ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

THE CHALLENGES OF INTERNAL REVENUE GENERATION AND ADMINISTRATION IN THE ETHIOPIAN PUBLIC HIGHER EDUCATION INSTITUTIONS: A Case Study of Addis Ababa University

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DECLARATION

I, the undersigned, declared that this thesis is my original work and has not been presented for a degree in any university, and all the source of material used for the thesis has been duly acknowledged.

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ABSTRACT

The public higher education in Ethiopia is increasing from few reached to thirty four. At the same time students enrollment has increased dramatically. The higher education in Ethiopia has mission to do teaching, research and community service. To execute their mission the federal government is allocate budget. However, government could not cover the budget needed to accomplish their entire mission. As a result the public higher education expected to generate internal revenue to cover up at least some of their budget needed. The public higher education has to be supplemented their budget by their internal revenue generated. However, the public higher education internal revenue generation is not diversified sufficiently and significantly except continuing education.

In this study the challenges of internal revenue generation and administration in the public higher education in the case of AAU has analyzed. The study employed a case study with mixed research design to triangulate the result of the analysis from different source of the data. A secondary data of ten years continuing education student's enrollment and the revenue generated from Book Center gathered from AAU register, office of Book Center and different payment rates collected from CDE office. While the remaining source of internal revenue such as constancy, training, workshop, restaurant, café and printing press a two years internal revenue data collected from the office of internal revenue generation and diversification. Moreover, a primary data through questionnaire, interview and FGD has been collected from employees and students. Accordingly, the study used the cost and benefits analysis to analyze secondary data and used SPSS software to analyze primary data.

Based on the above method of data collection and data analysis result is obtained and reported accordingly. According to the result obtained the major source of internal revenue generation in AAU is continuing education particularly the college of Business and economics and Institutes of Technology are generating more revenue than any other colleges and Institutions. While the remaining sources of internal revenue generation in AAU is not significantly generated compared with the continuing education. Moreover, AAU internal revenue generation and administration in AAU has a number of challenges. Weak revenue collection and utilization practices, the internal revenue sources administration is marginalized with the regular program. As a result they lack attention to facilitate their financial, human and general service matters.

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LIST OF ABBREVIATIONS AND ACRONYMS

AAiT	Institute of Technology
AAU	Addis Ababa University
BC	Book Center
BUED	Business Education
CBE	College of Business and Economics
CDE	Continuing and Distance Education
CDEO	Continuing and Distance Education Office
CDEO	Continuing and Distance Education Office
CHLS	College of Humanity, Language and Journalism
COC	Occupation Competency Assessment and Certification Center
Cr	Credit
CSS	College of social science
CTS	Consultancy and Training Service
DC	Direct Cost
ECTS	European credit Transfer System
EiABC	Institute of Architecture, Building Construction and City Development
JKUAT	Jomo Kenyatta University of Agriculture and Technology
NPM	The new public management
PG	Post Graduate program
PP	Printing Press
RC	Running Cost
SPSS	Statistical Package for Social Sciences
SWOT	Strength Weakness Opportunity and Treat
TR	Total Revenue
UG	Undergraduate Program

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

The public and private sectors vary in different aspects such as in terms of objectives and strategy. The private sector focused to seek profit while the public sector is to fulfill the societal equity issues. The difference in their objectives made their performance management system relatively different. The private sector can measure their performance management based on their profit earning. The public sectors on the other hand, even if they generate revenue and earning profit, their predominant objective is to deliver service to achieve certain social outcomes. This condition makes the public sector to have relatively unique and different management system and poor performance. This is the fact that on one hand public sector funded largely by taxation rather than fees paid directly by customers (Niskanen, 1971; Walmsley and Zald, 1973).On the other hand the public sector organization are controlled predominately by political force, not market forces (Dahl & Lindblom, 1953).Referred bureaucracy, in the public sector, is the most efficient type of organizational management. While Merton (1940) strongly criticizing bureaucracy excessively requested people to adhere to rules and procedures. Those rules become meaningless in the face of rapid environmental changes and bureaucratic rules have negative effects on the modern public organization.

According to the public choice theory, organization that receives revenue from political sponsors are likely to be unresponsive to the preference of the people who receive their services (Boyne, George A., 2002).Thus public sector is not efficient in generating, diversifying and maximizing revenues(Box, 1999). A central element of the reform program associated with New Public Management (NPM) is that public organizations should import managerial processes and behavior from the private organization (Carroll and David E. Garkut, 1996). The strategies of public university's revenue generation varied from country to country. For instance short training, overseas students and consultancy featured prominently in the revenue generation strategies of universities in the U.K. On the other hand fundraising and institutional marketing were central in the United States. In spite of these differences largely attributable to differences in there regulatory framework to which the universities were subject there appear to have been commonalities in the internal management reforms introduced in order to survive in the new funding environment. One was to decentralize resource allocation to move away from central budgeting system.

The Ethiopian growth and development plan II vision with regards to education is improving educational relevance and quality (Ethiopian GTP II, 2015). According to the Ministry of Education disclosed, during GTP I Ethiopia had allocated 106 billion birr for the higher institutions in the last five years from 2010 up to 2014. On the other hand according to the data gathered from AAU budget office, government allocated 1.4 Billion and 1.5 Billion birr to the AAU in 2006E.C and 2007E.C (AAU, Budget Office). This shows that government was allocate huge amount of budget for the last GTP and will continue for the second GTP period to maintain quality. At the same time the population of the nation and the public service demand of the society increased. The pressure of citizen forced government to increases budget allocation from time to time to satisfy the need of other societal objective. However, government financial resource is limited to fulfill the budget need to satisfy the need of the citizen. Therefore, public higher education is expected to cover a certain part of their budget needed to attain their objectives through internal revenue generation. A sustainable increase of cost-sharing by students would help to ease potential crisis of funding higher education and educational quality (Ashcroft, Kate, 2005). According to the proclamation number 650/2009, the public higher education in Ethiopia is doing teaching, research output and community service. In fact they are non-profit making organizations however; they can create their internal revenue through the service they provide so as to cover at least their institutional running cost and ease the budget burden of the government.

The sources of internal revenue in AAU are Continuing and Distance Education, Consultancy and Training, provision of service rendering and income generated from establishment such as Book center, printing press, Restaurant, café and workshop. Until recently sources of internal revenue in AAU was administering under the office of internal revenue generation which was supervising by the vice president for administration. However, at this time except continuing and distance education all the remaining sources of internal revenue are administered in integrated managed system through reorganized Enterprise. CDE is one of the internal sources of revenue generation for the university which is generated revenue through providing education as one of the programs offered in AAU. The program is organized for those who have not been able to get the opportunity to attend regular programs. As a result, the university is earning significant amount of revenue with the service it renders to the community in this regard. Apart from instructors and academic office bearers, the continuing programs have managed to accomplish their missions through the services provided centrally administered offices such as finance, general service and registrar besides with the regular program (Office of Internal Revenue Generation, AAU).

The academic functions of the continuing programs have also been by the supported coordinators and secretaries who are employed for the regular program. Moreover, services for extension program students were supposed to be provided by associate deans of the colleges. However, due to different reasons especially owing to being too overwhelmed to deal with the various day-to-day affairs of the regular program in addition to the extension program, most have not been able to do the job and delegated them to some voluntary instructors. Furthermore, experience suggests that department heads would not carry out the tasks to the extent accomplished by coordinators due to lack of time and absorption in other administrative activities. Such a situation posed immense difficulties on the provision of satisfactory levels of assistance to both instructors and students. Moreover, considering the enormity of the tasks to be carried out and the size of students in extension programs, it would be difficult to achieve reasonable degrees of effectiveness and efficiency in service delivery of Office of Continuing and Distance Education (Office of CDE).

The consultancy and Training is the other source of revenue generation that could have potential to generate a significant amount of revenue for the university. However, the university could not use the opportunity to generate revenue through consultancy and training exhaustively. The book center is also source of revenue generation in AAU with its own autonomy in finance and general service. However the center is dependent on the local book supplier on the discounted bases and the financial functions are done manually. The remaining sources of internal revenue in AAU such as printing press, workshop, café and restaurant were centrally administered. However, these sources of internal revenue have their own human and capital resource engaged in a direct service and production activities. All in all, the sources of internally generated revenue in AAU were administering centrally under the university vice president for administration at the top. And, the offices facilitated their financial, procurement and human resource through the office of directors besides with the regular program of the university. But now the university reorganized all the sources of internal revenue generation as enterprise except continuing and distance education (Office of Internal Revenue Generation AAU).

1.2 STATEMENT OF THE PROBLEM

In Ethiopia, the number of public universities has increased dramatically to thirty one (31) (Ministry of Education website), and on aggregate the number of students enrolled in higher education is (308,589) three hundred eight thousand five hundred eighty nine (Education Statistics Annual Abstracts, 2007). As a result, government budget allocation has increased from time to time. For instance government allocated budget to AAU for the last two years is 1.4 Billion in 2006 E.C and 1.5 Billion in 2007 E.C (AAU Budget Office). The public university in Ethiopia with the consideration of maintaining educational quality needed government to increase budget allocation. The expansion of higher education in Ethiopia has been too fast for the government to allocate additional budget to maintain quality. The higher education in Ethiopia absorbs over 40% of the total public resource available for education. The inadequacy of funding has limited the ability to invest in infrastructure, research facilities and equipment, thereby hindering their overall research capacity (Fisseha, 2015).However, higher education institutions have a number of options to solve their scarcity of financial resource and diversify their revenue generation. According to government proclamation number 650/2009, the higher education is expected to accomplish their teaching-learning, research and community service missions. Through being involved in those activities they can diversify their internal revenue generation (Negarit Gazeta, 2009).

AAU is one of the oldest and prestigious universities in the country. Its long years of experience make the university a center of excellence in teaching, research and community service in the country (AAU, Office of Academic Affairs). AAU has enormous potential to diversify its revenue through CDE, expertise and consultancy, training, Book center, printing press, Workshop product, restaurant, café and renting university halls (Office of Internal Revenue Generation). However, its means of internal revenue generation are not diversified and efficient. The service especially those which generate income to the university are weak and inefficient and could not get the revenue from those services as expected. Though, public universities in Ethiopia have a variety of strategies and options to diversify internal revenue generation, only CDE and summer program are found to be significantly contributed in revenue generation while the rest of the strategies are not being fully exploited by the universities (Merisotis, Jamie P. 2003). Limited study has conducted on the public university internal revenue generation in general and AAU in particular. However, there is no detail study has made on the existing challenges from administrative perspective of internally generated revenue in AAU. As a result, this study has assessed the challenges of internal revenue generation and administration in AAU.

1.3 RESEARCH QUESTION

The research investigated and examined the following research questions:

- What are the current practices of internal revenue generation, collection, administration and utilization in AAU?
- What are the strength and weakness (SWOT analysis) of the internal revenue generation activity in AAU?
- What are government's regulatory framework and directives in the public higher education internal revenue generation?
- What are the possible effective ways of managing internal revenue generation at AAU?

1.4 RESEARCH OBJECTIVES

1.4.1 General objectives

Based on the stated problem, the general objective of this research was to investigate the challenges and prospects of the internal revenue generation and administration in Addis Ababa University. The research also investigated government's regulatory framework that allowed or restricted internal revenue generation.

1.4.2 Specific objective

- To show the current practices of internal revenue generation, collection and administration in AAU.
- To depict the weakness and strength of the sources of internal revenue generation.
- To identify government regulatory framework that helps or restricts to diversify the internally generated revenue in the public higher education institutions.
- To discuss the possible and effective ways of managing sources of internal revenue

1.5 SIGNIFICANCE OF THE RESEARCH

Ethiopia has built a number of universities in different regional states and enrolled thousands of students. As a result government recurrent budget allocation has been increased from time to time. On the other hand, the Ethiopian government's second five year Growth and Transformation Plan (GTP II) has sought to maintain quality of education. In the higher institutions a number of Msc and PhD students are graduating every year and the number of research activities is increasing from time to time. On aggregate, it is clear that the allocation of financial resource in the higher institutions is increased. Government allocated approximately 1.4 and 1.5 Billion birr in 2006 and 2007 Ethiopian calendar respectively for AAU capital and recurrent budget. On the other hand government has other critical issues for which it has to allocate budget to solve the countries societal problems. The higher institutions in general and Addis Ababa University in particular have to diversify their internal revenue generation to cover their expenditure and reduce government budget burden. However, Addis Ababa University could not do well with regards to the internal revenue generating activity till now. Based on this understanding, the research provides evidence to the policy makers and implementers so as to make the internal revenue generating activity effective and efficient.

1.6 SCOPE OF THE RESEARCH

This research focused on AAU internal revenue generation with reference to Continuing and Distance Education, Printing Press, Book Center, Restaurant, Cafe, workshop, Consultancy and training service. Having limited time, resource and finance to do this research on all public university in Ethiopia , the research focused on the internal revenue generation in the case of Addis Ababa University selected among the public Higher Education Institutions found in the country. This study did not cover functions of the regular program of the University that has to be done to attain its major objective through the budget allocated directly from government. Moreover, the project fund donated by foreign donors was not included in this study since its revenue is not based on the internal human and material resource.

CHAPTER TWO
LITERATURE REVIEW

2.1 THEORETICAL LITERATURE

2.1.1 Conceptual Definition of Public Organization

This study focused on the public sector organizational behavior to some extent as a result the readers should have a clear understanding about the concept of public sector organization. The public sector organization consists of governments and all publicly controlled or publicly funded agencies, enterprise and other entities that deliver public programs, goods or services. It is not however; always clear whether any particular organization should be included under that umbrella (Catherine Blunt, 2011). Public sector organizations have the force of law and there is hence no stakeholder choice in whether to accept them, unless the choice is through long term democratic decision making. The Stakeholder assessments are vital for public sector organizations as they contribute to organizational legitimacy (Weber, Max, 1994).

Public organization have leader elected by popular vote. Regardless of whether a public organization is close to or far removed from the political leader at the top to whom the organization is accountable. The public organizations are responsible to a democratically elected leadership that is in turn accountable to the people through general election. Thus public organizations are part of a parliamentary chain of governance and face different challenges to those faced by private organization. Decision making in the public organizations can be of two types. The first one is decision outwards towards citizens, user groups and clients. The decision can be affected individual or enterprises (Christensen, Tom, 2007).

The other decision in public organizations can be directly towards internal organization. The emergence of public management is characterized by the development of new method of command and relations with the administration of public organization. Putting in to practice public policy relies on the development of a collective approach, respectively, on the formulation of the actors entirely of a certain proposals of improvement of the public service (Petrescu, Marius, 2010). The most salient distinguishing characteristic of public sector bodies is that are normative at their core. Normative considerations are endemic to public sector organizations, first because they directly or indirectly involved in the authoritative allocation of values. This phrase is shorthand way of describing a government’s vast organizational apparatus that engages in a wide range of activities over people (Easton, David, 1953).

2.1.2 Conceptual Definition of Public Management

There are many issues involved organizational behavior that are more important in public organization behavior that is more important in public than in private context and others that arise almost exclusively in a public organizational context. That is the impact of non financial performance measures on organizational performance eliciting good performance through other than financial incentives some researchers called it public service motivation (Crewson, 1997). Modern public administration emerged out of spirited rejection of the politics – administration dichotomy. The insurgents argued that administration is inherently political and must be understood as such. When it comes to theory, however, they poured their energies in to explaining how the political environment shapes what agencies do in politics – leading. This was certainly an important move issues of organization were largely shunted aside in the process. They continued to be regarded as non political and baste explained by reference to standard organization theory, which, as political scientists bailed to study the politics or government (Moe, Terry and Michel, 1994).Public administration scholars came to question preeminence of efficiency as they challenged the progressives' separation of politics from administration. That separation was a defining feature of the first phase of professional administration. More than fifty years ago, separating politics from administration did not square with the observation that agencies were as much enmeshed in political maneuvering as were legislators (Waldo, 1952).

Public management represents a complex discipline, which refers a disciplinary field wider than that of the enterprise. The two domains have in common the administration science management of organization, dynamics of complex systems, the management of technology and innovation. Moreover, the public management goes beyond these disciplines, by integrating approaches of understanding the society's evolution (Keramidas, 2005). The numerous and relatively variable definitions of the public management concept result first of all from the complexity of the public sphere, which is subject to a double causality on one side, the public sphere deals with the multiplicity of theories and institutional partners on the other hand and the increasing need of public services for some beneficiaries. As a result, the multiplication of the occupations specific to the public sector and also the transparency of the dialogue between the public actors, can meet these requirements only with the condition of an appropriate legislative context. The problem of the public sector complexity cannot be evoked without the underlining political influence, respectively the vulnerability of the national political systems (Bishop, 2003).

A representations with regards to public management reveals on one side a question mark under the legitimacy itself of the public management, and, on the other side, the multiple and varied attempts of conceptualization. Some specialists, especially those from the management of enterprises sphere, consider that public management is not a separate discipline mainly because both public and private organizations must undertake comparable adaptation measures. On the other hand, placing public management in the center of an entirety of contradictions which have to be integrated both structurally and functionally and also the actuality of the phrase "endless public needs vs. limited resources", lead to the formulation of flexible appreciations regarding to the public management's specificity. However, this placement in an optic, prevailingly administrative, narrows the theoretic field and, implicitly, the operational field of public management (Petrescu, Marius, 2010).

The overview identities feature of the public sector that contributes to the variety of different models. Many of those features also serve to make effective performance management harder in the public sector. The lack of predominant profit motive to simplify resource allocation private sector organizations can relatively easily determine where to invest effort and resource to maximize overall result. Although many public sector organizations have revenue generating or profit making elements, their predominant objectives is to deliver have certain outcomes. Those services must be delivered to users who may not wish to receive them, or who may not value them. The other feature that complicates the performance management of the public sector origination is complicated delivery chain and multiple stakeholders. Lack of attitude towards accountability and transparency many countries struggle with corruption, nepotism, poor governance or lack of openness. It is impossible to discuss the global public sector ass there are so many various in the scope and shape of public sector in the 196 countries of the world (CIMA, 2011).

The division of work means work which was done by the workmen alone is divided into two large sections, one of those sections is handed over to the management of course this principle is important in public organization for the same justifications that are used in the private management. However, other concept may not apply in public organizations for the same justification that are used in private management (Taylor, 2005). The most conventional distinction between public and private organization is their ownership (Rainey, 1976). The public organizations are owned by members of political communities where as private firms are owned by entrepreneurs. Unlike the private counterparts, public organizations are funded largely by taxation rather than fees paid directly (Niskanen, 1971).

The public sector organizations are controlled predominantly by political forces not by the market forces in other word it is primarily constrained by the political system rather than economic system (Dahl and Lindblom, 1953). However, Bazerman (1987) argues that no organization is wholly public or private. With regards to efficiency the economic theory of property rights suggest that common ownership leads to lower efficiency in the public organization. While in the private organization owners and shareholders have a direct monetary incentive to monitor and control the behavior of the manager. The managers themselves are likely benefited from better performance either because they owe the organization shares or because their pay is linked to financial success. According to the Public Choice Theory public organization that receives revenue from political sponsors are likely to unresponsive to the preference of the people who receive their services. As a result organization that are subject to political rather than economic controls are likely to face multiple source of authority that are potentially conflicting (Boyne, George A. 2002).

