



CREATING WEALTH THROUGH CBT PRODUCTION UNITS IN TVET INSTITUTIONS IN GHANA

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Abstract

Wealth is defined by the Word Web as “The state of being rich and affluent; having a plentiful supply of material goods and money, an abundance of material possessions and resources, property that has economic utility: a monetary value or an exchange value” This is what the TVET institutions in Ghana are lacking. Most of the institutions are complaining that Government subventions are not forth coming, so no money to run the institutions. The purpose of this paper is to assess the current situation at the CBT Production Units as alternative means of income generation in the various departments in the Institutions. Questionnaires were administered to Principals of TVET Institutions to seek their views. Also, Heads of Department (HOD) of the institutions and the Workshop Assistants were interviewed. The survey revealed the possibility for the Production Units to raise funds for the institutions; but the major challenge was that, it was difficult for the Principals to compel them to do so. This was because the HODs see the Units as their personal property, and will not take any interference from any Principals. It is recommended that: there should be a laid down rules and regulations regarding income generation by the Production Units, HODs should be held accountable for all work done at the workshop, Job card should be opened for all jobs, and an agreed percentage of income from the Production Units should be paid to the department as incentive.

Keywords: Income generation, CBT, Production Unit, TVET Institution.

INTRODUCTION

Ghana is a lower-middle level income economy, struggling to move to the next level of the middle level income bracket. Since the credit crunch occurred some seven years back, which hit the world including the super powers of the world's economy, the flow of funds has become slow in many countries including Ghana. Also, the economic situation in many countries is making things difficult for many ruling governments to meet their campaign promises and providing basic needs for their citizenries. In Ghana, government subventions for most educational institutions and other public institutions are not forth coming and this is also making things difficult for the heads of the institutions to implement policies and roll out planned programmes and activities. Media Foundation called on government to pay common funds to District, Municipal and Metropolitan Assemblies which has been in arrears for some years now, so that the two percent disability fund can also be paid as a matter of urgency (GNA, Oct, 2014). During a morning talk show radio discussion on the strike of the twelve unions on the tier-two pension scheme, one of the panelist argued that, workers are afraid because GETFund is in arrears over two years, health insurance is also in arrears for over 2 years (GNA, Nov. 3, 2014). This shows that the flow of funds has become a challenge, and if the various institutions must survive, then there should be an

alternative way out. Also, during a television talks-show 'AGENDA' one of the panelist reiterated the fact that government has not paid district assembly common fund since last year (GNA, Nov. 12, 2014). This confirms the earlier assertion that funds are not flowing as expected, which is affecting especially educational institutions. Principals of Technical Institutions are complaining that government subventions, are not forth coming, which calls for an alternative source of income generation for the institutions. It is in this vein that this research was carried to find an alternative way for creating wealth through the CBT Production Unit in the TVET institutions in Ghana. Production units are the workshops in the various departments in the institutions where work is done for the public to raise some income, and at the same time using it to train students. It is felt that by the end of this research the prevailing situation at the TVET institutions would have been assessed and other alternative means for funding the Production Units would have been found.

METHODOLOGY

Purposive sampling was done to obtain information from those involved in the management of Technical and Vocational Education and Training (TVET) institutions,

Table 1: Responses of Principals of Public Technical Institutions

Items	YES		No	
	Number	%	Number	%
Do you have production units in your institution?	25	83	5	17
If yes, do you use it to raise internally generated funds? (IGF)	15	50	15	50
Do you have control over the unit?	2	7	28	93
Do you have laid down rules for the operation of the units?	5	17	25	83
Do you have any other way of generating funds internally?	10	33	20	77
Do you advertise the unit?	2	7	28	93
Do the HODs present proper accounts to you on production?	2	7	28	93
Do you know how much money is generated averagely in a month?	2	7	28	93
Do you have separate account for the unit?	2	7	28	93
If yes, do you put every income from the unit into that account?	2	7	28	93
Do you have people patronising the unit?	10	33	20	77
If yes, do you have good comments from customers on quality of work?	10	33	20	77
Is your production unit registered?	1	3	29	97
Have you won any contract before?	1	3	29	97
Do you do live projects?	20	77	10	33

which includes the principals, heads of department and workshop assistance. Also, the views of the students were sought on their willingness to pay realistic fees for quality training. Some commercial banks were also contacted on their willingness to help with loans.

