Online ISSN : 2249-4588
Print ISSN : 0975-5853

Global Journal

of Management and Business Research: B

Economics and Commerce



Review of Literature

Money as Medium of Exchange

Highlights

Human Savings Behavior

Implications for Developing Countries

Discovering Thoughts, Inventing Future

VOLUME 15 ISSUE 11 VERSION 1.0

© 2001-2015 by Global Journal of Management and Business Research , USA

Global Journal of Management and Business Research: B
Economics and Commerce

Global Journal of Management and Business Research: B
Economics and Commerce

Volume 15 Issue 11 (Ver. 1.0)

Open Association of Research Society

© Global Journal of Management and Business Research. 2015.

All rights reserved.

This is a special issue published in version 1.0 of "Global Journal of Science Frontier Research." By Global Journals Inc.

All articles are open access articles distributed under "Global Journal of Science Frontier Research"

Reading License, which permits restricted use. Entire contents are copyright by of "Global Journal of Science Frontier Research" unless otherwise noted on specific articles.

No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or any information storage and retrieval system, without written permission.

The opinions and statements made in this book are those of the authors concerned. Ultraculture has not verified and neither confirms nor denies any of the foregoing and no warranty or fitness is implied.

Engage with the contents herein at your own risk.

The use of this journal, and the terms and conditions for our providing information, is governed by our Disclaimer, Terms and Conditions and Privacy Policy given on our website http://globaljournals.us/terms-and-condition/menu-id-1463/

By referring / using / reading / any type of association / referencing this journal, this signifies and you acknowledge that you have read them and that you accept and will be bound by the terms thereof.

All information, journals, this journal, activities undertaken, materials, services and our website, terms and conditions, privacy policy, and this journal is subject to change anytime without any prior notice.

Incorporation No.: 0423089
License No.: 42125/022010/1186
Registration No.: 430374
Import-Export Code: 1109007027
Employer Identification Number (EIN):
USA Tax ID: 98-0673427

Global Journals Inc.

*(A Delaware USA Incorporation with "Good Standing"; **Reg. Number: 0423089**)*

Sponsors: Open Association of Research Society
Open Scientific Standards

Publisher's Headquarters office

Global Journals Headquarters
301st Edgewater Place Suite, 100 Edgewater Dr.-Pl,
Wakefield MASSACHUSETTS, Pin: 01880,
United States of America
USA Toll Free: +001-888-839-7392
USA Toll Free Fax: +001-888-839-7392

Offset Typesetting

Global Journals Incorporated
2nd, Lansdowne, Lansdowne Rd., Croydon-Surrey,
Pin: CR9 2ER, United Kingdom

Packaging & Continental Dispatching

Global Journals
E-3130 Sudama Nagar, Near Gopur Square,
Indore, M.P., Pin:452009, India

Find a correspondence nodal officer near you

To find nodal officer of your country, please email us at *local@globaljournals.org*

eContacts

Press Inquiries: *press@globaljournals.org*
Investor Inquiries: *investors@globaljournals.org*
Technical Support: *technology@globaljournals.org*
Media & Releases: *media@globaljournals.org*

Pricing (Including by Air Parcel Charges):

For Authors:
22 USD (B/W) & 50 USD (Color)
Yearly Subscription (Personal & Institutional):
200 USD (B/W) & 250 USD (Color)

Integrated Editorial Board
(Computer Science, Engineering, Medical, Management, Natural Science, Social Science)

John A. Hamilton,"Drew" Jr.,
Ph.D., Professor, Management
Computer Science and Software Engineering
Director, Information Assurance Laboratory
Auburn University

Dr. Henry Hexmoor
IEEE senior member since 2004
Ph.D. Computer Science, University at Buffalo
Department of Computer Science
Southern Illinois University at Carbondale

Dr. Osman Balci, Professor
Department of Computer Science
Virginia Tech, Virginia University
Ph.D.and M.S.Syracuse University, Syracuse, New York
M.S. and B.S. Bogazici University, Istanbul, Turkey

Yogita Bajpai
M.Sc. (Computer Science), FICCT
U.S.A.Email:
yogita@computerresearch.org

Dr. T. David A. Forbes
Associate Professor and Range Nutritionist
Ph.D. Edinburgh University - Animal Nutrition
M.S. Aberdeen University - Animal Nutrition
B.A. University of Dublin- Zoology

Dr. Wenying Feng
Professor, Department of Computing & Information Systems
Department of Mathematics
Trent University, Peterborough,
ON Canada K9J 7B8

Dr. Thomas Wischgoll
Computer Science and Engineering,
Wright State University, Dayton, Ohio
B.S., M.S., Ph.D.
(University of Kaiserslautern)

Dr. Abdurrahman Arslanyilmaz
Computer Science & Information Systems Department
Youngstown State University
Ph.D., Texas A&M University
University of Missouri, Columbia
Gazi University, Turkey

Dr. Xiaohong He
Professor of International Business
University of Quinnipiac
BS, Jilin Institute of Technology; MA, MS, PhD,. (University of Texas-Dallas)

Burcin Becerik-Gerber
University of Southern California
Ph.D. in Civil Engineering
DDes from Harvard University
M.S. from University of California, Berkeley & Istanbul University

Dr. Bart Lambrecht
Director of Research in Accounting and FinanceProfessor of Finance
Lancaster University Management School
BA (Antwerp); MPhil, MA, PhD (Cambridge)

Dr. Carlos García Pont
Associate Professor of Marketing
IESE Business School, University of Navarra
Doctor of Philosophy (Management), Massachusetts Institute of Technology (MIT)
Master in Business Administration, IESE, University of Navarra
Degree in Industrial Engineering, Universitat Politècnica de Catalunya

Dr. Fotini Labropulu
Mathematics - Luther College
University of ReginaPh.D., M.Sc. in Mathematics
B.A. (Honors) in Mathematics
University of Windso

Dr. Lynn Lim
Reader in Business and Marketing
Roehampton University, London
BCom, PGDip, MBA (Distinction), PhD, FHEA

Dr. Mihaly Mezei
ASSOCIATE PROFESSOR
Department of Structural and Chemical Biology, Mount Sinai School of Medical Center
Ph.D., Etvs Lornd University
Postdoctoral Training,
New York University

Dr. Söhnke M. Bartram
Department of Accounting and FinanceLancaster University Management SchoolPh.D. (WHU Koblenz)
MBA/BBA (University of Saarbrücken)

Dr. Miguel Angel Ariño
Professor of Decision Sciences
IESE Business School
Barcelona, Spain (Universidad de Navarra)
CEIBS (China Europe International Business School).
Beijing, Shanghai and Shenzhen
Ph.D. in Mathematics
University of Barcelona
BA in Mathematics (Licenciatura)
University of Barcelona

Philip G. Moscoso
Technology and Operations Management
IESE Business School, University of Navarra
Ph.D in Industrial Engineering and Management, ETH Zurich
M.Sc. in Chemical Engineering, ETH Zurich

Dr. Sanjay Dixit, M.D.
Director, EP Laboratories, Philadelphia VA Medical Center
Cardiovascular Medicine - Cardiac Arrhythmia
Univ of Penn School of Medicine

Dr. Han-Xiang Deng
MD., Ph.D
Associate Professor and Research
Department Division of Neuromuscular Medicine
Davee Department of Neurology and Clinical NeuroscienceNorthwestern University
Feinberg School of Medicine

Dr. Pina C. Sanelli
Associate Professor of Public Health
Weill Cornell Medical College
Associate Attending Radiologist
NewYork-Presbyterian Hospital
MRI, MRA, CT, and CTA
Neuroradiology and Diagnostic Radiology
M.D., State University of New York at Buffalo,School of Medicine and Biomedical Sciences

Dr. Roberto Sanchez
Associate Professor
Department of Structural and Chemical Biology
Mount Sinai School of Medicine
Ph.D., The Rockefeller University

Dr. Wen-Yih Sun
Professor of Earth and Atmospheric SciencesPurdue University Director
National Center for Typhoon and Flooding Research, Taiwan
University Chair Professor
Department of Atmospheric Sciences, National Central University, Chung-Li, TaiwanUniversity Chair Professor
Institute of Environmental Engineering, National Chiao Tung University, Hsin-chu, Taiwan.Ph.D., MS The University of Chicago, Geophysical Sciences
BS National Taiwan University, Atmospheric Sciences
Associate Professor of Radiology

Dr. Michael R. Rudnick
M.D., FACP
Associate Professor of Medicine
Chief, Renal Electrolyte and Hypertension Division (PMC)
Penn Medicine, University of Pennsylvania
Presbyterian Medical Center, Philadelphia
Nephrology and Internal Medicine
Certified by the American Board of Internal Medicine

Dr. Bassey Benjamin Esu
B.Sc. Marketing; MBA Marketing; Ph.D Marketing
Lecturer, Department of Marketing, University of Calabar
Tourism Consultant, Cross River State Tourism Development Department
Co-ordinator , Sustainable Tourism Initiative, Calabar, Nigeria

Dr. Aziz M. Barbar, Ph.D.
IEEE Senior Member
Chairperson, Department of Computer Science
AUST - American University of Science & Technology
Alfred Naccash Avenue – Ashrafieh

President Editor (HON.)

