

**ASSESSMENT OF THE STATUS OF INCOME GENERATING
ACTIVITIES IN SELECTED PUBLIC TVET COLLEGES
IN ADDIS ABABA**

**BY
NEWAY ADANE**

**A THESIS SUBMITTED TO THE DEPARTMENT OF BUSINESS
EDUCATION IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF ARTS IN MANAGEMENT OF VOCATIONAL
EDUCATION**



**JULY 2008
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SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS EDUCATION

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Table of Contents

Content	Page
Acknowledgment-----	i
Table of contents-----	ii
List of tables-----	v
Acronyms-----	vi
Abstract-----	vii
 CHAPTER ONE	
1.1. Background of the Study-----	1
1.2. Statement of the problem-----	3
1.2.1. Objectives of the Study-----	4
1.2.2. Basic questions-----	5
1.3. Significance of the Study-----	5
1.4. Delimitation of the Study-----	6
1.5. Limitation of the Study -----	6
1.6. Research Design and Methodologies-----	7
1.6.1. Method of the Study-----	7
1.6.2. Source of Data-----	7
1.6.3. Sample size and sampling technique-----	7
1.6.4. Instrument of Data Collection-----	8
1.6.5. Procedure of Data Collection-----	9
1.6.6. Method of Data Analysis-----	9
1.7. Organization of the Study-----	10
1.8. Definition of Key Terms-----	11
 CHAPTER TWO	
Review of Related Literature-----	13
2.1. A Brief History of TVET Development-----	13
2.2. The Ethiopian TVET System-----	16
2.2.1. The Overview of Historical Context-----	16
2.2.2. The Present TVET System-----	17
2.3. Facilities for TVET-----	20
2.4. Financing TVET-----	22
2.4.1. Important Concepts and Facts-----	22
2.4.2. Mechanisms of Financing TVET-----	24

2.4.2.1. Government /Public Financing of TVET-----	24
2.4.2.2. Private Financing of TVET-----	27
2.4.3. The Ethiopian Approach to Financing TVET-----	30
2.5. Diversification of Mechanisms of Financing	
TVET through IGAs in TVET Institutions-----	32
2.5.1. Sources of IGAs in TVET institutions-----	33
2.5.1.1. Training with Production-----	33
2.5.1.2. Training Services-----	34
2.5.1.3. Non-training services-----	35
2.5.1.4. Commercial Units-----	35
2.5.2. Cost Recovery through IGAs in TVET institutions-----	36
2.6. Encouraging IGAs in Public TVET Institutions-----	37
2.6.1. Incentives to encourage IGAs-----	37
2.6.1.1. Granting institutional Autonomy-----	38
2.6.1.2. Appropriate financial regulations-----	38
2.6.3. Capacity building programs-----	39
2.6.4. Reduced budgetary allocations-----	40
2.7. Utilization of generated income-----	40
2.8. Problems related to IGAs-----	41
2.9. International experiences-----	43
2.9.1. Botswana: Training with production-----	43
2.9.2. Malawi: Increasing training activities and income-----	44
2.9.3. Sri Lanka: Improving capacity utilization and income-----	45
2.10. Lesson learned from country examples-----	46

CHAPTER THREE

Presentation Analysis and Interpretation of Data-----	47
3.1. General Information about Respondent-----	48
3.2. Sources of IGAs-----	49
3.2.1. Existence and extent of IGAs-----	50
3.2.2. Main Sources of IGAs-----	51
3.2.3. The Extent of Income Generated from Different Sources-----	52
3.3. Incentives to Encourage IGAs-----	60
3.3.1. Existence of Incentives-----	61
3.3.2. Appropriateness of Incentives-----	62

3.4. Utilization of Income generated	
In Public TVET Colleges-----	64
3.5. Problems Related to IGAs-----	67

CHAPTER FOUR

Summary, Conclusions and Recommendations -----	71
4.1. Summary-----	71
4.2. Conclusions-----	75
4.3. Recommendations-----	76

References

Appendices

List of Tables

Tables	Page
Table 1: Personal characteristics of respondents-----	48
Table 2: Existence and extent of income generating activities-----	50
Table 3: Main sources of IGAs-----	51
Table 4: Training with production-----	53
Table 5: Training services-----	55
Table 6: Non-training services-----	57
Table 7: Production and service units-----	59
Table 8: Existence of incentives-----	61
Table 9: Appropriateness of incentives-----	63
Table 10: The right to utilize generated income-----	65
Table 11: The use of income retained in public TVET colleges-----	66
Table 12: Problems related to IGAs-----	68

Acronyms

ECBP	Engineering Capacity Building Program
EOS	Ethiopian Occupational Standard
ESDP	Educational Sector Development Program
ETP	Educational and Training Policy
FDRE	Federal Democratic Republic of Ethiopia
FNG	Federal Negarit Gazeta
GNP	Gross National Product
GTZ	German Technical Cooperation
IGAs	Income Generating Activities
ILO	International Labor Organization
MOE	Ministry Of Education
NGOs	Non Governmental Organizations
OJT	On the Job Training
SDCs	Skill Development Centers
TEVET	Technical Entrepreneurial and Vocational Education and Training
TGE	Transitional Government of Ethiopia
TVET	Technical and Vocational Education and Training
UNESCO	United Nations Educational Scientific and Cultural Organization

Abstract

The main purpose of the study was to assess the current status of income generating activities in selected public TVET colleges in Addis Ababa and identify the major constraints confronted related to income generating activities and thereby to provide certain possible recommendations to the concerned body.

The area of investigation were: main sources of income generating activities, incentives provided to encourage income generating activities, utilization of generated income, and major problems encountered related to income generating activities in public TVET colleges.

To this effect, descriptive survey method was employed. Three public TVET colleges were selected as a sample from the total of five. Data were collected from 106 trainers, and 33 managing staff through questionnaire and interview. Relevant documents were also studied and analyzed to gather additional data for the study. Purposive sampling and simple random sampling techniques were used to select the sample colleges and respondents. The data gathered were analyzed using descriptive statistical methods, such as percentage, mode and rank order.

The finding of the study revealed that, public TVET colleges are regularly generating income from evening courses while other sources are not fully utilized; there are no incentives provided to encourage income generating efforts of public TVET colleges; and lack of institutional autonomy to utilize generated income. Moreover, inappropriate financial regulations, lack of awareness in market oriented approach, poor marketing strategies, lack of transparency, and unfair distribution of income among beneficiaries were the major problems facing public TVET colleges related to income generating activities.

Based on the findings, some possible recommendations were forwarded. Public TVET colleges need to strengthen their effort towards IGAs by investigating other potential sources of income. In this regard, the regional state has to encourage the colleges by providing incentives, such as granting institutional autonomy with relevant and appropriate financial regulations, and capacity building programs for managers related to IGAs. Moreover, the TVET colleges by themselves need to form a committee to supervise and monitor all aspects of IGAs.

CHAPTER ONE

1.1. Background of the Study

All countries are indulged in the provision of education to their citizens and devote some share of GNP to this end annually. The amount of funds assigned to this purpose depends on several factors such as the percentage of the total population attending schooling, the free education doctrine, and the relative advantages connected to education. Thus the public expenditure on education should be analyzed in terms of GNP and the total budget of the government (World Bank, 1986 and 1987).

The rationale behind financing education is manifold. They are mainly associated with socio-economic, culture, and political conditions of nations. Most nations of the world are financing education, because they consider education as a corner stone for successful socio-economic development.

Accordingly, it is believed that, there are strong links between successful educational programs and country's economic growth, hence, for the sustainable economic growth, the development of skill and knowledge that are fundamental determinant for persons or nations should be facilitated. These multi-purposes make education a key area of public policy in all countries (TGE, 1994).

If education helps to grow the economic situation of a country, it has to be improved. Standardized and good quality educational materials should be provided to facilitate educational programs. However, getting qualitative educational materials is difficult especially for developing countries.

Financing education is not easy particularly when we come to vocational education due to the utilization of expensive training materials and equipment. In most developing countries, for example Botswana, vocational education is financed by the public. The main sources of public funding for Technical and Vocational Education and Training (TVET) are general tax revenues, public borrowing and fees collected from trainees / students.

However, due to the costly nature of TVET, in many developing countries, income-generating activities have always been practiced to diversify sources of financing TVET programs (ILO, 1996).

Since, Ethiopia is one of the developing nations of the world; it is also exercising income generating activities to earn additional income for financing of TVET programs. The FDRE government, on its proclamation for Technical and Vocational Education and Training granted financial autonomy for training institutions. The proclamation under part seven article – 48, sub article – 2, stated that “Every public training institution shall have internal financial autonomy”. The provisions of this part shall apply to training institutions operated under the organs of the federal government. Besides these, all the public training institutions shall have power to generate and to utilize income (FNG, 2004)

The range of income generating activities (IGAs) is wide and depends on several factors, such as the economic potential of the environment of the training institution, the degree of flexibility the institution is granted, creativity of institutional management and so on. Typical income generating activities include (MOE, 2006a):

- Delivery of special /tailor made training programmes for various target groups;
- Evening courses offered to the general public;
- Sale of products produced by students during the training, such as garments, wooden and metal furniture, tools etc.;
- “Training with production”, i.e. practical training as contract work;
- Letting and lending out of buildings, equipment and machinery;
- Commercial use of equipment;
- Special events, such as open days with fund raising activities, dancing evenings etc.

These total resources have a market value, which schools and training institutions have often grossly underestimated. So, the first step is a realistic survey of potential sources of income (Knight, 1993)

Income-generating activities (IGAs) in training institutions run by NGOs and churches demonstrate remarkable success in subsidizing training through commercial activities. Some have managed to reach almost full-cost recovery of training activities through commercially oriented training approach. In this case IGAs include the running of commercial workshops side-by-side training activities, in which trainees are active.

Some commercial activities of training institutions are discussed controversially. In particular the sale of products produced during the training is a cause of concern. Since the production subsidized (tax free and free labor of students) it is feared that it may create unfair competition and crowd out the local market. Furthermore, there are indications that the cost advantage is often offset by inferior product quality offered by training institutions. Another frequent concern relates to the fear that commercial activities may become more important than the actual training thus reducing the quality of training.

Having this short introductory part in mind, this study mainly deals with the main sources of income generating activities; incentives provided to encourage IGAs; utilization of generated income; and problems encountered related to IGAs.

1.2. Statement of the problem

The financing of TVET is complex, involving four principal actors: government, enterprises, workers and training providers. It is obvious that education and training is largely financed by the public sector. The reasons behind are mainly associated with socio-economic, culture, and political conditions of nations. Most nations of the world are financing education and

training, because they consider education as a corner stone for successful socio-economic development.

However, financing education is not easy especially when we come to vocational education. The main sources of public funding for TVET are general tax revenues, public borrowing and fees collected from trainees / students. But due to the expensiveness of TVET, many developing countries in general and Ethiopia in particular are exercising income generating activities to diversify mechanisms of financing TVET (ILO, 1996).

Based on the FDRE government proclamation for TVET, most of the public training institutions in Addis Ababa are widely practicing income generating activities. Therefore, the main purpose of this study was to assess the current status of income generating activities (IGAs) in the selected public TVET colleges in Addis Ababa.

1.2.1. Objectives of the Study

The study aims to achieve the following objectives:

General Objective

To assess the current status of income generating activities in the selected public TVET colleges in Addis Ababa and identify the major constraints confronted related to income generating activities in the selected colleges and thereby to provide certain possible recommendations to the concerned body.

Specific objectives

- ❖ To identify the main sources of income-generating activities in TVET colleges;
- ❖ To examine incentives provided to encourage income-generating activities in public TVET colleges ;

- ❖ To assess how the colleges are utilizing generated income;
- ❖ To identify the major problems encountered related to income generating activities.

1.2.2. Basic Questions

Based on the objectives, the study attempts to answer the following basic questions:

1. What are the main sources of income generating activities in the selected TVET colleges?
2. What incentives are there to encourage income generating activities?
3. How are the selected TVET colleges utilizing generated income?
4. What are the major problems related to income generating activities in the selected TVET colleges encountered?

1.3. Significance of the Study

The focus of this study was to assess the current status of income generating activities in public TVET colleges. In this regard, knowledge of the prevailing condition related to income generating activities in training institutions would help to improve the system so as to increase its contribution in diversifying mechanisms of financing TVET program. Moreover, the result of this study will also make contribution in the following manner:

1. It can provide basic information for the concerned bodies to realize and overcome barriers, which operate against income generating activities performed in TVET institutions.
2. It will also enable training providers or institutions to identify potential sources of income generating in their context.

1.4. Delimitation of the Study

In Addis Ababa there are five government TVET colleges currently offering training in different fields of studies. This study was delimited to only three public TVET colleges in Addis Ababa.

The sample colleges were:

1. Addis Ababa Tegbareid TVET College
2. Entoto TVET College
3. General Winget TVET College

The reasons for selecting these three TVET colleges were, first the selected colleges have relatively better experiences in offering training and education programs at college level, while the other two are in transitional period. Secondly, the selected colleges also have good experience in performing income generating activities.

1.5. Limitations of the study

The study has the following limitations:

- Due to lack of sufficient materials in relation to the study the ideas raised may not be rich with important information.
- It was not easy to get financial data related with income generating activities in the sample TVET colleges. Thus, due to the inaccessibility of financial records at the college level it was very difficult to check the reliability of data.

