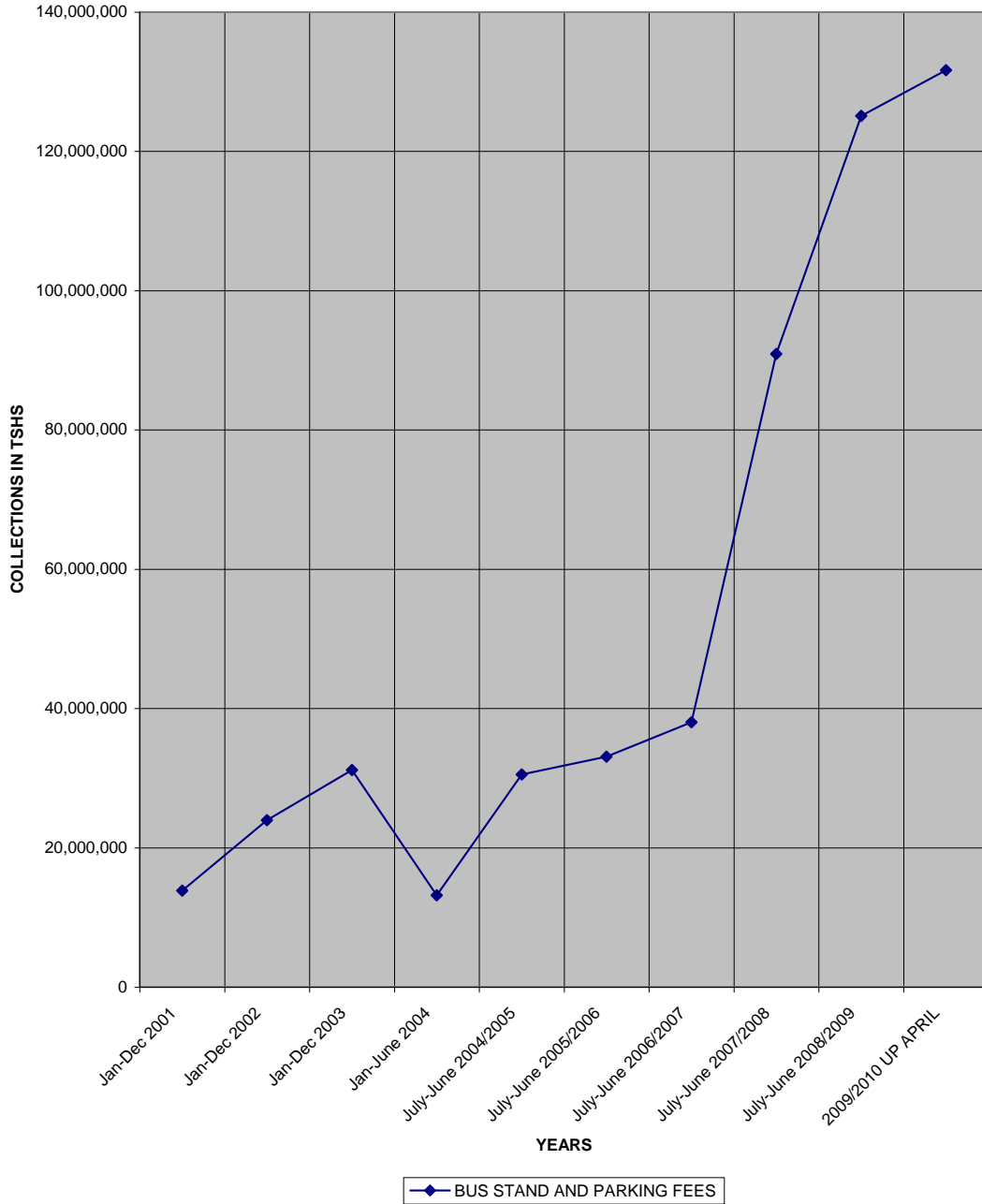


Fig B.4 Collection Trend Graph Based on Bus Stand and Parking Fees