Dr. George Perry, (Neuroscientist)
Dean and Professor, College of Sciences
Denham Harman Research Award (American Aging Association)
ISI Highly Cited Researcher, Iberoamerican Molecular Biology Organization
AAAS Fellow, Correspondent Member of Spanish Royal Academy of Sciences
University of Texas at San Antonio
Postdoctoral Fellow (Department of Cell Biology)
Baylor College of Medicine
Houston, Texas, United States

Chief Author (HON.)

Dr. R.K. Dixit
M.Sc., Ph.D., FICCT
Chief Author, India
Email: authorind@computerresearch.org

Dean & Editor-in-Chief (HON.)

Vivek Dubey(HON.)
MS (Industrial Engineering),
MS (Mechanical Engineering)
University of Wisconsin, FICCT
Editor-in-Chief, USA
editorusa@computerresearch.org

Sangita Dixit
M.Sc., FICCT
Dean & Chancellor (Asia Pacific)
deanind@computerresearch.org

Suyash Dixit
(B.E., Computer Science Engineering), FICCTT
President, Web Administration and
Development , CEO at IOSRD
COO at GAOR & OSS

Er. Suyog Dixit
(M. Tech), BE (HONS. in CSE), FICCT
SAP Certified Consultant
CEO at IOSRD, GAOR & OSS
Technical Dean, Global Journals Inc. (US)
Website: www.suyogdixit.com
Email:suyog@suyogdixit.com

Pritesh Rajvaidya
(MS) Computer Science Department
California State University
BE (Computer Science), FICCT
Technical Dean, USA
Email: pritesh@computerresearch.org

Luis Galárraga
J!Research Project Leader
Saarbrücken, Germany

Contents of the Issue

i. Copyright Notice
ii. Editorial Board Members
iii. Chief Author and Dean
iv. Contents of the Issue

1. Economic Impact Assessment: A Review of Literature on the Tourism Industry. *1-8*
2. The Goal of Business-A Review Paper. *9-12*
3. Influencing Components of Human Savings Behavior in Sylhet City. *13-23*
4. Determinants of Rural Income Poverty in Ethiopia: Case Study of Villages in Dodola District. *25-32*
5. Water Resource for Economic Development in Vietnam and Implications for Developing Countries. *33-38*
6. Money as a Medium of Exchange: Then and Now: Can Technology be a Facilitator of Exchange?. *39-44*

v. Fellows
vi. Auxiliary Memberships
vii. Process of Submission of Research Paper
viii. Preferred Author Guidelines
ix. Index

Global Journal of Management and Business Research: B
Economics and Commerce
Volume 15 Issue 11 Version 1.0 Year 2015
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Economic Impact Assessment: A Review of Literature on the Tourism Industry

By Antonio Kido-Cruz, Teresa Kido-Cruz & James Killough

Universidad Michoacana De San Nicolas Hidalgo, Mexico

Abstract- By having a model of economic impact, it is possible to create scenarios to analyze in which sectors of the economy a demand/supply shock will result in the most benefit/loss for countries interested in promoting their tourism sector. Particularly useful in this task is the analysis of multipliers for gross domestic product, added value and employment. In developing countries, tourism plays an important role, and one would therefore expect to find corresponding studies on economic impact published in journals of high academic quality. However, upon observation of important tourism journals, it is witnessed that this is not the case for Latin America.

Keywords: *tourism industry, economic impact, multipliers.*

GJMBR - B Classification : *JEL Code : L83*



Strictly as per the compliance and regulations of:

© 2015. Antonio Kido-Cruz, Teresa Kido-Cruz & James Killough. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

Economic Impact Assessment: A Review of Literature on the Tourism Industry

Antonio Kido-Cruz [α], Teresa Kido-Cruz [σ] & James Killough [ρ]

Abstract- By having a model of economic impact, it is possible to create scenarios to analyze in which sectors of the economy a demand/supply shock will result in the most benefit/loss for countries interested in promoting their tourism sector. Particularly useful in this task is the analysis of multipliers for gross domestic product, added value and employment. In developing countries, tourism plays an important role, and one would therefore expect to find corresponding studies on economic impact published in journals of high academic quality. However, upon observation of important tourism journals, it is witnessed that this is not the case for Latin America.

Keywords: tourism industry, economic impact, multipliers.

I. Introduction

The economic impact of tourism refers to changes in the economic contribution resulting from specific events or activities related to tourism."These changes in the economic contribution generate three types of impacts or effects: direct effect, indirect effect and induced effect. The ability to estimate such impacts requires the development of an economic model" (Dwyer *et al.*, 2010).The main economic models used to measure these effects are: (a) the tourism satellite account (TSA); (b)the input-output model; (c) the social accounting model; and (d) the computable general equilibrium model.

a) Brief review of the economic models of the economic contribution of tourism

a. In the tourism satellite account, it is stated that it is an instrument designed to provide a systematic and integrated framework of information on tourism's supply and demand rather than being the most accurate method of measuring the sector's contribution to the added value or gross domestic product (GDP).In fact, the methodology developed for this is relatively simple; it considers only the direct effects. The basis for the calculation of tourism added value and tourism GDP in the tourism satellite account is the application of the ratio between the added value and the extent to which activities characteristic to tourism participate (UNWTO, 2014).It is important to mention that the TSA represents the theoretical and informative basis for the development of computable general equilibrium models.

b. Tourism spending generated by visitors to a tourist destination represents an injection of money into that tourist destination. This new injection of money leads to an increase in the direct effect as well as the indirect effect, which in turn impacts as an increase in economic activity of the tourist destination. Almost any industry is liable to be affected by a new injection of money to some extent by these direct and indirect effects. These effects are known as multiplier effects in the economy. A multiplier effect represents the number by which a given change in tourism activity generated by tourism spending is multiplied. The size of this multiplier effect will determine the impact of tourism (positive or negative) on macroeconomic aggregates such as the GDP, added value, level of income or sales, employment level and/or tax level.

The input-output multipliers are derived directly from the required coefficients of the matrix based on the input-output information tables. The added value multipliers measure the net change in the economic activity in each stage of production and represent the preferred measure, in this model, for assessing the economic contribution due to a shock on final demand (Dwyer and Forsyth, 2010).

c. The social accounting model is another means of estimating the direct and indirect effects as well as the induced effects of tourism on the economy, but this model presents a more complete economic structure since it includes inter-institutional transfers. A social accounting matrix is an extension of the input-output tables that provides an additional detail in the breakdown of consumers and factors of production, and it relates the calculation of added value with its distribution by institutional sectors (Ferri and Uriel, 2004).

d. The computable general equilibrium models (CGE)represent markets of goods, services and factors of production as well as productive sectors and demand groups (households). Each market, each sector and each household is governed by its own economic interests which are what determine its final behavior when faced with external shocks. These models generate a system of equations that characterize the production, consumption, trade and government activities within an economy. They incorporate the entire mechanism of the tourism satellite accounts, input-output model and the social

Author: e-mail: akido42@hotmail.com

© 2015 Global Journals Inc. (US)

accounting matrix, while also incorporating the mechanism to study congestion effects among activities, markets and sectors, and it is possible to estimate the direct, indirect and induced effects through multipliers (Dwyer and Forsyth P, 2010).

The general equilibrium models are not used specifically to estimate the contribution made by tourism to the GDP or to imports but rather to construct scenarios that simulate the potential impacts on the whole economic system associated with certain changes (arrivals, spending, taxation, etc.). The estimate of the impacts generated by tourism growth by use of these models shows, generally, numbers lower than those obtained through input-output models, because in the former the inter sectoral reallocation of resources and, as a consequence, displacement effects are possible.

II. Material and Methods

This research is basically a revision analysis which, according to some methodologists such as Luborsky (1994), involves the discovery of patterns and categories in the information used.

a) Research design

Following the procedure of Xiao and Smith (2006), research papers from three databases included in the Virtual Library of the Universidad Michoacana de San Nicolas de Hidalgo were consulted. Articles of a 10-year period (2004-2015) in the following journals were reviewed: Annals of Tourism Research (ATR), Economic Modelling (EM), Tourism Management (TM) and Journal of International Tourism Research (JITR).These journals represent a wide range in terms of their scope and reach of research in the area of tourism. The choice of this set of journals and the time frame is mainly a reflection of the practicality and availability of sources as well as the factor of academic impact. Pechlaner *et al*., (2004) analyzed 22 tourism and hospitality journals in terms of frequency of readers, scientific relevance, practical relevance, reputation, and importance for the academic area of study, and they found that, according to their criteria, "Annals of Tourism Research", "Journal of Tourism Research" and "Tourism Management" were the top three choices.