1.6. Research Design and Methodologies

1.6.1. Method of the Study

This study aims at assessing the current status of income generating activities in selected public TVET colleges in Addis Ababa. For the purpose of this study, descriptive survey type of research method was used with the assumption it could help to investigate the practical situation of government TVET colleges in generating income.

Hence, in describing the current status of public TVET colleges in generating income, descriptive survey type of research method was recognized to be feasible and appropriate.

1.6.2. Sources of Data

Both primary and secondary data have been collected for the study. The primary sources included two groups of respondents, trainers and managing staff of the sample colleges. The secondary data sources were documents, such as guide lines, proclamations, strategic documents and statistical abstracts relevant to the topic of the study.

1.6.3. Sample size and sampling technique

Sample colleges and respondents were selected to include representatives, as it was difficult to study the entire population due to time and financial constraints.

There are five public TVET colleges in Addis Ababa out of which three were taken as a sample. The sample population of the study comprised of two purposely selected target groups from each sample college. The rationale behind using purposive sampling technique in determining the target groups

was, the populations in the selected groups have direct contact with income generating activities.

The selected target groups included:

1. Trainers
2. Managing staff
 - Deans
 - Vice deans, and
 - Department heads

Regarding the respondents sample size, all deans and vice deans of the three colleges (9), all department heads of the three colleges (24), and 25% from the total of 439 trainers in the three colleges ($25\% \times 439 = 106$). Therefore, the study incorporated a total of 139 respondents.

Since their number was manageable, all respondents from the managing staff were participated in the study. But, simple random sampling technique was employed to select sample respondents from the trainers with a view to give an equal chance for every member.

1.6.4. Instrument of Data Collection

In the process of data collection, three basic types of instruments were employed. These are questionnaires, interview and document analysis.

The questionnaire was prepared with dominantly close ended items and few open-ended questions to help the respondents explain their free feelings. All respondents were filled questioners.

Interview was also conducted with deans and vice deans of the sample colleges with regard to issues that require clarification and to supplement the data obtained through questionnaire. The interview was unstructured type to enable the interviewees express themselves.

Furthermore, relevant documents were studied to get additional information in relation to the issue of the study.

Pilot study

The items of the instruments were constructed based on a through review of related literature. The questionnaire was piloted before the actual survey was conducted. Based on the feedback obtained during the preliminary test and comments from advisor the questioner was distributed with necessary amendments.

1.6.5. Procedure of data collection

In order to assess the current status of public TVET colleges in the process of income generating activities first hand documents and statistical abstracts were collected and analyzed. Secondly, related literature was investigated to obtain relevant information, theoretical framework and guiding principles. Thirdly, basic questions were formulated to guide the study and on the basis of them data gathering instruments were also prepared. Then, pilot test was conducted to check the appropriateness of the instruments and to get constructive comments. After modifying the questionnaire, on the basis of feedback from pilot test, and comments from the advisor, the instruments were administered with preliminary explanations. After while, the questionnaire was collected and analyzed by using relevant type of statistical tools.

1.6.6. Method of Data Analysis

The data analysis involves content analysis of documents, interviews and responses to questionnaires. The raw data collected from the field through questioners were tallied, organized and demonstrated in tables. The data were analyzed with descriptive statistics such as percentage, mode and rank order. The data obtained from interview were analyzed and interpreted qualitatively along with the quantitative ones.

1.7. Organization of the Study

The study is composed of four chapters. The first chapter deals with the introduction of the problem. The second chapter is concerned with the review of related literature. The third chapter analysis and interprets the finding of the study. The last chapter brings the study to an end with summary, conclusions and recommendations.

1.8. Definition of Key Terms

The following key terms were defined according to the connotation they have in the study.

Budget: the statement of the plan for financing the various aspects of educational program to be provided during the year or other started period of time (Johns & Morphet, 1960).

College: an institution of higher education usually offering a curriculum in the liberal arts and sciences and empowered to confer degrees or diplomas or associate titles (Good, 1973).

Costs: resource foregone to acquire other human or physical resources to achieve an objective (Knight, 1993).

Educational financing: the financial resources provided by sources which are public and private for the provisions of educational services or the allocation of financial resources used to invest in education by the state, partners, communities and organizations (Muba, 2003).

Income generating activities (IGAs): in the TVET context activities undertaken by TVET institution to earn additional income, for example sale of products and service produced by trainees or in separate commercial units of the institution, consultancy work, renting out of facilities and equipment, etc. (MOE, 2006a).

Public TVET: TVET programmes provided by government agencies, which are accessible to everybody who meets the defined entry requirements in respective level of grades (MOE, 2006a).

Technical and Vocational Education and Training: any education, training and learning activity leading to the acquisition of knowledge, understanding and skills, which are relevant for employment or self-employment (MOE, 2006a).

Trainee: means a person who participates in TVET program provided by a training institution with a view to acquiring or upgrading his technical and vocational skill, (FNG, 2004).

Trainers: collective term for all teachers and instructors in all formal and non-formal TVET (MOE, 2006a).

Training institutions: means a public or private institution, or one owned by a non-governmental organization, and also include college that offers training (FNG, 2004).

CHAPTER TWO

Review of Related Literature

The purpose of this study was to assess the current status of income generating activities in public TVET Colleges. Therefore in this chapter in addition to a brief look at the history of TVET development, issues and concepts about facilities and financing of technical and vocation education and training (TVET) were discussed. Moreover, diversification of mechanisms of financing TVET through income generating activities in TVET institutions emphasizing on sources of IGAs, incentives to encourage IGAs, utilization of generated income, and problems related to income generating activities were presented section by section.

2.1. A Brief History of TVET Development

Vocational education in its informal form came into being when man started working to satisfy his basic needs (food, clothing and shelter). Early man practiced a vocation when he hunted in the forest, caught fish in the streams and dug in the ground for roots, since he was performing tasks essential to living. Vocation is what a person does to gain a living. Supporting this, Yekunoamlak (2000) states that, historically work was the true site of vocational education and training. In this regard, the primitive society used digging sticks, stones, bones and fire to clear the vegetation for hunting and gathering their food.

Developing human resource is one of the major factors that determine the social, cultural and economic growth of a nation which is possible by education and training. Vocational education as one part of the entire education system also enables a country to produce skilled personnel who lately can join the labor force. According to Evans (1978) the earliest and most widely accepted objective of vocational education was to provide a mechanism for meeting skilled workers needs of the community.

The new education and training policy stated that:

Training will be provided in agriculture, crafts, construction, and basic bookkeeping in the form of apprenticeship for those with the appropriate age and leaving primary school. Technical and vocational training in agriculture, industrial arts, construction, commerce and home science will be provided after primary education for those who may not continue general education. Technical training will be provided for those who complete grade ten for the development of middle level manpower (TGE, 1994).

In line with this the Ministry of Education (MOE) has taken the initiative in conducting training needs assessment and identifying various areas of training that aimed at the development of middle level technical personnel addressing socio-economic problems.

Aims and Objectives

The aim of the new TVET program in Ethiopia is to provide various skill trainings for the present and future labor force in order to adapt to the requirements of the labor market. More specifically, as it has been indicated in the Federal Negarit Gazeta (FNG, 2003) and MOE (2002), it is intended to meet the following objectives:

- To create both manual and middle level clerical or technical workforce in various occupations or jobs in the areas of agriculture, industry, commerce and social services.
- To enable trainees to utilize resources wisely as well as economically for the benefit of both the individual and the society.
- To bring up trainees who are self-confident to take up business risks when establishing their own business related to their specific trades.
- To develop the problem solving capacity of the trainees by providing adequate knowledge and skills.
- To enable the trainees to work individually or in cooperation with groups of people in the area of their skill trades.

To realize the above objectives, the technical and vocational education and/or training programs are organized in three different packages. These are:

As far as the historical development of the modern TVET system in Ethiopia is concerned, the country had experienced three different TVET provision schemes before the introduction of the current TVET system in 1994. It had experienced the provisions in the (a) separate technical and vocational schools, in the years between 1940 and 1960; (b) comprehensive schools, in the years between the 1960s and the 1970s; and (c) general polytechnic schools, in the years between the late 1970s and 1994 (TGE, 1994; MOE, 2002; Wanna, 1998).

However, the attempts made to satisfy the growing needs for skilled human power of the country through the separate technical and vocational schools, the comprehensive schools, and the general polytechnic schools were proved to be unsuccessful because most of their graduates couldn't get enough employment opportunities in the job market due to a huge mismatch between the skills of the graduates and the required skills in the industries.

2.2.2. The Present TVET System

In Ethiopia TVET has been implemented for more than six decades in different modalities depending on the socio-political condition of the country. However, it was not able to play significant role to enhance the socio-economic development of the country.

To address the problem of education, the Transitional Government Ethiopia developed the new education and training policy (ETP) that encompasses diversified technical and vocational educational and training parallel to the general education as one of the priority areas in education.

of education for Africa". In Ethiopia like many other developing countries, technical and vocational education and training program is realized to produce competent middle level technicians in various fields of studies.

To finalize, the development of TVET is interwoven with the efforts of man to meet manpower needs for survival. History has recorded that TVET has passed through different forms of delivery to reach to the current state. In earliest periods, parents transmit occupational information they had acquired through trial and error method to their children during a generation of productive work. But when a technological revolution occurred, the next type of on-the-job training (OJT) started by an individual other than parents. Then apprenticeship training was introduced with the best combination of family instruction and OJT. At time went on, institutionalized type of vocational education and training system introduced with the view to provide a well-skilled workers for the labor market in modern schools through the formal mode of delivery.

2.2 The Ethiopian TVET System

2.2.1 The Overview of Historical Context

Long before the coming of the western type of education to Ethiopia, the heterogeneous societies of the country had their own craftsman and artisans who were traditionally trained through parent-to-child on the-job-training (OJT). This father-to-son and mother-to-daughter type of training system was the basic source for the skilled people such as potters, blacksmiths, weavers, tanners, and many others. However, these skilled people were delegated to a lower status by their fellow countrymen, who most of the time call themselves "Chewas", and were marginalized by being labeled as having evil spirits (Pankhrust, 1990; Wanna, 1998; cited in Philiche, 2006). In some instances, as they described these crafts people were also killed by their fellow society members due to misguided beliefs. Meanwhile, in many parts of the country, especially in the rural areas, this type of indigenous training of artisans and crafts people still prevails to be one of the major means for the training of the youth in the above mentioned skills.

seventeenth century. At that time, it was the primary means of instruction for most skilled and semiskilled occupations.

In the twentieth century, technical schools were expanded and post school trainings were arranged to have strong link with industries (Hussein, 1995). This period was the period when there was a great pressure to expand TVET to satisfy the needs for the labor market and when the industrialized countries understood that the qualified manpower had more decisive importance than any other production factors (Maginn, 2002).

The twenty-first century is the era of information and communication on one hand, and of knowledge and skill on the other hand where computers and other recent technologies provide new products for the market and the way work is carried out, Tekelehaimanot (2002). Nowadays, the development of the world economy and society is influenced and accelerated mainly by three factors: demography, globalization and scientific and technological progress. This dynamism of technology and the world put TVET on the top of the development agenda of the countries in order to produce well-trained and qualified manpower in the shortest possible period of time to cope up with the changing situation and to compete in the world market (Delors, 1998).

The tremendous expansion of production and competition of modern business required more rapid and effective training of large number of people. Thus, the convergence of demographics, global economics and technology has led to increased need for technical and vocational education and training (TVET).

Depending on their economic, socio-political and historical background, different countries adopt different vocational and technical education and training provision schemes (Philiche, 2006). In the developing countries of the world TVET has given priority to produce middle level workers to build their economy based on modern technology. In this regard, the African union on its regular summit on June, 2006 held in Addis Ababa disclosed that, "TVET will be a high priority area for investment in the second decade

Historically, vocational education and training has passed through various stages to produce skilled personnel for the needs of the community and the nation. The ancient craftsmen (Greece, Roman and man of the middle age) added much to the civilization of the mankind, and these arts and technical skills made the life of the people more comfortable and easy. At that time the home was served as the production center (UNESCO, 1998).

During this period, the process of learning was simple imitation of skills and knowledge passed from father to son and from mother to daughter (Bizuneh, 2006). But when a technological revolution such as the substitution of agriculture for hunting or the substitution of bronze for stone tools occurred, transmission of the family heritage was no longer a satisfactory method of educating workers in the newly generated occupations (Evans, 1978).

While training by the parent was accomplished almost entirely at the place of work and was carried out simultaneously with productive activities, the next type of on-the-job training (OJT) method included a new element. The instructor was a worker who was not necessarily a member of the family. OJT by individuals other than parents occurred whenever members of more than one family were engaged in a productive activity. According to Evans, on-the-job training continues in occupations from the simplest to the most complex, but in most vocations, it emphasizes the teaching of those skills and knowledge which are unique to a particular employer and hence are not suitable for more institutionalized type of vocational education.

