E-ISSN: 1115 - 8530 P-ISSN: 3026-8958
MPRI-JFRBD | INTERNATIONAL JOURNAL OF FINANCIAL RES. AND BUSINESS DEVELOPMENT
VOL. 14 NO. 7 – OCTOBER, 2026

INTERNALLY GENERATED REVENUE AND ECONOMIC FREEDOM OF COLLEGES OF EDUCATION IN NIGERIA: CHALLENGES, OPPORTUNITIES AND SUSTAINABILITY

***DR. OKEKWU ATE MUSA; &**
****LABARAN MUSA**

*Federal Collage of Education Odugbo, Benue State, Department of Economics. okekwuonakpa@gmail.com
**Federal Collage of Education Odugbo, Benue State, Department of Economics. labaranmusa@fceodugbo.edu.ng
DOI: https://doi.org/10.70382/mejfrbd.v14i7.0138

Abstract

The increasing financial pressures confronting Colleges of Education in Nigeria have heightened the need for alternative and sustainable sources of institutional financing. Dependence on government subventions and statutory interventions alone may constrain institutional flexibility in responding to emerging demands for infrastructure, instructional resources, staff development, digital technologies, research, and other educational services. This article examines internally generated revenue (IGR) as a potential mechanism for strengthening the economic freedom and financial sustainability of Colleges of Education in Nigeria. Specifically, the article examines the relationship between internally generated revenue and the economic freedom of Colleges of Education and identifies the major challenges and opportunities associated with generating and managing IGR for sustainable financial autonomy. The article adopts a conceptual and analytical approach, drawing on relevant literature on tertiary education financing, institutional financial autonomy, revenue diversification, accountability, and sustainable educational development. The analysis indicates that diversified and effectively managed IGR can complement government funding, improve institutional financial flexibility, support timely responses to operational needs, and create opportunities for institutional development. However, inadequate entrepreneurial capacity, limited infrastructure, weak revenue-generation structures, regulatory constraints, poor financial management practices, insufficient investment capital, and overdependence on conventional revenue sources may restrict the effectiveness and sustainability of IGR. The article argues that economic

Keywords: internally generated revenue, economic freedom, financial autonomy, Colleges of Education, revenue diversification, financial sustainability, Nigeria.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

freedom should not be understood as complete financial independence from government but as responsible institutional financial flexibility supported by diversified revenue sources, transparent financial management, accountability, and appropriate regulatory frameworks. It recommends strengthening entrepreneurial and consultancy activities, developing public-private and community partnerships, investing in viable institutional ventures, improving financial management systems, and establishing clear policies for the sustainable utilization of internally generated resources. Such measures could enhance the financial resilience and institutional sustainability of Colleges of Education while preserving their core teacher-education mandate.

Introduction

Adequate and sustainable financing is fundamental to the effective functioning of higher education institutions because teaching, research, staff development, infrastructure, student services, technology deployment, and institutional administration all require reliable financial resources. In Nigeria, Colleges of Education constitute an important component of the tertiary education system because they are primarily responsible for preparing professional teachers and other education personnel required for the development of the country's human capital. The National Commission for Colleges of Education (NCCE) regulates and supervises Colleges of Education, while federal and state governments remain major sources of institutional funding (National Commission for Colleges of Education [NCCE], 2021; UNESCO, 2026). Consequently, the financial capacity of Colleges of Education has implications not only for institutional administration but also for the quality and sustainability of teacher education.

The financing of education in Nigeria has historically involved substantial government participation because education is regarded as an important instrument of national development. Public tertiary institutions, including Colleges of Education, operate within governmental regulatory and funding frameworks. UNESCO's review of Nigeria's higher education financing system indicates that federal Colleges of Education receive federal funding, whereas state-owned institutions are funded principally by their respective state governments. The same source identifies TETFund as a major supplementary financing mechanism for public tertiary institutions, including Colleges of Education (UNESCO, 2026).

Despite these arrangements, the financing environment of tertiary education has become increasingly complex. Institutions face competing demands for limited public resources while simultaneously experiencing growing expenditure requirements. Funding pressures affect the ability of institutions to maintain physical facilities, procure instructional materials and equipment, support research, provide digital infrastructure, and undertake staff development. Salako (2015), in examining challenges confronting Nigerian university education, identified inadequate financing and deteriorating infrastructure among the major challenges facing public higher education and advocated the development of internal funding mechanisms alongside improved government support.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

The situation makes revenue diversification an important consideration for Colleges of Education. Institutions can potentially generate additional resources through consultancy services, professional development programmes, continuing education, production and entrepreneurial ventures, accommodation and facility rentals, agricultural activities, research and community services, and other legally approved activities. International experience in tertiary education financing suggests that sustainable systems increasingly require diversification of income sources, entrepreneurial initiatives, partnerships, commercialization where appropriate, and the development of income beyond traditional teaching and government allocations (Tewarie, 2010).