Title, subtitle, keywords and summary (abstract) were taken into account during the initial selection of articles. During the second stage of evaluation, the only articles considered were those explicitly containing the following terms: "tourism satellite account models", "tourism input-output models", "tourism social accounting matrix" and "computable general equilibrium models applied to tourism". Additionally, searches were performed for "direct, indirect and induced tourism effects" or "tourism multipliers". It is important to mention that economic impact models (tourism satellite account, input-output, social accounting and general equilibrium) that had as a main theme references to environment, natural resources and/or sporting events were not included in this evaluation as they were considered part of a matrix extension unlike measurements of the economic impact of tourism.

Twenty-six articles met the criteria specified in the first round of selection. On closer examination, and according to the selection criteria previously mentioned, only twenty-two articles were chosen for final analysis.

III. Results

a) Coding of journals

Table 1 describes the coding of articles selected from different journals analyzed. Six articles were selected from the journal Annals of Tourism Research (ATR), three from Economic Modelling (EM), ten from Tourism Management (TM)and three from the Journal of International Tourism Research (JITR).

Table 1 : Critical reading and coding of data

ATR	EM	TM	JITR
32: 367-385 (2004)	28: 473- 481(2011)	25: 307-317 (2004)	8: 347- 354 (2006)
33: 1099-1120 (2006)	32: 429-439 (2013)	27: 292- 305 (2006)	11: 311- 318 (2009)
35: 107-126 (2007)	41: 99- 108 (2014)	28: 1507-1517 (2007)	DOI: 10.1002/jtr.1990 (2014)
37: 136-153 (2009)		30: 232- 239 (2009)	
38: 630-650 (2010)		33: 133- 142 (2012)	
46:1-15 (2014)		33:790- 801 (2012)	
		34: 25-36 (2013)	
		40: 27- 34 (2014)	
		40: 126- 136 (2014)	
		48: 11- 20 (2015)	

© 2015 Global Journals Inc. (US)

These articles were numbered sequentially in the order of volumes, page numbers and year of publication in the journal. For example, the first article selected from Annals of Tourism Research is found in volume 32 on pages 367 to 385 with a length of 18 pages and was published in 2009. The first article selected from the journal Economic Modelling is found in volume 28 on pages 473-481 with a length of 9 pages and published in the year 2011. From Tourism Management, the first article corresponds to volume 25 covering pages 307 to 317 (10 pages long) and published in the year 2004, and finally in the Journal of International Tourism Research only three items were found, of which the first corresponds to volume 8 on pages 347-354 from the year 2009.

Zhao and Brent (2007) carried out research on academic leadership in tourism research worldwide, as measured by the number of articles published in eight journals in the field of tourism between 1985 and 2004.Fifty-seven researchers were identified as the most prolific since each of them published at least 11 articles in the period under review.

Of the total of 57 leading authors on tourism, all of them were identified as having a doctoral degree level which would indicate a very strong correlation between doctoral-level education and academic leadership. These degrees were awarded by a total of 40 universities, with special notice given to Texas A & M University from which a total of 7 prominent researchers in the field of tourism have graduated. Moreover, it is worthy of special mention that these seven researchers graduated from the same doctoral program offered by the university's Department of Recreation, Park and Tourism Sciences. The University of Western Ontario takes second place with five of the leading scholars in tourism, followed by Pennsylvania State University with 4, and four universities each providing 2, namely Clemson University, the University of Bradford, James Cook University and Monash University.

b) Characteristics and profiles of main authors

In order to describe and contrast some of the general characteristics of the authors with those found in the study of Zhao and Brent, the results on the characteristics and profiles of the main authors of this study are described in Table 2.

Table 2 : General characteristics of the authors

NAME	ACADEMIC DEGREE	DISCIPLINE	UNIVERSITY WHERE DEGREE WAS OBTAINED	UNIVERSITY WHERE EMPLOYED
Denise Elby Konan	Ph.D.			
Adam Blake (appears in three articles)	Ph.D	Economics & Econometrics	University Of Nottingham	Bournemouth University
Stephen Pratt (appears in three articles)	Ph.D		University Of Nottingham	The University Of The South Pacific
Peter Forsyth (appears in three articles)			Monash University, Australia	
Douglas C. Frechtling	Ph.D.	Philosophy	The George Washington University, Washington D.C.	The George Washington University, Washington D.C.
Amit Sharma	Ph.D	Computer Science	Cornell University, Ithaca, NY	Iowa State University, Usa
Ana Isabel Guerra	Ph.D	Business and Economic Sciences	Universidad Autónoma De Barcelona	Universidad Autónoma De Barcelona
Larry Dwyer	Ph.d			University of New South Wales, NSW 2052, Australia

© 2015 Global Journals Inc. (US)

Jan Oosterhaven	Pd.D.	Economic Sciences,	University Of Groningen (RUG)	University Of Groningen (RUG)
Samuel Seongseop Kim	Ph.D.		Texas A&M University	The Hong Kong Polytechnic University
Susanne Becken	Ph.D.	Resource Management And Tourism	Lincoln University, New Zealand	Griffith University, Australia
Xianming Meng	Ph.D.		Northeastern University	Australian Research Council (ARC)
Ya-Yen Sun	Ph.D.			National University Of Kaohsiung
Luis Robles Teigeiro	Ph.D			
Andre Carrascal I.	Ph.D	Economics	University Of Santiago De Compostela	
K. Ali Akkemik*	Ph D.		Nagoya University, Japan	Kadir Has University
Djauhari Pambudi	Ph. D.			

First, by comparing the profile of academics versus non-academics, it is shown that the vast majority of these authors are academics in the sense that they are affiliated with colleges, universities or research institutions.

Secondly, in terms of geographical distribution of these authors, it was found that English-speaking countries or regions dominate since the media selected for this analysis are journals exclusively in English.

c) Research Methodology

The following characteristics of the published articles selectedare described in order to obtain certain homogeneity in the analysis: (1) topics and/or model used, (2) objective, place and time of research, (3) main results and/or multiplier effects.

d) GDP multiplier effects / employment / income / added value / taxes / sectoral interrelation of tourism

Six articles were selected from the journal Annals of Tourism Research. Two of these use the tourism satellite account, and four use a general equilibrium model.

In the first study, a tourism satellite account is used; it is published in 2004 and refers to the case of Tanzania. The study emphasizes the possibility of using a "bottom-up" approach when building a satellite account and points out the importance of being careful in the process of building a tourism account rather than just focusing on the final results.

The second study using the tourism satellite account is from the year 2009 and represents a review of the importance of the relationship between the tourism satellite account and System of National Accounts adopted by major multilateral development agencies around the world so that their results can be directly comparable with the main macroeconomic aggregates produced by the system, such as gross domestic product, added value and employment.

The third study is an application of a general equilibrium model for the UK in 2006.The model was used to examine and compare the effects of increases in the key factors of production: physical capital, human capital, innovation (represented by total factor productivity)and the competitive environment. The effects are calculated as the value of the change in welfare through variation in productivity. The article analyzes a 1% increase in physical capital, human capital and total factor productivity.

Two main points emerge from the results. First of all, in the case of tourism-related sectors, increases in productivity due to financial and physical capital are not substantial. This indicates that it is not important to prioritize increases in one type of capital over another. In the case of all economic sectors, the growth of human capital (labor productivity) is more beneficial than physical capital although, once again, the differences are not substantial.

© 2015 Global Journals Inc. (US)

This means that policies should not be formulated by focusing on one particular sector independently of the others but rather must take into account the effects on all of them. The results indicate that a 59% change in added value is obtained in the subsector of hotels and motels, while restaurants obtain 73%.

The fourth study reports a computable general equilibrium model and was implemented in Brazil in 2007. The main results show that a 10% increase in foreign demand leads to increases in domestic prices of, on average, around 0.7%, which reduces consumption by about 8.5%. The increase in the welfare of Brazil is around 106 billion USD, which means that the country benefits by $45 for every$100of additional tourist spending (i.e.,a multiplier of 0.45 is reported). The study also emphasizes distributional effects of tourism in the country and conclude that the lowest income household benefits but less than some higher income households.

In the fifth equilibrium model, the case of Fiji published in the year 2010 is studied. The analysis describes an input-output model with the objective of estimating direct and indirect effects on the economy in a scenario of an increase of 1 million USD in tourist spending for data in periods of boom and bust. The results indicate that an increase of $1 million in tourist spending increases revenues by $219,000 during no expansion periods (which would correspond to the year 1967), while $1 million in tourist spending in the post-stagnation phase (2002) generates $722,000.