Gradually, apprenticeship attempted to combine the best of family instruction and OJT training by having an experienced worker agreed to teach the full range of an occupation, acting in lieu of the parent. In return the trainer received the services of the apprentice for a certain time span. For this reason, apprenticeship has always been a practical necessity for a cadre of workers in highly skilled occupations which could not be learned efficiently through on-the-job training. Apprenticeship reached its peak in Europe just prior to the beginning of the industrial revolution in the

- a) basic vocational training programs intended to provide crafts level training for people who dropout from the primary school level;
- b) junior technical and vocational training programs intended to provide junior level technical and vocational trainings for the primary school graduates or secondary school dropouts; and
- c) Middle level technical-vocational education and training (TVET) programs – intended to provide education and training, perhaps for the graduates of grade 10 general education for the aim of producing middle level technical workforce in various occupations. The middle level TVET programs are further subdivided into 10+1, 10+2 and 10+3 programs which eventually lead to a certificate standard-I, certificate standard-II, and college diploma respectively (FNG, 2003).

However, up to 1996/97, there were only seventeen TVET schools in the country which enrolled a total of 2,924 students. In the year 1998, twenty-five Skill Development Centers (SDCs) were established to train twelve grade completers for one year. But in 2003/04, there were about 158 TVET institutions which enrolled 102,649 students of which 51.1% were females. Moreover, in 2004/05, the TVET institutions were increased to 206 and the number of students rose to 106,300 Bizuneh (2006).

The New TVET Reform Program

The FDRE government has decided to reform the Ethiopian TVET sector by designing and implementing an Ethiopian TVET system based on international best practices. The new Ethiopian TVET-system is an outcome based system, meaning that it uses the needs of the labor market and occupational requirements from the world of work as the benchmark of standard for TVET delivery. The requirements from the world of work are analyzed and specified taking into account international benchmarking as Ethiopian Occupational Standard (MOE, 2006b).

The Ethiopian occupational standard (EOS) serves the function of the national standard which defines the occupational requirements and expected outcome related to a specific occupation regardless of TVET provider and mode of delivery. With regard to curricula and curriculum development the EOS is the basis and relevant reference. Occupational testing against the EOS is also part of the new TVET system of the country for assessing whether a person meets the occupational requirements as defined in respective EOS.

The purpose of the TVET system reform is to develop a coherent and comprehensive TVET system that allows Ethiopia to train the middle level work force it needs to boost the country's economic growth and competitiveness in global markets (GTZ, 2007). The country's new TVET strategy reflects best international practice regarding governance, management, delivery and financing.

In the reformed national Ethiopian TVET system roles and responsibilities of TVET authorities and training providers are also clearly indicated. According to MOE (2006b), the main responsibility of developing adequate curricula based on EOS is assigned primarily to the individual TVET provider or institutions. The federal TVET authority is responsible for overall coordination and steering of the entire TVET-system and related issues in Ethiopia and for driving the envisaged TVET-reform process. The role of regional TVET authorities concentrates on facilitation and capacity building services but with a major focus on specific regional aspects.

2.3 Facilities for TVET

Training facilities are the major and fundamental resources to run technical and vocational training programs effectively and efficiently. The major components of training facilities in TVET institutions are buildings, machines, equipment, playing ground, sanitary and safety facilities.

In order to make the training program more effective and the training environment more conducive, the location, orientation and size of the school buildings should be planned and standardized based on the training program. Similarly, the libraries, laboratories, workshops, classrooms, computer centers, demonstration classes and offices of different purposes should be well established and equipped with appropriate materials (MOE, 2003)

Furthermore, health and safety facilities are among the most required facilities in the training institutions. A health facility encompasses facilities such as toilets and sewerage disposal, washing and drinking water, and medical and treatment facilities.

The safety and sanitation facilities are related mainly with physical risks that are fire, laboratory and workshop accidents, and falls in or from multi-storied buildings. The main concern with fire in the training institution is warning systems and means of escaping in case of fire. This means, TVET institutions' construction designs should consider the way of preventing the spread of fire. Likewise, fire hoses or fire extinguishers should be made available in multi-storied buildings and where laboratories are located. Construction of laboratories should also consider the way of escaping during accident. All stores and offices opening into the laboratories should have more than one exit door opening to a corridor (UNESCO, 1985)

In most cases, a danger in workshops arises from the improper and overuse of electrically powered machines and tools. So, it should be made possible for the trainers to cut-off all the powers at once to prevent or to minimize the risks that could be occurred otherwise. In order to maintain the sanitation, all the time the rooms should be clean and dry and it should get sufficient air and light easily. In addition, the training institutions should have clean and safe out-door space where the trainees could be engaged in a variety of games and sports.

Besides to the physical facilities TVET institutions should be furnished with the necessary and adequate machines, equipment, tools, furniture, books

etc in order to attain the intended training objectives. Failure to supply these facilities in time will hinder the overall training activities. In addition, proper utilization of the existing facilities, proper storage of materials, maintenance of machines and equipment require due attention in training institutions (Skinner, 1998).

The Transitional Government of Ethiopia (TGE, 1994) in its new education and training policy (ETP,) described the importance of materials for the betterment of education and training. The provision states that:

In order to promote the quality, relevance and expansion of education, due attention will be given to the supply, distribution and utilization of educational materials, educational technology and facilities. Due attention will be given to popular participation in the production, distribution, utilization, up keep, care and safety of educational materials, educational technology and facilities.

In line with this, the ministry of education (MOE) has taken the initiative to include lists of the necessary materials, tools, equipment and machines for each field of studies in TVET program curriculums. The curriculum for every field of studies also incorporate detailed specification about the quality, standard and quantities of each material together with the required practical training workshops, laboratories and other facilities.

2.4 Financing TVET

2.4.1 Important Concepts and Facts

Education consumes an overwhelming amount of resources in almost all countries. It is believed that the achievement of educational goals greatly depends on the adequate financial support. The ever growing demand for education, the resultant expansion of educational system, the need for more modern – equipment in education have all led to a massive increase in spending on education all over the world. In this connection, there is an enormous expenditure on TVET program.

One of the major factors that determine the quality of TVET implementation is availability of sufficient financial resource. This means technical and vocational education and training programs are expensive to run as compared to the general education. According to UNESCO (1998) the cost of one TVET school is equivalent to two or three schools offering general secondary education.

The high cost of TVET is mainly due to a smaller class size and expensive machines, equipment, facilities and training raw materials. Expenditure on machines, infrastructure, equipment and facilities make up a very high percentage while the non-teaching and operating expenditure represent the medium share in TVET institutions as compared to the general education.

The question of financing technical and vocational education and training (TVET) is usually among the most crucial and at the same time most contentious issues discussed in the frame work of TVET reforms. Underlying reasons may vary, however, in countries where training is mainly provided and financed by government; budget constraints force the authorities to diversify funding sources. In other countries, overall expenditure for TVET is expected to rise, either as a result of quantitative expansion of training or because TVET reform is aimed at quality improvement. Furthermore, in many countries new institutions are created, such as national training authorities or organizations for standardization and quality assurance, trade testing, or technical teachers' training. To establish and run these institutions additional resources are required (Fred and Amit, 2000)

General speaking, TVET institutions required huge financing resources in order to meet the skills need of the society. Failure to supply sufficient capital and operating finance for TVET institutions results in poor quality of training and inability of the graduates to find jobs relevant to their field of study (Atchoarena and Andre, 2002). Supporting this, Franz (1997) states that, high quality TVET is expensive usually significantly more expensive than general education. To meet the challenges governments need partners in training both in delivery as well as in financing.

Traditionally, the financial burden of TVET has fallen on the government in most countries of Africa, especially sub-Saharan Africa where Ethiopia is not an exception. However, although the government budget is the major source of finance for public training institutions, it would hardly be sufficient to satisfy the ever-growing demand for technical and vocational training (MOE, 2002, Zideman, 2003).

Therefore, since education and training generate benefit both for society and individual, financing of TVET program should be shared amongst government, local community, beneficiaries (mainly employers and trainees), religious and private organizations, and donors (UNESCO, 1998).

2.4.2. Mechanisms of Financing TVET

The financing of technical and vocational education and training (TVET) in terms of sources includes governments, enterprises, workers/trainees, and training providers. These sources are broadly classified as public / government and private sources.

2.4.2.1. Government /Public Financing of TVET

This refers to the government of a country in which education and training is financed. In most countries of the world, the main sources of government funding for vocational education and training are general tax revenues, public borrowing in budget deficit countries and possibly external donor agencies (ILO, 1996).

As it is mentioned above, the main source of funding TVET by government for most nations of the world is revenue from the general tax which includes income tax collected by the government, excise taxes, duty taxes, and enterprise profit taxes. In some countries like Asia and United States of America, the States and Local Governments raise additional revenue through assortment taxes and other charges (Muba, 2003, and UNESCO, 1999). According to the experience of USA all levels of government collect

certain amount of taxes as the sources of finance for public education. The federal government collects 68% of all taxes and provides only 8% of school costs while the local units gather also 16 percent of all taxes and contribute approximately 52% of the total school revenues. This implies that, at present time public expenditure is mainly covered by local governments.

Donor support plays a very important role in developing TVET system. Hence, several external donors such as USA, Germany, Canada, French, and others came up with packages for the TVET sector.

According to Maginn (1993) developing countries turn to external aid, i.e. donation and loans at low interest rates and /or with long reimbursement periods, which are granted by funding sources. The origin of such aid may be bi-lateral aid, multi-lateral aid, and private aid. The normal interest rate loans of the multi-lateral development banks (the World Bank and the regional development Banks) are often included in development aid.

There is also a trend of public borrowing for financing education and training. Some countries use the selling of treasures for the general public (treasury bills) to collect money at the time of budget deficit.

Public/government expenditures for technical and vocational education and training may take the form of budget allocations to finance all or subsidize the costs of a centralized training agency specific private or public training institution; training grants or loans to individual trainees/students; and subsidies or tax incentives for enterprises(ILO, 1996).

With regard to budget allocation in practice, there are two methods (Gasskov, 2000). The first one is normative method which assumes that each training institution is equipped with a certain number of teachers and technical and administrative staff and that a certain level of wage-related expenses as well as operational and maintenance costs are covered, sometimes with no link to enrollments, performance and outputs. This model is normally based on standard decisions and uses a standard cost principle is simple and often easy to implement. However, central decisions

and funding schemes by their nature constrain school initiative, lack operational flexibility and do not consider local variations in the demand for training and the corresponding need to reallocate funds.

The second budget allocation formula is performance-based (i.e. payment by result), which assumes that training institutions demonstrate certain performance levels or achieve prescribed outputs in order to be financed. Usually state grants given to training institutions are linked to enrollment and output. This approach also creates competition between training institutions and those who buy their services which in turn enhances efficiency of the training process.

Subsidization could take one of the two paths; directly to the institution themselves as a training fund or via trainees in the form of vouchers. Therefore funds can also be offered to eligible consumers in the form of vouchers empowering them to purchase vocational education and training from any provider in the market (Gasskov, 2002; and Atchoarena, 1996). Vouchers are government financed entitlements to certain services for a given amount of money. Government establishes eligibility requirements, issue vouchers and monitor quality and compliance. The objective of using vouchers is to improve efficiency of training system by enhancing consumer /training choice, to develop effective demand for training and to expose providers to market force through competition for trainees' vouchers. However, financing education by means of vouchers has not been widely put into practice (Psacharopoulos, 1987).

Governments have intervened in the process of financing TVET to make up for perceived shortfalls in investments of private sources. The following are some of the circumstances and grounds for public /government financing of TVET (According to ILO, 1996).

- **External benefits:** Governments' intervention is justified in subsidizing training in cases when there is shortage of skilled workforce.

- **Market imperfection:** capital market imperfection also makes a case for remedial action by the government especially in developing countries.
- **Equity:** it is the government which makes equitable typically by financing training services for underprivileged segments of the population.
- **Weak private training capacity:** the lack of private training capacity frequently used as a justification for government intervention.

However, public financing of technical and vocational education and training may cause a problem of under financing (i.e. inadequacy of financial support to achieve or sustain reasonable standard TVET); instability of government budget for training due to variation in revenues; distortion or budget cuts to support other components of training; and high control over expenditures by central government which tends to have lack of flexibility and unresponsiveness to local labor market.

2.4.2.2. Private Financing of TVET

Financial resources allocated to education are not restricted to public revenue since it involves all segments of the society. The benefits principle states that “the beneficiaries of investment in training mainly workers or trainees and enterprises should pay for the training” (World Bank, 1987; and ILO, 1996).

There are three main types of private financing of TVET: enterprise financing, individual /worker financing and financing by training providers /institutions. Each is dealt within sequence below:

A) Enterprise financing of TVET

Enterprises have pooled their resources to either establish or foster the establishment of training centers or schemes for their respective need (UNESCO, 1969). For example as indicated in Bolina (1996), Japan is well known for its vocational training organized within large private companies.

Fresh school leavers with general education join the enterprises provided with continuous training.

Employers / enterprises can directly finance training and upgrading for their employees. They may subsidize employees' private training which fits the job requirements. They may also be required to co-finance paid educational leave through contributions to national or sectoral training funds (Gasskov, 2000). Some firms, particularly in competitive high technology industries, spend significant shares of their direct operating expense on training employees. Germany is an example of a country in which enterprises voluntarily finance substantial in-company training under the famous "dual system". There is also a levy mechanism of securing stable and adequate financing of TVET by enterprises.