In the popular imagination, governmental organization is bureaucratic; private administration business like; governmental administration is political; private administration is nonpolitical; government administration is characterized by red-tape; private administration is not; actually the distinction is much too sharp to fit the fact. However, public and private organizations have many more similarity than they have the differences. In the actual administration there is often a greater difference between small and large organization than there is between public and private ones. The similarity between the public and private administration, the same tracks are there; the same cars are used; the same fare is charged; the same time schedule is followed; the same employees do the task for the same immediate bosses; many of the same skill are required; Yet it is likely that the administration problems of the two organization are sufficiently similar so that little difficulty in making an adjustment to this new position (Simon, Herbert A., 1967).

Public management is not the same as business management. While most of the difference between management in the public and private sector may be matters of degree not of kind significant difference do exist. Public managers need something more than a set of generic management tools. Even if management training were merely transmission and skill acquisition However, this would be wrong strategy. This is not merely a matter of emphasis and attitude. Some of the tools of public managers would take from business schools ill-suited to the job they face. Many of the critical tools they need are entirely absent from business curriculum. .Nevertheless, generic management tools are basic to management practice (Thompson, 1999).

2.1.3 The New Public Management Theory

The new public management in its origin it is strongly associated with UK prime minster Thatcher and US president Ronald Reagan, and with the New Zealand labor government of 1984. During their period in power in the 1980s they and many of their advisers favored what they considered to be more businesslike approach. Gradually partly through doctrine and partly through trial and error, this general attitude crystallize in to a more specific set of receipts for public sector reform. By the early 1990s a number of influential commentators appeared to believe that there was one clear direction at least in the Anglophone world. This general direction was soon labeled as the New Public Management more (NPM) or in the US Re-inventing Government (Hood, 1991). A pair of American management consultants who wrote best seller entitled Reinventing government and then became advisor to the US vice president on a major reform program was convinced that the change they saw were part of a global trend. They claimed that entrepreneurial government as they are called it was both worldwide and inevitable (Osborne, Dv. and T. Gaebler, 1992).

The term new public management has been coined by a set of administrative doctrine that is specified ideas about what should be done in administration (Jackson, 1991) and how computation mechanisms can reduce corruption (Klitgaart, 1988).The rise of new public management is one of the most striking international trends in public administration. Though the research reported in the other papers in this issue refers mainly to UK experience the New Public Management is empirically not a uniquely British development. NPM's rise seems to be linked with four other administrative purposes (Dunsire, 1989). The first one is attempts to slow down or reverse government growth in terms of overt public spending and staffing. The second one is the shift toward privatization and quasi-privatization and away from core government institution with renewed emphasis on subsidiary in service provision. The third one is the development of automation particularly in information technology in the production and distribution of public service. The forth one is the development of a more international agenda increasingly focused on the general issue of public management policy design decision styles and inter-governmental cooperation on top of the older tradition (Hood , Christopher and Gunnar, 1988).

The doctrinal components of New Public Management are people involved with public service delivery should be proactive managers rather than reactive administrators. The modern public manager should have discretion in decision making within his or her area of responsibility. Unlike the traditional public administrator who operated in accordance with the established rules and

regulations and who implemented the policies or government with little or no discretion and with no direct responsibility for the public service he or she deliver. Under the new public management lies at the core of public sector activity and professional managers are viewed as the key to improved public sector performance. New public management brings rigorous measurement of performance to the public sector organizations. This means that these organizations must pay closer attention to the aims and objective they are following when delivering their service. While the remaining components are greater emphasis on output control, disaggregation of public sector units, greater competition in public service provision, private sector style of management and greater discipline and economy in resource use (Hood, 1991).

Bureaucracy and constitutionalism, by Fritz Morstein Marx, the performance of the higher civil service in terms of its effect upon the political development of the modern nation-state no single answer will suffice. If a brief answer is attempted as a point of departure, much of its significance will emerge from the qualification that must serve as the indispensable accompaniment. A broadest language, the chief effect of the emerging merits bureaucracy may be said to have been in the direction of vastly increasing the viability of the institutional government. Popular rule, easily distorted by volatile partnership, cries out for the counter weigh of considered assessment of issues. Representation was strengthened rather than weakened by being linked with the sober insights that originate and the practitioner of administration, though often at odds with each other, learned to appreciate their separate yet mutually dependent contributions (La Palomara, Joseph, 1967).

The New Public Management is sometimes confused with the New Public Administration movement in USA of the late 1960s and early 1970s. But though there may have been some common features, the central teams of the two movements were different (Marini, 1971). The main thrust of the New Public Administration movement was to bring academic public administration in to line with radical egalitarian agenda that was influential in USA university campus at that time. By contrast the emphasis of New Public Management movement a decade or so later was firmly managerial in the sense that it stressed the difference management could and should make to the quality and efficiency of Public Service (Weisbrod B, 1978). Enterprise which can be readily controlled, especially where the state is the main customer or supplier, is turned in to government monopolies, and the private sector eliminated. If a state enterprise is profitable, there may be an irresistible temptation to use official pressure taxes, regulations, licenses exchange control to hamper, perhaps destroy, the competing private enterprises. As to the public sector, it is scarcely

possible to expect efficient and honest management of enterprise run by a bureaucracy that is not under political control. Who will prevent official vested with authority to run public enterprise from dropping in to the till, from squeezing the state just as they squeeze the private businessman? If conspicuous speculation is eliminated, more inconspicuous forms abound. Where effective political control over a bureaucracy is lacking, there is no institutional means for preventing bureaucrats from exploiting their power position at the expense of both private entrepreneurs and public enterprise. If the entrepreneur's community could organize power effectively, it might impose a middle class revolution on the government, establish the rule of low and create a favorable environment for economic development and administrative efficiency by means of a democratically controlled bureaucracy (La Palomara, Joseph, 1967).

A report prepared for UNESCO conference of higher education show a clear shift has occurred in government laws and regulations dealing with public universities in the last decade in many Canadian provinces and virtually all American states, in some European countries and very recently in China and Japan-all in the direction of greater managerial autonomy and flexibility (UNESCO, 2007). These efforts have frequently transformed public universities from simple governmental agencies into public corporations, giving the management new authority and sometimes corporate-style governing boards coupled with new accountability requirements In the public higher education principles of NPM is relevant to bring effectiveness. These new developments for greater managerial autonomy and flexibility essentially moving toward managerial models associated with private enterprise are collectively referred to as new public management and are designed to maximize the university's teaching and research outputs for the public as well as to provide incentives for maximizing internal revenue. Many governments to respond to higher education's financial challenges by corporatizing and privatizing public universities, implementing new public management tools for public university. Since NPM helps (Amaral, 2003).

The shifting needs and interests of students have also contributed to an increase in popularity of many professionally oriented programs and institutions. Research-intensive universities differ from teaching-focused institutions and today regions and nations see inputs from both types as important. Universities in developing countries are quite different from universities in industrialized contexts. Universities are no longer expected to work in isolation; rather, they are perceived to be interactive players who work closely not only with industry but with community and government. They are an integral part of the national or regional innovation systems (Mowery, David C and Sampat, 2005)

and a critical component of the evolving triple helix in which universities, government, and industry change their roles through interaction (Etzkowitz, Henry, 1997).Many universities and governments had inflated expectations about licensing outcomes, particularly concerning revenues. Today a greater realism reveals that not all universities can expect successful licensing, unless they have significant research capacity in areas such as biomedical science, with a critical mass of professionals working in technology transfer offices, a large enough portfolio of patents, and a certain amount of luck at developing a few "blockbuster" patents which make a significant difference in revenue (Geiger, Roger L, 2004). In 1985 in China, over half of all domestic patent applications came from public research institutions and universities with 50 percent of that share belonging to universities. The proportion dipped in the mid-1990s when there was a general surge of patent applications in China, but it rose to nearly 40 percent in 2005 with more than two thirds belonging to universities (Thursby Marie, 2007).

2.2 EMPIRICAL LITERATURE

2.2.1 Financing Public Vs Private Higher Education

There is a large literature on public finance policies and system in developing countries that explores various options for raising revenue, various criteria for the allocation expenditure and optimal means for managing and executing expenditure autonomous financial management and treasury for policy makers system. The new state agenda in Africa is both ambitious and essential and generating additional revenue to address the fiscal crisis are most several they argued in conflicted and post conflict countries, calling for reduced military spending, more grant aid and more relief to free up additional resource for core spending and a more legitimate and responsive state is a precondition for improving fiscal policy (Ndikumana, 2001).

The fiscal costs of conflict and explore strategic for revenue mobilization in post conflict recovery, exploring the strong illegal dimension that many conflicts take on and the particular challenges this raise for public finance as well as other ways in which conflict may impact the motive of key actors. They did not specify evaluate the effectiveness of various international interventions, nor how to prioritize expenditure (Addison, John T, 2004). The common financing behavior in higher education both public and private is that cost per students will fall as enrollments increases. The reason is that some of the resources used more efficiently with large students, therefore universities should enrolled more students to minimize cost indirectly maximizing net profit (Chandrasiri, 2003).The major difference between public universities and private college lies in how they are funded. This affects students because funding is tied to tuition price. Most public universities were funded by state governments, some as early as the 1800s, to give residents the opportunity to receive public college education. Today state government pays for most of the cost of operating public universities. They also oversee these institutions through appointed board and trustees. The tuition fee is lower at a public university and real cost of an attendance is subsidized. Money raised from tuition doesn’t need to cover all of a public college’s expenses. Mean while private college don’t receive funds from state legislators. They rely heavily on tuition and private contribution. This means tuition rates are generally higher. The State universities are primarily funded by the state governments who established them. Since the arrival of the first stream of private universities in 1999, school fees have proved their most traditional funding source. These sources are considered very important as any increases of funding to schools could make a difference in school quality as measured by academic achievement (Loubert, 2008).

A research on university and marketing theory, Dirks (1998) postulated that when applying theory of the firm to public enterprises like university, the lack of profit motive usually complicated the discussion. The profit motive in university education is substantially limited to some small highly specialized schools and proprietary institutions which may lead by private entrepreneurs. For the private universities, the school fees source has become so emphasized that this sector is fast proving not to be available for the poor. And considering that private universities are excluded from receiving any assistance what so ever from either the federal or state governments or their agencies, and given that for most times they provide all forms of social amenities ranging from water, electricity, housing, roads and all by themselves, one wonders if indeed the private universities deserve any reprimand for charging exorbitant fees. However, there are concerns that some private universities appear headed to price education far beyond the reach of the average citizen, making the call from some quarters, for central legislation on the matter seem urgently relevant. But this must be weighed against the backdrop of the absence of any form of support from the federal and state governments to the private universities. With this seemingly attitude of telling the private universities to 'sail or sink', the government is inadvertently compelling them to invent their own world as they deem fit (Bevc, Milena, 2008).

Tuition fees as an instrument of price policy in education which can exert negative consequences when the level is in appropriate. The decision on the level of tuition fees should take into account the degree of demand on Higher Education; the relevant price elasticity of demand on Higher Education and the economic background of students and their parents. This nit consideration is arguably partially unknown to the Nigerian case (Onuoha, Luke N, 2013).There are differences between public and private higher institution and between employees behavior of these Higher Institution. Public higher education is typically service oriented and they are not computing with any other institution for profit. While private Higher Institution goal is to compute with other organizations and get maximum profit. The performance of managers in the private Higher Education is judged on the basis of profit maximization but public managers do not expect any material benefits for their performance (Siraj, ud Din and Rashid, 2011).

2.2.2 Financing Public Higher Education Practices in the World

Higher education represents a critical factor in innovation and human capital development and plays central role in the success and sustainability of the knowledge and economy (Dill, David D and Frans A. Van Vught, 2010). Fifty years ago, higher education essentially referred to the traditional research university. This picture is entirely different today. Several trends have contributed to HEIs are more diversified and closer to patchwork model attended by large segments of the population. Thus, higher education today is characterized by massive expansion and wider participation, the emergence of new players, more diverse profile of HEIs, programs and technologies, greater internalization, computation and signaling mechanisms, growing pressure on costs and new reforms of financing as well as new modes and roles of governance, including increasing emphasis on performance, quality and accountability (Tremblay, Karine, 2012). Countries have also relied on private providers to meet the growing demand for higher education, resulting in a massive expansion of the number of private HEIs. This trend has been most prevalent weather there has not been a tradition of public funding of higher education, or resource have been limited to accommodate any additional demand through public higher education, or resource have been limited to accommodate any additional demand through public higher education (Levy, 1986). Student's demands are also changing they seek to acquire particular knowledge or skills to satisfy labor market needs and choose from the most courses from most suitable providers (OECD, 2008).

Higher education is recognized both as an engine of economic growth and as a gatekeeper to individual positions of high remuneration and status. It needs significant amount of budget for recurrent and capital expenditure. Funding of higher education is a large and complex topic. It is complex in part because of its multiple source of revenue and its multiple outputs or products, which are only loosely connected to this different revenue source. Furthermore, these revenue and expenditure patterns vary significantly by type of institution and mode of governance which are university or college and public or private respectively. Within the private sector, expenditure levels as well as patterns of pricing and price discounting vary greatly according to institutional wealth and depth, demographics, and family levels, tuition policies and enrollment limits that are set by state governments or public multi-campus governing board. The topic is large because finance underlines much of the three overarching themes of contemporary higher education policy quality and the relationship between funding and quality in any of its several dimensions access and efficiency, or the search for cost effective relationship between revenue and output weather measure in enrollment and graduates students (Johnstone, D. Bruce, 2009).

Analysis of the trend of the share of public expenditure on education in the gross national product during the period 1990 – 2002 shows that the government of 83 countries out of the 139 reporting had secured a relative increase in education expenditure. Sixty two of them are from developing countries out of a total of 94. What is striking is that their relative share is more than the developed countries. Governments have implicitly encouraged higher education institutions to adopt privatization of higher education. This is done through the withdrawal of government grunts provision of incentives to mobilize financial resources (UNSCO, 2006).The financing gaps are likely to worsen in the future and raise even more problems for Africa's higher education system. The ever increasing number of college and university students directly related to progress achieved in primary and secondary school enrolment suggests that the current trends may be financially unsustainable. It was conservatively projected that Africa had between 18 and 20 million higher-education students by 2015 with about 10 countries (Shantayanan, 2012).

Higher education in Kenya is characterized by students' preference for public universities due to government financial support associated with such an admission. This demand for university education has significantly increased and continues to swell against a backdrop of decreasing ratio of financial allocation to universities from the Government. Since 2000/1 academic year, only about 6% of registered Kenya Certificate of Secondary Education candidates, which is an equivalent of 25% of candidates who meet minimum university entry requirements, gets admitted on government sponsorship to public universities. It is this surplus supply of qualified students that created market for privatization of university education in public and private universities in Kenya. It is argued in this paper that the current arrangement in financing higher education in Kenya is inadequate. It is recommended that the Government develops instruments that encourage public private partnership in provision of physical learning facilities and non- discriminatory financial support to students in both public and private university (Calleb Gudo, 2013).

In another literature the revenue generation in the Jomo Kenyatta University of Agriculture and Technology in Kenya was analyzed in the study of revenue generation strategies in sub – Saharan Africa universities. The continuing growth in demand for university education, research, short – term course and consultancy service within Kenya and EAC and COMESA region are important drivers for revenue generation. In this regard, huge market opportunities for rolling out JKUAT program in neighboring countries, and national and international job opportunities for JKUAT graduates are key drivers for engaging in revenue generation, as reported by the interview respondents. The demands for JKUAT's academic program are linked to the socio – economic

development levels of Kenya, which are much higher than in neighboring countries. According to the world economic forum report (2011 – 2012), Kenya's innovations that collaborate well with the business sector. For innovation potential, Kenya gets fairly good marks for quality as well as for on the job training. These and similar factors may offer more opportunity for Kenya public university to attract international students and research (Fisseha Mamo, 2015). A recent education financing policy in Kenya favors or diverts resource from higher education to primary level of education. The policy favors for full cost recovery from students in higher education. Cost recovery methods are likely to have diverstating inequality in maintaining higher education accessibility and participation, especially for the poor, minority and other traditionally underserved population (Otieno, 2008).

The Kenyan experience on alternative higher education financing policies discussed the dual-track tuition fee policy at public universities as well as the need for the adoption of holistic tuition fee policies and greater institutional autonomy for financial management. The current higher education funding practices in Kenya vis-a-vis the attainment of social equity and the quality of public universities argues that there has never been a coherent policy behind funding of public universities in Kenya, but rather historical and political imperatives, which are partly responsible for the current financial crisis in the system. The expansion of public universities has been driven more by national pride and domestic politics that priorities quantity over considerations of quality and equity. The revenues generated from dual-track tuition fees are treated as being supplementary to the government's inadequate contributions, and they go toward meeting costs for salaries and infrastructural development but rarely toward enhancing quality and equity in the public higher education system (Oanda, Ibrahim, 2013).

The experience of public higher education in Uganda on the other hand, in the university of Makerere government financing was maintained for a limited number of students, and a private entry scheme was introduced to cover remaining demand. Between1997 and 2006, the number of students increased by 2.4%. During the same period, university financing changed profoundly and the share of private financing in the university budget grew from 30 to 60 percent. Public financing per student was maintained for government sponsored students only, whose number increased from 6,710 to 6,948. However, these students represented a declining portion of the total number of students, falling from 46 to 20 percent, while the average public resources per student decreased by 50 percent (The World Bank, 2010).

In Tanzania a study was conducted to evaluate the efficiency of public universities in Tanzania, in the use of human resources to produce output measured by the internal revenue generated and number of degrees offered. The study used a sample of 7 public universities out of 11 public universities operating in the country. The study used data envelopment analysis (DEA) input oriented under production efficiency. The finding of the study shows that public university reviewed were on average efficient when number of undergraduate and post graduate degrees were used as an output variables. The findings on the efficiency of the public universities in generation of internal revenue using available human resources were on average low. The results show that public institutions in Tanzania were underutilizing in human resources. The human resource is not efficiently utilized in the optimizing income, using consultancy services, fees, research and other investments to reduce their dependency on government and donors (Erasmus, 2013).

In Nigeria public higher education funded by the federal government via grunts for personal costs, research funding and capital expenditures (Odebiyi et al, 1999). The state university in Nigeria charges affordable tuition fees and other long list of charges for registration, library fees, department fees, IT dues and several numbers of levies (Aina, 2002). The state universities are primarily funded by the state governments who established them. In Nigeria public higher education, the government only funds a narrow list of expenditures including personnel, research and capital cost development (Onuoha, Luke N., 2013). Butone wonders how a university can grow and develop without the right and full funding of the operations. Literature exists to support the claim that the amount the federal government advances for electricity, for instance, is enough to buy diesel for only one month of the 12 months in the year (Adeniyi, 2008).