Another way to assess the impact of different sectors of the economy is to examine the unweighted added value multiplier by sector over time. In absolute terms, the government sector has the highest direct multipliers followed by the art and entertainment subsector and the rental real estate sector. The food and beverage sector has a relatively low multiplier placing it between 13th and 16th place in size, but the indirect multiplier is at 3rd and 4thplace in 2002 and 2005. The lodging sector is located between the 7th and the 13th place for direct added value multiplier compared to all other industries. However, the indirect multiplier lies at sixth and seventh place in periods after 2002. The transport sector has a low direct and indirect multiplier throughout the entire time period analyzed.

When performing a comparative analysis of forward and backward linkages of tourism sectors, it is found that, in general, these sectors have weak forward links. The lodging industry presents a forward link index ranging from 0.74 to 0.81, while in the food and beverage sector a Rasmussen index was estimated ranging from 0.77 to 0.87. The real estate and rental subsector is the sector with a tourist vocation that has strong forward linkages.

The sixth model refers to a general equilibrium model whose main objective was to analyze the impact on tourism of the recent boom in mining activity in Australia and was published in the year 2014. This paper examined how Australian tourism is affected by the country's mining boom. However, the effect is different for each of the subsectors related to tourism. Tourism can be considered an input (export) industry and as an output (import) industry. Domestic tourism and outbound tourism are imperfect substitutes for each other. The exchange rate appreciation makes Australia a tourist destination with a higher price and therefore less competitive from the perspective of the rest of the world.

The positive income effect since the mining boom produces a long-term benefit for domestic tourism (increasing annually up to 0.49%).This occurs mainly by means of an increase in household incomes, consumption and the additional demand for tourism services associated with the air and land transport sector.

The average long-term increase in outbound tourism (around 1.15% per year) is more than double the rate of increase in demand for domestic travel.

The exchange rate appreciation effect varies depending on the source markets and on the segments and purpose of the visit. For example, during the period 2000-2010, the changes in spending and in the number of international tourist visitors to Australia are not uniform. While some countries have experienced declines in the number of visitors, especially Japan and some European countries, there have been some real success stories, as is China. The number of Chinese tourists has increased, but the 45% appreciation of the Australian dollar against the Chinese renminbi is associated with a decline in spending per visitor of 38%. This phenomenon has also occurred in other main source markets: United Kingdom (- 29%), USA (- 44%), New Zealand (- 17%), Japan (- 32%) and Indonesia (- 29%).

Three articles were consulted from the journal Economic Modelling, two of which are about computable general equilibrium models and one develops an input-output model.

The first study of general equilibrium refers to Hawaii's economy in the year 2011. The simulation of a 10% increase in Hawaii's tourist spending would cause an increase of 9.1% in gross state product and an increase of 2.1% in the total economy. Also it would cause a2.43% increase in the locality's employment.

The second general equilibrium model is applied to situations of uncertainty in the US economy in 2013. An interesting scenario that models the role of uncertainty could be a hypothetical boom in tourism demand. Where there is an asymmetric shock, the possibility of a future tourism demand increase results in a welfare loss of 2.7 million USD, which reflects the non-linear behavior of the model.

An additional scenario modeling symmetrical effects (50% probability of a 10% increase in tourism and 50% probability of a 10% decline in tourism)

© 2015 Global Journals Inc. (US)

generates once again an overall marginal increase of2.7 million USD in economic welfare, reflecting the adverse character of the agents.

The third input-output study includes as case studies Brazil, the United States and China and was published in 2014. The results show that a 10% increase in final demand generates an average multiplier effect of 1.5 on the Brazil's GNP, highlighting the refined petroleum subsector with a multiplier of 1.96 in contrast to the electrical and optical equipment sub sector which has a multiplier of 1.72.In the case of China, the average effect on the economy is 2.09, with the highest multiplier effect (2.61) on the electrical and optical equipment sub sector and the least effect (2.39) on construction. Finally, the US economy would experience an average multiplier effect of 1.76, where the food and beverage sector has a multiplier of 2.02 and the textile sector 1.77.

Ten articles were selected from the journal Tourism Management, five of which use general equilibrium models, and five of which use input-output models.

The first study published in 2004 documents the advantages and disadvantages of the use of input-output models versus the computable general equilibrium model, indicating a preference for the use of the latter.

The second study focuses on the economy of Scotland and was published in 2006 using a general equilibrium model. The prognosis for change in the international tourism expenditure would increase the GDP to 34.3 million GBP and generate 3,737 full time jobs in Scotland. The UK government would receive 58.3 million GBP in tax revenue. The additional expenditure by visitors from the United States would lead to an increase in GDP of up to 6.3 million and would generate 677 additional jobs. Finally, the effects of the appreciation of the US dollar against the pound sterling would lead to a4.4 million reduction of the Scottish GDP.

The third case study corresponds to the economy of Taiwan in 2007. The objective was to model the effect of the installed capacity on the country's tourism industry under an input-output model. In 1999, the average occupancy rate was 62% and the proportion of jobs in relation to total sales was 0.4972.This proportion would rise to 0.6681 if the employment rate decreased by 42%. Furthermore, this ratio would drop to 0.3436 if the employment rate increased to 87%. The proportion of revenue in relation to total sales is less sensitive to changes in hotel occupancy since they range between 0.38 and 0.44 in reference to the same variation range in employment rate (between 42% and 87%).

By using the information from income multipliers in relation to sales, it is found that the type I multipliers (direct and indirect effects) remain constant with respect to occupancy rates, while type II multipliers (direct, indirect and induced effects) may vary up to 73% in relation to the base year when occupancy rates fluctuate between 42% and 87%.The variation is due to the change in income rates (the percentage of sales is transferred as compensation to employees) in the hotel sector, which subsequently leads to significant induced effects.

The type I employment multiplier differs substantially sinceit stands within the range of 1.01 (for every 1 million USD in sales) with an occupancy rate of 42% up to a multiplier of 0.56 jobs per $1million in sales with an occupancy rate of 82%.The type I income multiplier is more stable since it has a range with a maximum difference of 6% in relation to the base amounts for hotel occupancy which were defined as between 42% and 82%.

These mixture of results are summarized as business exercising constant economies of scale, I-O impacts are unbiased but for services following economies of scale traditional I-O models are biased and they must be taken into account.

The fourth article was published in 2009 and uses a general equilibrium model applied to the country of Bali. The objective was to measure the effect of a decline in international tourism on the economy of Bali due to a series of bombings. The results suggest that in Bali the GDP could decline 2.33% while in Jakarta and Yogyakarta the corresponding quantities are 0.35% and 0.27%. Employment in Bali fell by 4.93%, household consumption decreased around 4.68%, investment dropped by 6.79%, exports fell by16.34% and imports suffered a decline of 8.95%.

The fifth study refers to a general equilibrium model applied in New Zealand and was published in 2012. It models the effect that an increase in oil prices would have on tourism. The available gross national income decreases by 1.7% when, as an international reference, the international price of oil doubles; in addition, there is a 9% decrease in the real value of exports from tourism services. As a result of rising oil prices, there are several impacts due to the exchange rate and elasticities, but it is clear that this phenomenon affects all segments of visitors to New Zealand, particularly visitors from the UK.

The sixth study was published in the year 2012 and carried out a study of social accounting matrix for the Turkish economy. The main objective of the study was to estimate the impact on the economy as measured by product, added value and tourism employment. The total expenditure of foreign tourists was about 1.3 million USD in 1996 and about $1.9 million in 2002.The full impact of international tourism expenditure on production was 1.054% of total production in 1996 and 1.049% of total production in 2002. The total impact of international tourism demand on the global added value was 0.896% of the GDP in 1996 and 1.325% of the GDP in 2002.

© 2015 Global Journals Inc. (US)

Finally, the impact on employment as a percentage of total employment was 0.58% in 1996 and 0.61% in 2002. As for the number of job positions, there were117,983 positions in 1996 and 130,541 positions in 2002.One billion new Turkish Liras (YTL) in spending by international tourists generates 0.9 jobs in 1996 and 0.8 in 2002.

The seventh document examines a general equilibrium model for the economy of Singapore in 2013. The main objective was to evaluate the impact on the national economy by the public policy on tourism. The simulation results show that the policies are effective, but the effectiveness varies between the different policies. In terms of the real GDP, the tax refund policy on tourists' purchases and the policy of subsidies on investment in the tourism industry have a similar effect, but the first generates less tax revenue for the state. Considering the same loss of tax revenue from tourism subsidy policies, the policy of tourism expenditure deduction from both goods and local tourism services can significantly induce a higher GDP growth.