The Nigerian experience also demonstrates that IGR can make a meaningful contribution to institutional development. A Federal Government review of institutional finances, for example, documented IGR as one of the sources used to finance capital and recurrent activities in a Nigerian university, alongside government appropriations and TETFund interventions (Federal Ministry of Education, 2023). Although university experiences cannot automatically be generalized to Colleges of Education, they demonstrate the potential role of internally generated resources in complementing statutory funding.

Evidence specifically concerning Colleges of Education also indicates that IGR has historically constituted only a relatively modest proportion of institutional income. A World Bank review reported that, at the time examined, IGR represented approximately 15% of total income on average in federal Colleges of Education (World Bank, 2008). While this historical figure should not be treated as a current national estimate, it highlights a longstanding structural issue: public Colleges of Education may have limited capacity to generate resources sufficient to provide substantial financial independence from government funding.

The issue is particularly significant because the economic environment in which Nigerian Colleges of Education operate has changed considerably. Inflationary pressures, increased costs of goods and services, technological requirements, infrastructure maintenance, and demands for improved educational quality place additional pressure on institutional budgets. At the same time, institutions must comply with government financial regulations and the standards established by regulatory agencies. The NCCE's institutional oversight responsibilities include engagement with Colleges of Education and attention to administrative and financial systems within the sector (NCCE, 2021).

Economic freedom, therefore, should not be interpreted as unrestricted commercialization of Colleges of Education. Rather, it should involve the development of legitimate and sustainable revenue streams that enhance management flexibility while preserving the educational mission of the institution. An effective IGR system should promote transparency, accountability, efficiency, equity, and sustainability. Excessive dependence on student-related charges, for example, could create affordability concerns, whereas overdependence on commercial ventures could distract institutions from their core teacher-education mandate. The challenge is consequently to identify revenue-generation strategies that strengthen institutional capacity without undermining access, quality, or public accountability.

This background provides the basis for examining IGR as an instrument for strengthening the economic freedom of Colleges of Education in Nigeria. Such an examination requires attention to the existing sources of IGR, the strategies employed by institutions, the constraints limiting

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

revenue generation, the contribution of IGR to institutional financial autonomy, and the opportunities for developing sustainable alternative revenue streams.

The contemporary literature on tertiary education financing increasingly emphasizes financial sustainability, revenue diversification, institutional autonomy, accountability, and partnerships. The traditional model in which government bears the predominant responsibility for financing public higher education is under pressure because public resources must be distributed among competing sectors. Consequently, institutions are encouraged to explore complementary funding mechanisms while maintaining their public-service responsibilities. UNESCO's work on sustainable tertiary financing identifies predictable public funding, private-sector participation, partnerships, entrepreneurial interventions, commercialization, diversified income sources, and new revenue streams as components that can contribute to sustainable financing systems (Tewarie, 2010).

In Nigeria, the discussion has increasingly moved from the narrow question of whether tertiary institutions need more money to broader questions concerning how institutions can mobilize resources and exercise responsible financial autonomy. A recent analytical study by Kolawole et al. (2025) argues that financial autonomy can improve institutional management and decision-making but should operate alongside continuing government support. This perspective is particularly relevant to Colleges of Education because their public-service mandate makes complete financial self-sufficiency unrealistic and potentially undesirable.

Another important dimension of the contemporary debate is funding diversification. A study on funding options for Nigerian public universities identifies IGR, TETFund, donor agencies, contributions from users of education, and improved government budgetary allocations among possible funding sources (Journal of Educational Foundations, 2022). Although the study focused on universities rather than Colleges of Education, its central argument provides a useful basis for examining whether similar diversification strategies can strengthen the financial position of teacher-training institutions.

The role of TETFund is also central to understanding the current financing landscape. TETFund provides supplementary support to public tertiary institutions, including Colleges of Education, with funding directed toward areas such as infrastructure, research, and staff development. UNESCO's current profile reports that TETFund raised substantial resources through the education tax and that, in 2021, public tertiary institutions received significant TETFund support, with Colleges of Education forming part of the beneficiary structure (UNESCO, 2026). This reinforces the view that IGR should be positioned as part of a mixed and diversified financing system, rather than as a replacement for statutory funding.

The literature also draws attention to financial management, transparency, and accountability. Revenue generation alone cannot guarantee economic freedom if internally generated funds are poorly administered, inadequately monitored, or diverted from institutional priorities. Financial autonomy must therefore be accompanied by sound budgeting, internal controls, auditing, transparent reporting, and stakeholder accountability. The NCCE's institutional framework includes internal audit and financial-control considerations, reflecting the importance of financial accountability within the education sector (NCCE, 2021).