The levy system of financing TVET may be assessed by public authorities in the form of compulsory taxes, or voluntarily through industry groups. The two commonly known schemes are output-based and payroll-based levies which are differentiated according to the basis on which the levy is assessed. The first scheme is based on the amount of production or export whereas the latter basis the enterprise payroll and which is most widely adopted alternative to government budgetary allocations.

B) Individual financing of TVET

Since education and training generate private benefits that accrue to trainees and employers, they are the major direct beneficiaries and should finance TVET. Accordingly, individual trainees or employees finance training through fees paid for courses, accepting reduced wages during training period at enterprises, training after working hours, and repayment of training loans (Gasskov, 2000).

As previously noted, employees tend to finance their own training through acceptance of lower wages during the training periods. This requires the freedom of firms to set wages at the appropriate level. Legal minimum wages, if set too high, can prevent employers from recouping their training

cost which results less training. However, the preferable course of action is to remove the market distortions by reducing minimum wage (ILO, 1996).

On the benefit principle of financing VET, workers benefit from training in terms of increased life time earning and should be expected to share or pay fully the costs. An important way to do this is buying training through tuition and other kinds of fees, such as charges for food, boarding, tools and instructional materials and so on.

The introduction of training fees is often justified by the relatively high cost of TVET and fees are therefore calculated on the basis of training costs or a percentage of it. In the context of the entire education system, this can be a trap, however, when fees charged for TVET programs are higher than fees for comparable general education, TVET may become an even more unattractive option, and existing prejudices of youth against TVET may be reinforced (Ziderman, 2003).

Overall, the rapid development of training markets with an array of private training providers as well as the trend to more and flexibly delivery of short-term training courses to accommodate life-long learning is likely to make training fees a more and more common and accepted mode of cost-sharing.

C) Training Providers/Institutions Financing of TVET

Government usually covers the bulk of investment cost plus teachers' and trainer's salaries. Training institutions have to cover the remaining cost through own income. MOE (2006a) on its strategic document for national TVET program stated that, public TVET schools are increasingly encouraged and granted incentives to earn own income through commercial activities.

According to Ziderman (2002), TVET institutions may drive income from the provision of services, such as car repair or hair dressing services or, items produced as part of training may be sold. Institutions may also generate income from the sale of services, including the renting out of underused facilities and providing consulting services to local enterprises. Moreover, a

training institution is best equipped to sell the training itself. 'Sale of courses' is developed in the form of for instance, evening courses, and special training programs for various target groups (Lauglo, 1993).

Training and reorientation of school managements towards market-oriented approach as well as an appropriate degree of financial autonomy of the schools, in particular the right to retain earned income within the school are virtually required as incentive to encourage schools to embark on income generating activities. In relation to this, Ziderman (2002) described on the income generating objectives to be furthered through decentralization of control over public training providers and great institutional autonomy.

2.4.3. The Ethiopian Approach to Financing TVET

The implementation of TVET in Ethiopia has faced a number of problems, among which under funding is a structural problem, particularly in the public system. As with most other countries, public TVET programs in Ethiopia are usually more expensive than general education, resulting in a lower than average teacher/student ratio and substantial capital and recurrent costs incurred through practical training. As a consequence of budgetary constraints, most urban public TVET programs are under – funded while rural public TVET programs suffered from poor facilities and shortages of training materials (MOE, 2006a).

Regarding the cost of TVET, the study by Wanna (1998) indicated that the cost per trainee of vocational schools in Ethiopia in 1982; 1984; 1986 and 1988 is about 2,917; 2898; 3,017 and 3,192 ETB respectively.

In addition, the ESDP II calculates the average recurrent cost per trainee/year as 1,340 ETB, based on the three-year plan period investment by the year 2004/5. However, recent calculations based on the requirements and standards of the new curricula suggest average recurrent training cost of ETB 2250 per trainee/year for 10+1, and 10+2 programs. Consequently the training program in 2004/5 would require recurrent spending more than

expected in ESDP II. This suggests that, the overhead cost of the program can be high as time goes, MOE (2003).

However, it seems still the government is the major financier of public TVET in Ethiopia. Apart from this, some features of the current financing of TVET are public spending on TVET is insufficient, public funding increases due to enrolment increases, TVET system still suffers from inefficiencies and low capacity utilization, cost sharing and income – generating activities (IGAs) in TVET centers proceeds still low, training institutions are not granted autonomy due to financial regulation, and involvement of private employers in TVET assumed to be low (GTZ, 2007).

Despite these immense structural problems, TVET in Ethiopia is currently undergoing a major reform process. The government of Ethiopia is currently developing a new financing strategy for technical and vocational education and training (TVET) as part of the ongoing fundamental reform of the Ethiopian TVET system. The aim is to secure a sustainable financed base and develop operational mechanisms to support this ambitious reform.

To enrich this process, the Ethio-German Engineering Capacity Building program (ECBP) organized an international symposium on implementation issues of diversified financing strategies for TVET from November 20 - 21, 2006 in Addis Ababa. The purpose of the symposium was to add an international perspective to TVET financing operations at a time when Ethiopia faces the major challenge of fine-tuning and putting its TVET financing strategy into practice.

Accordingly, many different examples from different countries in financing TVET were presented. In their conclusion all stakeholders seem to agree that partnership (among the public sector, the private sector and civil society will be key in making the Ethiopian TVET reform process succeeds.

To sustainable increase the quality and gradually the quantity of TVET, new funding mechanisms are required in Ethiopia notwithstanding the benefits principle of financing TVET. The constraints of TVET system will be

addressed by a combination of cost saving mechanisms, generation of external resources into the TVET system and diversification of funding sources for public TVET programs (MOE, 2006a).

A major mechanism to sustainably generate additional resources is to stimulate private investment in TVET. This will include financial incentives and may also include co-financing, for instance through voucher schemes, out-sourcing of public training programs, and others.

Furthermore, the introduction of tuition fees in public TVET institutions and strengthening the income generating capacities of TVET institutions are also considered to be instrumental for financing TVET in Ethiopia.

To minimize the risk of excluding poor target groups from TVET, the introduction of fees will be accompanied by schemes either to exempt poor trainees or to offer loans or scholarships. As far as income generating activities in public TVET institutions is concerned, the TVET authorities may devise budgetary procedures and /or incentive schemes to encourage institutions to increase their income generating effort.

2.5. Diversification of Mechanisms of Financing

TVET through IGAs in TVET Institutions

The financial constraints of technical and vocational education and training (TVET) can be eased by diversifying its sources through the use of available resources. According to knight (1993), school is often the biggest thing in its area, the biggest aggregation of land and premises, equipment and other physical resources plus the knowledge and skills of highly skilled staff and the time ad energy of hordes of children and parents. This total resource has a market value which schools have often underestimated. So, the first step is to realistically survey of potential sources of income to diversity mechanisms for financing of education and training programs.

2.5.1. Sources of IGAs in TVET institutions

Training institutions can generate revenue for financing of TVET through direct income generation with training with production activities, offering of training services to diverse groups, providing non-training services, and production and service units established for commercial purposes.

2.5.1.1. Training with Production

Training institutions often raise additional revenue by using the capital and labor of the institution to produce goods and services for sale on market. Utilizing the available capital and labor of students in training and education institutions is a means to raise additional income to supplement the financing of TVET program (ILO, 1996).

Training with production activities, i.e., practical training as contract work, such as construction works, building maintenance, furniture production, sewing of school uniforms, typing services or service centers like coffee shops and restaurant. The sale of products produced by students during training, such as garments, wooden and metal-furniture, tools, etc. have a market value. In addition, providing services by trainees/students during the process of the main education and training program can also be a means of generating additional income to supplement the cost of TVET program (Inwent, 2005).

Training with production serves the double purpose of raising some income for the TVET institution and improving the relevance of TVET through exposure of the trainees / students and their instructors to the world of work (GTZ, 2007). This implies that, production activities carried out in line with the main education and training process improve the skills and employability of TVET graduates. It also makes sense from a pedagogical point of view that students can get practice in the actual production of goods

that have to stand a market test. Equipment and building of the training institution will also be utilized for a significant period of time.

Furthermore, training with different production activities in TVET institutions facilitates the idea of earning while learning. Students in training institutions can earn income from being participating in revenue-generating schemes together with their main education and training program. This implies that education and training institutions / schools can provide the opportunity of getting part-time jobs for low-income students to finance their education and training program.

2.5.1.2. Training Services

Another possible source of income-generating activities in TVET institutions is the selling of training and education to different groups. In this regard, training institutions can raise income through commercialization of different types and modes of training programs to various target groups, individuals, and enterprises. Supporting this idea, Inwent (2005) described that; TVET institutions can sell skills and knowledge to diversified groups by providing training and educational services.

The delivery of tailor made/special training programs for enterprises and other target groups, offering evening courses to the general public, providing upgrading courses for civil servants, and training of trainers for NGOs or other developmental agencies are means of income generating schemes in most nations of the world(ILO, 1996)

The sale of training services to enterprise on a contact basis, upgrading courses for civil servants, and training of trainers for non-governmental organizations (NGOs) or development agencies and evening courses for the general public by TVET institutions helps to supplement teacher salaries and keep well-qualified staff in teaching profession. Therefore, this source of income-generating activity in training institutions is a means to hoard qualified and experienced teachers and trainers in TVET institutions.

2.5.1.3. Non-training services

Training institutions may also generate income from the sale of non-training services, such as the renting out of underused facilities and providing consulting services to local enterprises (Ziderman, 2000). The commercial use of equipment, buildings and rooms, and special events such as open days with fund-raising activities, fees collected from examination of recruitment of personnel for governmental and private organizations and trade testing are also sources to get additional income for financing of education and training.

Some training institutions sell technical assistance services to enterprises on such things as productivity enhancement, or conduct tests of quality control using the equipment of the institutions. This promotes closer links between the training institutions and enterprises (ILO, 1996).

2.5.1.4. Commercial Units

Some countries established commercial centers in training institutions to supplement the cost of training. The aim of establishing the commercial centers is to assist training institutions to generate extra funds from the sale of products and services. It is also a means to provide industrial attachment to the trainees/students who fail to get attached to industries and to promote self reliance and entrepreneurial skills by providing them an opportunity to develop their attitudes towards industry, and producer-consumer relationships (GTZ, 2007).

Entirely, commercial activities are carried out independently from the main training process and controlled by master crafts. However, trainees and their instructors participate and spend some hours in the centers after their main training programs.

According to GTZ (2007), typical commercial activities include:

- Carpentry and metal workshops producing saleable items;
- Garages providing auto services to the community;
- Supplies and material shops, such as block and brick productions;
- Agricultural activities like horticulture products and so on.

2.5.2. Cost Recovery through IGAs in TVET Institutions

The range of income-generating activities (IGAs) is wide and depends on a specific economic environment of training institution, on how much flexibility the institution is granted, and how creative the management is (Inwent, 2005). Generally, the income potential varies significantly from one school to another depending on the range of training programs offered, the type of products that can be sold, economic potential of environment, i.e. on whether the school is located in town or in rural areas, and other determinants.

Empirical data on cost-recovery rates through income generating activities also vary substantially. According to Franz (1997) usually, cost recovery rates between 10% and 30% are common. This means that, revenue generated in training institutions from different sources is significant to finance technical and vocational education and training.

In Botswana, the individual training centers are required to raise 10-20% of their recurrent budget. Approximately 10-15% is raised through income generating activities. Each vocational area within the training center has its own unit of training and income-generating activities. However, not all units perform equally and some are subsidized by others. Similarly in Malawi the income generated by training institutions was said to amount 15% of the allocations provided by the government (GTZ, 2007).

Mostly, training centers run by non-governmental organizations and different religious organizations, such as churches demonstrate remarkable success in subsidizing training through commercial activities. Some have managed to reach almost full-cost recovery of training activities through a commercially oriented training approach. In this case, income-generating activities include the running of commercial workshops side-by-side training activities, in which trainees are active (MOE, 2006a).

In general, the range of cost recovery through various income-generating schemes varies widely. The amount depends mainly on the extent to which production and other commercial activities are central. Training institutions often enter into contracts with government agencies or community organizations rather than selling on the open market. When comparing the different options for income-generating activities by TVET institution, it appears that more income can be generated by commercially oriented training approach and the most effective programs are those operated by non-governmental organizations (ILO, 1996).

2.6. Encouraging IGAs in Public TVET Institutions

2.6.1. Incentives to encourage IGAs

Public training institutions need to be encouraged and stimulated to embark on income generating activities. To this connection, incentives should be provided to the institutions to increase their effort towards IGAs and thereby improve the contribution of income in diversifying mechanisms of TVET financing (Franz, 1997).

The incentives usually include: granting institutional autonomy training in terms of the use of the generated income, formulating appropriate financial regulations and procedures, capacity building programs for school managers to improve their management skills, training of the staff in market assessment, and enforcing income generating activities through reduced budgetary allocations and the like.

2.6.1.1. Granting Institutional Autonomy

Granting autonomy to training institutions in terms of the utilization of the income earned through different income-generating schemes within the overall legal and regulatory framework is usually the first step to encourage income-generating activities. Very often, public training institutions had been forced by civil service laws and financial regulations to transfer funds earned through income-generating activities (IGAs) to the public finance authorities (Inwent, 2005).

Government regulations sometimes require that all revenues collected by public training institutions be funneled to the central authorities, leaving little incentive for the local institutions. This does not provide incentives for training institutions' management to increase income generating efforts (ILO, 1996).