The selection considered a fair representation sample of forty (40) Principals of Public Technical Institutions out of the existing forty five (45). Three (3) heads of departments of one institution from each of the ten (10) regions making it fifty (50) in Ghana were chosen.

The following instruments were used: forty (40) questionnaires were sent out, but thirty (30) were returned. These were used for the principals of the institutions. Structured interviews were used for the Heads of departments and workshop assistants. Unstructured interview was used for parents, students and the banks. Discussions; observations alongside study and analysis of valuable related literature were used in gathering information.

Descriptive statistics was used to analyze the data collected and results are shown as percentages.

RESULTS AND DISCUSSIONS

The result in Table 1 showed that 83% of the Principals of the public Technical Institutions answered 'yes' to show that they have production units in their institutions. This shows that almost all the institutions have production units. Half of the respondents said they use the production unit to raise internally generated funds (IGF), this is an indication that, some amount of money can come out from the production units. Whether the money is harnessed and utilized by the institution is another issue, which needs attention because, out of the fifteen respondents representing fifty percent, only two of the Principals have some control over their units (Table 1). This also implies that, funds are generated but not used by the institutions.

In answering the question whether there are rules and regulations guiding the production units, only five out of the thirty respondents representing seventeen percent, affirmed that they have rules and regulations. This shows that the rest do not have regulations for the unit hence no control over it and this leads to loss of funds, so something must be done to block the loop holes in the system so that money generated by the institution can be used by it. A third of the total respondents said they had other means of generating funds apart from the production unit. All the ten institutions stated hiring of school facilities like vehicles and dormitories. This also shows that, there are other ways of generating IGF. This is an indication that, if there are proper rules and regulations guiding IGF, the institutions can raise enough funds. Also advertising the production unit can help raise more funds, since out of the thirty respondents, only two representing seven percent advertise their production units (Table 1).

In answering the question whether the heads of department (HODs) render proper account for the production unit, again, only two answered yes. This goes to affirm the earlier statement that, money is being generated but not used by the institutions. They found their way into the pockets of individuals. When asked whether they know the amount of money generated in a week, again, only two respondents gave a positive answer. It was difficult for almost all of them, because no proper accounts were kept. Only two respondents were able to give a range of GHc500 to GHc5000 depending on patronage. This shows that a substantial amount of money is made at the production units which can be harnessed for the institutions. This goes on to further confirm that, money is being generated but not used by the institutions, and there is an urgent need to put in place some measures to control the funds being generated internally at the production units. The same two respondents have a separate bank account for the production unit where they keep the money accruing

Table 2: Expected Production Unit Levy

Departments	Non Tertiary Students No.	HND Students No.	Total Students	Levy GHc	Grand Total
Accountancy	120	1520	1640	10	16400
Secretariship	102	450	552	10	5520
Marketing	98	356	454	10	4540
Statistics	85	242	327	10	3270
HCIM	268	323	591	10	5910
Fashion	61	20	81	10	810
Industrial Art	52	68	120	10	1200
ICT	0	150	150	10	1500
Tourism	0	42	42	10	420
Agric Engineering	88	161	249	10	2490
Auto	56	25	81	10	810
Building	110	243	353	10	3530
Carpentary	95	0	95	10	950
Electrical	275	214	489	10	4890
Mechanical	58	75	133	10	1330
Welding	49	0	49	10	490
Total	1517	3889			54060

from the unit.

In finding out how the patronage of the unit was like, ten institutions representing thirty-three percent, of the respondents said it was good, and customers gave good comments about quality of work. However, only one institution representing three percent registered one of the production units and won a contract. This is an indication that, if the production units are registered, they can easily get contracts to execute, which will bring some income to the institution. As to whether they do live projects, twenty institutions representing seventy-seven percent responded yes. This is another source where funds can be saved for running the institutions. It also shows that, there is the need to patronize locally made products so that the products from the institutions can be sold for money. Recently, the parliament house in Ghana refurbished their chamber with furniture from China and this raised public outcry to the extent that, the Conference of Bishops of Catholic Church condemned the act (GNA, Nov, 10, 2014). The government is preaching buy made in Ghana goods and the law makers decided to go to China. To patronize made in Ghana goods, the writer thinks, it must start from the TVET institutions, where they will produce their own products for the public to raise some funds.