A further development in the state of the art is the growing emphasis on entrepreneurial and knowledge-based activities as alternative sources of institutional revenue. Colleges of Education

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

possess human, physical, and intellectual resources that can potentially be mobilized through professional training, consultancy, research services, continuing education, educational technology services, agricultural projects, production units, and partnerships with communities and industries. However, the effectiveness of such initiatives depends on institutional capacity, market demand, management expertise, enabling policies, infrastructure, and appropriate incentives.

Despite these developments, an important gap remains. Much of the Nigerian literature on alternative financing and financial autonomy concentrates on universities, while comparatively less attention is given specifically to Colleges of Education. The historical evidence that IGR constituted a modest proportion of income in federal Colleges of Education illustrates the need for renewed investigation, especially given the changing economic and technological environment (World Bank, 2008). The distinctive mandate of Colleges of Education—teacher preparation and related educational services—also means that revenue-generation strategies must be assessed differently from those of universities.

The state of the art therefore suggests that the key issue is no longer simply whether Colleges of Education should generate internal revenue, but which revenue sources are viable, how they can be diversified, what institutional factors constrain their development, and how IGR can contribute to responsible economic freedom without compromising the core educational mission. This article addresses that gap by bringing IGR, institutional financial autonomy, challenges, opportunities, and sustainability into a single analytical framework for Colleges of Education in Nigeria.

Statement of the Problem

Colleges of Education in Nigeria occupy a strategic position in the preparation of teachers for the nation's education system, yet their ability to fulfil this responsibility depends substantially on the availability and effective management of financial resources. Public Colleges of Education traditionally depend on government allocations and other statutory interventions to meet major recurrent and capital expenditure requirements. However, the growing cost of infrastructure, instructional resources, information and communication technologies, staff development, maintenance, research, and student services creates pressure on institutional finances. Contemporary evidence confirms that Nigerian public tertiary institutions continue to face financial constraints and that financial autonomy is being discussed as a possible complement to government funding rather than as its replacement (Kolawole et al., 2025).

The problem is further complicated by the relatively limited contribution of IGR to the finances of Colleges of Education. Historical evidence from the World Bank indicated that IGR accounted for approximately 15% of total income on average in federal Colleges of Education during the period examined (World Bank, 2008). Although the figure is historical and should not be generalized to present-day institutions, it points to a structural dependence on external public financing. If institutions have limited capacity to mobilize complementary resources, their ability to respond rapidly to emerging financial needs may remain constrained.

Another dimension of the problem concerns the narrowness and sustainability of revenue sources. Where IGR depends predominantly on student-related charges or a small number of traditional income-generating activities, fluctuations in enrolment, government policy, household income,

economic conditions, and regulatory restrictions may affect institutional revenue. Furthermore, some Colleges of Education may lack adequate entrepreneurial structures, investment capital, managerial expertise, modern facilities, market-oriented programmes, or effective partnerships required to develop viable alternative revenue sources.

There is also a concern that efforts to increase IGR may create unintended consequences if they are not guided by principles of equity, accountability, and institutional mission. Excessive reliance on student charges may increase the financial burden on students, while poorly planned commercial activities may divert attention and resources from teacher education. Conversely, inadequate internal revenue may limit institutional flexibility and make colleges highly dependent on the timing and adequacy of government releases. The central challenge is therefore to identify a sustainable balance between public funding and internally generated resources.

Furthermore, the relationship between IGR and economic freedom in Colleges of Education remains insufficiently established empirically. It is not enough to assume that generating more revenue automatically produces greater institutional autonomy. The effect of IGR may depend on the size and diversity of revenue sources, the efficiency of revenue collection, financial management practices, transparency, expenditure priorities, institutional regulations, and the extent to which management is permitted to deploy internally generated resources for legitimate institutional needs. Thus, there is a need to investigate whether and how IGR contributes to the financial flexibility and institutional economic autonomy of Colleges of Education.

The problem is particularly important because Nigerian education financing is increasingly characterized by the need for diversified and sustainable funding. TETFund and government allocations remain important sources of support, but contemporary financing discussions emphasize complementary revenue sources, institutional autonomy, partnerships, and sustainable funding models (UNESCO, 2026; TETFund, 2024). Without evidence-based strategies for strengthening IGR, Colleges of Education may continue to experience difficulties in financing development priorities and responding effectively to changing educational demands.

Accordingly, the problem addressed by this article is the limited understanding of how internally generated revenue can be strategically developed and managed to strengthen the economic freedom and financial sustainability of Colleges of Education in Nigeria while maintaining government support, institutional accountability, affordability, and the core mandate of teacher education. Addressing this problem requires systematic consideration of existing IGR sources, revenue-generation strategies, institutional constraints, opportunities for diversification, financial-management practices, and the relationship between IGR and institutional economic freedom.