Individual training institutions are often known for their limited power to respond to the changing skill requirements of the labor market and minimum authority to utilize their resources. The need to reflect on movement on labor market and to follow or even foresee change is one of the most difficult challenges to the manageability of TVET institutions. This indicates the need for delegating of power to public training institutions Gasskov (2000).

Therefore, one important aspect in providing tangible incentive to increase income-generating activities is to lend financial autonomy to public training institutions. This helps to increase the contribution of income-generating activities in financing of TVET programs.

2.6.1.2. Appropriate financial regulations

In order to stimulate public training institutions to pursue an active income generating approach, appropriate and relevant financial rules and procedures should be developed by the concerned government body.

In the previous periods public TVET institutions were not motivated to increase their income generating effort due to inappropriate financial regulations (MOE, 2003). However, the recent changes in relation to income generating activities granted authority to training institutions regarding the range of IGAs. The managing boards of the institutions, alternatively the authority in charge of supervision, will monitor the appropriate use of resources according to the relevant financial regulations.

2.6.1.3. Capacity Building programs

Appropriate capacity building plays a pivotal role in determining the success or failure of the efforts undertaken by TVET institutions to generate addition income and improve their capacity utilization (GTZ, 2007). Capacity building can be organized as long-term or short-term courses and can be targeted at school or institution managers, accountants, teachers and instructors, members of councils making decisions on budgeting and utilization of resource.

In most countries capacity building programs and technical assistance to training institutions is provided by different non-governmental and international development organizations. In fact, capacity building and technical assistance, if provided by the government might be considered a subsidy provided in kind.

The managers of TVET institutions need to acquire training and reorientation towards market oriented management approach to enable them initiate and properly manage income-generating activities. Similarly, instructors involved in training with production programs or other kinds of production-based training should be able to apply good quality standards in their productive work and convey these standards in their training (Gasskov, 2000). This implies that, one core priority during the process of encouraging income-generating activities in public TVET institutions should be capacity building

for TVET managers, instructors and other staffs participating in the activities.

Overall, successes in increasing IGAs will more than anything else rely on competent and committed school management supported and supervised by active school boards. Therefore, instruments to encourage training institutions to embark on IGAs usually also include training and reorientation of school management towards market-oriented management approaches.

2.6.1.4. Reduced Budgetary Allocations

Some countries have started to “enforce” income generating activities through reduced budgetary allocations. Ziderman (2003) indicated that, training centers in Tanzania are expected to share some part of training budget allocated by the government. The anticipated share of own school income is deducted from public subsidy in order to put some pressure on the schools to embark on income-generating activities. If the school fails to reach its income goal, it would have to cope with reduced spending. Other countries have started to limit the public subsidy to teachers’ salaries and capital costs, leaving the responsibility to earn the additional income to the school.

However, if the income generated by a certain TVET institutions leads to a reduction of the total amount of public subsidies received, this may be a disincentive. Instead, it may be more conducive to IGAs development to establish that a certain percentage of the institution’s budget has to be covered by IGAs (GTZ, 2007).

2.7. Utilization of generated income

Public training institutions need to have authority to utilize income generated from different sources. It is essential to delegate financial autonomy to government owned training institutions to decide on the use of

internally generated income. Therefore, the financial right of public training institutions is a determinant factor for the use of generated income.

The income raised through various activities can be utilized for different purposes. Apart from covering the anticipated share of the training costs; the use of the generated income may include (MOE, 2003):

- Purchase of training materials and other consumables needed by the institution;
- Any necessary investments, such as expansion of buildings and facilities, purchase of equipment, machinery, vehicles, etc;
- Incentives to exemplary staff;
- For the development of new training programs;
- Scholarship for needy trainees/students;
- For further training for staff members;
- To improve training programs etc.

2.8. Problems related to IGAs in TVET Institutions

Income-generating activities undertaken in TVET institutions benefits different parties in addition to supplementing the training costs of TVET program. According to Knight (1993), fund-raising and income generating in schools can open vast possibilities of additional funds. They also bring tangible benefits pride in achievement, esprit de corps, more contact with the world outside, and opportunities for pupils to tackle real world tasks.

However, commercial activities of training institutions are also discussed controversially. In particular the sale of products produced during the training is a cause of concern. Since the production is subsidized (tax free and free labor of students), it is feared that it may create unfair competition and crowd out the local market. The sale of such produce and services uses public infrastructure and trainee labor to produce inexpensively drive local firms out of business (Inwent, 2005).

Another frequent concern is that commercial activities may become more important than the actual training thus reducing the quality of training. In this regard, ILO (1996) state that, requiring students to do too much work is a form of exploitation, and can lengthen the training program or dilute its quality. The key issue is where to set the ratio of work to formal instruction provided they do not detract from overall training and do not involve exploitation of cheap student labor. Furthermore, the risk can be reduced by a systematic division between training and commercial activities in the management of schools.

The third problem associated with production units is that if they fail to establish themselves as economically viable activities, the sustainability of the whole center, including its training delivery, is at risk. The most frequent causes for poor economic performance of production units are lack of management capacity, poor marketing strategies and misuse of funds, materials, equipment, facilities and trainees' labor. To a certain extent this can be overcome by appropriate capacity building measures and technical assistance to develop appropriate institutional arrangements and accountability mechanisms. It is important to motivate staff and management of the TVET institutions and the production units (GTZ, 2007).

According to GTZ, problems facing training institutions while performing income generating activities may include:

- Lack of institutional autonomy in terms of the use of generated income;
- Inappropriate and rigid financial regulations and procedures;
- Low capacity of institutions to deliver special training programs;
- Low economic advantages of the environment of institutions;
- Poor marketing strategies of training institutions;
- Lack of staff motivation to involve in IGAs;
- Lack of awareness on market oriented approach;
- Less demand of products and services of the institutions and so on.

2.9. International Experience

As public and NGO resources for vocational training become scarcer, systematic strategies to increase income-generating capacities of training institutions are gaining popularity worldwide. Increasingly, public TVET schools in African countries are encouraged to earn own income, through sale of non-formal training programs, sale of items produced during the training and other commercial activities (MOE, 2003).

2.9.1. Botswana: Training with production

In some countries, a systematic training with production-approach in public training centers has produced good results. A well known example of combining training with income-generating activities is the Botswana brigades. Brigades are community based; independent development organizations involved in providing training, employment opportunities and services to the local community. The brigades offer formal and non-formal training in various occupations that are in demand in the community. Training is provided entirely at the brigades, organized as training with production. The production units of the brigades offer commercial services to the communities, such as auto repair, general mechanics, plumbing, construction, electricity, horticulture, etc. Brigades run workshops, or participate in public tenders (e.g. Construction). Entirely commercial activities, i.e. service provision without training, supplement the income of the brigades. Typical commercial production activities include supplies and material shops, rental of property, woodwork, and agricultural activities.

It is assumed that the production activities of the brigades recover at least 20% of the recurrent training cost. Therefore, the government of Botswana is subsidizing the training activities of the brigades with 80% of the calculated recurrent cost plus subsidies to capital cost (Franz, 1997).

The funds generated from different sources (i.e., from training with production and other commercial services) are used to improve training facilities such as buying special tools for trainees not provided through subsidy and maintenance of machinery and buildings. Successful brigades have put up new classrooms and bought equipment such as computers through such proceeds without government assistance. The trainees are also paid allowances when they engage in production activities and some clever trainees use the allowance to pay school fees, rent or buy food to relive their parents (Mahube, 2007).

2.9.2. Malawi: Increasing training activities and income

In the second half of the 1990s, Malawi embarked on a TVET sector reform process with the aim of making TVET relevant and accessible. Lilongwe Technical College (LTC) is an outstanding example in Malawi providing competency-based technical, entrepreneurial and vocational education and training (TEVET) programs and a wide range of skill development options, with substantial non-formal training and other income generating activities (Kafere, 2007).

Lilongwe Technical College was established in 1963 with the overall goal of training and supplying craftsman to meet the ever-ending industrial demands of Malawi. Production units were established in the college based on the fact that the college faces problems of acquiring adequate materials and supplies especially hardware and raw materials for practical exercises, and for the development of trainee manipulative skills.

The aims of the production units are to enrich TVET programs conducted by the college; to assist the college to generate extra funds through the production and sale of good and services to the public; to provide industrial attachments to the students; and to promote self-reliance and entrepreneurial skills among trainees and trainers by providing an opportunity to develop their attitudes towards industry, business, and producer – consumer relationships.

The government of Malawi authorizes public TVET colleges to retain 100% of the funds realized from income-generating activities. The college of Lilongwe generates its income from hiring out facilities and offering services to the public, conducting consultancies, making items for sell and offering parallel programs at economic value. The college devised guidelines and implementation strategies in order to strengthen the income-generating activities and to make production supported training effective and efficient.

The funds which are generated from the above income-generating activities are used to purchase training materials such as hand tools, equipment, and textbooks plus paying utilities and part-time teachers and employees under the production unit.

The college has a production unit committee comprising of all heads of departments, the principal, deputy principal, one accountant clerk and one member of the teaching staff to monitor and regulate income-generating activities. Monitoring on the unit is through the issuing of gate passes, job cards and receipts plus the reviewing of job audits, profits generated and quarterly financial reports.

2.9.3. Sri Lanka: Improving Capacity utilization and income

In Sri Lanka, the government authorities have embarked on a policy to encourage income-generating activities in public TVET institutions. The policy is primarily aimed at increasing the efficient use of human and physical resources in the institutions (Gunasinghe, 2007).

Overall cost of TVET is on the increase and budgetary constraints are more severe in Sri Lanka, where vocational training is mainly financed by finding the state funds. Thereby funding ways and means for implementing the TVET reform components of cost-recovery, self-financing and autonomy of public TVET institutions to earn additional income come into effect.

Income gearing schemes were introduced in TVET institutions run by the government. Income-generating activities account around 6% of the total annual budget of the public TVET providers. Most of the income generated from registration fees, examination fees from part-time courses, trade testing, product and service units, and consultancy services provided for enterprises and other private owned institutions plus fee levying tailor made courses for identified target groups in collaboration with private sector and public organizations.

2.10. Lessons learned from country examples

The following lessons are drawn from the three aforementioned countries in relation to income generation.

Botswana has achieved good results in a systematic training with production approach, i.e. by combining training with income generating activities. Training is entirely carried out in the production center with commercial services to the communities. Income generated recovers at least 20% of the training costs.

Malawi has established production units in training colleges to assist by providing adequate training materials and supplies through funds generated from the sell of goods and services to the public. The activities carried out in the production centers have an advantage of providing industrial attachment for the students, and promotes their self reliance and entrepreneurial skills. Moreover, the government of Malawi authorized public training colleges to retain 100% of the funds realized from IGAs.

The government of Sri Lanka has decided to authorize training institutions to share part of training costs through income earning schemes. In this connection, the government authorities have embarked on a policy to encourage IGAs in public training institutions.

CHAPTER THREE

Presentation, Analysis and Interpretation of Data

This chapter deals with the presentation, analysis and interpretation of the data gathered from the selected TVET colleges through questionnaire. As stated in the first chapter of the study questionnaires were distributed to 110 trainers, and 35 managing staffs. From the total questionnaires distributed to the trainer and managing staff, 106 (96.36%) and 33(94.29%) respectively have been returned and analyzed. The data obtained through interview with deans of the colleges were analyzed qualitatively along with the quantitative ones. Moreover, relevant information obtained from document study was also incorporated in this chapter. Based on the data gathered through all instruments the following results were found.

3.1. General Information about Respondent

Under this section personal information of the respondents were presented in the following table.

Table 1: Personal characteristics of respondents

No.	Variables	Characteristics of categories	Respondents					
			Trainers		managing staff		Total	
1	Sex	Male	88	83.02	29	87.88	117	84.17
		Female	18	16.98	4	12.12	22	15.83
		Total	106	100	33	100	139	100
2	Age	20 – 25	8	7.55			8	5.75
		26 – 30	13	12.26	3	9.09	16	11.51
		31 – 35	14	13.21	8	24.24	22	15.83
		36 – 40	2	1.89	1	3.03	3	2.16
		Above 40	69	65.09	21	63.64	90	64.75
		Total	106	100	33	100	139	100
3	Academic qualification	Diploma	6	5.66			6	4.32
		BA / Bsc	93	87.74	22	66.67	115	82.73
		MA / Msc	7	6.60	11	33.33	18	12.95
		Total	106	100	33	100	139	100
4	Year of services	1 -3	17	16.04	23	69.70	40	28.78
		4 – 6	8	7.55	10	30.30	18	12.95
		7 – 9	10	9.43			10	7.19
		10 years and above	71	66.98			71	51.08
		Total	106	100	33	100	139	100

As can be seen from Table 1, among the trainers, 88(83.02%) were males and the rest of them, 18(16.98%) were females. In addition, the majority of managing staff 29(87.88%) were also males and only 4(12.12%) of them were females. This shows that the number of female trainers in TVET colleges was lower than that of the males, and their representation in decision making process was found to be very less.