This is without considering the incongruous cost of maintaining the existing infrastructures. There is, however, evidence of improvements in the IGR (Internally Generated Revenue) earning capacity of some universities (Odebiyi et al., 1999). But there are currently fewer or no evidences of partnership with industry such that results of researches could be massively funded to benefit the larger community. Also, fundraising is almost non-existent in some universities and for those who have embraced it, little success is achieved. In the few cases of giving, the donors fail to provide sustainable support to service their gifts (Johnstone, 1998). There is a growing argument in favor of higher stake in the proceeds of IRG for the hands that help to generate it. From where the funds are harvested centrally, to where they are gathered at the level of individual departments, there have been suggestions that the central administration's share of the IRGs generated should be less, while the greater stake should remain high (Onuoha, Luke N., 2013).

In Jordan a research conducted to examines options available for the Jordanian Public Higher Education Institutions (HEIs) to finance their activities. Based on previous literature and a legislative framework, a quantitative research instrument has been designed to collect data from the financial departments in 10 Jordanian public universities. The results suggest that the public universities are heavily relying on internal sources of income rather than the external ones. On average, 76% of the total revenues were gained from tuition fees, whereas governmental subsidies contributed around 14% of the total revenue. In the same context, the results reveal that the public universities experience crucial difficulties when it comes to financing their operations, namely: weakness of income from research, consultation, and teaching activities; irregularity of the governmental aid; and weakness of the investing strategies (AL-Hamadeen and Radhi, 2015).

Many Universities in Russia are also earning 50% or more from entrepreneurial activities. Indeed the most interesting example of non-traditional non-state income generation is to be found in Russia. For example integrating the education research and industries, Educational Research and Innovation Complex of oral state Technical University of central Russia has helped to create three times more training programs and increases fixed asset. This extends the laboratory and class room space, and increase the number of registered patents, increases the volume of research and development. The Tyumen state oil and gas University of western Siberia in Russia has increased its share of non-governmental budget income from 75% in 1998 to 85% in 2002 through its cooperation with business enterprises (Bikas C. Sanyal, 2006).

The majority of USA public university has increased their non-governmental funding to around 70% of their total income and in Colorado University it has risen to 84%. In developing countries, that has occurred through studies abroad sometimes with foreign support and sometimes at the students own cost. While in developed countries this has brought extra income not only from cost recovered tuition fees but also from the visiting student's investment in their living expenses. The USA and UK and Australia to a large extent have benefited from this source of incomes. French, Germany and the Netherlands are new comers in this sector. Very recently this phenomenon has taken a new turn with increasing market-oriented delivery of higher education across borders often by institutional run profit (Bikas C. Sanyal, 2006).

2.2.3 The Public Higher Education Funding in Ethiopia

The magnitude of the financial challenge has been however more serious in most Africa university than anywhere else (Meek, 2009). The basic funding challenges in Africa University, which makes it more serious than the other, are the pressure of expansion, economic problems in most African countries, the pressure of other social and health issues on the state budget, students inability to pay tuition rates and misallocation of the available financial resources. The higher education program in Ethiopia include undergraduate degrees offered for three, four or more years and specialization degree such as Masters and PhD program. The public universities are providing both undergraduate and postgraduate programs in regular, evening, summer and distance programs. In Ethiopia34 public universities are established and increases student's enrollment at the same time (GTP Annual Progress Report, 2012/13). The undergraduate program enrolled 344,107 in 2009/10and enrolled474, 198 in 2012/13(GTP Annual Progress Report, 2012/13).

Total Number of Students Enrolled in Ethiopia Public Universities/Collage

Program	Total Number of Students in Undergraduate	Total Number of students in Postgraduate
Regular	300,244	15,668
Evening	62384	5595
Distance	31264	-

Source: Ministry of Education, 2006 E.C (2013/14) Annual Educational Abstract

Although higher education institutions and enrollments in Ethiopia expanded rapidly, resource allocation to institutions did not keep pace (World Bank, 2004). In Ethiopia government budget is seen to be insufficient to cover the expansion undertaken in many of the nation's public universities. The cost of Ethiopian university students quickly exceeds the available government funds (Reisberg and Rumbley, 2009). Higher education in Ethiopia is funded by the federal government. Moreover, income is generated from the services delivered by the institution such as research, continuing and distance education, consultancy and other activities. Over the past few years there has been significant investment in the higher education sector to increase access, improve quality and relevance and make universities and colleges more responsive to the need of the country (Teshome, 2004).On the other hand inefficient utilization and generally poor financial management of the available scarce resources is the challenge together with the financial inadequacy (Mengistu, Kibrom, 2010).

According to the provision of government regulations any students who have entered to the higher institutions have an obligation for repayment and graduated from the public higher education institution must share the cost. Moreover, in Ethiopia a review of higher education proclamation and the various proclamations for the establishment of the universities with regards to revenue diversification revels that among others the universities are legally empowered to own property. It can therefore be argued that the legal and regulatory environment offers more support than constraints to revenue diversification (Teshome, 2005).

Ethiopia is one of the countries which have invested in higher education massively. Between 2005/06 and 2009/10 the average higher education budget in Ethiopia was 24% of the education budget like other universities in Eastern Africa, Ethiopian Universities have tried number of revenue diversification strategies with varying degree of success. Some amount of revenues generated by different strategies in different universities in Ethiopia. Though it was possible to ascertain the actual revenue generated by most universities, Addis Ababa and Gondar Universities declined to reveal the amounts of internally generated revenue. It was however possible to estimate revenue generated by the extension and summer programs. This was done by multiplying the number of students in the respective programs by the normal credit hour load per academic year and the cost per credit hour (Kennedy Munyua, 2010).

In Ethiopia the public university income-generation activities supplement the public funds received from government. Revenues from university income generation activities are difficult to document due to inadequate record-keeping, made it difficult reducing university budget allocations by the amounts of income generated. The main sources of revenue appear to be the evening programs and contracted short term training. Addis Ababa College of Commerce reportedly produces 32 per cent of its recurrent budget from such fees, but Addis Ababa University generates only about 7 percent. In addition, it is estimated that the agricultural colleges at Jimma and Debub universities may cover one fifth of their recurrent budget from agricultural production earnings (Kastbjerg, 1999). In the future, expanding interest in the delivery of distance education courses may become a further source of university income. In the effort to stimulate more aggressive income-generation efforts by universities, the government proposed to include certain incentives to this end within its new funding formula for higher education. However, the study suggested that without implementing proper record keeping and financial system in the public higher education this aspect of the formula could be introduced (William Saint, William, 2004).

CHAPTER THREE
ANALYTICAL FRAMEWORKAND RESEARCH METHOD

3.1. THE NEW PUBLIC MANAGEMENT APPROACH

The analysis had designed based on the understanding of concepts and theory of the literature. It developed so as to analyze the data collected to answer the research question. On the one hand the study was focusing on the literature referred in chapter two particularly on the new public management theories which are;

- The management system of NPM is concerned with the public service delivery should be proactive (Changes that are initiated by an organization because it is desirable to do so) rather than reactive (Changes initiated in an organization because it is made necessary by outside force).
- The modern public manager should have discretion in decision making (the power or right to make a decision based on reason) within his or her area of responsibility.
- The NPM lies at the core of public sector activity and professional managers are viewed as the key to improve public sector performance.
- Greater emphasis on output control, disaggregation of public sector units, greater competition in service provision, private sector style of management and greater discipline and economical in resource use (Hood, 1991).

The above mentioned principles of the NPM is important to maximize the universities teaching and research output for the public as well as to provide incentive for maximizing internal revenue. Countries turned to non-governmental revenue to supplement the increasing insufficiency revenue available from governments. Revenue supplementation as an alternative to cost cutting and as preferred route to financial viability may take. The institutional entrepreneurship is selling of specialized and marketable teaching, renting of university facility and the commercial marketing of research discovery and others to diversify and maximize the revenue generated so as to meet the budget deficit in the Higher Public Education.

The study takes in to consideration the theory of the new public management that should be applied in the sources of public higher education revenue generation. The study hypothesis that the introduction of the NPM in the higher public education sources of internal revenue in Ethiopia makes to improve performance, increase fair profit, become competitive and minimize cost. As a result the NBM theory is used to analyze the current performance and challenge of internal revenue generation and administration in AAU internal revenue generation and diversification.

3.2. THE GLOBAL APPROACH IN PUBLIC HIGHER EDUCATION IRG

The public Higher education internal revenue generation and diversification in the world was the second view point in the study of the analysis. In Africa for instance the revenue generation in the public higher education in Kenya i.e. the study that took place in the case of Jomo Kenyatta University of Agriculture and Technology in Kenya analyzed. During the student it was observing that student's tuition fees, research, short – term training and consultancy service the major source of internal revenue. In Uganda, on the other hand the study took place in the university of Makerere government financing maintained for a limited number of students, and self-sponsored tuition fee scheme introduced. The share of self-sponsored financing in the Mekerere university budget grew from 30 to 60 percent (The World Bank, 2010).

In Tanzania on the other hand a study conducted to evaluate the efficiency of public universities in internal revenue generation and diversification. It was observing during the study that the efficiency of public universities in revenue generation and diversification using available human resources were on average low. The human resource was not efficiently utilized in internal revenue generated, using consultancy services, fees, research and other investments to reduce their dependency on government and donors (Erasmus, 2013).

Many Universities in Russia are also earning 50% or more from entrepreneurial activities. For example integrating the education research and industries, Educational Research and Innovation Complex of oral state Technical University of central Russia has helped to create three times more training programs and increases fixed asset. The Tyumen state oil and gas University of western Siberia in Russia has increased its share of non-governmental budget income from 75% in 1998 to 85% in 2002 through its cooperation with business enterprises. The second perspective of the study it was analyzing based on the empirical literature on the public higher education IRG practices in the world. It was analyzing how the Ethiopian public higher education practices of internal revenue generation and diversification are related and various (Martin, 2006).

3.3. THE ANALYTICAL METHOD OF THE STUDY

The analytical method of the study framed to see to what extent the NPM and the global approach to the public higher education related with the performance and the states of the source of internal revenue generation and diversification in AAU. As a result, the study analyzed the sources of internal revenue in AAU in two major pillars of the literature;

- Analyzing either the SWOT analyses of the result was a clear indication of the absence of some of the theory of NPM in the system.
- A comparative analysis between the global higher education internal sources of revenue practices with AAU.

The sources of internal revenue generation in the global perspective are student's tuition fee, Consultancy and training, corporate share, foreign students living expense, an innovative patent registration based on the literature referred on chapter two. In the case of Ethiopia the sources of revenue generation in the public Higher Education are student's tuition fee, consultancy and training, Book center, printing press, Restaurants and cafe, workshop and renting fixed assets.

1. The study was collected secondary data accordingly a ten years student's enrollment collected from AAU registrar. Student's enrollment was relevant to estimate the total revenue collected during the year from 1998 to 2007 Ethiopian calendar. The computed estimated cost and benefit analysis was used to infer;

   A. Which department is the most profitable and sustainable so as to see from which program the university does an opportunity to generate more revenue;
   B. Investigating which program is running its program with deficit;
   C. The analysis was also showing the trend of the revenue earning during the past ten years;
   D. Identifying which programs have the highest share in revenue collection.
   E. The study was also identifying the share of revenue among the source of revenue in AAU.

2. Information was gathering through interview with the key informant from continuing and distance education has with regards to the administrative challenges and the possible structures that can solve the problem exist to make more effective and efficient in revenue administration.

3. Primary data was also collected through questioner. To do so questioners were prepared for academic staffs, administrative staffs and students who were selected based on their relevance to the research objective and to answer the research question. Accordingly the data collected and analyzed by using SPSS and inferred accordingly. The output of the analysis helps to triangulate the output of the result from different angles so as to be made more reliable result.

4. To compute the revenue collected during the year specified data of tuition fee, semester load and instructor payment rate collected from AAU continuing and distance education. The study was analyzing revenue after direct cost deducted so as to see easily the sustainability of the program with the revenue collected. While the remaining internal source of revenue was collected a two year data of revenue from the main office of internal revenue generation and diversification. In this study descriptive statistics like mean, ratios, tabulation, percentages and graphical illustration was used to analyze the data relationship.

3.4 DEFINITION OF TERMS AND VARIABLES

- Continuing and Distance Education: - It is sources of internal revenue in AAU through providing education in the extension and distance program.
- Consultancy and Training: -Is the source of revenue through providing expertise by its own human resource laboratory, workshop and capital equipments.
- Book Center: - Is source of revenue through supplying books to the university community and other governmental and private institutions.
- Printing Press: -It is source of revenue which produces printing material for the university community and others.
- Restaurant and Café: - Are source of revenue through providing food for the AAU community and other.
- Workshop: - Is the source of revenue through providing furniture products for the AAU community and others.
- Academic Community: -Is all of those individuals studying teaching and doing research as permanent or visiting members of an institution.
- Academic Staffs: - Means members of an institution employed in teaching and /or research, and any other professional of the institution who shall be recognized so by senate status.
- Higher Education: - Means education in the arts and science offered to undergraduates and graduate students who attend degree programs through any of the delivery.
- Institution: -Means a public or private higher education institution.
- Private Institution: - Means a non-public higher education institution established by one or more individual owner.
- Public Institution: - Means an institution whose budget is allocated by the federal or state Government.

3.5 HIGHER EDUCATION REGULATORY FRAMEWORK

Proclamation number 650/2009 cited as the Higher Education proclamation. It is the legal framework to run higher education functions. In the study important regulatory Article has taken from this proclamation to identify the mandatory and degree of autonomy. The pillars of Public Higher Education source of internal revenue generation Articles are;

Article 6, Legal personality: - An institution establish in accordance with this proclamation shall have legal personality and, as such, it shall be entitled to own property, to enter in to contracts, and to sue and be sued in its own name.

Article 16, Academic freedom: - Shall be guaranteed for every institution in pursuit of its mission and consistent with international good practices.

Article 19, Education programs:- Subject to demonstrable competence, any institution may also offer education and training through ; a) Continuing Education b) Distance or Virtual Education c) Subject to demonstrable competence, any institution may also give short – term trainings for capacity building, or for important knowledge and skill in specific fields, and award appropriate certification.

Article 26, Consultancy and other supplementary activities: - Institution may perform Consultancy or other supplementary activities in area related to their competence. Every institution shall have the responsibility to forge relation with industrial for mutual benefit and on the basis of principle and transparent negotiation and agreements.

Article 66, Income generation: - without prejudice to the provision of this proclamation and other applicable laws, an income generating enterprise may be established by any public institution upon the request of the president and approval by the board. The enterprise shall have its own legal personality and operate, like any business organization, in compliance with all legal requirements. The initial capital required for the establishment of enterprise may be a budget allocated by government. The institution shall use the net profit of the enterprise in the pursuit of its mission and objective in accordance with the provisions of this proclamation

3.6 RESEARCH DESIGN AND METHODOLOGY

3.6.1 Research Design

In Ethiopia the public organizations as well as the public Higher Education are various in their kinds of service they are providing and their abundance as well as opportunities to diversify their internal revenue. As a result of this a research was employed a case study to answer the basic research questions and meet the objectives. The research was utilized Quantitative and Qualitative research approach. Moreover, the research design has figured out the major challenges and prospects of internal revenue generation and administration in AAU and its trend in the past as well as in the present.

3.6.2 Sampling Technique and Data Collection Method

The researcher selected Addis Ababa University as one of the public higher institutions which has an opportunity to generate internal revenue from the services it provides. The study selected a sample through non- probability purposive sampling technique to select among the university staffs and students. The study used such technique because the internal revenue generation has unique feature than any other kinds of working activity in the University. As a result of this limited respondents were selected from employees and students based on the information they have about the subject under study. The target groups of this study were both academic and administrative staffs employed in AAU. Moreover sample selection considered students who were staying more than four years were also selected in the sample due to the information they have during their stay in the university. The research employed questionnaire, interview and group discussion for the selected employee, informants and students. The questioners were also distributed to 25 students, 17academic staffs and 12 administrative staffs. Accordingly a total of 54 sample respondents were selected.

3.6.3 Method of Data Collection

The data gathered from government rules regulations and proclamations. The data sources also gathered from literature review, secondary data collected from office of registrar, finance office, office of internal revenue generation, continuing and distance education, printing press, Book Center, cafes, workshop and units that undertakes the consultancy and training. Data also gathered from literatures on the prevailing policies and strategies, proclamations, journals, research papers and the public institution working procedure manuals. Moreover, a primary data gathered through questioner and interview, therefore mixed research design used.

CHAPTER FOUR
ANALYSIS AND RESULT

4.1 CONTINUING AND DISTANCE EDUCATION

4.1.1 Continuing Education in Undergraduate Program.

The study analyzed all the internal revenue means of generation by using secondary data collected from the office of registrar, continuing and distance education, finance and head office of internal revenue generation and diversification. The analysis by using secondary data identified the trend of revenue collected in the past years which was also used to show the cost and benefit analysis. Accordingly the study finds the possible way to maximize the benefit with regards to the revenue collected and minimize the cost with regards to the market need. The study also computed estimated amount of overall revenue collected through all means of internal revenue generation for the period of 2006 E.C. Through the analysis of secondary data the gaps observed in the study was analyzed by using primary data. As a result the study identified the cause of stagnation in revenue generation in AAU. The secondary data was collected for the past ten years for Continuing and Distance Education and Book Center only. While the remaining means of internal revenue generation was collected only for the past two years due to the fact that weak internal revenue financial record system practices in the University.

Modern higher education in Ethiopia began with the founding of the University College of Addis Ababa University on March 20, 1950. In 1962/63 faculty of education, the School of law and faculty of medicine were established. In 1963, the division of continuing education, incorporating the extension sections of the university college and the Engineering College, in Addis Ababa. As part of the internal revenue generation in AAU continuing and distance education generate a significant amount of revenue. Currently AAU Continuing Education is the highest means of revenue generation compared with other means of revenue generation. Addis Ababa University is offered both undergraduate and postgraduate study in continuing education. Through continuing education Addis Ababa University has got a credit as a community service. However, the office of continuing and distance education has faced several problems. Among the problems the market need of skilled manpower in the national level is changing. That means some field of studies have not shown sufficient desire in the market to sustain the program on the other hand others are significantly increased their demand in the market.