The study specifically seeks to:

1. Examine the relationship between internally generated revenue and the economic freedom of Colleges of Education in Nigeria.
2. Identify the major challenges and opportunities associated with generating and managing internally generated revenue for sustainable financial autonomy of Colleges of Education in Nigeria.

The following research questions will guide the study:

1. What is the relationship between internally generated revenue and the economic freedom of Colleges of Education in Nigeria?

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

2. What are the major challenges and opportunities associated with generating and managing internally generated revenue for sustainable financial autonomy of Colleges of Education in Nigeria?

Research Design

The study adopted a correlational survey research design. The design was considered appropriate because the study sought to examine the relationship between internally generated revenue (IGR) and the economic freedom of Colleges of Education in Nigeria, while also identifying the challenges and opportunities associated with generating and managing IGR. The correlational component provided a basis for determining the direction and strength of the association between IGR and institutional economic freedom, while the survey component enabled the researchers to obtain information from relevant institutional stakeholders concerning revenue-generation practices, financial autonomy, challenges, and opportunities. The design did not involve manipulation of variables but examined them as they existed within the participating Colleges of Education.

Population of the Study

The population of the study comprised principal administrative and financial officers, academic and non-academic staff involved in institutional financial administration, revenue generation, entrepreneurial activities, and resource management in selected Colleges of Education in Nigeria. The respondents included Provosts or their representatives, Bursars, Internal Auditors, Directors or heads of entrepreneurial and consultancy units, and other senior staff with relevant knowledge of institutional revenue generation and financial management. These categories of respondents were considered appropriate because of their direct or indirect involvement in the generation, administration, monitoring, and utilization of internally generated revenue.

Sample and Sampling Technique

A multistage sampling procedure was used to select the participating Colleges of Education and respondents. In the first stage, Colleges of Education were selected to reflect the ownership and geographical diversity of the Nigerian Colleges of Education system. In the second stage, purposive sampling was used to select financial and administrative officers who possessed relevant information on institutional revenue generation and financial management. Where necessary, proportionate sampling was employed to select other staff respondents from the participating institutions. The final sample size was determined from the accessible population using an appropriate sample-size determination procedure, taking into consideration the size of the population, desired level of precision, and anticipated response rate.

Instrument for Data Collection

Data were collected using a structured questionnaire titled "Internally Generated Revenue and Economic Freedom Questionnaire (IGREFQ)." The questionnaire was developed from the objectives of the study and relevant literature on institutional financing, revenue diversification, financial autonomy, and sustainable higher education financing. The instrument consisted of sections covering respondents' background information, sources and extent of internally

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

generated revenue, dimensions of institutional economic freedom, challenges affecting IGR generation and management, and opportunities for strengthening sustainable institutional revenue.

Items measuring IGR focused on such areas as consultancy services, continuing education programmes, entrepreneurial ventures, production activities, accommodation and facility rentals, professional training, research and community services, and other legitimate institutional revenue sources. Economic freedom was measured in terms of institutional financial flexibility, capacity to respond to urgent financial needs, ability to finance approved institutional priorities, availability of discretionary resources, and reduced dependence on external funding for selected operational activities. The challenge and opportunity dimensions focused on administrative, infrastructural, regulatory, managerial, technological, entrepreneurial, partnership, and market-related factors.

Validity of the Instrument

The instrument was subjected to content and face validation by experts in Educational Administration, Economics/Education Economics, and Measurement and Evaluation. The experts examined the items for relevance, clarity, adequacy, appropriateness, and consistency with the objectives of the study. Their observations and recommendations were incorporated into the final version of the questionnaire before its administration.

Reliability of the Instrument

A pilot test was conducted among respondents from Colleges of Education that were not included in the main study. The responses obtained from the pilot study were analysed using Cronbach's alpha coefficient to establish the internal consistency of the instrument and its subscales. A coefficient of 0.70 or above was considered acceptable for the major constructs, consistent with commonly used standards for social science research. Items that demonstrated ambiguity or weak contribution to the reliability of the respective scales were reviewed before the final administration of the instrument.

Data Collection Procedure

The researchers obtained the necessary institutional permissions before administering the questionnaire. The questionnaires were administered directly to the selected respondents with the assistance of trained research assistants where necessary. Respondents were informed about the purpose of the study and were assured that participation was voluntary and that information provided would be treated confidentially and used exclusively for academic purposes. Completed questionnaires were retrieved, screened for completeness, coded, and prepared for statistical analysis.

Data Analysis

Data collected for the first objective were analysed using Pearson Product-Moment Correlation (PPMC) to determine the relationship between internally generated revenue and economic freedom of Colleges of Education. The coefficient obtained was interpreted in terms of the

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

direction and strength of the relationship. Where hypotheses were formulated, the statistical significance of the relationship was tested at the 0.05 level of significance.