With regard to the respondents' age, the majority, 69(65.09%) of trainers and 21(63.64%) of the managing staff were above 40 years. The remaining

2(1.89%), 14(13.21%), 13(12.26%) and 8(7.55%) of the trainers were between the age group of 36 – 40, 31 – 35, 26 – 30, and 20 – 25 respectively. Again 1(3.03%), 8(24.24%), and 3(9.09%) of managing staff were in the age category of 36- 40, 31- 35, and 26 – 30 respectively. This clearly indicates that most of the respondents were in the adult age group.

Regarding the qualification of the respondents 6(5.66%) of the trainers were diploma graduates, while 93(87.74%) of them had their first degree. Again 7(6.60%) of trainers and 11 (33.33%) of managing staff were masters degree holders, whereas the rest 22(66.67%) of managing staff were bachelor degree holders. This implies that, the major proportion of respondents in both groups had their first degree which is set as a minimum requirement for TVET program and even some of the respondents were graduates of second degree which contributes positively to the quality of the program. However, there were also some diploma holders who need further education to fit for the minimum requirement.

Concerning experiences of the respondents, most 71(66.98%) of trainers had charged in the task of teaching and training for 10 years and above. The remaining 10 (9.43%), 8(7.55%), and 17(16.04%) of them had served for 7 – 9, 4 – 6, and 1 – 3 years respectively. On the other hand, 23(69.70%) of managing staff had 1 – 3 years of services and the rest 10(30.30%) of them had 4 – 6 years of experience in management positions. This implies that most of the trainers had served for at least ten years. However, the majority of principals lack experience in their current position, this could be because of their assignment after the institutions were promoted to college level.

3.2. Sources of IGAs

As the cost of TVET program is very high compared to general education, it is very important to investigate additional means of ~~finance~~^{finance}. In this regard, training providers and institutions can play a vital role in diversifying financial mechanisms through income-generation activities. Public TVET institutions need to be encouraged and motivated to earn additional income

from various sources like the sale of products by trainees/students produced during training, production and service units established independently for commercial purposes, training services and so on. The researcher had identified different items and presented to the respondents to check the existence and rate the extent of income-generating activities and also to identify the main sources of the activities. The results have been summarized under sections 3.2.1, 3.2.2, and 3.2.3.

3.2.1. Existence and extent of IGAs

In this section, two items were identified in order to check the existence and rate the extent of IGAs in public TVET colleges. The data obtained from the respondents were presented and analyzed in Table 2.

Table 2: Existence and extent of income generating activities

No.	Items	Alternatives	Respondents			
			Trainers N ₁ = 106		Managing staff N ₂ = 33	
			Score	%	Score	%
1	Are there any income-generating activities performed in your TVET college?	Yes	106	100	33	100
		No				
		Total	106	100	33	100
2	To what extent is the college performing the activities?	Very high				
		High				
		Moderate	89	83.96	33	100
		Low	17	16.04		
		Very low				
		Total	106	100	33	100

As can be observed under item – 1 of the Table 2, all 139(100%) respondents of both groups answered “yes”. This indicates that, all participants of the study agreed on the presence of income generating activities in their TVET colleges. Therefore, it is possible to say that income-generating activities were existed in the colleges in line with the main training process.

Furthermore, participants were also asked to rate the degree of applicability of the activities. In this regard, item-2 requests the respondents to point out

one from the given alternatives. Accordingly, the data revealed that 33(100%) managing staff and 89(83.96%) of trainers similarly rated “moderate” whereas, the remaining 17 (16.04%) trainers said “low”.

In support of the above finding, the interview secured from deans of the colleges showed that the status of income generating schemes in the TVET colleges was in a moderate state and always in progress from time to time.

From the above information, it is possible to assume that income-generating activities are carried out in TVET colleges to some extent with improvements from time to time and also need to be further strengthened in the future.

3.2.2. Main Sources of IGAs

As the public resources for TVET programs are scarcer, training institutions and providers are expected to raise money by themselves through income-generating activities from different sources. In this regard, the researcher had identified one item and presented to the study participants to select among the given alternatives. In doing so, respondents were allowed to mark more than one option and the results have been summarized under Table 3.

Table 3: Main sources of IGAs

Item	Sources	Respondents			
		Trainers N ₁ = 106		Managing staff N ₂ = 33	
		F. of Score	R. order	F. of Score	R. order
What are the main sources of income generating activities in your college?	Training with production	19	4	11	4
	Training services offered to various groups	106	1	33	1
	Non-training services	27	3	16	3
	Production and service units established for commercial purposes	78	2	28	2

As shown in Table 3, all respondents of the two groups pointed out that, the sale of training services to various groups is the major source of income-generating activities and equally ranked first by both respondent groups.

Again, production and service units established for commercial purposes ranked second with frequency scores of (78), and (28) by trainers and managing staff respectively. The other two sources, regarding the sale of non-training service and training with production ranked third and fourth similarly by trainers and managing staffs with frequency scores (27) and (16), and (19) and (11) respectively.

This shows that, income-generating from the provision of training services to different groups is the main source. In addition to this, the study revealed that the TVET colleges are also raising income from commercial centers which are established independently to sell their products and services to the market. Finally, the table also indicates that, the sale of non-training services and training with production activities are another sources of income-generating activities in the TVET colleges.

3.2.3. The Extent of Income Generated from Different Sources

As revealed in the finding of section 3.2.2, training colleges were generating income from various sources. But, the extent of income generated from one source may be different from another. In order to check the extent of income generated from different sources, four items were identified and presented to the respondent to rate using five point Likert scale. The scale indicates: Regularly = 5, Mostly = 4, partially = 3, seldom = 2 and Never = 1. For the purpose of the analysis the percentages found for each rating scale were condensed and categorized as high application, medium application and poor application. The results have been summarized under the following four tables.

Table 4: Training with production

No.	Sources	Respondents																			
		Trainers N ₁ = 106										Managing staff, N ₂ = 33									
		5		4		3		2		1		5		4		3		2		1	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	The sale of products produced by trainees						98	92.45	8	7.55							33	100			
2	The sale of services by trainees						5	4.72	101	95.28							2	6.06	31	93.94	
3	Practical training as contract work								106	100							4	15.15	28	84.85	

As it seen from the Table 4, item -1, the sale of products by trainees, all respondents 139(100%) of the two groups rated “poor application”. In the same manner, item-2 and 3, regarding the sale of services by trainees and practical training as contact work were similarly rated “poor application” by the whole respondents of both groups.

In order to support the above finding, data secured through interview with deans of the selected colleges revealed that, the contribution of income-generating activities from training with production activities were very low and insignificant. The reason, as mentioned by the deans was poor demand of products produced by trainees / students during their training process.

From all information above, it seems possible to say that the extent of income generated through production activities during the main education and training process in TVET colleges is poor.

Table 5: Training services

No.	Sources	Respondents																			
		Trainers, N ₁ = 106										Managing staff, N ₂ = 33									
		5		4		3		2		1		5		4		3		2		1	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	Evening courses	92	86.79	14	13.21							33	100								
2	Special training programs							19	17.92	87	82.08					19	57.58	14	42.42		
3	Upgrading courses for civil servants									106	100									33	100
4	Training of trainers									106	100					13	39.39	20	60.61		

Table 5 depicts that, item-1 evening courses rated “high application” by 139(100%) participants of the study, while item-2, regarding special training programs rated “poor applicant” by 106(100%) trainers and 14(42.42%) managing staff, but rated “moderate application” by 19(57.58%) managing staff. On the other hand, item-3 rated “poor application” by all respondents. The fourth item in the table, training of trainers similarly rated “poor application” by 20(60.61%) managing staff and 106(100%) trainers, whereas rated “moderate application” by the remaining 13(39.39%) of managing staff.

According to the data above, the sale of evening courses to the general public is highly applicable source of income-generating activities in TVET colleges, whereas the other three sources special training programs designed for enterprises and other target groups, offering of upgrading courses for civil servants, and training of trainers for different agencies are less applicable. However, some respondents from the managing staff said that special training programs and training of trainers are moderately applicable.

In support of the above finding, relevant documents from the sample colleges were studied. Accordingly, the document study revealed that, in the past four consecutive budget years (1996 – 1999 E.C.) income generated from the sale of evening courses was very high compared with the other ones. From the total income generated from various sources, about 90% was obtained through the sale of evening courses.

In general speaking, the extent of income raised from the sale of evening courses to the general public is very high, while income obtained from the other three sources is very low.

Table 6: Non-training services

No.	Sources	Respondents																			
		Trainers, N ₁ = 106										Managing staff, N ₂ = 33									
		5		4		3		2		1		5		4		3		2		1	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	Renting out rooms, equipment and facilities					58	54.72	37	34.91	11	10.37					21	63.64	12	36.36		
2	Consultancy services							8	7.55	98	92.45							29	87.88	4	12.12
3	Conducting tests of quality control using equipment of the college									106	100									33	100
4	Examination fees from private and public organizations for personnel recruitment									106	100							30	90.91	3	9.09
5	Trade testing fees									106	100									33	100
6	Service centers, like coffee shops and restaurants					21	19.80	60	56.61	25	23.59					27	81.82	4	12.12	2	6.06
7	Special events, such as bazaar and exhibition									106	100									33	100

As Table 6 demonstrates, item-1 rated “moderate application” by most, 58(54.72%) trainers and 21(63.64%) managing group, and “poor application” by the rest of respondents from both groups. Similarly, item – 6 in the table rated “moderate application” by 27(81.82%) managers and 21(19.80%) trainers. The remaining items, 2, 3, 4 and 5 equally rated poor application by all participants of the study.

From the data above, we can say that the extent of income earned through the hiring of equipment and facilities and offering of services in coffee shops and restaurants is moderate, whereas the other sources such as consultancy services to local enterprises, tests of quality control, fees from trade testing and special events are very poor in their contribution in the process of income-generating -activities carried out in public TVET colleges.

Table 7: Production and service units

No.	Sources	Respondents																			
		Trainers, N ₁ = 106										Managing staff, N ₂ = 33									
		5		4		3		2		1		5		4		3		2		1	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	Carpentry and metal work shops			31	29.25	54	50.94	21	19.81					23	69.70	10	30.30				
2	Garages providing auto services									106	100									33	100
3	Agricultural products									106	100									33	100

As can be seen in the table, item-1 was rated “high application” by 23(69.70%) management group and 31(29.25%) trainers, while the other two items (item-2 and 3) rated “poor application” by the entire respondents. Moreover, the table shows that, the first item was also rated “moderate application” by about half 54 (50.94%) trainers and 10 (30.30%) managing staff.

According to the data above, we can infer that, the amount of income earned from production and service units is low except from that of workshops providing wooden and metal items to the market. To this end, it seems possible to say that, the extent of income obtained from commercial centers is low compared with the others.

To sum up all, the extent of income generated from the provision of training services in general and evening courses in particular is very high relative to the other sources of income. This indicates that, TVET colleges emphasized their efforts of income-generating activities on the sale of training and education services to various groups. However, the effort towards the other sources of income is not sufficient.

3.3. Incentives to Encourage IGAs

Public training institutions have to be encouraged and capacitated to embark on income-generating activities. There are different types of incentives provided to TVET institutions to stimulate them towards income-generating activities. The types of incentives may be granting autonomy to retain and utilize generated income, appropriate financial regulations, and capacity building programs to improve marketing and management skills of managers and the like. In this regard, respondents were asked to provide their responses on the existence and appropriateness of incentive in their colleges. The results have been presented and summarized under section 3.3.1 and 3.3.2.

3.3.1. Existence of Incentives

Under this section, the researcher requested respondents to answer “yes” or “No” on the presence of incentives provided by the government or other organizations to their colleges. The table below summarizes the result.

Table 8: Existence of incentives

Item	Alternatives	Respondents			
		Trainers N ₁ = 106		Managing staff N ₂ = 33	
		No.	%	No.	%
Are there any incentives provided by the government or NGOs to encourage income-generating activities in your college?	Yes	-		-	
	No	106	100	33	100
	Total	106	100	33	100

As indicated in Table 8, all respondents 139(100%) of the two groups answered “No”. This implies that, there were no incentives offered to training colleges by the government or non-governmental organizations. In this regard, the FDRE Negarit Gazeta on its proclamation (391/2004) for TVET granted financial autonomy to public training institutions. Again, the provision in the national TVET strategic document recommended the need for the development of mechanisms to encourage TVET institutions in relation with income-generating effort.

However, the data gathered from the colleges revealed the absence of any incentive provided by the government. This shows that, the provisions in the government's policies were not implemented in the actual practice. To this effect, we can say that, TVET colleges running under the organ of the government are not practically incentivized to encourage and stimulate them towards income-generating activities.

3.3.2. Appropriateness of Incentives

In this section, six items regarding incentives were identified and presented to the respondents to rate on the degree of appropriateness to their TVET colleges using five point Likert scale. The scale indicates: 5= Most appropriate, 4= More appropriate, 3= Appropriate, 2= Less appropriate and 1= Not appropriate. For the purpose of the analysis, the percentages computed for each rating scale were condensed and categorized as: Highly appropriate, Moderately appropriate, and Poorly appropriate. The results have been summarized under Table 9.