Based on the above justification which was obtained through interview from the office of Continuing and Distance Education the study analyzed by using secondary data. The Continuing Education student's enrollment for the past 10 (ten) years including current data of all colleges and institutions has been collected from AAU Registrar. The student's fee per Cr or ECTS and instructor payment per hr has been obtained from office of Continuing Education. Accordingly the number of students, total revenue collected, total estimated direct cost and the revenue after direct cost incurred was analyzed in each of the colleges and institutions. The total revenue is computed as the product of the total number of credit taken by each students per semester, the fee per credit and the total number of students **(55x12xNumber of students = Total Revenue Collected)** on aggregate. While the total running cost is computed as the product of the total number of section on average, semester total load and payment per hr**(Total Number of Section x Semester Load xBirr100=Total Direct Cost Incurred)** on aggregate. Accordingly the resulted difference between **(TR-RC)**were TR is total revenue and RC is total running cost it gives us an estimated amount of revenue after direct cost was incurred that shows loses or gain at minimum requirement without the inclusion of administrative cost. Moreover, the study was assuming that student tuition fee (price) fixed at rate of 55 per Cr and the payment rate for instructor is fixed at rate of 100 per hr on average for comparison purpose.

The number of students enrolled was taken from 1st semester enrollment. The annual aggregate revenue collected and obtained by multiplying the resulted 1st semester revenue with the ratio of 5/2 that means the sum of the three semesters. The reason was Continuing Education program designed to be taken at least four courses in I and II semester and half of them was taken in the summer time. Tables that show detail information such as number of students, tuition fee per Cr., instructor payment rate and aggregate revenue collected are found in the appendix. Accordingly the College of Business and Economics was one of the highest **(TR-RC)** revenue earned College compared with others in the Undergraduate program in AAU. However, the student's enrollment in the college the number of students enrolled in 2007 E.C has declined by 38% that of the number of students enrolled in 1998E.C. This shows that the revenue generated from this college was declined by the same percentage which was 38%. However, the difference between the total revenue generated and the direct cost incurred **(TR-DC)** shows a positive result and still sufficiently generated revenue as a result of this the college is feasible to sustain its program. However, student's tuition fee payment rate could not cover the cost of teaching and overhead cost due to inflationary reason.

The College of social science is one of the lowest **(TR-RC)** earned Colleges compared with others in the Undergraduate program. According to the student's enrollment in the college the number of students enrolled in 2007 E.C. is declined approximately by 70% that of the number of students enrolled in 1998E.C. This shows that the revenue generated from this college is declined by the same percentage which is 70%. Moreover, the difference between the total revenue generated and the direct cost incurred **(TR-DC)** shows a positive result from 1998 – 2004 and it has a negative result from 2005 – 2007 Ethiopian Calendar. This result implies the number students significantly declining. As a result of this the college is not feasible to sustain its some of the program due to a negative result obtained from **(TR-TC).** The current negative result of **(TR-TC)** in the college of social science implies that the majority of the programs in the college are significantly declining their student's enrollment such as History, Geography, philosophy and anthropology. The remaining programs in the college such as political science and sociology are relatively better and feasible to generate revenue while the remaining mentioned programs should be terminated.

College of Law and Governance studies is one of the highest (**TR-RC)** earned Colleges compared with others in the Undergraduate program. According to student's enrollment the number of students enrolled in 2007 E.C has declined approximately by 15% of the number of students enrolled in 1998 E.C. This shows that the revenue generated from this college is declined by the same percentage which is 15%. However, the difference between the total revenue generated and the direct cost incurred **(TR-DC)** shows a positive result and still sufficiently generated revenue. As a result of this the college is feasible to sustain its program. In the college of Law and Governance studies the school is not willing to accept more number of students during new admission period. Most of the time their intake capacity is fixed at one hundred fifty even if the market demand is more than the number specified. The School justified that this is due to the fact that shortage of instructor restricts to accept more number of students in the program. The shortage of instructor on the other hand is due to the opportunity cost of teaching in the extension program is higher than doing private business outside the university to earn additional income.

The College of Humanity, Linguistics, Journalism and Communication is one of the lowest **(TR-RC)** earned Colleges compared with others in the undergraduate program. According to the student's enrollment in the college the number of students enrolled in 2007 E.C. is declined approximately by 63% that of the number of students enrolled in 1998E.C. This shows that the revenue generated from this college is declined by the same percentage which is 63%. Moreover,

the difference between the total revenue generated and the direct cost incurred **(TR-DC)** shows a positive result from 1998 – 2000E.C and it has more or less negative result from 2001 – 2007E.C. This result implies the number students significantly declining. As a result of this the college is not feasible to sustain the program due to a negative result obtained from (**TR-TC).** Except theatrical arts all the remaining programs in the college should be terminated. The language of Arabic has launched its program recently however since before the program was approved the market analysis had not been done properly. As a result of this the program from very beginning running with loss that is due to the fact that the student's enrollment is below minimum requirement.

The College of Health Science is one of the Medium **(TR-RC)** earned Colleges compared with others in the undergraduate program. According to the student's enrollment in the college the number of students enrolled in 2006/2007 E.C declined approximately by 50% that of the number of students enrolled in 1998/1999E.C. This shows that the revenue generated from this college declined by the same percentage which is 63%. However, except negative **(TR-TC)** registered in 2006 E.C the difference between the total revenue generated and the direct cost incurred **(TR-DC)** shows a positive result from 1998 – 2007 E.C. It is still sufficiently generated revenue and feasible to sustain its program. In 2006 E.C in the table shown above has a negative **(TR-TC).** This was due to the fact that during the year 2003 E.C and 2004 E.C new admission could not taking place. Since the ministry of education was introduced new admission criteria for the degree program. The criterion to join the program for those who were interested to join the program was allowed only for those who were taken level four COC examination result. However at that time COC examination was not prepared for diploma holders in the nursing. As a result of this after 2002 E.C students were graduated the reaming batch was only 2005 E.C entry therefore it was limited their number at 294. Never the less in 2006 E.C new students was started to admit and the student's enrollment has started to rise.

The College of Natural Science is one of the lowest **(TR-RC)** earned Colleges compared with others in the Undergraduate program. The number of students enrolled in 2006/2007 E.C. is declined approximately by 52% that of the number of students enrolled in 1998/1999E.C. This shows that the revenue generated from this college is declined by the same percentage which is 52%. Moreover, the **(TR-RC)** shows negative result from 2002 E.C - 2005 E.C and positive for the remaining years. The entire program offered in the college is more or less has not enrolled students except computer science. A significant decline in number of students in the college should be

considered the termination of the program except computer science which is feasible to sustain its program. From 1998 E.C to 2001 E.C students were enrolled in Statistics, Mathematics and Chemistry however new admission was not taking place after 2000 E.C. According to the key informant from office of CDE two reason was provided the first one is the lower market need and the second one is based on the Ministry of Education new admission criteria, a diploma holders could not allowed to continue degree program unless level four COC examination completed.

The College of Education is one of the lowest (TR-RC) earned Colleges compared with others in the undergraduate program. According to the student's enrollment in the college the number of students enrolled in 2007E.C. is declined approximately by 85% of the number of students enrolled in 1998 E.C. This shows that the revenue generated from this college is declined by the same percentage which is 85%. Moreover,(TR-RC) shows positive result from 1998 E.C - 2004 E.C and negative for the remaining years which is from 2005 E.C. – 2007 E.C. The entire program offered in the college of Education has not enrolled students. As a result except psychology all the remaining programs in the colleges are terminated. In the Meantime the department of psychology is running its program; however the program has not admitted new students in the current academic year. During the year 1998 E.C – 2002 E.C high number of students was enrolled in Business Education. However, the university was terminated Business Education since 2001 /2002 E.C in the College of Education. As a result the number of students enrolled in the College was significantly declined since the majority of the students were enrolled in the department of BUED.

The Institutes of Technology (AAiT & EiABC) are the highest **(TR-RC)** earned College compared with others in the Undergraduate program. According to the student's enrollment in the Institute of Technology the number of students enrolled in 2007 E.C has increased by 25% that of the number of students enrolled in 1998E.C. This shows that the revenue generated from the Institutes is increased by the same percentage which is 25%. Moreover, the difference between the total revenue generated and the direct cost incurred **(TR-RC)** shows a positive result and sufficiently generated revenue. As a result of this AAiT & EiABC are feasible to sustain its program. In AAiT high number of students enrolled in the department of civil and electrical engineering. Compared with others and Mechanical Engineering has enrolled small number of students while no students are enrolled in the department of Chemical Engineering due to lack of current market need. In the EiABC sufficient number of students has enrolled because currently it has high market need and interest of students to be admitted in the Institute.

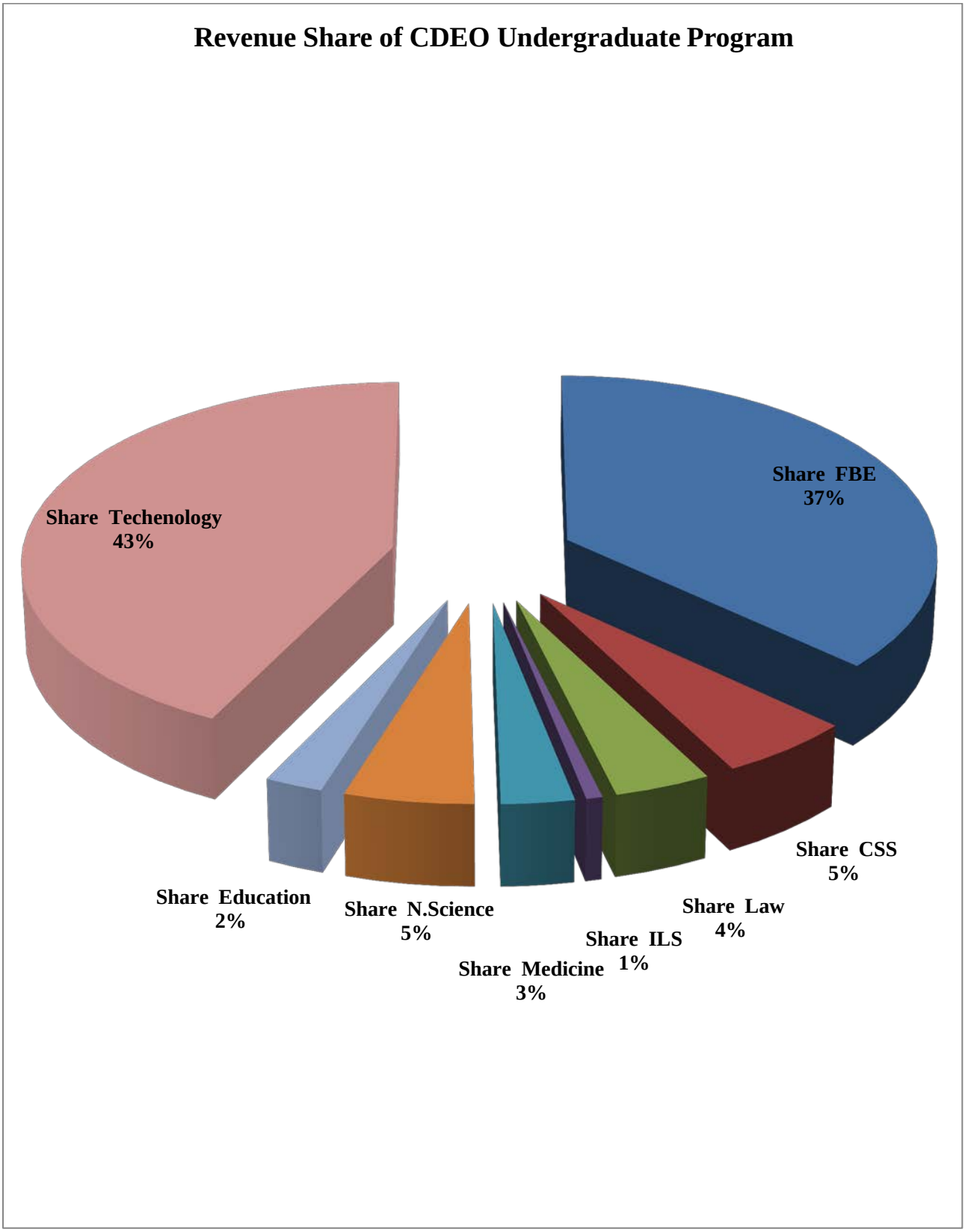


Figure 1: Revenue Share of CDEO, Undergraduate Program

4.1.2 Continuing Education in Postgraduate Program

Addis Ababa University is currently expanding its postgraduate program in continuing education. The postgraduate program in Continuing Education at Addis Ababa University has begun since 2003 E.C in the College of Education. Others such as Business and Economics, Social Science, Health Science, Natural Science, started their program in 2004 E.C. In 2005 E.C. the Institute of Technology (AAiT) begins its post graduate programs in Continuing Education. Currently the postgraduate extension programs are increasing in number and in kind while the Undergraduate program declining its student's enrollment. The market need of postgraduate program in Continuing Education is high due to the fact that those who are graduated their first degree increase their desire to continue in the post graduate program. Currently the postgraduate program in continuing education is promising in the contribution of internal revenue generation in AAU. However the university has not started its entire program exhaustively. For instance in the college of business and economics department of economics and the institute of building and construction have not yet begin its post graduate program in continuing education however, in the market there is large number of students who are waiting to join the programs.

Addis Ababa University is planning to launch Post Graduate program in distance education. Some colleges are already started registration and have begun class in distance program. However still most of the colleges have not yet begun distance programs due to the fact that the approval of the curriculum and logistic related issues. On the other hand some colleges and institutions could not begin the postgraduate program blaming that there is no sufficient number of instructors in the colleges to handle the program properly. The number of students, revenue collected and cost incurred are shown in the table below for the postgraduate continuing education program.

The College of Business and Economics post graduate continuing education program has started in 2004 E.C. The number of students enrolled in the college is increasing. At the same time the revenue contributed by the college through postgraduate continuing education program is increasing also. The number of students in the college of Business and Economics postgraduate program in 2007 E.C has increased by 76% that of the number of students registered in 2004 E.C. This shows that the revenue generated from this college is increased by the same percentage 76%. Moreover the difference between the total revenue generated and the direct cost incurred **(TR-DC)** shows a positive result and sufficiently generated revenue. As a result of this the College is feasible to sustain and strengthen the program through diversified new program to the community.

The college of Education and Behavioral studies started its postgraduate program in continuing Education in 2003E.C. However the number of students shows declining in 2006 E.C and 2007 E.C. The major cause of declining in number of students is that other Colleges have begun postgraduate program and the students have got an opportunity to have an alternative to join in to other colleges based on the market need. The number of students in 2006 E.C/2007 E.C is declining by 22% that of the number of students in 2003 E.C /2004 E.C. This shows the revenue contributed by the college is declining by the same percentage at the same year. However the College generates a positive **(TR-DC)** that is the difference between the total revenue generated and the total running cost incurred is positive. As a result for the time being the college is feasible to sustain its program considering that the number of students is continuing to decline in the future. Therefore more weight has to be given to other colleges that are currently increasing their number of student's.

The college of social science post graduate continuing education program has started in 2004 E.C. However the number of students enrolled in 2007 E.C has increased by 51% that of the number students in 2004 E.C. This shows that the revenue contributed by the college is increased by the same percentage 51% during the same year. Moreover the difference between the total revenue collected and the total direct cost incurred **(TR-TC)** is positive this makes the college is feasible to sustain and strengthen its program.

The college of Health Science the number of students was increasing in 2004 E.C and 2005 E.C while declining in 2006 E.C and 2007 E.C. in other way the number of students in 2007 E.C is declining by 20% that of the number of students in 2005 E.C. However the difference between the total revenue and the total direct cost **(TR-DC)** incurred is positive the college is feasible to sustain and strengthen its program.

The Institute of Technology has begun its postgraduate program in 2005 E.C. The number of students increased in 2006 E.C and slightly decline in 2007 E.C. The number of students enrolled in 2007 E.C is declined by 8% that of the number of students enrolled in 2006 E.C. However the difference between the total revenue generated and the total direct cost incurred is positive. As a result of this the Institute of Technology is feasible to sustain and strengthen its program.

The college of Natural science has begun its postgraduate program in the continuing education in 2004 E.C. Since then the number of students enrolled in the College in increasing. The number of students enrolled in 2007 E.C is increased by 68% the number of students enrolled in 2004 E.C. The difference between the total revenue collected and the total direct cost incurred is positive. As a result of this the college of natural science is feasible to sustain and strengthen its program.

The College of Humanity has started its post graduate program in continuing education lately in 2005 E.C. Even if the number of students enrolled in 2005 E.C was increased it declined in 2007 E.C by 25% that of the number of students in 2006 E.C. The revenue contribution by the college is also declined by the same percentage 25% during the same period. However the difference between the total revenue collected and the total direct cost incurred is positive. As a result of this the College of Humanity is feasible to sustain and strengthen its program.