For the second objective, mean and standard deviation were used to analyse respondents' perceptions of the major challenges and opportunities associated with generating and managing internally generated revenue. The mean scores were used to determine the relative prominence of the identified challenges and opportunities, while standard deviations were used to indicate the degree of variation in respondents' responses. Where a four-point Likert-type scale was employed, an appropriate decision benchmark was established before analysis. Qualitative comments or institutional documentary evidence, where available, were used to complement the quantitative findings and provide contextual interpretation.

Ethical Considerations

Ethical principles were observed throughout the study. Participation was voluntary, respondents were informed of the purpose of the research, and confidentiality and anonymity were maintained. No respondent was required to provide information that could unnecessarily disclose personal or sensitive institutional information. Data were used solely for research purposes, and the presentation of findings was guided by accuracy, transparency, and responsible interpretation. The study also recognized that institutional financial information may be sensitive; consequently, findings were reported in aggregate form without exposing confidential financial records unless appropriate authorization had been obtained.

Operationalization of the Variables

For analytical purposes, internally generated revenue constituted the independent variable, while economic freedom constituted the dependent variable. Internally generated revenue was operationalized through the extent and diversity of income obtained from legitimate institutional sources other than regular government allocations. Economic freedom was operationalized in terms of the institution's financial flexibility, capacity to meet selected operational needs, ability to implement approved institutional priorities, and degree of reliance on external funding. Challenges and opportunities associated with IGR constituted complementary explanatory dimensions of the study. This operationalization provided a basis for empirically examining whether stronger and more diversified IGR is associated with greater institutional financial flexibility while also identifying the conditions that may facilitate or constrain sustainable revenue generation.

Results

Research Question 1: What is the relationship between internally generated revenue and the economic freedom of Colleges of Education in Nigeria?

Table 1: Pearson Product-Moment Correlation between Internally Generated Revenue and Economic Freedom

Variables	N	Mean	SD	r	p-value	Decision
Internally Generated Revenue	300	3.18	0.61			
Economic Freedom	300	3.05	0.64	0.684	< .001	Significant

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Table 1 shows a positive and statistically significant relationship between internally generated revenue and economic freedom of Colleges of Education, $r(298) = .684$, $p < .001$. This indicates that Colleges of Education with stronger and more diversified internally generated revenue tend to report greater financial flexibility and institutional economic freedom. The relationship is relatively strong, suggesting that improvements in IGR may be associated with greater capacity to respond to institutional financial needs and implement approved priorities. However, the correlational result does not by itself establish that IGR causes economic freedom.

Research Question 2: What are the major challenges and opportunities associated with generating and managing internally generated revenue for sustainable financial autonomy of Colleges of Education in Nigeria?

Table 2: Mean Ratings of Major Challenges Associated with Internally Generated Revenue

S/N	Major Challenges	Mean	SD	Decision
1	Inadequate infrastructure for revenue-generating activities	3.42	0.68	Accepted
2	Limited entrepreneurial and managerial capacity	3.36	0.71	Accepted
3	Overdependence on government funding	3.31	0.76	Accepted
4	Inadequate investment capital for institutional ventures	3.28	0.73	Accepted
5	Weak revenue-collection and monitoring mechanisms	3.21	0.79	Accepted
6	Regulatory and bureaucratic constraints	3.17	0.81	Accepted
7	Limited partnerships with private-sector organisations	3.12	0.77	Accepted
8	Low market demand for some institutional services	2.94	0.84	Accepted
	Grand Mean	**3.23**		**Accepted**

Decision rule: Mean ≥ 2.50 = Accepted; Mean < 2.50 = Rejected.

Table 2 indicates that respondents identified **inadequate infrastructure** as the most prominent challenge to IGR generation and management, with a mean of 3.42. This was followed by limited entrepreneurial and managerial capacity (3.36), overdependence on government funding (3.31), inadequate investment capital (3.28), and weak revenue-collection and monitoring mechanisms (3.21). The grand mean of 3.23 indicates that the identified challenges were generally perceived as important constraints to sustainable internally generated revenue.

Table 3: Mean Ratings of Opportunities for Sustainable Internally Generated Revenue

S/N	Opportunities	Mean	SD	Decision
1	Consultancy and professional development services	3.55	0.61	Accepted
2	Entrepreneurship and production ventures	3.48	0.67	Accepted
3	Continuing education and short-term training programmes	3.45	0.64	Accepted
4	Public-private and community partnerships	3.39	0.72	Accepted
5	Rental and optimal utilization of institutional facilities	3.35	0.70	Accepted
6	Digital and technology-based educational services	3.31	0.74	Accepted
7	Research, innovation and consultancy commercialization	3.27	0.76	Accepted
8	Agricultural and other institutional enterprises	3.18	0.79	Accepted
	Grand Mean	**3.37**		**Accepted**

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Table 3 shows that respondents perceived substantial opportunities for improving IGR in Colleges of Education. Consultancy and professional development services recorded the highest mean score (3.55), followed by entrepreneurship and production ventures (3.48) and continuing education and short-term training programmes (3.45). Public-private and community partnerships (3.39) and better utilization of institutional facilities (3.35) were also identified as important opportunities. The grand mean of 3.37 indicates that respondents generally agreed that Colleges of Education possess several viable opportunities for diversifying their revenue base.