If total tourism expenditure is considered rather than real GDP, the tax deduction policy on purchases is higher than the other two subsidy policies. At the sectoral level, the basic tourism sectors and those closely related to tourism experience positive effects with the three types of policies analyzed especially the lodging and clothing sectors. However, most of the manufacturing sectors and those unrelated to tourism are negatively affected, with the exception of the electricity and real estate sectors and nonprofit sectors. Generally speaking, the policy of tax deduction on the purchase of tourism goods and services is more effective than the policy of subsidy on investment in the tourism industry and the subsidy policy of support and development assistance with events and tourism fairs.

The eighth article applied a general equilibrium model in Australia for the year 2014. The objective was to analyze the impact on the economy before and after the implementation of a fee charged to passengers departing from the country. The overall effect of the increase in the price of visiting the country is modeled under two demand price elasticity scenarios, the first assuming an elasticity of -0.5 and the second simulating the effects of an elasticity of -1.0. In the first scenario, with an elasticity of -0.5, a tourist tax increase of 17% has a positive impact (via tax collection) on the GDP of 2.21 million USD and a positive impact on welfare of $49.8 million.

However, this same increase has a negative impact on the tourism industry. The tourism product declines$8.5 million, the real tourism GDP suffers a fall of $4.5 million and a total of 66 full-time direct jobs are lost. Under the scenario of a -1.0 price elasticity of the tourism demand, the positive effects on the domestic product and welfare of the whole economy are$4 million and 51 million respectively, mainly due to the increased tax collection. The tourism sector loses 12.3 million in its product, and the real tourism product decreases to 6.46 million. A total of 95 direct jobs are no longer generated. The results confirm that the tourism industry will be negatively affected, although the Australian economy will gain in general. Therefore, a conflict of interest is likely between the tourism sector in particular and the whole economy. The study aims to inform on the positive and negative effects of an increase on the tax for departing the country.

The ninth study was applied in 2014to the hotel and restaurant sector for a group of OECD member countries. The objective was to estimate the tourist multipliers in their respective economies. The result is a description of the process for obtaining the multiplier for the industry of hotels and restaurants with high explanatory power. The significant explanatory variables found are: population, GDP per capita, and percent of imports on the GDP.

Finally, the tenth article refers to a study of the social accounting matrix for 2014 in the region of Galicia in Spain. The main objective was to estimate the tourism demand's effect on the income of the region's inhabitants. The results show significant positive effects across all income groups. However, high-income households benefit more than those with low incomes, contributing to a slight increase in income inequality in the region.

For the Journal of International Tourism Research only three articles were selected. The first refers to China in2006 and uses an input-output model with type II multipliers. The results show that 1.64% of the gross national product, 1.40% of household income and 1.01% of employment depends on international tourism.

The second is an article published in 2009 for the case of South Korea after applying an input-output matrix to the exhibition industry. In summary, the total exhibition receipts of US$645.7 million produced US$1.2 billion in output; 21 692 full-time equivalent jobs, US$260 million in personal income for residents, US$577.4 million in value-added, US$54.2 million in indirect tax and US$104.3 million in imports.

The third article was published in 2014 and used an input-output model to measure the impact of tourism in the different provinces of China. Due to the larger multiplier effects, the most economically developed provinces will experience greater economic benefits as a result of new increases in tourism. However, some economically less developed provinces also experience benefits from an increase in tourism. Increases in visitor arrivals in these provinces have the potential to benefit both the tourism sectors as well as the sectors that demand and supply inputs and services to these industries. This is an attractive source of economic development in less developed provinces.

© 2015 Global Journals Inc. (US)

IV. Conclusions

After reviewing and describing the published works, it is important to note that of all the selected articles almost 50% refer to studies based on input-output models and social accounting while the remaining 50% are based on computable general equilibrium models. Only two studies were found for a Latin American country: Brazil. No studies were found for Mexico. The effects of tourism on the economy are clearly displayed whether one type of model or another is used. However, changes in supply and/or demand in an economy could modify input-output structures through price factors, productivity of factors of production and input ratio, making important to work with the dynamics of the markets when necessary.

Bibliography

1. Akkemik, K. (2012).“Assessing the importance of international tourism for the Turkish economy: A social accounting matrix Analysis”. *Tourism Management* 33:790-801.
2. Becken, S. and Lennox, J. (2012).“Implications of a long-term increase in oil prices for tourism”. *Tourism Management* 33:133-142.
3. Blake, A., Sinclair, M. and Campos, J. (2005).“Tourism productivity. Evidence from the United Kingdom”. *Annals of Tourism Research* 33 (4): 1099-1120.
4. Blake, A., Dubarry R., Eugenio-Martin, J., Gooroochurn, N., Hay, B., Lennon, J., Sinclair, M., Sugiyarto, G. and Yeoman, I.(2006).“Integrating forecasting and CGE models: The case of tourism in Scotland”. *Tourism Management* 27: 292-305.
5. Blake, A., Arbache, J., Sinclair, M. and Teles, V.(2007).“Tourism crisis management: US response to September 11”. *Annals of Tourism Research* 35 (1): 107-126.
6. Carrascal, A. and Fernandez, M. (2015).“Tourism and income distribution: evidence of a developed economy”. *Tourism Management* 48:11-20.
7. Dwyer, L., Forsyth, P. and Spurr, R. (2004).“Evaluating tourism´s economic effects: new and old approaches”. *Tourism Management* 25: 307-317.
8. Ferri, J. and Uriel, E. (2004). “Evaluación del impacto económico del turismo: de un modelo keynesiano a un modelo clásico”. *Papeles de Economía Española* 102: 68-90
9. Forsyth, P., Dwyer, L., Spurr, R. and Pham, T. (2014).“Is Australian tourism suffering Dutch disease?”*Annals of Tourism Research* 46:1-15.
10. Forsyth, P., Dwyer, L., Spurr, R. and Pham, T. (2014).“The impact of Australia´s departure tax: Tourism versus the economy”. *Tourism Management* 40:126-136.
11. Frechtling, D. (2009). “The Tourism Satellite Account”. *Annals of Tourism Research* 37 (1): 136-153.
12. Guerra, A. and Sancho, F. (2014). “An operational non-linear input-output system”. *Economic Modelling* 41: 99-108.
13. Kim, S. and Chon, K. (2009).“An economic impact analysis of the Korean exhibition industry”. *Journal of International Tourism Research* 11: 311-318.
14. Konan, D. (2011).“Limits to Growth: Tourism and Labor Regional Migration”. *Economic Modelling* 28: 473-481.
15. Luborsky, M. (1994).“The Identification and Analysis of Themes and Patterns”. In J. Gubrium, y A. Sankar (Eds.),*Qualitative methods in aging research* (189–210). Thousand Oaks: Sage.
16. Meng, X., Siriwardana, M. and Pham, T. (2013).“A CGE assessment of Singapore´s tourism policies”. *Tourism Management* 34: 25-36.
17. Oosterhaven, J.and Fan, T. (2006).“Impact of international tourism on the Chinese economy”. *Journal of International Tourism of Research* 8: 347-354.
18. Pambudi, D., McCaughey, N. and Smyth, R. (2009).“Computable general equilibrium estimates of the impact of the Bali bombing on the Indonesian economy”. *Tourism Management* 30: 232-239.
19. Pechlaner, H., Zehrer, A., Matzler, K. and Abfalter, D.(2004). “A ranking of international tourism and hospitality”. *Journal of Travel Research* 42 (4): 328-332.
20. Pratt, S. (2010).“Economic Linkages and Impacts Across the TALC”. *Annals of Tourism Research* 38 (2): 630-650.
21. Pratt, S., Blake, A. and Swann, P. (2013). “Dynamic general equilibrium model with uncertainty: Uncertainty regarding the future path of the economy”. *Economic Modelling* 32: 429-439.
22. Pratt, S. (2014). “Potential Economic Contribution of Regional Tourism Bevelopment in China: A comparative analysis”. *Journal of International Tourism Research* DOI: 10.1002/jtr.1990.
23. Sharma, A.and Olsen, M. (2005).“Tourism satellite account: Implementation in Tanzania”. *Annals of Tourism Research* 32 (2): 367-385.
24. Sun, Y. (2007).“Adjusting Input-Output Models for Capacity Utilization in Service Industries”. *Tourism Management* 28: 1507-1517.
25. United Nations World Tourism Organization (2014). *Statistics and tourism satellite account.*www.statistics.unwto.org. [25, November, 2014].
26. Xiao, H. and Smith, S. (2006). “Case study in tourism research: A state of art analysis”. *Tourism Management* 27: 738-749.
27. Zhao, W. and Brent, J. (2007).“An investigation of academic leadership in tourism research: 1985-2004”. *Tourism Management* 28: 476-490.