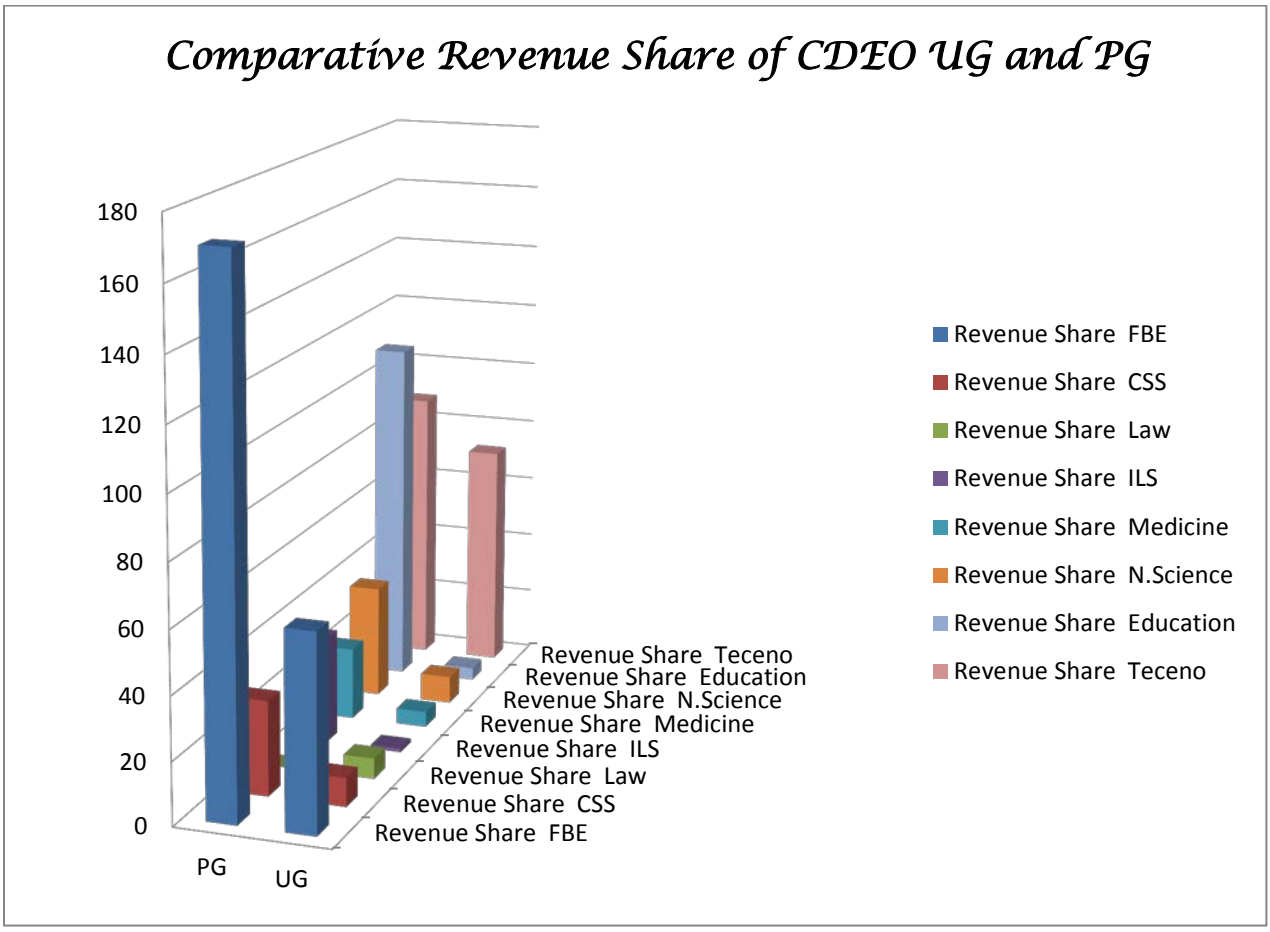


Figure 2: Comparative Revenue Share of CDEO, UG and PG

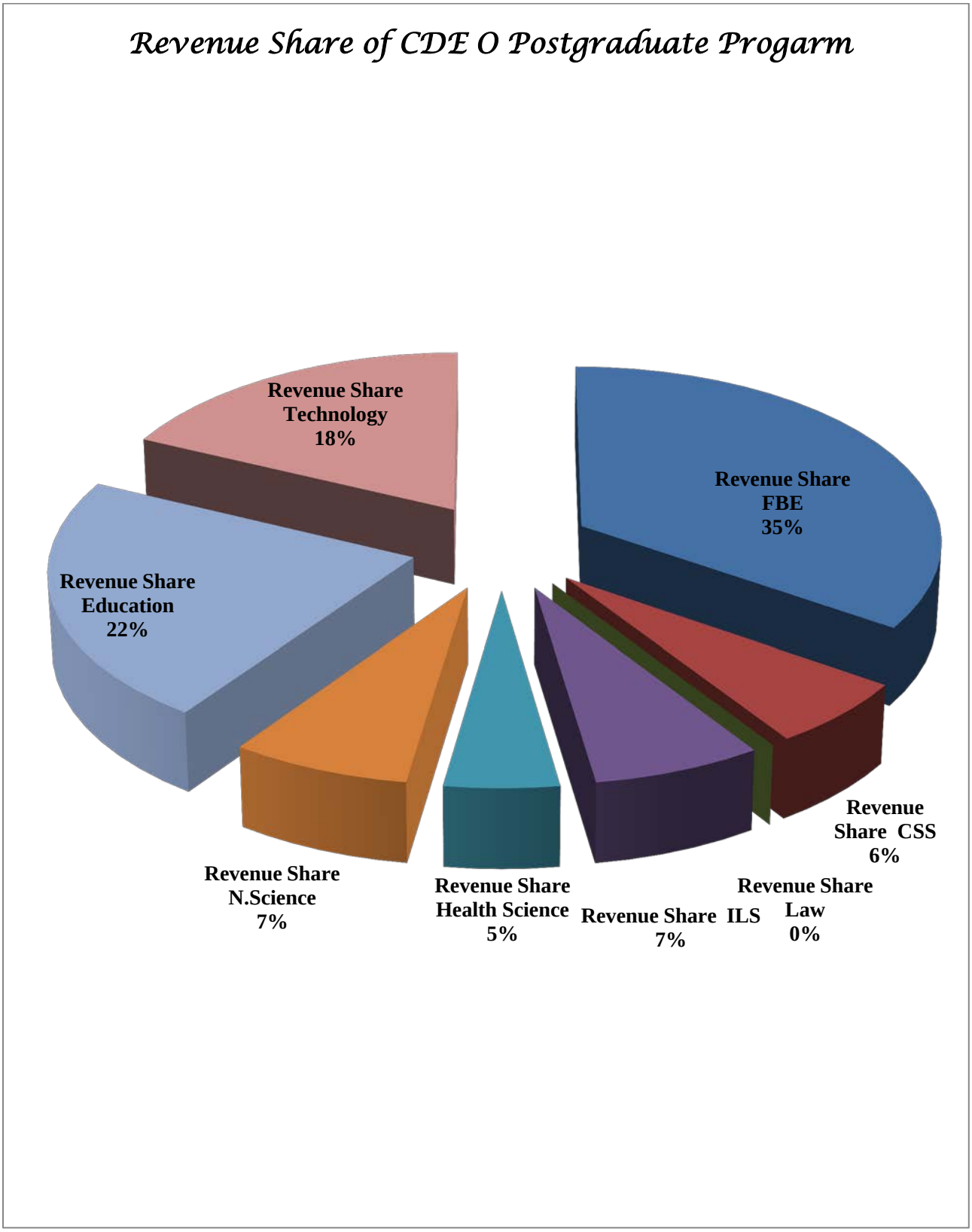


Figure 3: Revenue Share of CDEO, Postgraduate Program

4.1.3 Distance Education

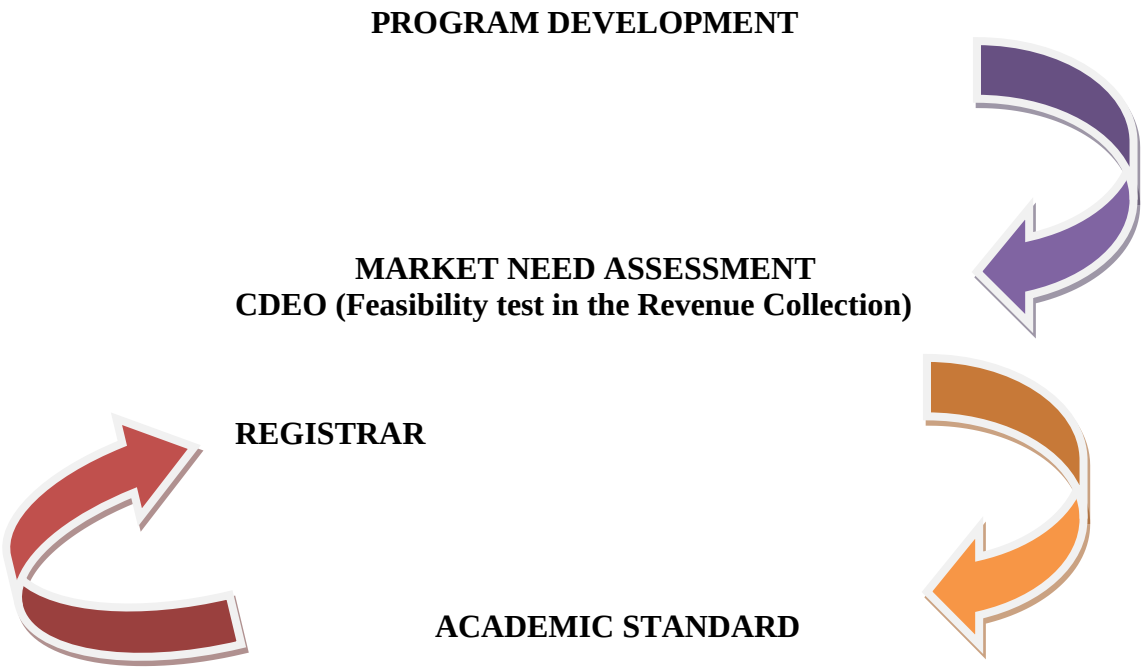
A discussion has made deeply with regards to distance education in AAU with key informant from the office CDEO. Accordingly the key informant from Office of CDE said that AAU has not begun Distance learning program fully in all of its colleges and departments in undergraduate program. In this study it was observed that number of newly opened private and public universities have started distance learning in different discipline. Indeed AAU had done pilot project to begin distance education seven year before. This distance learning had made with the cooperation of the government of southern Nation and Nationality of Ethiopia. However, after 30% of the total agreed money was deposited in the National Bank of Ethiopia for the preparation of teaching material (Module) it was prepared and distributed to the students who were registered. However, without a clear notification the deal between AAU and the government of southern regional state was interrupted the distance program before the tutorial class was started. Currently Addis Ababa university management has given a special attention to begin distance education. The office of CDE in response to this need and interest advertise to register students who are interested to join distance Education. Accordingly in 2006E.C the university has admitted a number of students for distance education however due to lack of logistics and facility in human and material the already admitted students has not registered yet.

4.2 THE MAJOR CHALLENGES AND ADMINISTRATIVE STRUCTURE

According to the analysis made on the above there is a clear indication of student's enrollment between undergraduate and postgraduate Continuing Education program. The undergraduate program is declining its number of student's enrolment particularly in some of the college's department due to the internal and external factor. Firstly, from the internal factor of perspective student's opportunity to get marketable field of study is increasing from time to time. As a result, students who are interested to join higher institution in continuing education are considered the market need. Due to the fact that student's enrollment is concentrated more in the collage of Business and Economics, Institute of Technology and Law while the remaining colleges are declining its number of students significantly. For instance the college of Education and the majority of the college of social science departments have not admitted new students. This is due to the fact that least number of students applied in the college. Departments such as political science, anthropology and philosophy had admitted new students and registered with least number in 2000/2001 E.C. However, after second year the numbers of students further declining significantly

and it is not feasible with regards to the direct and indirect cost incurred. Currently such kinds of colleges have taken fund from other profitable colleges since its revenue is not sufficient to cover their total cost. As a result of this the overall cost becomes high. The other major challenge in generating revenue is during the approval of new program in the academic standard without sufficient market need assessment. The approval the program without market need assessment resulted higher cost in the short run due to insufficient number of students enrollment and resulted program termination in the long run. As a result of this the approval of new program could not be sustainable due to lower demand in the market. To solve such a problem the approval of new program should incorporating the market need assessment as shown in the chart below.

Figure 4: Flow of the Approval of new Program

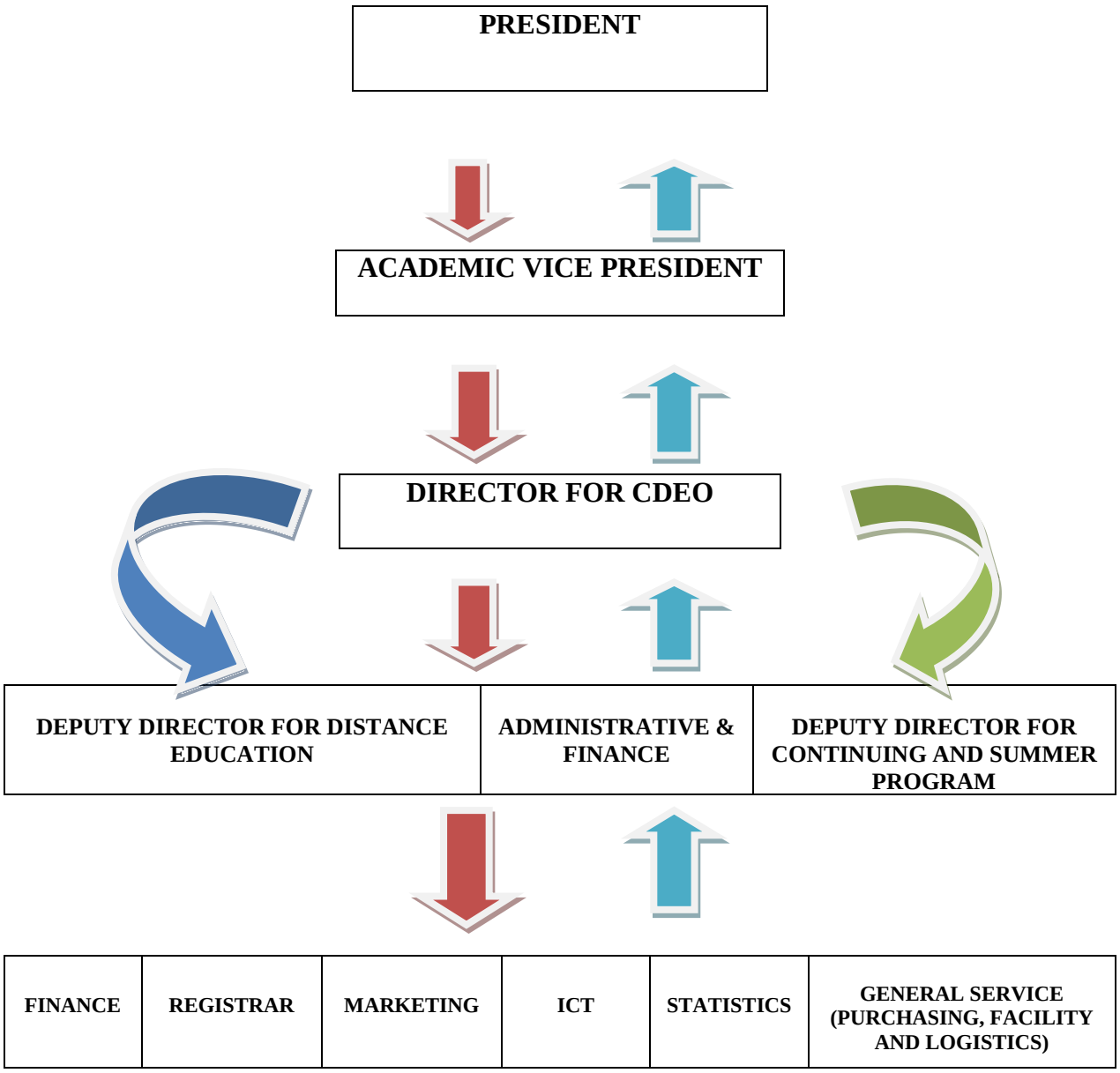


The other major challenge in continuing and distance education program is that the tuition fee collection and administration system is week. The registration and payment schedule is arranged at the weekend due to the fact that the majority of extension students are employed. Recently AAU is collecting its extension student's tuition fee by Commercial Nominee. However there is an information gap between main and college registrar during registration time. Most of the time registration program schedule is postponed due to various academic and administrative reasons. This situation forced some of the students continuing their class without registration in the postgraduate program particularly for instance in the institute of technology. This motivates

students to pay their tuition fee based on the opportunity cost's decision made to continue or terminate their education. Moreover some of the registrar record secretary does not properly scrutinize receipts of tuition fee before making stamp on the registration slip. As a matter of facts students are allowed to register without making payment. Moreover there is lack of auditing practices in the finance to identify those who do not pay their semester tuition fee so as to take action accordingly. As a result the cash collection and administration is weak and fragile in the continuing and distance education program.

Continuing and Distance education has also challenges in terms of cost incurred to run the program due to lack of timely statistical data report. Most of the time class size is determined based on the data of the previous semester student's enrollment. As a result sometimes the class size is inflated and increased the cost incurred. Some of the program owners in continuing education without the approval of the university legislation disintegrated the number of students in to small group and increases class size irrespective of the revenue they are collected consequently increases the cost. As a result of this in continuing education program the cost is high and the revenue is not collected properly and accurately. This result should consider the university to restructure the system of management in the revenue collection and administration. Accordingly the key informant from continuing and distance education said that without restructuring the continuing education finance and administration system the above problem will never be solved. As a matter of fact since continuing and distance education has unique feature the finance and administration has to be organized independently. This is due to the fact that the office should be managed the cash collection, payments, facility and general service handled the administration efficiently since its revenue and transaction are significantly high. This is done first by identified the major duties and responsibility of the office in manageable and effective way. By doing so the relevant activities are identified and the management chain or structure has constructed as follows

Figure 5: The Analytical Result of Feasible Management Structure of CDEO



According to the chart shown on the above every level of management will coordinate horizontally and vertically based on such communication the management will exchange information on both sides. Especially information has to be moved from bottom up and top down that is the source of the problem will come from bottom and the possible management decision comes from top. Particularly in the continuing and distance education such structure should be introduced since it will be the most appropriate to handle properly the issue of marketing and service delivery which are the main task of the office of CDEO.

4.3 CONSULTANCY AND TRAINING SERVICE.

Addis Ababa University has contributed a lot to the development of intellectual and skilled manpower since its establishment in 1950. AAU Training and consultancy center, organized under the office of Business Enterprise, training and consultancy wing of the office of Vice president for institutional Development has been organized as one of the core bodies of the university. The main objective of the center is to coordinate provision of training and consultancy service to various government sectors, industries, business organizations, development agencies and social institutions by engaging faculty members of the university. As a result the university plays a significant role in capacity building effort of the nation and generates additional revenue to support the various programs and activity of the university. Addis Ababa University launches more than 543 broad areas of training and consultancy services (Office of Business Enterprise, 2013).

Table 1

The Revenue Collected from Consultancy and Training from Institute of Technology (AAiT) For the Period of 2006 E.C

Year	Mechanical & Industrial Engineering	Civil & Environmental Engineering	Electrical & Computer Engineering	Chemical & Biomedical Engineering	G. Total
2006 E.C	**980,747.00**	**1711780**	**333308**	**0**	
	397,299.33	**0**	**340808**	**27986.25**	
Total	**1,378,046.33**	**1,711,780.00**	**674,116.00**	**27,986.25**	**3,791,928.58**

Source of Data is The Institute of Technology (AAiT)

The majority of colleges in AAU have not given consultancy and training service as such due to various reasons. The first reason is that the incentive package of the university paid for the academic staff is not attractive. On the other hand university- industry linkage is not strong until recently. As a result even if most of the industry has high demand in training and consultancy AAU did not done well in this regard except the institute of technology. The academic staffs considered the consultancy & training in terms of the opportunity cost to take the advantage by them personally rather than obtained the incentive through institutionally for instance College of Business and Economics. In the Institute of Technology things are different since the consultancy and training should be supported by laboratory test and practices. Therefore the academic staffs could not consider the opportunity cost and willing to do the consultancy and training within the institute. As

a result of this the revenue collected in the institute is relatively higher than any other colleges in AAU. However due to the problem of incentive package, facilitation, coordination and advertisement the consultancy and training even in the institute of technology remains stagnant. AAU is not included in its central office the training and consultancy give by Addis Ababa Institute of Technology. Since it is not included in the center as part of its service it is clear that the gap may arise with regards to the transfer of information to the relevant stake holder so as to contribute a lot both for the community and the University itself. The other serious problem this study has obtained was the problem of recording financial data to observe the revenue generated at least for the past two years. This situation leads to unclear and vague information with regards to the contribution of training and consultancy in the revenue generation. However the study has got revenue collected for the period of 2005E.C and 2006 E.C from Addis Ababa Institute of Technology as shown in the table above.