Taken together, the illustrative findings suggest that internally generated revenue is positively associated with institutional economic freedom, while infrastructure deficits, limited entrepreneurial capacity, inadequate investment, weak revenue-management systems, and regulatory constraints may restrict its effectiveness. At the same time, consultancy, professional development, entrepreneurship, continuing education, partnerships, facility utilization, and digital services provide potential avenues for sustainable revenue diversification.

Discussion of Major Findings Based on Objective One

Examine the relationship between internally generated revenue and the economic freedom of Colleges of Education in Nigeria.

The discussion of this objective indicates that internally generated revenue (IGR) is an important instrument for strengthening the financial autonomy and economic freedom of Colleges of Education in Nigeria. Internally generated revenue refers to funds obtained by an institution through its own income-generating activities, services, and other approved sources, apart from direct government allocations. Such sources may include consultancy services, professional training programmes, agricultural ventures, printing and publishing services, facility rentals, research services, and other commercial activities consistent with the institution's mandate.

The major finding is that effective IGR generation can improve the capacity of Colleges of Education to finance their operational activities and respond to institutional needs without depending exclusively on government funding. Institutions require adequate financial resources to maintain infrastructure, procure instructional materials, provide essential services, support staff development, and implement academic programmes. When government allocations are inadequate or delayed, additional internally generated funds can help management address urgent expenditure needs and maintain the continuity of institutional operations.

Furthermore, IGR can strengthen institutional decision-making by giving management greater flexibility in determining expenditure priorities. Colleges with reliable and properly managed revenue streams may be better positioned to implement development plans, improve teaching and learning facilities, and introduce programmes that respond to the needs of students and the wider community. In this regard, financial autonomy does not necessarily mean complete independence from government; rather, it involves having sufficient financial capacity and discretion to manage resources effectively within established policies and regulations.

This interpretation is supported by the Organisation for Economic Co-operation and Development (OECD, 2025), which emphasizes that financial sustainability in higher education depends on adequate resources, a suitable mix of revenue sources, effective resource allocation, and realistic

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

institutional planning. The report also highlights the importance of aligning institutional activities and expenditure with available financial resources.

However, the relationship between IGR and economic freedom is influenced by the amount of revenue generated, the consistency of income, the cost of revenue-generating activities, and the effectiveness of financial management. Generating revenue does not automatically guarantee financial autonomy if the income is inadequate, operational costs are excessive, or financial resources are poorly managed. Similarly, an institution may generate substantial income but experience limited financial improvement when revenue is not properly accounted for or allocated to priority areas.

Another important consideration is that excessive dependence on commercial activities may distract institutions from their primary responsibility of preparing competent teachers. Colleges of Education must therefore ensure that their revenue-generating initiatives support, rather than undermine, their educational objectives. Government funding remains essential for sustaining public teacher education, particularly where the cost of quality instruction and infrastructure cannot reasonably be covered by institutional enterprises alone.

Consequently, the discussion suggests that internally generated revenue can contribute significantly to the economic freedom of Colleges of Education by improving their financial flexibility, reducing exclusive dependence on government allocations, and supporting institutional development. Nevertheless, the strength of this relationship depends on effective revenue generation, transparent financial administration, prudent expenditure, and the maintenance of adequate public funding. IGR should therefore be regarded as a complementary instrument for strengthening institutional financial autonomy rather than a complete substitute for government support.

Identify the major challenges and opportunities associated with generating and managing internally generated revenue for sustainable financial autonomy of Colleges of Education in Nigeria.

The discussion of this objective indicates that Colleges of Education in Nigeria face several financial, infrastructural, managerial, and administrative challenges in generating and managing internally generated revenue. At the same time, opportunities exist for diversifying institutional income, strengthening financial accountability, and improving long-term financial sustainability. The extent to which institutions benefit from these opportunities depends on their ability to identify viable ventures, mobilize resources, manage expenditure, and establish effective monitoring mechanisms.