Table 9: Appropriateness of incentives

No	Incentives	Respondents																			
		Trainers, N ₁ = 106										Managing staff, N ₂ = 33									
		5		4		3		2		1		5		4		3		2		1	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	Institutional autonomy	92	86.79	14	13.21							33	100								
2	Appropriate financial regulations and procedures	88	83.02	18	16.98							31	93.94	2	6.06						
3	Capacity building programs for managers	12	11.32	94	88.68							5	15.15	16	48.49	12	36.6				
4	Training the staff in market assessment					78	73.59	19	17.92	9	8.49	6	18.18	27	81.82						
5	Supervision and monitoring					24	22.64	62	58.49	20	18.87	24	72.73	6	18.18	3	9.09				
6	Reduced budgetary allocations			3	2.83	6	5.66	97	91.51									21	63.64	12	36.36

As indicated in Table 9, all 139(100%) respondents rated “highly appropriate” for item-1 and item – 2. In the same manner, item – 3 rated “highly appropriate” by 106(100%) trainers, and the majority 21(63.64%) managing staff. Again, item – 4 and 5, similarly rated “highly appropriate” by the major proportion of managing staff and rated “moderately appropriate” by the trainers. On the other hand, item – 6 rated “poorly appropriate” by all respondents of the managing group and 97 (91.51%) of trainers.

In addition, respondents were also requested to cite other types of incentives and rate their degree of appropriateness to the colleges in the open-ended item provided in the questionnaire. Accordingly, a few number of respondents suggested the need for technical assistance to the TVET colleges in relation to income generating activities.

Based on all the information above, it is possible to say that, public TVET colleges and institutions need to be authorized to retain internally generated income. Moreover, appropriate financial regulation and procedures are needed to encourage the process of income-generating activities in training colleges, and their managers have to be trained to improve their management and marketing skills. However, according to the data, allocation reduced budgets to cover some part of training costs through income-generating schemes is disincentive for TVET colleges.

3.4. Utilization of Income generated in Public TVET Colleges

According to the finding in section 3.3, granting autonomy to TVET colleges in terms of the use of internal generated income is the first incentive to encourage income-generating efforts. The fund obtained through income-generating schemes can be utilized for different purposes, such as to purchase materials and equipment, expansion of buildings and facilities, maintenance and repair works and so on. In this section, three items were presented to the participants of the study and the respondents were requested to respond on the extent of the right to utilize generated income, the proportion of income retained and the

use of income retained in the colleges. The results have been presented under the following two tables.

Table 10: The right to utilize generated income

Items	Alternatives	Respondents			
		Trainers N ₁ = 106		Managing staff N ₂ = 33	
		No	%	No	%
To what extent is your TVET college allowed by supervisory body to utilize institutionally generated income?	To a great extent				
	To some extent	17	16.04	9	27.27
	Not at all	89	83.96	24	72.73
	Total	106	100	33	100

Table 10 emphasizes on the right of public TVET colleges to utilize internal generated income. According to the data presented in the table, the majority 89(83.96%) trainers and 24(72.73%) management staff said that, the colleges have no autonomy to use income generated by themselves. On the other hand, the remaining respondents from the two groups agreed on the right of the colleges to utilize generated income to some extent.

In support of the finding above, deans from the selected public TVET colleges were interviewed regarding on the degree of the right to utilize generated income. Accordingly they responded that, there is no clear authority granted to the TVET colleges to utilize funds generated internally.

This shows that, public training institutions and colleges lack the power to use income generated by them. This may be a cause to discourage the colleges to search for further sources of income to strengthen their financial capacity and there by improve their facilities and offer quality training and education. Moreover, the absence of financial autonomy in terms of using generated income may also discourage staff of the colleges to participate actively in the process of income-generating activities.

In this section of the study, one open-ended item regarding the proportion of income retained in the colleges was identified. In order to get relevant data for

this item, deans from the sample colleges were interviewed and also relevant documents were studied and analyzed.

Accordingly, deans of the TVET colleges said that, all income earned from different activities were transferred to finance and development bureau except 14% of income from evening courses.

In addition, the guideline document prepared by the education bureau of Addis Ababa City Government about the evening program offered by public TVET institutions in Addis Ababa was studied. According to the provisions enshrined in the document about the percentage share of income to be retained in the public TVET institutions running under the control of the bureau, only 14% of income from the sale of evening classes will be retained in the colleges as a budget for the evening program it self. The remaining 70% income from evening classes will be distributed for the staff members involved in different duties in the evening program and 11% will be transferred to the government and 5% will be kept as a reserve (see Appendix C).

However, complaints from the colleges revealed that, the share allocated as budget to purchase training materials and equipment is not sufficient and hence, resources from the regular program are mostly used which in turn affects the quality of TVET system in general.

Table 11: The use of income retained in public TVET colleges

Item	Uses	Respondents			
		Trainers N ₁ = 106		Managing staff N ₂ = 33	
		No.	%	No.	%
For what purposes is the income retained in your college utilized?	To purchase training materials	98	92.45	33	100
	Expansion of buildings and facilities	19	17.92	11	33.33
	Incentive to exemplary staff			6	18.18
	For the development of new training programs				
	Scholarship for needy students				

NB: Respondents had a chance to mark more than one position.

Accordingly, all respondents from the managing staff and 98(92.45%) trainers said that income retained in the colleges was utilized for the purpose of purchasing training materials and other consumables. However, only 19(17.92%) trainers and 11(33.33%) managing staff responded that the retained income also utilized to expand building accommodations and other facilities. Finally, only 6(18.18%) of the management group agreed on the use of income for further training of staff members.

From the above data, we can infer that, income retained in the TVET colleges often utilized buy consumable training materials. Besides, the data revealed that, the colleges were devoted some share of the retained income for the construction of additional buildings and facilities.

3.5. Problems Related to IGAs

There are different problems facing training institutions during the process of income-generating activities. The researcher had identified the major ones and presented to the respondents to rate by the five point Likert scale. The scale indicates: 5= very serious, 4=serious, 3= moderately serious, 2= less serious and 1= not a problem. The data obtained were analyzed by percentage and for the purpose of the analysis the results computed for each rating scale were condensed and categorized as: very serious, moderately serious, and less serious. Accordingly the results have been summarized under Table 12.

Table 12: Problems related to IGAs

No.	Problems	Respondents																			
		Trainers, N = 106										Managing staff, N = 33									
		5		4		3		2		1		5		4		3		2		1	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
1	Lack of institutional autonomy	94	88.68	12	11.32							29	87.88	4	12.12						
2	In appropriate financial regulation	83	78.30	23	21.70							26	78.78	7	21.22						
3	Low capacity of the college			10	9.43	62	58.49	34	32.08					9	27.27	18	54.55	6	18.18		
4	Low income area where the college is located							19	17.92	87	82.08									33	100
5	Poor marketing strategies	14	13.20	40	37.74	52	49.06									24	72.73	6	18.18	3	9.09
6	Lack of staff motivation for IGAs							89	83.96	17	16.04					9	27.27	24	72.73		
7	Lack of awareness on market-oriented approach	17	16.03	31	29.25	58	54.72									4	12.12	24	72.73	5	15.15
8	Less demand of products and services							74	69.81	32	30.19							7	21.22	26	78.78

Item 1 and item 2 from Table 12, similarly rated “very serious” by all respondents, while item -3 rated “moderately serious” by 62(58.49%) trainers and 18(54.55%) managing staff. In addition, items 5 and 7 similarly rated “very serious” by about half of the trainers, and “moderately serious” by most 24 (72.73%) managing staff.

This implies that, lack of institutional autonomy to retain and utilize internally generated income; inappropriate financial procedures and regulations, poor marketing strategies, and lack of awareness in market oriented approach are the major problems facing the TVET colleges during the process of income-generating activities. Besides, low capacity of the training colleges to deliver special training programs is also identified as moderate problem affecting the process of IGAs in TVET colleges.

However, the other items, 4, and 8 similarly rated “less serious” by almost the entire participants of in the study. This means, low income area where the sample colleges are located, lack of staff motivation for income-generating activities, and less demand of services and products of the colleges are not problems encountered by TVET colleges.

Furthermore, respondents were also requested to mention other problems confronting the colleges during the process of income generating activities in the open-ended item provided in the questionnaire. Accordingly, most of the respondents replied that:

- Unfair distribution of income among the staff involved in the evening program. The majority of trainers complained that, principals are getting much money which is beyond the amount set in the guideline document by the Education Bureau of Addis Ababa City Government.

- There are also individuals getting money from the income obtained through evening courses without their participation in the program.
- Lack of transparency with regard to the amount of income raised from different sources.

To sum up all, public TVET colleges were facing a lot of problems related to income-generating activities. The major problems identified in the study include: lack of institutional autonomy, inappropriate and unclear financial regulations, poor marketing strategies and lack of awareness in market oriented approach. Moreover, lack of transparency by the colleges with regard to income generated from different sources and unfair distribution of income among the beneficiaries in the evening program were also other problems constraining the effort towards IGAs.

CHAPTER FOUR

Summary, Conclusions and Recommendations

After analyzing and discussing the data obtained from different sources, the following summary, conclusions and recommendations have been given in this chapter.

4.1. Summary

The main purpose of this study was to assess the current status of income-generating activities in public TVET colleges in Addis Ababa and to identify the major problems confronted in performing the activities and thereby to provide certain possible recommendations to the concerned body. To this effect, the following basic questions were raised to be answered in this study.

1. What are the main sources of income-generating activities in public TVET colleges?
2. What incentives are there to encourage income-generating activities?
3. How are the selected TVET colleges utilizing generated income?
4. What are the major problems related to income-generating activities in the selected TVET colleges encountered?

In its attempt to find answers to the questions above, the study had employed descriptive survey method. Both primary and secondary sources of data were utilized to generate relevant data. Questionnaire was designed and used to collect data together with interview and document analysis. Moreover, appropriate sample sizes have been drawn from two respondent categories, trainers and managing staff. Simple random sampling technique was employed to select sample respondents from trainers, whereas all managing staff members were involved in the study.

The collected data have been analyzed with relevant statistical tool and interpreted accordingly. On the basis of the analysis made; the following major findings were obtained.

A. General Points

1. Sex and Age

In the sample public TVET colleges, the major proportion of respondents in both groups were males. This implies that the participation of females in technical and vocational training and education program as a trainer and decision maker were very limited. Regarding the age of respondents, most of them were found in the adult age group.

2. Academic qualification and experience

With regard to the academic qualification of participants of the study, most of the trainers and all respondents from the managing group had at least their first degree and the rest of managing staff and a few of the trainers were masters degree holders. However, the majority of respondent from the management staff lacked experiences in their positions, while more than half of the trainers had served for at least ten years on the task of teaching and training.

B. Sources of IGAs

1. Existence and extent of IGAs

All participants of the study confirmed the presence of income-generating activities in the sample TVET colleges. However, the majority of trainers and all respondents from the managing group agreed that, the extent of the activities was moderate while the remaining of trainers said low. This indicates that, the status of income-generating activities in the selected public TVET colleges was in a moderate state.

2. Main sources of IGAs

According to the finding of the study, all respondents pointed out that, the sale of training services to various groups was the major source of income-generating activities performed in the TVET colleges. Again, production and service units established for commercial purposes were identified as another source of income.

Moreover, the sale of non training services (hiring out rooms and facilities, examination fees) and training with production activities were rarely used as a source of income-generating activities carried out in the colleges.

3. Extent of income

The result of the study revealed that, all respondents rated high for the extent of income obtained through the provision of evening courses. On the other hand, most respondents agreed on the moderate extent of income from hiring of facilities and rooms, while the sale of products and services produced by trainees / students were rated poor. This implies that, evening courses were used as regular sources of income, whereas the other sources were not fully utilized.

C. Incentives to encourage IGAs

1. Existence of incentives

As revealed from the finding of the study, all respondents agreed on the absence of incentives provided by the government or non-governmental organizations to encourage income-generating activities in public TVET colleges.

2. Appropriateness of incentives

The majority of respondents agreed on the appropriateness of the following incentives to stimulate and motivate income-generating activities in public TVET colleges:

- ✓ Institutional autonomy to retain and utilize generated income
- ✓ Appropriate financial regulations and procedures,
- ✓ Capacity building of managers in terms of marketing and management skills.
- ✓ Training of the staff in market assessment, and
- ✓ Technical assistance related to IGAs

D. Utilization of generated income

The majority of respondents said that, public TVET colleges have no right to utilize the internal generated income due to the financial regulations and lack of authority. This implies that the absence of autonomy to use income generated in the colleges may discourage them to search for other sources of income and thereby strengthen their financial capacity.

Responses reveal that, all income generated through different sources were transferred to the government except 14% from the sale of evening classes.

Regarding the use of income retained in the colleges, i.e. only 14% from evening courses often used to purchase consumable training materials for the evening program itself. However, the study also confirmed that, the budget allocated (14%) was not sufficient to fulfill resources needed for the evening program.

E. Problems related to IGAs

Most respondents indicated that, lack of authority to retain and utilize generated income, inappropriate financial regulation and procedure, poor marketing strategies and lack of awareness in market-oriented approach were the major problems often occurring in the TVET colleges while performing income-generating activities. In addition, they pointed out that, principals lack transparency with regard to the

income generated from different sources and unfair distribution of income among the staff involved in the evening program.

4.2. Conclusions

Income-generating activities undertaken by public TVET institutions will be regarded as a means to diversify mechanisms of financing TVET program. Training institutions can generate income from various sources to supplement the cost of training and education.