4.4 ADDIS ABABA UNIVERSITY BOOK CENTER.

Addis Ababa University Book Center has started its program since the establishment of the university. Since then the Book Center become the only book supplier to the university community. Through all those years the Book Center generated revenue more or less constant. According to the table 2 shown below the sales collected annually was declining from the year 1995 E.C to 1998 E.C and increased from 1999 E.C to 2004 E.C. However the sales revenue collected is measured in-terms of the nominal money value. From this point of view it is clear that the nominal money value and money value in real term which is (Mo/CPI) where Mo is base money value while CPI is consumer price index are vary accordingly. The sales revenue in real money value is declining while its slightly increasing in terms of the nominal money value according to the table shown below. This implies that the sales revenue collected from AAU Book Center could not show improvement if it is considered that the sales revenue collection is measured in terms of real money value. The Book Center has its own finance office this helps to facilitate the payment and transaction with in a limited time. However the finance office has not organized in modern financial system every financial transaction has taken place in manual and old system. As a result although it is relatively better than other finance office its financial information is weak in terms of data on the cost incurred and net profit gained.

Table 2

Addis Ababa University Book Center
Sales Revenue Collected for the Past Twelve Years
1995 E.C - 2006E.C

Year	Annual Sales Revenue Collected
1995	**2,277,844.53**
1996	**2,081,241.33**
1997	**1,627,524.44**
1998	**1,516,816.34**
1999	**1,521,512.87**
2000	**1,672,860.09**
2001	**1,644,763.43**
2002	**2,026,147.40**
2003	**2,225,650.72**
2004	**2,681,293.12**
2005	**2,671,936.63**
2006	**2,230,144.25**

The Annual Sales Revenue Data is collected from the Head Office of the Book Center.

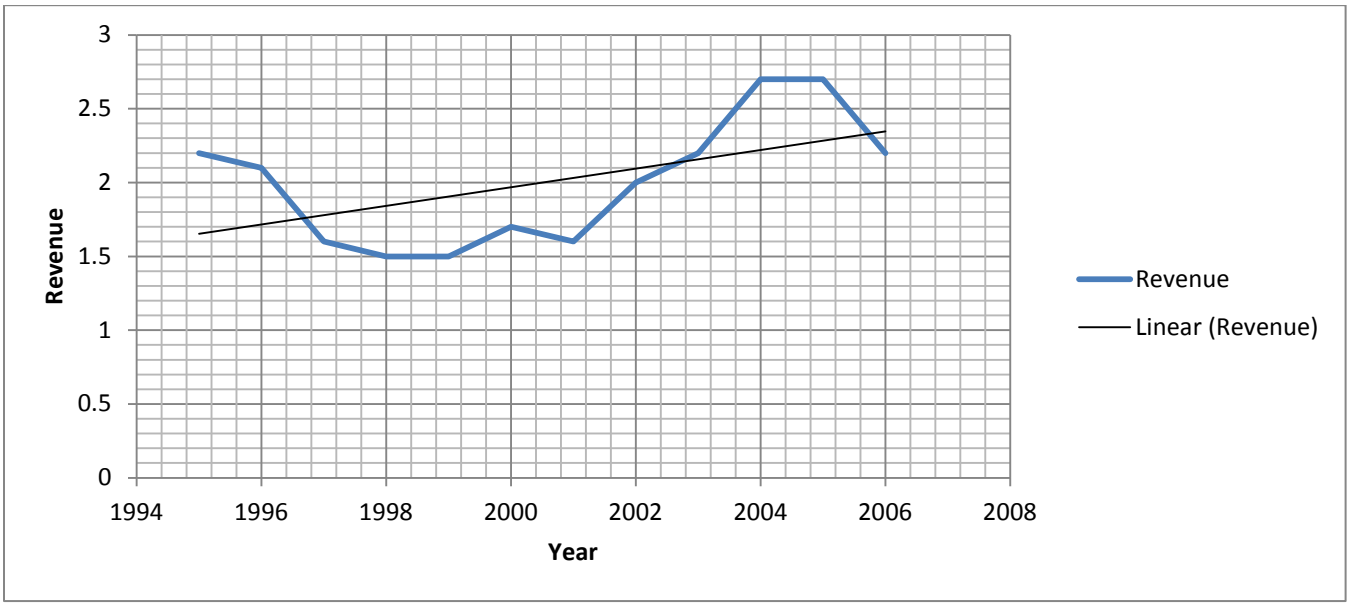
According to the discussion made with the Book Center informant who is serving the Book Center for about forty years the management and marketing practices on which the book center was doing is left out. Instead the Book center is doing its business without value add system just doing the daily routine activity. Previously the Book Center had a team organized from all Colleges who were recommended the relevant books that should be available for sales for the customer. At that time this practice made the Book Center Profitable. However, recently the Book Center has no such practices as a result the management system becomes weak and its sales revenue collection remains constant in terms of nominal money value and declining in terms of real money value.

AAU made reform and accordingly the university has placed administrative staffs who were employed in AAU except those who were employed in some of the internal revenue generated office. One of these offices was AAU Book Center in which the administrative staff's contract was terminated. This was due to the fact that the management of AAU was decided some of the internal revenue generation offices transferred and organized in the form of enterprise. As a result there was a significant impact on the peaceful working environment and raise conflict between AAU management and employee. This situation forced the business of the Book Center to close at least for a number of months during the time of which employee of the Book Center had taken the case to justice. According to the information obtained from finance head of the Book Center Since then the business has significantly harmed and highly declining its sales revenue until now. However

AAU management has decided to organize the Book Center in the form of enterprise and started its activity at this moment in the new system to make the Book Center more businesslike and the new system performance will be seen in the future.

One of the major challenges in terms of attainability to all of the community of Addis Ababa University is that the Book Center has not branch sales office till now to supply books to the students who are far away from the main campus.AAU Book Center has sufficient demand in all of its campuses as a result by establishing a branch sales office the Book Center can maximize the revenue collected. The other major challenges of AAU Book center is that the office has week logistic and facility to do its business in effective way. For instance the Book Center as a business entity should have reliable logistic facility such as vehicle to deliver Books purchased from the supplier to the center for sale. The Book Center had its own vehicle to do such activity previously. However currently the Book Center's vehicle is too old to use for business as a result the office facilitated its activity without its own vehicle. This situation affected business of AAU Book Center highly in terms of establishing timely and efficient delivery system of the material supplied and increases its running cost. Moreover currently the Book Center has shortages of employee and most of the employees hold dual responsibility. As a result employees of the Book Center could not excel their responsibility in effective and efficient way and it affected its business activity and service delivery.

Figure 6: The Trend of Revenue Collected from AAU Book Center 1995 - 2006



4.5 PRINTING PRESS, CAFÉ, RESTAURANT AND WORKSHOP.

The table 18 shown below is the revenue collected from printing press, café, restaurant and workshop for the period of 2006 E.C and 2007 E.C from the head office of Internal Revenue Generation. The study tried to get t5310he data for the past ten years from the finance office however the finance office could not provided the data due to the fact that the office has poor recording system as a result the data has collected from the office of internal revenue generation and the study is limited only on two year data. Accordingly the revenue generated among the sector shown below is compared and analyzed.

Table 3

Addis Ababa University Printing Press, Café, Restaurant and Workshop
Sales Revenue Collected for the Past two years
2005 E.C & 2006 E.C

Name of Business and Enterprise	Year	Revenue Collected From production and service	Year	Revenue Collected From production and service
Printing Press	2005	8,783,479.00	2006	5,423,356.86
Metal and wood work shop		1,768,859.68		5,986,496.52
5 Kilo Restaurant		2,131,159.98		2,504,102.00
Business and Economics Employee café		585,959.71		876,428.65
Business and Economics Students café		1,031,449.63		813,902.00
Natural Science Employee café		665,868.10		951,121.45
Natural Science students café		1,153,977.00		1,453,554.70
Main campus Restaurant		2,663,960.11		1,922,963.75

Source of Data is office of Revenue Generation and Administration.

Addis Ababa University printing press has started its operation since the establishment of the University. AAU printing press is relatively the highest source of revenue generation compared with others source of revenue shown in the table 18 above. However its revenue is going to be declining in 2006E.C. Printing press contributed a lot for the University in the preparation of printing material and in revenue generation. However, the university printing press uses old and outdated machine in its daily operation. Moreover Addis Ababa University printing press doing business focused on the internal job order from the university. As a result the majority of the AAU printing press internal revenue is generated from the university job order itself. As a matter fact AAU printing press is dependent on the university's job order rather than to look for the market from outside of the university.

Addis Ababa University printing press has got new advanced machine donated from USA which could change the productivity and quality of printing material in to higher standard. However the machine could not enter in to production rather it is left outside the production room without operation for a number of years. This shows that there is poor resource allocation and utilization management practices in the production of printing material. As a result such inefficiency damaged the productivity as well as the revenue collection. Moreover the activity of the finance and procurement is not responsive with regards to the delivery of raw material within the time frame of material needed for production. This is due to the fact that AAU printing press finance and procurement activity has facilitated centrally as a matter of fact it lacks attention. As a result of this it damaged the goodwill of printing press in terms of timely delivery of the product to the customers and consequently it damaged the customer satisfaction and revenue collection. On the other hand employee turnover is high in AAU printing press as a result the loss of skilled and experienced workers affects the productivity and customer satisfaction.

All in all this and other external factors become the reason for declining the revenue of printing press at least within the past two year in 2005 E.C and 2006 E.C. The next highly revenue generated section is AAU work Shop generated the highest revenue in 2007E.C however its revenue was low in 2006 E.C. The other revenue sources of generation which are mentioned on the above table are restaurant and café. Among those revenue generated restaurant and café the highest revenue generated was from5 Kilo Restaurant while the main campus restaurant is the next high revenue generated section. Recently AAU restaurants have organized in a new form to make more business like the resulted outcome will be seen and evaluated in the future.

4.6 OVER ALL RESULT AND ANALYSIS.

4.6.1 SPSS Result and SWOT Analysis.

The study was distributed for the selected academic staff, students and administrative staffs to answer questionnaire prepared separately for three offices which generate internal revenue. The selected revenue generating offices were continuing and distance education, Consultancy & training and Book Center. Since the remaining offices are established in a new enterprise they could not respond the questionnaire properly. The reason for this was that the new management established within the enterprise has no idea about the previous practices. Under this consideration four different types of questioners were prepared and distributed to the respondents sampled from academic staffs, administrative staffs and students. After the questionnaires were collected from the respondent the data was entered to SPSS statistical software and the result has obtained. All the questionnaires were prepared to answer in the form of five scale which were (1) strongly disagree (2) disagree (3) Neutral (4) agree and (5) strongly agree.

Accordingly the results of the analysis were obtained from SPSS software such as Cronbach's alpha, the mean, the standard division, the Friedman chi-square and degree of freedom. First of all the reliability statistics tested then evaluated separately based on the source of internal revenue generation with respect to the research question and interpreted accordingly. In the first category of the analysis the resulted Cronbach's Alpha were 0.810 and 0.841 which were both ≥ 0.6 this implies that the result of the analysis is reliable. The result observed in question (3.13 your department has experienced man power in its area of expertise to run consultancy service) was highest mean value and minimum standard deviation this is implies that an academic staffs are believe that the university has efficient and sufficient number of professional who can execute consultancy and training programs. This is taken as strength in the internal revenue generation in consultancy and training. While the result in the question, (3.1 your department has an opportunity to offer consultancy services) obtained high mean value this implies that the university has an opportunity to provide consultancy and training service for the community. In both cases it is taken as strength in generating internal revenue through consultancy and training. On the other hand the result in question, (3.4 your department use different means of advertisement to aware the consultancy given by your department for industries) has minimum mean value. This implies that the academic staffs believe the department did not use advertisement to maximize its customers this is taken as weakness in the internal revenue generation in consultancy.

In the second category student's data was analyze and the data obtained from students was entering in to the software properly. According to the analysis Cronbach's Alpha a measure of internal consistency based on the average inter-item correlation is also evaluated. The commonly accepted level of Cronbach's Alpha is 0.60. The result of student's question, (2.4 you have got sufficient knowledge during your stay in the program) data analyzed in SPSS obtained the level of Alpha equal to 0.814 and the highest mean value. This implies that the majority of the students believe that they have got knowledge during their stay in the university. Therefore it creates high customers trust in the university to join in any of the program he or she is interested. As a result of this it is taken as strength of AAU in terms of internal revenue generation. While the remaining two question (2.5 the interest of instructor teaching in CDE greater and 2.8 AAU doing its function in efficient way) have lower mean value. This implies students believe that there is lack of interest in some of the instructors who are teaching in extension program and AAU is not doing its function in efficient way as a result this is taken as a weakness.

In the third category administrative staff data analyzed accordingly the Cronbach's Alpha was 0.825 and 0.848 respectively. This shows that the reliability test of the inter item correlations is strong since the commonly accepted alpha is ≥ 0.6. Based on the result obtained the highest mean and lowest standard deviation is obtained of the question prepared for administrative staffs (2.10 There is declining of enrollment in some of the UG program and 2.11 There is lack of integration among the relevant office in AAU, CDEO). Based on the result obtained it implies that the administrative staffs from CDEO aware, there is a declining of undergraduate program in some of the department and there is lack of coordination among the relevant office to facilitate the continuing and distance education program properly. This is taken as weakness of CDE in the internal revenue generation and diversification. While the lowest mean value is obtained for the question prepared for administrative staffs, (2.6 Efficient in the delivery of teaching material on time and 2.6 there is proportional resource allocation based on students enrollment) is implies that there is a problem in the delivery of resource allocation such as teaching material and other resources based on the student's enrollment. This is taken as weakness of the internal revenue generation in the continuing and distance education program.

In the fourth category administrative staffs of the Book Center who was serving the office for at least five years selected. The data of administrative staffs of the Book Center entered in to SPSS software. In this case the result of Cronbach's Alpha ≥ 0.60 that was equal to 0.695 and 0.733 this justifies the reliability of the resulted output. The highest mean value and the lower standard deviation is obtained for question (2.3 the activity of Book Center is increasing from time to time) this implies that the administrative staffs of the Book Center believes that the currently Book Center is inefficient and not in a good states in its activity. The question (2.8 the sales on consignment is based on the market need assessment) obtained highest means value and minimum standard division. This implies that the administrative staffs believe the sales of Books on the bases of consignment are not based on the market analysis and market need assessment. Without the necessary market analysis the consignment argument resulted to increase inventory. Consequently the storage occupied by huge number of Books without value adds. This is taken as weakness in the revenue generation in the Book Center.

The result of question (2.4 the number of customer satisfied by the service provided in the Book Center is increasing) obtained low mean value this implies that the administrative staffs of the Book Center are believe that the level of customer satisfaction is lower with regards to the supply of Books and the inconsistency of sales services to the customers. The result of the above is taken as a weakness of the Book center in the revenue generation and diversification. On the other hand the result of question (2.15 The local and international Book suppliers provide Books for the Book Center) obtained minimum mean value implies that the administrative staffs of the Book center believe that the Book Center has not strong ties with local and international best book suppliers. Consequently that the Book center is lacking customer satisfaction as a result of failed to provide best Books for the customers. Moreover employees believe that the Book Center has no collaboration with any internationally known best book suppliers. As a result of this the center could not directly obtained the Books from the publisher. As a result the Book center missed the advantage of price without intermediate dealer and could be maximized the net profit. On the other hand the locale Book suppliers providing the Books for the Book Center without market need assessment done by AAU Book Center itself. Since there is a number of Book supplier in the market that compute in advanced marketing and sales system the Book Center could not adopted an integrated marketing and sales system. The results explained on the above are the major external threat of the Book Center in the revenue generation activity and taken also as a weakness.

The result of Cronbach's Alpha for question, (2.14 Employee of the Book Center is motivated and incentivized based on the performance they have) is 0.702. This justifies the reliability of the resulted output and it has also lowest mean value. This implies that employees of the Book Center believe that they are not motivated due to lack of employee incentive based on the performance they have individually and as team in optimizing the revenue generation. As a result the Book center has high employee turnover and lack of motivation. This result shows the major challenges and weakness of internal revenue generation in the Book Center.

Table 4

Total Internal Revenue Collected In Addis Ababa University

For the Period of 2006 E.C

Year	Total Internal Revenue Collected from CDEO						G.Total
	College of Business & Economics	**College of Social Science**	**Law**	**College of Language**	**College of Medicine**	**Collage of Natural Science**	
2006	**Undergraduate**						**67,040,170.00**
	6189150	909150	645150	1093950	485100	869550	
	Postgraduate						
	17093160	3013590	0	3381810	2277150	3624060	
	College of Education	**Institute of Technology**	**College of Education**	**Institute of Technology**			
	Undergraduate		**Postgraduate**				
	399300	7178400	11033680	8846970			
	Total						
	Total Internal Revenue Collected from the Remaining Source						
	Printing Press	**Workshop**	**5Kilo Restaurant**	**FBE Employee Café**	**FBE students café**	**Natural Science Employee café**	**25,954,008.76**
	5423356.86	5986496.52	2504102	876428.65	813912	951121.45	
	Natural Science Students Café	**Main Campus café**	**AAU Book Center**	**Consultancy (AAiT)**			
	1453554.7	1922963.75	2230144.25	3791928.58			
	G.Total	**92,994,178.76**					

Comparative Analysis among Sources of Internal Revenue in AAU

Based on the overall analysis made Addis Ababa University had collected approximately 92,994,178.76 (Ninety two million nine hundred ninety four thousand one hundred seventy eight birr and 76/100 cents) during the year 2006 E.C. Among the total amount earned from all source of revenue in 2006 E.C equivalent to Birr 92,994,178.76 (Ninety two million nine hundred ninety four thousand one hundred seventy eight birr and 76/100 cents) ,Birr 67,040,170.00 (sixty seven million forty thousand one hundred seventy birr and 00/100 cents) had collected from Continuing and Distance Education while the remaining estimated amount of revenue Birr 25,954,008.76 (twenty five million nine hundred fifty four thousand eight birr and 76/100 cents) had collected from the remaining source of revenue such as Printing press, Workshop, Book Center, Café and Restaurant. This justified that Addis Ababa University has a relative advantage to generate much more revenue from Continuing and Distance Education than any other means of revenue generation. As a result the university has to give special attention for the continuing and distance education in terms of increasing and diversifying the internal revenue generation.