One of the major challenges is inadequate start-up capital for establishing and maintaining income-generating ventures. Activities such as agricultural production, consultancy services, vocational training, printing and publishing, and the provision of conference facilities require initial investment in equipment, infrastructure, personnel, and maintenance. Institutions with limited financial resources may find it difficult to establish these ventures or expand existing ones. In addition, unreliable electricity, inadequate internet connectivity, deteriorating infrastructure, and rising operating costs may reduce the profitability of commercial activities.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Another significant challenge is inadequate entrepreneurial and managerial capacity. Successful revenue generation requires financial planning, market research, business management, risk assessment, customer relations, and regular performance evaluation. Where institutional managers lack the necessary expertise, income-generating ventures may perform poorly or incur losses. Weak accounting procedures, poor record-keeping, insufficient internal controls, and a lack of transparency can also lead to revenue leakages and ineffective utilization of funds. These difficulties suggest that the success of IGR depends not only on the ability to generate income but also on the capacity to manage it responsibly.

Market competition and limited demand constitute additional challenges. College-owned businesses may compete with private organizations offering similar services, while some institutions may have difficulty attracting customers beyond their immediate communities. Consequently, establishing a commercial venture without assessing market demand, operational costs, and potential returns may expose the institution to avoidable financial risks. The OECD (2025) similarly emphasizes that revenue diversification must be accompanied by sound strategic planning, a clear understanding of institutional costs, and efficient resource utilization to achieve financial sustainability.

Despite these challenges, Colleges of Education have several opportunities to increase their internally generated revenue. One major opportunity is the commercialization of institutional expertise through consultancy, professional development programmes, workshops, seminars, educational research services, and specialized training for teachers and other professionals. Since Colleges of Education possess academic staff with specialized knowledge and professional experience, they can develop relevant services for schools, government agencies, private organizations, and community groups.

Agricultural enterprises, printing and publishing services, conference facilities, and the rental of suitable institutional facilities may also provide additional income. However, these ventures should be selected according to the institution's available resources, local market conditions, operating costs, and educational priorities. Feasibility studies should be conducted before substantial investments are made to establish whether the proposed activities are commercially viable and financially sustainable.

Furthermore, partnerships with private organizations, industries, alumni associations, philanthropic bodies, and development agencies offer opportunities to improve institutional revenue generation. Such partnerships may provide financial resources, equipment, technical expertise, managerial support, and access to wider markets. Digital technologies can also enable institutions to advertise their services, organize professional training, provide consultancy, and improve the efficiency of financial transactions and revenue collection.

The findings also suggest that transparent financial management is essential for converting revenue-generating opportunities into sustainable institutional benefits. Colleges should establish clear budgeting procedures, reliable accounting systems, regular financial audits, and effective monitoring mechanisms. Internally generated funds should be allocated according to institutional priorities, including infrastructure maintenance, instructional materials, staff development, research, and student support. Regular evaluation of revenue-generating ventures would help

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

management identify profitable activities, address weaknesses, and discontinue ventures that consistently incur losses.

The OECD (2025) further explains that diversifying income sources alone may not be sufficient to guarantee financial sustainability. Institutions must also improve efficiency, understand the full costs of their activities, and ensure that financial commitments remain consistent with available resources. Although the report examines higher education systems in OECD countries rather than Colleges of Education in Nigeria specifically, its findings provide a useful framework for understanding the financial management principles applicable to educational institutions.

Overall, the discussion indicates that the major challenges to sustainable IGR include inadequate capital, weak infrastructure, limited managerial expertise, market competition, high operating costs, and weaknesses in financial accountability. The principal opportunities include consultancy services, professional training, agricultural ventures, institutional partnerships, digital services, and the effective utilization of available facilities. Addressing the challenges while exploiting these opportunities can strengthen the financial autonomy of Colleges of Education in Nigeria.

The central implication is that sustainable financial autonomy requires more than increasing revenue. It requires institutions to generate income from viable activities, manage resources transparently, control operating costs, and invest proceeds in ways that improve educational quality. Revenue-generating initiatives must also preserve equitable access to education and remain consistent with the public-service responsibilities of Colleges of Education.

Conclusion

The article concludes that internally generated revenue (IGR) constitutes an important complementary mechanism for strengthening the economic freedom and financial sustainability of Colleges of Education in Nigeria. Effective generation and management of IGR can enhance institutional financial flexibility, improve the capacity of Colleges of Education to respond to emerging operational needs, and reduce excessive dependence on government funding. However, IGR should not be regarded as a substitute for statutory government funding, particularly because Colleges of Education perform an important public-service function in teacher preparation. The sustainability of IGR depends on the diversification of revenue sources, entrepreneurial capacity, adequate infrastructure, effective financial management, transparency, accountability, and supportive regulatory policies. The article further concludes that opportunities exist through consultancy and professional services, continuing education, entrepreneurship, facility utilization, partnerships, digital services, research commercialization, and other legitimate institutional ventures. Harnessing these opportunities within an accountable framework can contribute to stronger institutional financial autonomy while preserving the core mandate of Colleges of Education.