© 2015 Global Journals Inc. (US)

Global Journal of Management and Business Research: B
Economics and Commerce
Volume 15 Issue 11 Version 1.0 Year 2015
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

The Goal of Business-A Review Paper

By Sanjeet Singh, Dr. Jagmeet Bawa & Dr. Gagan Deep Sharma

Chandigarh University, India

Introduction of the Study- The main aim of business is to fulfill the need of the human beings to create a harmony. Though this aim is debatable right since its origin. The scholars defines the goals of business in their studies differently. A numerous studies evaluated the concept of sustainable business and its social responsibility towards society and the nature. *Wheeler & McKague (2002)* evaluates the role of the business in development and evaluates the function and responsibility of the NGOs, development agencies and government in the same. The study also evaluates the Social-Global Economic Trends. *Nelson & Prescott (2003)* inspects the role of Business and its role in the Millennium development of the world society. Study attempts the questions that what are the business goals how are they relevant and how the business can achieve them. *Fitzgerald KBE & Mandy Cormak (2005), Modesto & Oliveira (2006) & Terziev (2012),* attempts to investigate the role of the business organizations in the society and their social responsibility towards.

GJMBR - B Classification : JEL Code : M16

THEGOALOFBUSINESSAREVIEWPAPER

Strictly as per the compliance and regulations of:

© 2015. Sanjeet Singh, Dr. Jagmeet Bawa & Dr. Gagan Deep Sharma. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

The Goal of Business-A Review Paper

Sanjeet Singh [α], Dr. Jagmeet Bawa [σ] & Dr. Gagan Deep Sharma [ρ]

I. Introduction of the Study

The main aim of business is to fulfill the need of the human beings to create a harmony. Though this aim is debatable right since its origin. The scholars defines the goals of business in their studies differently. A numerous studies evaluated the concept of sustainable business and its social responsibility towards society and the nature. *Wheeler & McKague (2002)* evaluates the role of the business in development and evaluates the function and responsibility of the NGOs, development agencies and government in the same. The study also evaluates the Social-Global Economic Trends. *Nelson & Prescott (2003)* inspects the role of Business and its role in the Millennium development of the world society. Study attempts the questions that what are the business goals how are they relevant and how the business can achieve them. *Fitzgerald KBE & Mandy Cormak (2005), Modesto & Oliveira (2006) & Terziev (2012),* attempts to investigate the role of the business organizations in the society and their social responsibility towards. *Henderson (2005)* investigates the role of the business in the present era with the justified definition of profit oriented organization. The study also attempts to find that how a business can contribute to the social welfare of the society. *Goodwin et.al (2008)* studies the Goals of Economic Activities and the recent trends in the economy. *Pirson (2010)* studies the concept of common wealth to shareholder value maximization and the changing role of the business organizations in the present era. *Porter (2011)* investigated the Role of Business in Society for Creating Shared Value and sustainability. The study attempts to find out the reason behind the disconnection between the Business and Society. *Schaltegger et.al (2011)* evaluates the business models and the drivers which make a business long term sustainable in the society. Study further evaluates the role of radical innovations in the sustainable business. *Aakhus (2012)* evaluates the concept of share value to classify its precincts and limits as an agenda for understanding the role of benevolence and CSR relative to the role of business in society. *Kaur (2013)*investigates the role of agriculture business in building sustainable society and studies the concept of sustainable agriculture with changes occur in it over the time. *Sangeet et.al (2013)* explores the role of Agriculture in Sustainable economic development in India and India's current position in world agriculture. *Pal & Sahay (2014)* evaluates the role of the private schools in creating a sustainable society.

II. Geographical Boundary and Methodology

Scholars have done their studies in the difference parts of the world. *Fitzgerald KBE & Mandy Cormak (2005)* selected the data of the major countries of the world. *Porter (2011)* has done his study in Costa Rica, Guatemala, Colombia, and Ghana, Kenya. *Kaur (2013)* has done the study in the major agriculture states of Punjab. *Sangeet et.al (2013)* has done her study in the major agricultural states of India i.e., Punjab, Haryana, U.P etc. *Pal & Sahay (2014)* has done their study in the schools of Nepal. Researchers used different methodologies to investigate and evaluate the variables and data for the purpose of the research. *Wheeler & McKague (2002)* selects the Private capital Flow, Foreign Investment Flow, and GDP data as the variables and uses Bar and Charts to show the trends. *Nelson & Prescott (2003)* selects the Education, Health, Food & Manufacturing industry for the purpose of study and selected Poverty, Health, Employment & Business as the research variables. *Henderson (2005)* uses Economic Progress, Business role & Society as the variables for the study. *Modesto & Oliveira (2006)* selects the exploratory method for the study and selects Society, business organization, societal marketing & strategic marketing as major variables for the research. *Porter (2011)* used Food Chain industry, Kenya's Cut Flower Cluster, Nestle, Nespresso, Sports Industry, Whole food markets as sample and Shared Value, Social Dimension as the variables for the research. *Schaltegger et.al (2011)* selects cases for business sustainability; business case drivers; business model; business model innovation & radical innovation for the evaluation purpose. *Aakhus (2012)* used the case study method for the research and selected shared value model, Business, Society and CSR as the variables for the study. *Terziev (2012)* selects Social Responsibility, Transparency, Society and Employees as the variables to evaluate. He selects Education, Health & Service industry as the sample for the study. *Kaur (2013)* uses climate change, crop rotation, organic farming and sustainable development as the factors to study. *Sangeet et.al (2013)* selected Agriculture, Plan Outlay in Agriculture, Population, and Employment across Various

Author α: Chandigarh Univeristy, Gharuan, Punjab.
e-mail: singh.sanjeet2008@gmail.com
Author σ: Punjab Technical University, Jalandhar, Punjab.
Author ρ: Guru Gobind Singh Indraprastha University, Dwarka, New Delhi.

© 2015 Global Journals Inc. (US)

Sectors in India, Share of Different Sectors in GDP, India's Imports and Exports of Agricultural Commodities as the variable for the purpose of study. The data has been defined with the help of graphs and tables. *Pal & Sahay (2014)* uses empirical method for the purpose of research and selected School heterogeneity, Efficiency, Private school premium, Social objectives and Rural-urban dichotomy as the variable for the study and used Mean, Standard Deviation and Inverse Mill's ratios for the evaluation of the data.

III. Findings of the Studies

Different findings have been reveal by the scholars in their respective research studies about the sustainable business and its role in the society. *Wheeler & McKague (2002)* address the vital role of the NGOs and government agencies in the development of the society and states that these organizations should take the responsibility to built a sustainable society. Further, study depicts that by supporting new mindsets and new assumptions on business and development, and learning from a myriad of new experiments, we need to prepare to take new chances on our future. *Nelson & Prescott (2003)* argued that the business must make the basic need products and services such as water, energy, nutrition, health-care, housing and education to the society at affordable price at the same time the business can create the employment for the society and help the economic development. Study also insists on the role of business to save environment as well by using eco-environment resources. At the end the research stated that there is a need for the First World (Develop Countries) to understand that they can get sustainable development only when the Third World (Developing Countries) get develop. *Fitzgerald KBE & Mandy Cormak (2005)* finds that the citizen in the society we impact through the way we run our business operations. If we not seen to be committed to the community within which we are allowed to operate, they will make their consumer choices in the favor of others. *Henderson (2005)* indicates in his study that most of the private organizations are still driven by the market-directed economy and do not think about the society and welfare. *Modesto & Oliveira (2006)* uncovers that the company managers should make a connection with the society and understand the need of the customers properly. Research also reveals that the companies who dominate the customers cannot sustain for long term. *Goodwin et.al (2008)* reveals in the study that both extrinsic and intrinsic motivation is required for the balance the economic activities. Study also reveals that the four economic activities named as resource maintenance, production, distribution and consumption are basically related with the three basic questions which are: which products need to produce and how much quantity needs to be produced and how much need to be store; Which kind of process and techniques used by whom and which ethics and principle should use while the production and distribution system. *Pirson (2010)* unearth in his study that it is important to impart business education and knowledge in students and it is vital to make them aware about the role of the business in the society. Study also reveals that in the present era the shareholders value maximization is related more with the technical skills whether it need to management education oriented. *Porter (2011)* argued that the transformation in the thinking and practice of the corporations in the society is highly needed. The study further reveals that the concept of shared value will be better for the corporation because it leads to sustainable innovation, productivity and economic growth. *Schaltegger et.al (2011)* reveals in his study that to understand the case of business sustainability one has to understand the drivers i.e, costs and cost reduction, sales and profit margin, risk and risk reduction, reputation and brand value, attractiveness as employer, and innovative capabilities of the business, which influenced the societal and environmental activities of the business. Study also argued that the sustainable business model is requisite for create the customer loyal and to fulfill the shared value concept. *Aakhus (2012)* unearth in the study that Shared Value Method is the most practical method for regain the public trust in the corporations and make the business long time sustainable. Study also defines that the connotations for the industries are clear, SVM poses a challenge to NGOs, governments and, in particular, to those who educate future leaders. *Terziev (2012)* depicts in his study that the business is responsible towards the society as long as it is responsible to increase the wealth of the shareholders who all are the part of the society. Further the study indicates that apart from this every business has some natural responsibilities towards the society and the environment and the organizations must comply with these responsibilities. *Kaur (2013)* reveals that there is a need for devising new policies encouraging green farming as an alternative to farming coupled with use of chemical fertilizers, investment in water harvesting, endorsing small farm mechanization, competent water use technologies and using a balanced fertilizer in crop production. Study further explains that improvement in agriculture has to look into the aspects of social equity, environmental sustainability and people's participation. Sustainable enlargement is not only about preserving our resources but also altering our culture to make preservation our way of life. *Sangeet et.al (2013)* reveals in their research that the agriculture is a vital part of the economy and the importance of it cannot be ignored at any cost. Research further indicates that agriculture is still an important source of employment and source of income for a huge population of India. Study suggests the revitalization of corporative institutions, agriculture research and export promotion to develop the Indian