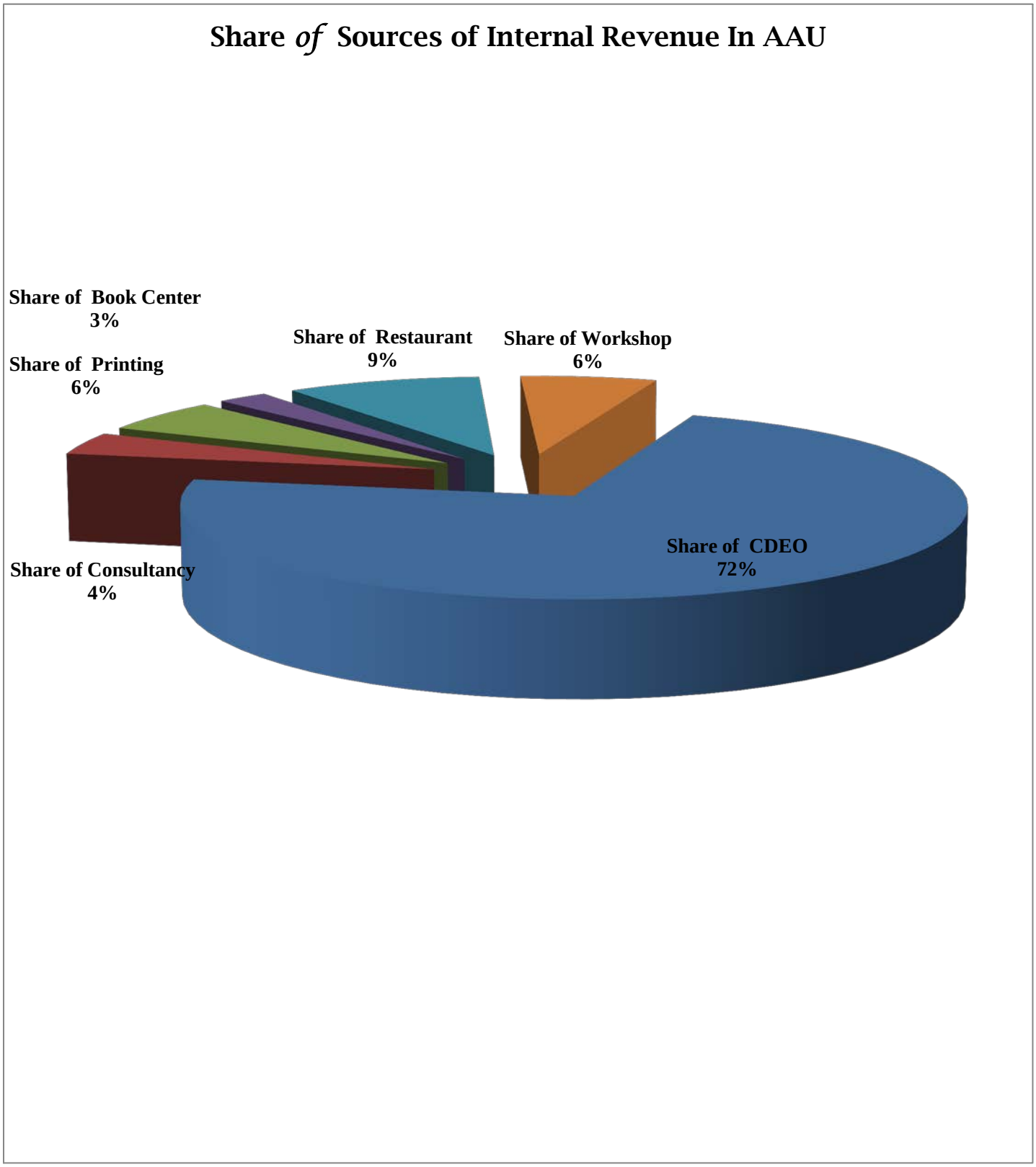


Figure 7: Sources of Internal Revenue Share, AAU

CHAPTER FIVE
CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

The study has analyzed a research done on the current practice and challenges of internal revenue generation and administration in the public higher education in Ethiopia. Secondary data and primary data through questioner, interview and group discussion has been conducted. All of the internal revenue generation in AAU except continuing and distance education has organized in to enterprise. As a result the majority of the new management team and employees of the new enterprise do not know about the previous practices. This made the data collection work difficult especially when primary data through questioner was gathering. Moreover, the university internal revenue record system is extremely poor and it was also difficult to gather secondary data. However, the study gathered aggregate internal revenue collected for the period of 2006 E.C of all the source of internal revenue generation except CDEO. The resulted analysis has done by the secondary data and supported by primary data using SPSS software .Moreover interview and group discussion has been conducted to strengthen the result of the analysis. Finally the resulted of the output of the analysis made through all means is summarized as follows.

The continuing and distance education is one of the major internal means of revenue generation in AAU. Its share is 72% compared with other sources of internal revenue generation which holds on aggregate the remaining 26%. According to the result of the analysis made in the previous chapter continuing and distance education is generating revenue from both undergraduate and postgraduate program. According to the secondary data collected from AAU registrar the number of students is declining in undergraduate program while increasing in postgraduate program. This is due to the fact that the number of graduated students in the undergraduate program in the market is increased therefore the customers need to continue in the postgraduate program is increasing. The study also analyzed the challenges of distance program in Addis Ababa University through key informants from continuing and distance education. Accordingly both undergraduate and postgraduate program have started distance programs. However, the university has not exhaustively started distance program in all field of discipline. This is due to the fact that weak availability of logistics and lack of experience in the program is the challenges of CDEO to begin the distance program.

Consultancy and training is the other source of internal revenue generation which holds 4% share compared with other sources of internal revenue. According to the result made in chapter three even if AAU has an opportunity to generate internal revenue the university did not done at optimal. Based on the result of the analysis the academic staffs and experts decision to be actively participated in the consultancy and training is based on the opportunity cost. Most of the time the consultancy and training which need not laboratory practices prefer the staffs to be engaged personally rather than institutionally. While some of the consultancy and training need laboratory practices as a result the staffs has no option to be engaged personally since access to laboratory can be provided only by the institution. As a result AAU has collected more internal revenue from the institute of technology than any other colleges in the university. As a result of this AAU has an alternative advantage to generate more revenue from consultancy and training.

Addis Ababa University Book Center is the other source of internal revenue generation providing services in supplying Books for the university students and community. However its sales service is weak which is stagnant or declining its revenue collection in nominal or real money value.AAU Book center had challenges with regards to employee turnover, lack of logistics such as vehicle, lack of branch sales office in all campus. Moreover the Book center employee had responsible for dual duties as a result the center lacks efficiency in service delivery. The management of the Book Center could not implement a value added system in sales and marketing aspects. As a result the books supplied in the center could not be a market oriented and it increases inventory in the long time specially those books sold in the center on the consignment bases.

The remaining means of internal revenue generation such as the printing press, workshop, café and restaurant are sources of internal revenue in AAU. However, printing press and workshop generate their internal revenue from the job order of the university itself as a result currently it is not a value added sources of internal revenue generation. AAU Café and Restaurant has done relatively in a better way than printing press and workshop in revenue generation. Café and Restaurant has provided service not only for the university community but also for the external customers at fair price and relatively better quality than the service provided in the surrounding of AAU. However currently all the source of internal revenue except continuing and distance education has organized in to enterprise which is more like business and allowed to make profit fairly.

5.2 RECOMMENDATION

AAU should give attention to colleges which are collecting high revenue through supporting and strengthening their facilities and logistics. The university has to diversify the post graduate programs and increasing the intake capacity which have higher demand in the market. Some programs have not market need in continuing education as a result the programs could not generate sufficient revenue. This situation increased the overall cost in continuing education and seriously affects the revenue generated. As far as lower market demand is occurred the program should be terminated unless and otherwise the market need assessment shows significantly feasible. By doing this the university minimize its aggregate cost significantly. The university has to consider cost minimization to maximize revenue earning as one of the strategies and terminate the programs that are not able to cover at least their direct and indirect cost. On the other hand the university has to support and strengthen programs that are profitable by providing additional space. Currently since the market of undergraduate programs is saturated the post graduate programs are highly promising for internal revenue generation in AAU. As a result AAU should focus and give special attention to post graduate program through program diversification and increasing intake capacity so as to increase the revenue generation.

Consultancy is the other sources of internal revenue generation on which the university has an alternative advantage in revenue generation. However, the revenue generated through consultancy in AAU is weak due to the problem of incentive package, facilitation, coordination and advertisement. The central office of AAU office of consultancy and training is not incorporated the training and consultancy give by AAiT. It is not included in the Central office as part of its service it is clear that the gap may arise with regards to the transfer of information to the relevant stakeholder. The university should do a lot to strengthen the consultancy through an integrated coordination with all collages and institutions that are providing consultancy. Moreover the payment package and the fulfillment of facility should be properly reformed. On the other hand the Book Center has not branch sales office till now to supply books to the students who are far away from the main campus. Moreover, the office has week logistic and facility to do its business in effective way. All in all the university should adjusted the problem mentioned on the above so as maximized its revenue generated since the university has an alternative advantage in the existing source of internal revenue generation.

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Appendix
Complete List of Tables

Table 1

The Number of Students , Revenue Collected and Cost Incurred
College of Management, Commerce, Information and Economic Science
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Revenue Collected	Total Number of section		Rate of Paym/Section		Running Cost (Direct Cost)	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	55	12	6682	4410120	168	48	120/100	80	967680	3,442,440
1999	55	12	8086	5336760	168	48	120/100	80	967680	4,369,080
2000	55	12	7946	5244360	168	48	120/100	80	967680	4,276,680
2001	55	12	7955	5250300	168	48	120/100	80	967680	4,282,620
2002	55	12	7852	5182320	168	48	120/100	80	967680	4,214,640
2003	55	12	6551	4323660	168	48	120/100	80	967680	3,355,980
2004	55	12	5957	3931620	168	48	120/100	80	967680	2,963,940
2005	55	12	4383	2892780	168	48	120/100	80	967680	1,925,100
2006	55	12	3751	2475660	168	48	120/100	80	967680	1,507,980
2007	55	12	4144	2735040	168	48	120/100	80	967680	1,767,360

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 2

The Number of Students , Revenue Collected and Cost Incurred
College of Social Science
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	55	12	1688	1114080	96	48	120/100	80	552960	561,120
1999	55	12	1746	1152360	96	48	120/100	80	552960	599,400
2000	55	12	1784	1177440	96	48	120/100	80	552960	624,480
2001	55	12	1060	699600	96	48	120/100	80	552960	146,640
2002	55	12	1176	776160	96	48	120/100	80	552960	223,200
2003	55	12	1296	855360	96	48	120/100	80	552960	302,400
2004	55	12	1136	749760	96	48	120/100	80	552960	196,800
2005	55	12	601	396660	96	48	120/100	80	552960	-156,300
2006	55	12	551	363660	96	48	120/100	80	552960	-189,300
2007	55	12	523	345180	96	48	120/100	80	552960	-207,780

Source of Data AAU Registrar and Continuing and Distance Education office respectively

Table 3

The Number of Students , Revenue Collected and Cost Incurred
College of Law and Governance Studies
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	55	12	451	297660	24	48	120/100	80	138240	159,420
1999	55	12	401	264660	24	48	120/100	80	138240	126,420
2000	55	12	556	366960	24	48	120/100	80	138240	228,720
2001	55	12	565	372900	24	48	120/100	80	138240	234,660
2002	55	12	433	285780	24	48	120/100	80	138240	147,540
2003	55	12	381	251460	24	48	120/100	80	138240	113,220
2004	55	12	449	296340	24	48	120/100	80	138240	158,100
2005	55	12	462	304920	24	48	120/100	80	138240	166,680
2006	55	12	391	258060	24	48	120/100	80	138240	119,820
2007	55	12	384	253440	24	48	120/100	80	138240	115,200

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 4

The Number of Students , Revenue Collected and Cost Incurred
College of Humanity, Linguistics, Journalism and Communication
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	55	12	1527	1007820	72	48	120/100	80	414720	593,100
1999	55	12	2006	1323960	72	48	120/100	80	414720	909,240
2000	55	12	1697	1120020	72	48	120/100	80	414720	705,300
2001	55	12	307	202620	72	48	120/100	80	414720	-212,100
2002	55	12	855	564300	72	48	120/100	80	414720	149,580
2003	55	12	509	335940	72	48	120/100	80	414720	-78,780
2004	55	12	460	303600	72	48	120/100	80	414720	-111,120
2005	55	12	627	413820	72	48	120/100	80	414720	-900
2006	55	12	663	437580	72	48	120/100	80	414720	22,860
2007	55	12	563	371580	72	48	120/100	80	414720	-43,140

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 5

The Number of Students , Revenue Collected and Cost Incurred
College of Health Science
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	55	12	786	518760	48	48	120/100	80	276480	242,280
1999	55	12	1111	733260	48	48	120/100	80	276480	456,780
2000	55	12	542	357720	48	48	120/100	80	276480	81,240
2001	55	12	882	582120	48	48	120/100	80	276480	305,640
2002	55	12	679	448140	48	48	120/100	80	276480	171,660
2003	55	12	480	316800	48	48	120/100	80	276480	40,320
2004	55	12	509	335940	48	48	120/100	80	276480	59,460
2005	55	12	469	309540	48	48	120/100	80	276480	33,060
2006	55	12	294	194040	48	48	120/100	80	276480	-82,440
2007	55	12	611	403260	48	48	120/100	80	276480	126,780

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 6

The Number of Students , Revenue Collected and Cost Incurred
College of Natural Science
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	55	12	1329	877140	60	48	120/100	80	345600	531,540
1999	55	12	1040	686400	60	48	120/100	80	345600	340,800
2000	55	12	1054	695640	60	48	120/100	80	345600	350,040
2001	55	12	718	473880	60	48	120/100	80	345600	128,280
2002	55	12	470	310200	60	48	120/100	80	345600	-35,400
2003	55	12	253	166980	60	48	120/100	80	345600	-178,620
2004	55	12	435	287100	60	48	120/100	80	345600	-58,500
2005	55	12	354	233640	60	48	120/100	80	345600	-111,960
2006	55	12	527	347820	60	48	120/100	80	345600	2,220
2007	55	12	605	399300	60	48	120/100	80	345600	53,700

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 7

The Number of Students , Revenue Collected and Cost Incurred
College of Education and Behavioral Studies
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	55	12	1553	1024980	60	48	120/100	80	345600	679,380
1999	55	12	2465	1626900	60	48	120/100	80	345600	1,281,300
2000	55	12	3062	2020920	60	48	120/100	80	345600	1,675,320
2001	55	12	2511	1657260	60	48	120/100	80	345600	1,311,660
2002	55	12	1693	1117380	60	48	120/100	80	345600	771,780
2003	55	12	934	616440	60	48	120/100	80	345600	270,840
2004	55	12	524	345840	60	48	120/100	80	345600	240
2005	55	12	257	169620	60	48	120/100	80	345600	-175,980
2006	55	12	242	159720	60	48	120/100	80	345600	-185,880
2007	55	12	0	0	60	48	120/100	80	345600	-345,600

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 8

The Number of Students , Revenue Collected and Cost Incurred
Institute of Technology (AAiT & EiABC)
Undergraduate Program 1st Semester Data
1998 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
1998	80	12	2482	2382720	120	48	120/100	80	691200	1,691,520
1999	80	12	2402	2305920	120	48	120/100	80	691200	1,614,720
2000	80	12	1873	1798080	120	48	120/100	80	691200	1,106,880
2001	80	12	1878	1802880	120	48	120/100	80	691200	1,111,680
2002	80	12	1301	1248960	120	48	120/100	80	691200	557,760
2003	80	12	1910	1833600	120	48	120/100	80	691200	1,142,400
2004	80	12	2742	2632320	120	48	120/100	80	691200	1,941,120
2005	80	12	2733	2623680	120	48	120/100	80	691200	1,932,480
2006	80	12	2991	2871360	120	48	120/100	80	691200	2,180,160
2007	80	12	3309	3176640	120	48	120/100	80	691200	2,485,440

Source of Data .AAU Registrar and Continuing and Distance Education office respectively.

Table 9

The Number of Students , Revenue Collected and Cost Incurred
College of Management, Commerce, Information and Economic Science
Postgraduate Program 1st Semester Data
2004 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	ECTS/L	Lct.	Lab.		
2004	323	28	333	3011652	96	112	193	0	2075136	936,516
2005	323	28	561	5073684	96	112	193	0	2075136	2,998,548
2006	323	28	756	6837264	96	112	193	0	2075136	4,762,128
2007	323	28	1406	12715864	96	112	193	0	2075136	10,640,728

Source of Data .AAU Registrar and Continuing and Distance Education office respectively.

Table 10

The Number of Students , Revenue Collected and Cost Incurred

College of Education and Behavioral Studies

Postgraduate Program 1st Semester Data

2003 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	ECTS/L	Lct.	Lab.		
2003	323	28	646	5842424	80	112	193	0	1729280	4,113,144
2004	323	28	736	6656384	80	112	193	0	1729280	4,927,104
2005	323	28	747	6755868	80	112	193	0	1729280	5,026,588
2006	323	28	488	4413472	80	112	193	0	1729280	2,684,192
2007	323	28	587	5308828	80	112	193	0	1729280	3,579,548

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 11

The Number of Students , Revenue Collected and Cost Incurred

College of Social Science

Postgraduate Program 1st Semester Data

2003 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	ECTS/L	Lct.	Lab.		
2004	323	12	212	821712	94	48	120	80	172800	648,912
2005	323	12	357	1383732	94	48	120	80	172800	1,210,932
2006	323	12	311	1205436	94	48	120	80	172800	1,032,636
2007	323	12	432	1674432	94	48	120	80	172800	1,501,632

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 12

The Number of Students , Revenue Collected and Cost Incurred

College of Health Science

Postgraduate Program 1st Semester Data

2004 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
2004	323	12	94	364344	94	48	120	80	172800	191,544
2005	323	12	271	1050396	94	48	120	80	172800	877,596
2006	323	12	235	910860	94	48	120	80	172800	738,060
2007	323	12	217	841092	94	48	120	80	172800	668,292

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 13

The Number of Students , Revenue Collected and Cost Incurred

Addis Ababa Institute of Technology (AAiT)

Postgraduate Program 1st Semester Data

2005 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
2005	323	12	531	2058156	94	48	120	80	172800	1,885,356
2006	323	12	913	3538788	94	48	120	80	172800	3,365,988
2007	323	12	841	3259716	94	48	120	80	172800	3,086,916

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 14

The Number of Students , Revenue Collected and Cost Incurred

College of Natural Science 1st Semester Data

Postgraduate Program

2004 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
2004	323	12	130	503880	94	48	120	80	172800	331,080
2005	323	12	391	1515516	94	48	120	80	172800	1,342,716
2006	323	12	374	1449624	94	48	120	80	172800	1,276,824
2007	323	12	407	1577532	94	48	120	80	172800	1,404,732

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table 15

The Number of Students , Revenue Collected and Cost Incurred

College of Humanity, Linguistics, Journalism and Communication

Postgraduate Program 1st Semester Data

2005 E.C - 2007 E.C

Year	Tuition fee/Cr	Total number	Total Number of students	Total Collected Revenue	Total Number of section		Rate of Paym/Section		Running Cost	TR-DC
	Lec.	Lec.			Lec.	Cr/L	Lct.	Lab.		
2005	323	12	318	1232568	94	48	120	80	172800	1,059,768
2006	323	12	349	1352724	94	48	120	80	172800	1,179,924
2007	323	12	263	1019388	94	48	120	80	172800	846,588

Source of Data AAU Registrar and Continuing and Distance Education office respectively.