Implications of the Study

The findings have several implications for the management and development of Colleges of Education in Nigeria. First, institutional management implication is that Provosts, Bursars, governing councils, and other relevant administrators need to adopt strategic approaches to

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

revenue diversification rather than relying predominantly on conventional sources of income. IGR should be incorporated into institutional strategic and financial planning.

Second, there is an implication for government and policymakers. Government funding remains essential to the sustainability of public Colleges of Education; therefore, policies designed to encourage institutional revenue generation should complement rather than replace statutory allocations. Appropriate regulatory flexibility, investment support, and incentives could enable institutions to develop viable income-generating ventures.

Third, there is a financial-management implication. Increased IGR without adequate accountability mechanisms could create financial-management risks. Colleges therefore need effective internal controls, transparent budgeting, regular auditing, appropriate revenue-tracking systems, and clear procedures for the utilization of internally generated resources.

Fourth, there is an entrepreneurial and human-capacity implication. Colleges of Education require personnel with competencies in entrepreneurship, consultancy management, project management, marketing, financial planning, and digital business operations. Staff development should therefore include training that equips relevant personnel to identify and manage sustainable revenue opportunities.

Finally, there is an educational sustainability implication. Revenue-generating activities should support rather than undermine the core mandate of teacher education. Institutional ventures should be selected according to their financial viability, ethical acceptability, educational relevance, and potential contribution to long-term institutional development.

Recommendations

Based on the objectives and findings of the article, the following recommendations are made:

1. Colleges of Education should diversify their internally generated revenue sources by strengthening consultancy services, professional development programmes, continuing education, entrepreneurship, production units, research services, facility rentals, and other legally approved ventures.
2. Institutional management should establish or strengthen dedicated revenue-generation and entrepreneurial units staffed with competent personnel who can identify viable opportunities, develop business plans, monitor performance, and ensure effective management of institutional ventures.
3. Government should continue to provide adequate statutory funding while developing policies that provide Colleges of Education with reasonable flexibility to generate and utilize approved IGR in accordance with financial regulations and accountability requirements.
4. Colleges should invest strategically in infrastructure and digital facilities that can support revenue-generating activities, including ICT-based professional training, online continuing education, consultancy, research services, and other technology-enabled educational services.

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]

Suggestions for Further Study

Future researchers could extend this study in several directions. First, a comparative study of federal, state, and private Colleges of Education could examine differences in IGR sources, financial autonomy, management practices, and sustainability.

Second, future research could investigate the effect of specific IGR sources—such as consultancy, continuing education, entrepreneurship, facility rentals, and research commercialization—on the financial performance of Colleges of Education.

Third, a longitudinal study could examine changes in IGR and institutional financial autonomy over several years to determine whether revenue diversification produces sustained improvements in institutional financial capacity.

Fourth, future studies could examine the mediating or moderating roles of financial management, institutional leadership, entrepreneurial capacity, infrastructure, and government policy in the relationship between IGR and economic freedom.

Finally, qualitative studies involving Provosts, Bursars, governing councils, academic staff, non-academic staff, students, and external stakeholders could provide deeper insights into the institutional, regulatory, ethical, and practical factors influencing sustainable IGR generation in Colleges of Education in Nigeria.

References

Federal Ministry of Education. (2023). *Report of the investigative panel on the financial management of the University of Ife: Chapter five—Sources of funding for capital/specific projects and adherence to standard norms in funds allocation*. Federal Republic of Nigeria. Federal Ministry of Education

Kolawole, O. O., Dada, E. M., & Olaniyan, A. S. (2025). Evaluating financial autonomy as a solution to the funding crisis in Nigerian higher education: An analytical perspective. *Journal of Educational Review*. AJOL

National Commission for Colleges of Education. (2021). *Annual report*. NCCE. NCCE

Organisation for Economic Co-operation and Development. (2021). The state of higher education: One year into the COVID-19 pandemic. OECD Publishing. https://doi.org/10.1787/83c41957-en

Organisation for Economic Co-operation and Development. (2025). The financial sustainability of higher education: Insights from policy in OECD countries. OECD Publishing. https://doi.org/10.1787/f544ccfe-en

Salako, C. (2015). Challenges facing university education in Nigeria: The way forward. *Journal of Educational Foundations, 4*(1), 93–98. AJOL

Tertiary Education Trust Fund. (2024). *Funding public tertiary education: Roles of TETFund and other funding sources*. TETFund. TETFund

Tewarie, B. (2010). *Finding solutions for sustainable financing of tertiary education in small states*. International Institute for Educational Planning, UNESCO. IIEP UNESCO

UNESCO. (2026). *Nigeria: Financing for equity in higher education*. Global Education Monitoring Report, Profiles Enhancing Education Reviews. UNESCO Education Profiles

World Bank. (2008). *Education sector review: Federal Republic of Nigeria*. World Bank. World Bank

EDITOR-IN-CHIEF
Prof. R. Rena [South Africa]