© 2015 Global Journals Inc. (US)

agriculture in a sustainable way. The findings of the research indicates that by sustainable development of agriculture in India scarce and restricted resources can be used optimally and proficiently which will help save the corrosion of environment for the future generations. *Pal &Sahay (2014)* unearth in the study that socially motivated schools perform farm better than the government and the private schools whether the company run schools are expensive and students score more marks in these schools. The study also suggests that education is vital for creating peace building through social inclusion and cohesiveness.

IV. Discussion

Though a number of scholars have define the role of business and evaluate the influence of various aspect of society on it. But there is a gap visible in all the studies that none of the study is covering all the aspects or level on which human is living which are Individual, Family Society or Nature. The studies are mainly focusing on the smaller goals such as profit, CSR, Environmental concern or society alone. In his study *Terziev (2012)* argued that the business is mainly responsible towards society but there are other aspects too which a business should deal with. In other study *Sangeet et.al (2013)* portrays agriculture as the main concern of the business. Though these are the concern of the business but we cannot define these as the goal of the business. There are other scholars too who evaluation business in isolation and argued that the business should be sustainable. The scholars also defined business as a competitive opportunity for providing the customers a better product. *Bassiry & Jones (1993)* described by giving the reference of *Adam Smith's* capitalism in their study that a business should be competitive where a number of people compete with each other to fulfill the needs of the buyer. Though it may give the choice to buyer but it also encourage the sellers to manipulate things to get more profit or to win over the competitors. Scholars also reveal business as tool to utilize the human resource for the development of the organization. *Florida (2003)* gave a theory of creative capitalism. The theory indicates that the firm has to identify a specific group of people with the skills which may benefit the growth for the firm and use the resource properly to lead the race in this knowledge-based economy. It gives an indication that the business is not made for human being but the human exits for fulfilling the business needs. In the other case the researchers discussed that the primary goal of business is to become sustainable. *Schaltegger et.al (2011)* discussed in his study that to make a business sustainable the business should reduce cost, risk and increase brand value. The study reveals some major issues which are vital for business but not discussed that how to make a business sustainable. Only the risk reduction or cost cutting cannot make a business sustainable but the business have to define its goals properly and then to fulfill the goals in process to become sustainable. After the depth evaluation of the studies it may be conclude that the business model or the main goal of the business is broader than just mere profit or to concentrate on any one part but the main goal of the business is to create a harmony at all the levels where human society is living.

References Références Referencias

1. Goodwin, Neva, J. A., Nelson, Frank, Ackerman., & Weisskopf, Thomas. (2008). Economics in Context: Goals, Issues, and Behavior. *A GDAE Teaching Module on Social and Environmental Issues in Economics, 1-25.*
2. Porter, Michael, E. (2011). The Role of Business in Society: Creating Shared Value. *Babson Entrepreneurship Forum Boston, Massachusetts*, 1-25.
3. Sangeet, Sukhpal. Singh., & Bhogal, Shruti. (2013). Agriculture for Sustainable Development in India. *OIDA International Journal of Sustainable Development 06: 11, 27-36.*
4. Aakhus, Mark. (2012). Revisiting the Role of "Shared Value" in the Business-Society Relationship. *Business & Professional Ethics Journal*, 31:2, 231–246.
5. Nelson, Jane., & Dave. Prescott. (2003). Business and the Millennium Development Goals: A Framework for Action. *The International Business Leaders Forum,* 1-28.
6. Modesto, Tânia., & Veludo, de, Oliveira. (2006). Society Versus Business Organization: The Strategic Role of Marketing. *Electronic Journal of Business Ethics and Organization Studies,* 11:1, 26-29.
7. Henderson, David. (2005). The Role of Business in the World of Today. *JCC 17,* Summer-2005.30-32.
8. Terziev, Venelin. (2012). The Role of Business in Society. *New Knowledge,* Issue 1:4, 68-71.
9. Schaltegger, Stefan., Florian. Lüdeke-Freund., & Hansen, G. Erik. (2011) *Working Paper: Centre for Sustainability Management (CSM) Leuphana Universität Lüneburg.*
10. Pirson, Michael. (2010). What is Business Organizing for? – The Role of Business in Society Over Tim. *Working Paper: 2010-015: FORDHAM UNIVERSITY SCHOOLS OF BUSINESS.*
11. Pal, Sarmistha., & Bibhas, Sahay. (2014). In Trusts We Trust: Socially Motivated Private Schools in Nepal. *Working Paper.*
12. Kaur, Gurmanpreet. (2013). Sustainable Development in Agriculture and Green Farming in India. *OIDA International Journal of Sustainable Development* 06: 12, 59-64.
13. Wheeler, David.,& Kevin, McKague. (2002). The Role of Business in Development. *World Bank Annual Bank Conference on Development Economics Towards Pro–Poor Policies,* 1-24.

© 2015 Global Journals Inc. (US)

14. Fitzgerald, KBE. Niall., & Mandy, Cormak. (2005) The role of Business In Society: An Agenda for Action. Harvard University, *Internation Business Leader Forum*. 1-35
15. Bassiry, G. R., & Jones, M. (1993). Adam Smith and the ethics of contemporary capitalism. *Journal of Business Ethics*, *12*(8), 621–627. http://doi.org/10.1007/BF01845899.
16. Florida, Richards. (2003). Cities and the Creatice Class. City & Community. Vol.2. No.1.

© 2015 Global Journals Inc. (US)

Global Journal of Management and Business Research: B
Economics and Commerce
Volume 15 Issue 11 Version 1.0 Year 2015
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Influencing Components of Human Savings Behavior in Sylhet City

By Mohammad Kamrul Ahsan
Metropolitan University, Bangladesh

Abstract- Saving can be defined as difference between individual's disposable income and its consumption. Saving is the normal human nature. This study aims at identifying some important components which influence human saving behavior. A highly structured questionnaire was prepared to collect primary data from 350 depositors from the different banks of Sylhet City in Bangladesh. Several tools (Descriptive Statistics, Factors Analysis and Multiple Regression Analysis) have been used to find out core cause of human savings. The researcher has found at least 15 components that influence human saving behavior. So there have been 1 dependent variable i.e., saving fascination and 15 different independent variables i.e., to be rich man, to buy durable goods, Children education, to travel in future, etc. The findings of the study reveal five core components which influence human saving behavior mostly i.e., to have enough social security, to earn profit, for some dependent persons, to be rich man and to travel in future.

Keywords: *save, components, saving behavior.*

GJMBR - B Classification : *JEL Code : E21*



Strictly as per the compliance and regulations of:

© 2015. Mohammad Kamrul Ahsan. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

Influencing Components of Human Savings Behavior in Sylhet City

Mohammad Kamrul Ahsan

Abstract- Saving can be defined as difference between individual's disposable income and its consumption. Saving is the normal human nature. This study aims at identifying some important components which influence human saving behavior. 350 depositors from the different banks of Sylhet City in Bangladesh. Several tools (Descriptive Statistics, Factors Analysis and Multiple Regression Analysis) have been used to find out core cause of human savings. The researcher has found at least 15 components that influence human saving behavior. So there have been 1 dependent variable i.e., saving fascination and 15 different independent variables i.e., to be rich man, to buy durable goods, Children education, to travel in future, etc. The findings of the study reveal five core components which influence human saving behavior mostly i.e., to have enough social security, to earn profit, for some dependent persons, to be rich man and to travel in future. This propensity of individual saving behavior to financial institutions leads to the development of a country's economic strengths because as many people save as much as financial institutions provide loans to the development projects.

Keywords: save, components, saving behavior.

I. Introduction

Saving is normally considered in economics as disposable income minus personal consumption expenditure. In other words, it is regarded as income that is not consumed by immediately buying goods and services. For the purpose of this study, it must be emphasized that "saving" refers to deposits in saving accounts. Thus, the studies focus on financial saving of households held by banks and microfinance institutions (Issahaku, 2011).