Table I
Summery Statistics of CTS Academic Staff Respondent's Analysis

Items	Mean	Std. Dev.	X^2	df	Cronb.'s Alpha
Questioner No 1 to answer Research Qus. No. 1	4.00	1.00	2.78	1	0.810
Questioner No 2 to answer Research Qus. No. 1	4.29	0.68			
Questioner No 1 to answer Research Qus. No. 2	3.53	0.94	51	6	0.841
Questioner No 4 to answer Research Qus. No. 2	2.76	0.97			
Questioner No 7 to answer Research Qus. No. 2	2.65	1.11			
Questioner No 8 to answer Research Qus. No. 2	3.47	0.94			
Questioner No 9 to answer Research Qus. No. 2	3.65	0.93			
Questioner No 12 to answer Research Qus. No. 2	3.53	0.94			
Questioner No 13 to answer Research Qus. No. 2	4.65	0.49			

Table II
Summery Statistics of CDE Student Respondent's Analysis

Items	Mean	Std. Dev.	X^2	df	Cronb.'s Alpha
Questioner No 4 to answer Research Qus. No. 2	2.60	1.22	2.18	2	0.814
Questioner No 5 to answer Research Qus. No. 2	2.36	1.03			
Questioner No 8 to answer Research Qus. No. 2	2.36	0.81			

Table III
Summery Statistics of CDE Administrative Staff Respondent's Analysis

Items	Mean	Std. Dev.	X^2	df	Cronb.'s Alpha
Questioner No 6 to answer Research Qus. No. 1	2.17	0.75	7.6	2	0.825
Questioner No 9 to answer Research Qus. No. 1	2.83	1.17			
Questioner No 10 to answer Research Qus. No. 1	3.67	1.03			
Questioner No 1 to answer Research Qus. No. 2	3.50	1.22	7.5	3	0.848
Questioner No 2 to answer Research Qus. No. 2	3.00	1.26			
Questioner No 8 to answer Research Qus. No.2	2.50	1.05			
OB2.11 Questioner No 11 to answer Research Qus. No. 2	3.67	0.516			

Table IV

Summery Statistics of Book Center Administrative Staff Respondent's Analysis

Items	Mean	Std. Dev.	X^2	df	Cronb.'s Alpha
Questioner No 3 to answer Research Qus. No. 1	3.17	0.983	8.79	3	0.695
Questioner No 9 to answer Research Qus. No. 1	1.83	0.408			
Questioner No 10 to answer Research Qus. No. 2	3.00	0.894			
Questioner No 20 to answer Research Qus. No. 2	2.33	1.033			
Questioner No 1 to answer Research Qus. No. 2	2.33	1.033	7.4	6	0.733
Questioner No 2 to answer Research Qus. No. 2	3.00	0.894			
Questioner No 4 to answer Research Qus. No. 2	2.50	1.049			
Questioner No 5 to answer Research Qus. No.2	2.83	0.983			
Questioner No 6 to answer Research Qus. No. 2	2.83	0.983			
Questioner No 7 to answer Research Qus. No. 2	3.00	0.932			
Questioner No 8 to answer Research Qus. No. 2	3.50	1.049			
Questioner No 11 to answer Research Qus. No.3	3.50	0.548	5.6	1	0.600
Questioner No 15 to answer Research Qus. No. 3	1.83	0.408			
Questioner No 12 to answer Research Qus. No.4	3.67	1.033	5	1	0.702
Questioner No 14 to answer Research Qus. No.4	1.83	0.408			
Questioner No 16 to answer Research Qus. No. 5	3.67	0.816	0.67	1	0.667
Questioner No 19 to answer Research Qus. No. 5	3.33	1.211			

Annex

Addis Ababa University
College of Business and Economics
Department of Public Administration and Management
Questionnaire Prepared for MA Thesis

QUESTIONNAIRE TO BE FILLED BY AAU INSTRUCTORS

The purpose of this questionnaire is to collect data for the study entitled the challenge, prospects of internal revenue generation and administration in the Ethiopian public higher education institutions in the case of Addis Ababa University. Your cooperation to offer relevant and honest information is highly important for the success of the study. I would like to assure you that your response will be kept confidential, hence please feel free to answer all the questions frankly and accurately as much as possible. It is not necessary to write your name on the questionnaire.

Instruction: - Questions which have been designed to indicate your answer by marking (√) in the appropriate place.

1.1 campus _____

1.2 College _____ Department_____

1.3 Sex ☐ Male ☐ Female

CONTINUING AND DISTANCE EDUCATION

Part I

1. Instruction: - By marking (√) at the appropriate column. Use the following scales **strongly Disagree= 1, Disagree = 2, Neutral = 3, Agree = 4 and strongly agree = 5**. (Continuing and distance education are abbreviated as CDE and undergraduate and postgraduate programs are abbreviated as UG and PG respectively)

NO	THE STATUS OF CONTINUING AND DISTANCE EDUCATION	1	2	3	4	5
2.1	CDE has market oriented programs.					
2.2	CDE Programs are diversified.					
2.3	The expansion of private college in Addis Ababa creates computation and impact in AAU CDE programs with regards to student's enrollment.					
2.4	New programs are introduced for both UG and PG program based on the market need and need assessment in the extension program.					
2.5	The office of continuing and distance education is resourceful with regards to the logistic needed to diversify and introduce new program.					
2.6	The office of CDE facilitates and delivers teaching materials on time for all departments based on the number of students and the revenue generated.					
2.7	The decentralization of function both in administrative matters are introduced and adopted by the department.					
2.8	There is proportional resource allocation based on the student's enrollment.					
2.9	UG Students enrollment in the CDE increased from time to time.					
2.10	There is declining of enrollment in some of the UG program.					
2.11	There is lack of integration among the relevant office to administer CDE cases.					
2.12	There is lack of logistics to facilitate and manage the CDE programs.					
2.13	There is lack of expertise to do marketing issues such as periodic marketing need assessment.					
2.14	The decentralization brings change Particularly in CDE program.					
2.15	CDEO is efficient with the decentralization of CDE matters.					
2.16	CDEO is lacks skilled man power to do its function in a decentralization fashion.					
2.17	There are clear rules, regulations and system to do the CDE with decentralization fashion.					
2.18	The ministry of education admission criteria affects the number of students enrolled in CDE program.					
2.19	There is minimum drop out in the CDE program compared with the regular program.					
2.20	No relation between dropout and the service facility of the students in the CDE program.					
2.21	AAU has its own policy to internal revenue generation and diversification strategy.					
2.22	AAU- CDE program is getting qualified students that reduced the number of dropout.					

CONSULTANCY &TRAINING SERVICE

Part I

2. Instruction: - by marking (√) at the appropriate column. Use the following scales **strongly Disagree= 1, Disagree = 2, Neutral = 3, Agree = 4 and strongly agree = 5. (Consultancy service& Training are abbreviated by CS& T respectively).**

NO	THE STATUS OF CONSULTANCY AND TRAINING SERVICE	1	2	3	4	5
3.1	Your department has an opportunity to offered consultancy service for the community.					
3.2	Your department has consultancy service for external customer.					
3.3	Your department becomes an exemplar with regards to university – industry collaboration and Consultancy Service.					
3.4	Your department is used different means of communication to advertise about what your department provide expertise to the community.					
3.5	There is an internal regulation to administer the consultancy service within the university.					
3.6	There is attractive incentive for those who are participated in the consultancy service.					
3.7	The facilities and logistics are efficiently available to improve the consultancy service in your department.					
3.8	The number of customers in consultancy service is increasing in your department.					
3.9	Your department has higher customer satisfaction and customer confidence with regards to consultancy and technical expertise.					
3.10	Your department has an efficient system to handle the customers who comes to get consultancy service.					
3.11	Your department is getting sufficient resource (Material and Financial) to run the consultancy service					
3.12	Your department is willing to diversify consultancy service					
3.13	Your department has skilled man power to run its consultancy service with regards to the expected expertise.					

Part II

1. What do you suggest about the current practice of consultancy and training services in AAU compared with other internal revenue means of generation short brief?

   _____

   _____

2. Could you please specify the strength and weaknesses of CS & T in AAU?

   _____
   _____
   _____

   _____

3. Could you please explain the major external threats of CS & T in AAU?

   _____

   _____

4. Could you please explain the major challenges of CS & T in AAU?

   _____

   _____

5. Could you please write the institutional policy gap which deals with internal revenue generation processes in CS & T programs?

   _____

   _____

Addis Ababa University
College of Business and Economics
Department of Public Administration and Management
Questionnaire Prepared for MA Thesis

QUESTIONNAIRE TO BE FILLED BY AAU ADMINISTRATIVE STAFF

The Purpose of this questionnaire is to collect data for the study entitled the challenge, prospects of internal revenue generation and administration in the Ethiopian public higher education institution in the case of Addis Ababa University. Your cooperation to offer relevant and honest information is highly important for the success of the study. I would like to assure you that your response will be kept confidential, hence please feel free to answer all the questions frankly and accurately as much as possible. It is not necessary to write your name on the questionnaire.

Instruction: - Questions which have been designed to indicate your answer by marking (√) in the appropriate place.

1.1 campus _____

1.2 College _____ Department_____

1.3 Sex ☐ Male ☐ Female

1.4 Educational status /Qualification

☐ BA/BSC/BEd

☐ MA/MSC/MEd ☐ Other please specify

CONTINUING AND DISTANCE EDUCATION

Part I

3. Instruction: - By marking (√) at the appropriate column. Use the following scales **strongly Disagree= 1, Disagree = 2, Neutral = 3, Agree = 4 and strongly agree = 5**. (Continuing and distance education are abbreviated as CDE)

NO	THE STATUS OF CONTINUING AND DISTANCE EDUCATION	1	2	3	4	5
2.1	CDE have market oriented programs.					
2.2	CDE Programs are diversified.					
2.3	The expansion of private college in Addis Ababa creates computation and impact in AAU CDE programs with regards to student's enrollment.					
2.4	New programs are introduced for both UG and PG program based on the market need and need assessment in the extension program.					
2.5	The office of continuing and distance education is resourceful with regards to the logistic needed to diversify and introduce new program.					
2.6	The office of CDE facilitates and delivers teaching materials on time for all departments based on the number of students and the revenue generated.					
2.7	The decentralization of function both in administrative and matters are introduced and adopted by the department.					
2.8	There is proportional resource allocation based on the student's enrollment.					
2.9	UG Students enrollment in the CDE increased from time to time.					
2.10	There is declining of enrollment in some of the UG program.					
2.11	There is lack of integration among the relevant office to administer CDE cases.					
2.12	There is lack of logistics to facilitate and manage the CDE programs.					
2.13	There is lack of expertise to do marketing issues such as periodic marketing need assessment.					
2.14	The decentralization brings change Particularly in CDE program.					
2.15	CDEO is efficient with the decentralization of CDE matters.					
2.16	CDEO is lacks skilled man power to do its function in a decentralization fashion.					
2.17	There are clear rules, regulations and system to do with decentralization fashion.					
2.18	The ministry of education admission criteria affects the number of students enrolled in CDE program.					
2.19	There is minimum drop out in the CDE program compared with the regular program.					
2.20	No relation between dropout and service facility of the students in the CDE program.					
2.21	AAU has its own policy to internal revenue generation and diversification strategy.					
2.22	AAU- CDE program is getting qualified students that reduced the number of dropout.					

Part II

1) What do you say about the current practice of the CDE program compared with other internal revenue means of generation short brief? _____

_____

2) Could you please explain the strength and weaknesses of CDE program in AAU?

_____

_____

3) Could you please explain the major external threats of CDE program in AAU?

_____

_____

4) Could you please explain the major challenges of internal revenue in AAU-CDE program?

_____

_____

5) Could you please write the institutional policy gap which deals with internal revenue generation of AAU-CDE program?

_____

_____

6) Could you please explain the effective way of managing the internal revenue generation in AAU-CDE program?

_____

_____

BOOK CENTER
Part I

4. Instruction: - by marking (√) at the appropriate column. Use the following scales **strongly Disagree= 1, Disagree = 2, Neutral = 3, Agree = 4 and strongly agree = 5**.

NO	THE STATUS OF AAU BOOK CENTER	1	2	3	4	5
2.1	The books supplied to the university community are based on the market need assessment.					
2.2	New and updated edition of books are available for sales in the AAU-BC at any time.					
2.3	AAU – BC book sales revenue is increasing from time to time.					
2.4	The number of customers who are satisfied by the books supplied and the service provided in AAU-BC is very high.					
2.5	There is strong collaboration between colleges and AAU-BC management to make need assessment so as to supply relevant books to the customers.					
2.6	The book center management system is efficient in maximizing the revenue generation.					
2.7	AAU-BC has customer's compliant handling system.					
2.8	The sales of books on consignment bases in AAU-BC are based on the market need and market assessment.					
2.9	AAU-BC has an alternative and diversified means of revenue generation.					
2.10	AAU-BC is resourceful both in terms of logistics, finance and manpower aspects.					
2.11	The book center has strong ties with a number of baste book suppliers.					
2.12	The book center has collaboration with AAU printing press to produce books.					
2.13	The administration of book center such as purchasing, finance and general service are flexible and efficient.					
2.14	Employee of AAU-BC is motivated and incentivized based on the performance they have individually and the revenue they earn as a team.					
2.15	The local and international baste book suppliers are providing books for the Book center based on the market need assessment done by AAU BC itself.					
2.16	There is an institutional policy that helps to strengthen the efficacy of AAU-BC administration.					
2.17	AAU-BC is attainable to all of the campus of AAU students and community.					
2.18	AAU-BC is doing its activities additionally in the branch sales office established at all campuses.					
2.19	AAU-BC has its own policy to improve and diversify its business.					
2.20	Currently AAU-BC has in a good condition in terms of business expansion and optimization.					

Part II

1. Explain the current practices of AAU-BC business situation with respect to other internal revenue means of generation? _____

   _____

2. What do you think about the major challenges of AAU-BC in its daily business activity?

   _____

   _____

3. Write the major strength and weakness of AAU-BC in its business activity?

   _____

   _____

4. What is the major external threat that affects the business activity of AAU-BC?

   _____

   _____

5. What is the institutional policy gap that affects the business activity?

   _____

   _____

6. Could you please identify the best possible way of managing AAU-BC?

   _____

   _____

Printing Press
Part I

5. Instruction: - by marking (√) at the appropriate column. Use the following scales **strongly Disagree= 1, Disagree = 2, Neutral = 3, Agree = 4 and strongly agree = 5**. (Addis Ababa University is abbreviated as AAU, Printing Press on the other hand is abbreviated as PP)

NO	THE STATUS OF AAU PRINTING PRESS	1	2	3	4	5
2.1	AAU Printing Press has diversified job order from the university itself and from outside university (Community).					
2.2	AAU Printing Press has special collaboration with colleges and Schools to provide books and module to the students during in need of it.					
2.3	The machines used in printing press has efficiently replaced, maintained and serviced.					
2.4	There lack of maintenance facility in AAU.					
2.5	There is high customer satisfaction with regards to the supply of printing material in AAU Printing Press.					
2.6	AAU printing press has efficient customer handling system.					
2.7	The revenue generated from AAU printing press increasing from time to time constantly.					
2.8	The purchasing and finance system are efficient and strong to meet the objective of AAU printing press.					
2.9	AAU printing press has many business opportunities with regards to the supply of printing material for the customers.					
2.10	AAU printing press could not use the entire business opportunity it has.					
2.11	AAU printing press has mutual benefit with AAU Book center to provide and print teaching material and sold in the Book center considering creating two means of revenue generation.					
2.12	AAU Printing press is accessible in all of the Institutes and collages.					
2.13	The management system of AAU printing press is efficient.					
2.14	The reform made in AAU is seriously affects the businesses in PP.					
2.15	The expansion of printing industry in Addis Ababa is affected the business in AAU-PP significantly.					
2.16	There is policy in the university to implement and develop the productivity in the AAU-PP in terms of quality and quantity.					

Part II

1. Explain the current practices of AAU-PP business situation with respect to other internal revenue means of generation? _____

   _____

2. What do you think about the major challenges of AAU-PP in its daily business activity?

   _____

   _____

3. Write the major strength and weakness of AAU-PP in its business activity?

   _____

   _____

4. What is the major external threat that affects the business activity of the AAU-PP?

   _____

   _____

5. What is the institutional policy gap that affects the business activity in AAU-PP?

   _____

   _____

6. Could you please identify the best possible way of managing AAU-PP?

   _____

   _____

Addis Ababa University
College of Business and Economics
Department of Public Administration and Management
Questionnaire Prepared for MA Thesis

QUESTIONNAIRE TO BE FILLED BY AAU STUDENTS

The purpose of this questionnaire is to collect data for the study entitled the challenge, prospects of internal revenue generation and administration in the Ethiopian public higher education institutions the case of Addis Ababa University. Your cooperation to offer relevant and honest information is highly important for the success of the study. I would like to assure you that your response will be kept confidential, hence please feel free to answer all the questions frankly and accurately as much as possible. It is not necessary to write your name on the questionnaire.

Instruction: - Questions which have been designed to indicate your answer by marking (√) in the appropriate place.

1.1 campus _____

1.2 College _____ Department_____

1.3 Sex ☐ Male ☐ Female

CONTINUING AND DISTANCE EDUCATION

Part I

6. Instruction: - by marking (√) at the appropriate column. Use the following scales **strongly Disagree= 1, Disagree = 2, Neutral = 3, Agree = 4 and strongly agree = 5**. (Continuing and distance education are abbreviated as CDE)

NO	THE STATUS OF CONTINUING AND DISTANCE EDUCATION	1	2	3	4	5
2.1	CDE has market oriented programs.					
2.2	CDE Programs are diversified.					
2.3	You joined the program based on your interest and choice.					
2.4	You have got sufficient knowledge during your stay in the program.					
2.5	Your instructors are teaching in great interest and ambition.					
2.6	You are satisfied by knowledge and skill you got during your stay in the university.					
2.7	The service given by the registrar is fair.					
2.8	In your perspective the university is doing its function in efficient way.					
2.9	The university has customer compliant handling system.					
2.10	There is declining of enrollment in some UG programs of your College.					
2.11	There is lack of coordination among the relevant office to administer CDE cases.					
2.12	There is lack of logistics to facilitate and manage the CDE programs.					
2.13	There is lack of marketing expertise in the area of such as periodic marketing need assessment.					
2.14	Your department is currently doing its function in a decentralized fashion.					
2.15	Your department lacks skilled man power to do its function in a decentralization fashion.					
2.16	There is evidence that cause of declining in number of students enrolled in CDE program is due government policy restriction.					
2.17	There are clear rules, regulations and system in CDE.					

Part II

1) What do you suggest about the current practice of the CDE program compared with regular programs? _____

_____

2) Could you please specify the strength and weaknesses of CDE program in AAU?

_____

_____

_____

_____

3) Could you please explain the major external threats of CDE program in AAU?

_____

_____

4) Could you please explain the major challenges you faced during your stay in the CDE program?

_____

_____

5) Could you please write the institutional policy gap which deals with CDE program?

_____

_____