However, in the current state the TVET colleges are exercising income-generating activities only in limited areas. According to the result of the study, income is regularly generated from the sale of evening classes whereas other sources are not fully utilized.

On the other hand, public owned TVET colleges are not provided with incentives to motivate income-generating activities and hence they are not encouraged to search for other sources and thereby strengthen their effort towards income-generating schemes.

Moreover, TVET colleges running under the control of the government are not authorized to decide on the use of generated income due to inappropriate financial regulations and procedures. This may be a disincentive for the public TVET colleges to improve income-generating activities.

Furthermore, lack of autonomy to utilize internal general income, inappropriate financial rules, lack of awareness towards market-oriented approach, lack of transparency and uneven distribution of income are the major problems confronted by the TVET colleges while performing income-generation activities.

4.3. Recommendations

Based on the findings obtained and conclusions arrived at: the following recommendations have been forwarded to improve the current status of income-generating activities in public TVET colleges in Addis Ababa.

1. Public TVET colleges in Addis Ababa are currently practicing income-generating activities. However, the colleges must widen and strengthen the activities to improve the contribution in diversifying mechanisms of financing TVET program. Therefore:
 - 1.1. The TVET colleges need to exploit all available resources to increase the amount of income raised from different sources. In this regard, a source like training with production activities has to be effectively utilized for its advantage of exposing students to get real practical skill in addition to raising income. In addition, public TVET colleges need to establish commercial centers in their compound independently from the main training program.
 - 1.2. The TVET colleges have to survey to identify other potential sources of income.
 - 1.3. Public training colleges should practice market-oriented approach. They have to be guided by appropriate and preplanned marketing strategies.
2. The government particularly the regional state have to encourage the effort towards income-generating activities by providing incentive to public TVET colleges in the following manner:
 - 2.1. Granting financial autonomy to public training colleges to decide on the use of internally generated income.
 - 2.2. Establish appropriate and clear financial regulations and procedures considering the local context.

- 2.3. Capacity building programs for manager of public TVET colleges to enable them to initiate and appropriately manage income-generation activities.
3. Considering the major problems pointed out in relation to income-generating activities confronted by public TVET colleges:
 - 3.1. The regional government need to revise the share allocated as budget for evening program. This means, the budget to fulfill required materials and facilities for the evening classes is insufficient and should be raised to a reasonable amount. This may reduce the use of resources from the regular program and consequently the evening program operates independently.
 - 3.2. The bureau of education should insist managers of the public TVET colleges to practice fair and reasonable distribution of income among members of the colleges who participated on the evening program.
 - 3.3. TVET colleges have to form a committee to monitor and regulate income generating activities.
4. Finally, the researcher recommends further investigation in the issue, as this study is the first in the region.

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Appendix A
ADDIS ABABA UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF BUSINESS EDUCATION

A Questionnaire to be filled by Deans, Vice Deans, Department Heads and Trainers /Instructors.

I would like to express my heartfelt appreciation and regard for your sincere cooperation in advance. The questionnaire is designed for gathering relevant data for a thesis research entitled “*Assessment of the status of income-generating activities in selected public TVET colleges in Addis Ababa*”.

The result and success of the study depends upon your accurate and honest responses to the items presented. Your responses will be kept confidential and used only for academic purposes.

DIRECTION

- No need of writing your name.
- Please put “√” or “X” mark in the boxes provided where alternatives are given.
- If you have additional opinion, please write it on the spaces provided.

Part-One. Background Information

1.1. Name of your TVET College-----

1.2. Sex Male Female

1.3. Age 20-25 31-35
 26-30 36-40
 Above 40

1.4. Your academic Qualification
 College diploma MA/Msc
 BA/Bsc PhD
Others, please specify-----

1.5. Your current position
 Dean Department Head
 Vice Dean Trainer/Instructor

1.6. Years of services in your current position
 1-3 7-9
 4-6 10 years and above

Part-Two. Sources of Income-generating activities

2.1. Are there any income-generating activities performed in your TVET College?

Yes No

2.2. If your answer to item no.2.1 is “yes”, to what extent is the college performing the activities?

Very high Moderate
 High Low
 Very Low

2.3. What are the main sources of income-generating activities carried out in your TVET College?
(You can mark more than one option)

Training with production
 Training services offered to various groups
 Non-training services
 Production and service units established only for commercial purposes
 If others, please specify -----

2.4. Please rate to what extent income is generated from the following sources in your TVET College. The numbers indicate:

5= Regularly, 4= Mostly 3= Partially, 2= Seldom, and 1=Never

No.	Source of Income-generating activities	5	4	3	2	1
2.4.1	Training with production					
	2.4.1.1. The sale of products produced by trainees /students during training , such as wooden and metal furnitures,tools, garments, e.t.c.					
	2.4.1.2. The sale of services by trainees, such as hair dressing, car repairs, etc.					
	2.4.1.3. Practical training as contract work like construction works, maintenance works, sewing of school uniforms, etc.					

2.4.2	Training services offered to various groups					
	2.4.2.1. Evening courses offered to the general public.					
	2.4.2.2. Delivery of special training programs for enterprises and various target groups.					
	2.4.2.3. Upgrading courses for civil servants.					
	2.4.2.4. Training of trainers for NGOs or other developmental agencies.					
2.4.3	Non-training services					
	2.4.3.1. Renting out rooms, equipment, and facilities.					
	2.4.3.2. Consultancy services to local enterprises and institutions.					
	2.4.3.3. Conducting tests of quality control using equipment of the college.					
	2.4.3.4. Examination fees from private and public organizations for personnel recruitment.					
	2.4.3.5. Trade testing fees.					
	2.4.3.6. Service centers, such as coffee shops and restaurants.					
	2.4.3.7. Special events, such as bazaar, exhibition.					
2.4.4	Production and service units established only for commercial purposes					
	2.4.4.1. Carpentry and metal work shop selling their products to the market.					
	2.4.4.2. Garages providing auto service and car repairs to the community.					
	2.4.4.3. Agricultural products.					
	If others, please specify----- ----- ----- -----					

Part-Three. Incentives provided to encourage and stimulate Income-generating activities in PublicTVET Colleges.

3.1. Are there any incentives provided by the government and /or non-governmental Organizations to encourage income-generating activities in your college?

Yes No

3.2. If your answer to item no.3.1 is “yes” please, specify the type of the incentive provided to your college.

3.3. The following are some of the incentives to encourage and stimulate income-generating activities. Please, rate their degree of appropriateness to your TVET College.

The numbers indicate:

5=Most appropriate, 4=More appropriate, 3=Appropriate, 2=Less appropriate, and 1=Not appropriate.

No	Incentives to encourage and stimulate income-generating activities	5	4	3	2	1
3.1	Institutional autonomy to retain generated income.					
3.2	Appropriate financial regulations and procedures.					
3.3	Capacity building programs to improve management and marketing skills of managers.					
3.4	Training the staff in market assessment.					
3.5	Supervision and monitoring.					
3.6	Reduced budgetary allocations toTVET colleges to share some part of the training costs through income-generating activities.					
	If others, please specify					

Part –Four. Utilization of income-generated in public TVET colleges

4.1. To what extent is your TVET College allowed by the supervisory body to utilize Institutionally generated income?

- To a great extent To some extent Not at all

4.2. For what purposes is the income retained in your college utilized?
(You can mark more than one option)

- To purchase training materials and other consumables needed by the college.
- For any necessary investments, such as buildings, purchase of equipment, machineries, Vehicles, etc.
- Incentives to exemplary staff.
- For further training of staff members.
- For the development of new training programs.
- Scholarship for needy students/trainees.
- If others, please specify -----

Part-Five. Problems related to income-generating activities in public TVET colleges

5.1. The following are some of the problems related to income-generating activities in public TVET colleges. Please rate them to the degree of seriousness in your college. The numbers indicate:

- 5= Very serious 4= Serious 3= Moderately serious
2= Less serious 1=Not a problem

No.	Problems related to income generating activities	5	4	3	2	1
5.1.1	Lack of institutional autonomy to utilize the generated income					
5.1.2	Inappropriate financial regulation					
5.1.3	Low capacity of the college to delivery special training programs					
5.1.4	Low income area where the college is located					
5.1.5	Poor marketing strategies					
5.1.6	Lack of staff motivation for income-generating activities in the					

	college					
5.1.7	Lack of awareness on market oriented approach					
5.1.8	Less demand of products and services of the college					

5.2. Please mention other problems related to income-generating activities in your college.

5.3. Please give your possible solutions to improve the current status of income-generating activities.

Appendix B

ADDIS ABABA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF BUSINESS EDUCATION

Interview to be conducted with Deans or vice Deans

Objective

The main objective of this study is to assess the current status of income-generating activities in Public TVET colleges in Addis Ababa and to identify the major constraints confronted in performing the activities and thereby to provide certain possible recommendations to the concerned body.

Part-One. Background Information

1.1. Name of your TVET College -----

1.2. Sex Male Female

1.3. Your current position

Dean Vice dean

1.4. Years of services in your current position -----

Part-Two. Questions regarding income generating activities

2.1. How do you evaluate the current state of income generating activities in your college?

2.2. How do you rate the contribution of income generated from training with production activities?

2.3. Is your TVET College has the right to utilize internally generated income? (Yes/No)
If Yes to what degree?

2.4. How much percentage amount of income retained in your college?

2.5. What major problems are encountered related to income generating activities in your college?

2.6. Please, suggest your possible solutions to improve the current status of income generating activities.

Appendix C

ማታ ተከታታይ የቴ/ሙያ ትምህርትና ሥልጠና ክፍያን በተመለከተ

የማታ ተከታታይ ትምህርትና ሥልጠና ንግግራም ከቀኑ መደበኛ ትምህርትና ሥልጠና አቻ የሚሰጥ በመሆኑ፣ በማታ ተከታታይ ትምህርትና ሥልጠና በየክፍሉ ሊኖሩ የሚገባቸው ለጣኞች ብዛት ከተቀመጠው ስታንዳርድ በላይ ቅበላ ቢፈጸም በጥራቱ ላይ አሉታዊ ተፅዕኖ ሊደርስ ይችላል። ስለዚህ የሰልጣኝ ብዛት በክፍል /በሾፕ መያዝ አቅም ይወሰናል።

የገቢ ሥርጭት

በየወሩ ከሚሰበሰበው ጠቅላላ ገቢ፡-

ሀ. ከጥቅል ገቢው 11% ተቋሙ ወይም ኮሌጁ ለክልሉ/ለክፍሉ ከተማው ፋይናንስና ኢኮኖሚ ልማት ጽ/ቤት በየወሩ ፈሰስ ያደረጋል፤

ለ. ተቋማት ወይም ኮሌጆች ከገቢያቸው 14% በመቀነስ ለኮሌጁ ወይም ለተቋሙ ሥልጠና ግብአት ወጪዎች ያውላል።

ሐ. ከአጠቃላይ ገቢ 5% መጠባበቂያ ይሆናል።

መ. ለአሰልጣኞች፣ ለድጋፍ ሰጪ ሰራተኞች፣ ለአስተዳደራዊና ሌሎች ወጪዎች ከአጠቃላይ ገቢው 70% ብቻ ይሆናል።

በማታ ተከታታይ ትምህርትና ሥልጠና ለሚሳተፍ የሰው ኃይል የሚደረግ ክፍያ

10.1. በመሠረቱ የክፍያ ስምምነት መፈፀም ያለበት የተቋሙን ጠቅላላ ገቢና ወጪ በትክክል ለመተመን በሚችልበት ጊዜ በዓመቱ ሥራ መጀመሪያ አካባቢ መሆን አለበት። የክፍያ ስምምነት መፈጸም ያለበት የተቋሙን ወይም የኮሌጁን ጠቅላላ ገቢና ወጪ በማመዛዘን በመሆኑ ምንጊዜም ቢሆን በመካከል የገቢ ለውጥ ካለ ክፍያው መለወጥ ይችላል። በአንዳንድ ተቋማትና ኮሌጆች በዓመቱ መጀመሪያ ላይ ብዙ ሰልጣኞች ተመዝግበው የቴ/ሙያ ትምህርትና ሥልጠናውን በሚቀጥሉበት ጊዜ ለአሰልጣኞችና ለድጋፍ ሰጪ ሰራተኞች የሚከፈለው ክፍያ በዚያው መጠን ከፍ ያለ ሊሆን ይችላል። ነገር ግን እንደአጋጣሚ በዓመቱ ውስጥ በተወሰነ ወቅት የሰልጣኞች ቁጥር በአንዳንድ ምክንያቶች ቀንሶ ሲገኝ የተቋሙ የወር ገቢ በመቀነሱ ምክንያት አሰልጣኞችም ሆነ የአስተዳደር ሰራተኞች የክፍያ መጠን ሊቀንስ ይችላል። ስለዚህ በተራ ቁጥር 9.2. በተጠቀሰው መሠረት ሁልጊዜ ተፈጻሚ ይሆናል።

Declaration

, the underlined, declare that this thesis is my original work, has not been presented for a degree in any other university and that all sources of materials used for this thesis have been duly acknowledged.

Name: Neway Adane

Signature 

Date of submission 14 - July - 08

This thesis has been submitted for examination with my approval as a University Advisor.

Name: Girma Zewdie (Associate Professor)

Signature _____

Date of Approval _____