Almost, all the institutions use their workshops as production units, which imply that, the number of departments indicates the number of production units in the institutions. In answering how many are functional, almost all are functional. This is also an indication that, there is the possibility of using the unit for IGF.

The following are some challenges the respondents stated they were facing: outmoded equipments and lack of in-service training for the workshop assistants. Almost all of the principals of the institutions said, the biggest challenge was how to control the unit, because, the units have been left in the hands of the heads of department

over so many years such that, the units have become like their personal properties, any attempt to bring in control measures meets resistance which if not controlled, can lead to conflict.

The following comments were given by some of the Principals: A fund should be set up solely for TVET institutions; Skills Development Fund should have a special window solely for TVET institutions since Ghana's TVET is going CBT; the procurement law is not helping issues, because the amount of money one can use to buy may be three bags of cement for practical, the same amount would be used to buy one bag of cement through procurement process; Government should set up a fund similar to GETFund to be managed by Association of Principals of Technical Institutions (APTI). There is the need for capacity building at the workshops to attract more customers. Government needs to set its priorities well, and stop paying lip service to TVET institutions.

When the views of the workshop assistants were sought on the topic, most of them said they do a lot of work, but they do not know the amount of money charged since it is the heads of department who does that. Some of them confessed that at times too, they do their own personal jobs where they charge varied amount of money. One of them said, if things are streamlined, they could raise enough money for the institutions. In a response to how to improve performance at the unit, they said there was the need to get modern equipment and they also have to be trained on new technologies to be able to compete with other garages in town as Korpmeier, (2009) stated that 'another way of creating wealth is to Improve Oneself, Improve Methods and Improve Product' which can be done through in-service training.

Table 2, shows the results of some financial analysis of other sources of income, which was imposition of

Production Unit Levy on students of Tamale Polytechnic for the 2014/15 academic year. The total sum expected was fifty-four thousand, and sixty Ghana cedis (GH¢54,060.00) which is equivalent to eighteen thousand, and twenty U. S. dollars (\$18,020.00). This is not small amount of money which should be ignored. Caution must also be given to the institutions not to misappropriate the funds meant for the production unit.

The views of parents and students were sought during the research on their willingness to pay for practical, and they said, provided they will get quality training, why not. Some students even said they have been contributing already to buy materials for training when the procurement process is delaying the purchasing of materials or if materials were in short supply. This is also an indication that, parents and students are prepared to contribute extra for their training, but care must be taken not to exploit them.

During the research, the writer visited some commercial banks in the Tamale Metropolis to see if they could help in getting some financial support, and these were their response; 'if you present a business plan which is viable, why not? Another bank said they even support a student association with a loan to purchase a bus. Another was prepared to build a hostel operate and transfer. This also shows that, another source of funds could be the banks, but with interest on the loans.

Another source of income identified during the study was collaboration with well established garages in town. In this case, it means that when there is collaboration with other garages, when they have plenty jobs and have deadlines to meet, they can sublet some of the jobs to the institutions to help them for a fee as a source of income, also, there might be the need to use some special tools and equipment for special jobs which the garages might not have but the institutions might have them. Here, the institutions will help them with the tools and equipment for a fee. Currently, Tamale Polytechnic had an ultra modern automobile diagnostic laboratory where faults on vehicles can be identified by just connecting cables to it and the solution will be provided immediately. This is not common in Ghana.

RECOMMENDATIONS

The following recommendations are made for stakeholders in CBT and TVET to consider:

- Government should come out with policy guidelines concerning activities of production units in TVET institutions.

- Government should make the procurement law flexible to allow the TVET institutions the free will to purchase materials, since the process doubles or triples the price of items.

- There should be a special arrangement for the Skills Development Fund (SDF) to open a special window solely for TVET Institutions to access funds.

- There should be a special fund set up purposely for TVET just like the GETFund.

- Students should be charged a fee towards the material for practical, as a committed item in the fee list.

CONCLUSION

It is concluded that, wealth creation by the production units of TVET at the various institutions is not the best, and there is the urgent need to put some control measures in place to block the loop holes in the system so that funds accruing from the production units can be used by the institutions. Furthermore if the production units are properly managed, they will serve as alternative source of funds for the Institutions.

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