Generally, savings outlets where rural households deposit their savings are of two main types: formal and informal financial institutions (Ahmad *et al*, 2006). Formal savings outlets include commercial banks, mobile banking or daily savings enterprise, microfinance and micro credit banks and the informal savings outlets include mutual savings, Susu and self-saving which basically involves keeping the money at home or with a trusted member of the community. Susu is a form of saving undertaken by a group of people with a common interest. The group could consist of co-workers, traders in the same area or even neighbors who agree to make contributions periodically (daily, weekly or monthly) and the total sum is given to one of the members at a time at the end of a defined period (usually a month) until the cycle goes round every member (Obi-Egbedi*et at*, 2014). Classical regards capital accumulation as the key to economic progress. They, therefore, lay emphasis on larger savings. They are of opinion that only capitalists and landlords are capable of saving. The working class is incapable of saving because it gets wages equal to the subsistence level (Rehman*et al*, 2011).

The study is structured as follows. Following the introduction, 'section 1' shows objectives, hypothesis and methodology, 'section 2' says the limitations of this paper, 'section 3' has the literature review, 'section 4' consists of analysis and findings, recommendations and conclusions are in 'section 5' and 'section 6' offers references.

a) Objectives

The main objective of this paper is to discover the influencing components of human saving behavior. The subsequent objective is to measure the relationship between the influencing components and saving fascination.

b) Hypothesis

H_0: There is no significant relationship between the influencing components of human saving behavior and saving fascination.

H_1: There is significant relationship between the influencing components of human saving behavior and saving fascination.

c) Data Sources and Methodological Issues

The present study is basically based on primary data. These primary data have been collected from the Sylhet City during June 2015 to November 2015. The depositors from different banks and non-banking financial institutions have been addressed in this study. The sampling population of this study includes 350 depositors from Sonali Bank Ltd (50), Trust Bank Ltd(50), Modhumoti Bank(50), City Bank(50), United Commercial Bank Ltd(50), AB bank Ltd(50), National Bank Ltd(25), IDLC Finance Limited(25) in the Sylhet City. This study followed the random sampling method representative population. The primary data have been collected by using a highly structured questionnaire which contain two parts: Part 1 demographic information and part 2 influencing components of human saving behavior.To find out the influencing components of

Author: Senior Lecturer, Department of Business Administration Metropolitan University, Sylhet, Bangladesh.
e-mail: ahsan404243@gmail.com

© 2015 Global Journals Inc. (US)

human saving behavior, fifteen components have been considered as independent components and only one component is considered as dependent component that is saving fascination. These fifteen components are rated by Five Points Likert Scale. These are: 1=Strongly Dissatisfied, 2=Dissatisfied, 3=Average, 4=Satisfied, 5=Strongly Satisfied. To verify the collected data relating to influencing components several statistical analyses i.e., Descriptive Analysis, Factors Analysis and Multiple Regression Analysis have been conducted. All the econometric problems like auto correlation and Multicollinearity are checked. The researcher has used SPSS 20 software to analyze these analyses. The researcher has refereed to various books, journals and periodicals as the vital source of secondary data.

II. Limitations

The major limitations are:

1. Different people have different opinions, different adoptions and different saving behaviors.
2. These data have been collected from Sylhet region. So, actually it cannot be representing the actual saving behavior of human.
3. Some people are unwilling to provide information because they are worried about tax related issues.
4. It is presumed that the people, who has an account, has a habit of saving.

III. Literature Review

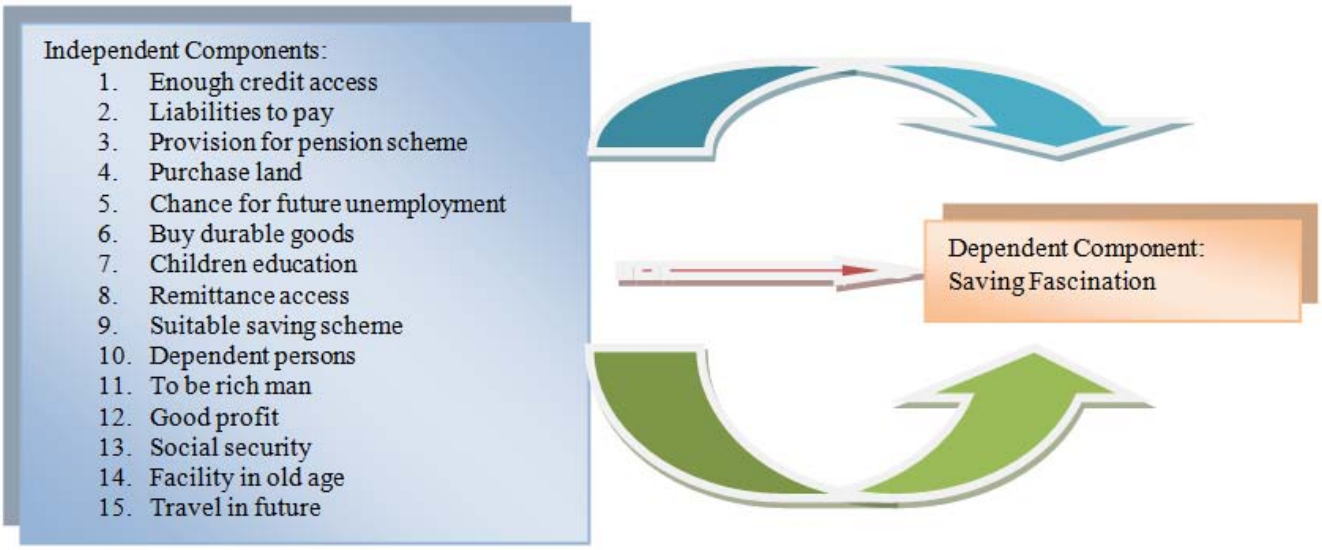
Saving is the normal nature of human because everyone is conscious about his future. To be safe in future they can make savings. They can spend these savings in the rainy day. There are some variables which influence to saving. Saving is one of the important variables for economic growth of any country. Saving is about income that is not consumed by immediately buying goods and services (Manyama, 2007). Abid and Afridi, (2010) showed in their paper thatsaving is an important variable in the theory of economic growth. Several studies have been conducted to assess saving behavior. These studies include Qureshi (1981), Giovanni (1983), Khan (1988), Burney and Khan (1992), Siddique and Siddique (1993), Khan and Nasir (1998), and Ayub (2001). Most of these studies have analyzed saving behavior in overall Pakistan and then broken it down to the rural/urban level. In all these studies the effects of different variables like income, real and nominal rate of interest, rate of inflation, rate of growth of income, output rate, lagged output per capita, lagged population growth rate, foreign and domestic saving ratio, degeneracy ratio, age, education, employment status, earning status, occupation, purchase of jewelry, assets, imports, exports, foreign aid, bank credit, prime interest rate, workers' remittances, private capital outflows, expected inflation rate, development of financial institutions, residence location, secondary earner, sex, consumption pattern etc. have been studied over saving pattern.

There are a number of determinants of saving. The level of savings depends on various factors such as income, interest rates, fiscal factors, demographics factors as well as psychological, cultural and social factors. Among the economic factors the interest rate is also considered as an important factor affecting the level of savings. The demographic variables like percentages of children and old people are very important determinants of savings (Fraczek, 2011). Middle-aged people tend to have higher incomes with lower propensities to consume and higher propensities to save. He argued also that there is a positive relation between income and saving for poor countries (Deaton, 2005). According to (Shem, 2002), personal attributes include: individual level of monthly income; individual level of education; individual s age; gender; size of household and; major source of income. Institutional characteristics are: interest rate on loans; distance from financial institutions; collateral for loan; time required to process a loan; minimum balance requirement; loan repayment method; restrictions on loan use; loan repayment period, and; loan amount. Choice of a financial institution directly implies a choice of saving, credit and transaction services thereof. The main factors influencing the choice of savings institutions include: security for savings, membership to the savings institutions and being able to qualify for group assistance. Individual's age is expected to be negatively correlated with saving, such that, older people save less and the younger save more (Lawrence *et al*., 2009). Horioka and Terada-Hagiwara (2012) argued that the main determinants of savings in Asia are: the old dependency ratio, income levels and the level of financial sector development.

Burney and Khan (1992) explained that various socio economic and demographic factors as determinants of savings. Impact of Income, earning status, occupation, and age square of household head on saving were appeared to be positive but inverse of household income, dependency ratio, education, employment status, secondary earner and age were inversely related to savings of urban and rural households.Rogg, (2000) said that according to economic theory, credit access is expected to have several influences on savings: impatient consumers will be tempted to borrow and consume more in the present, hence save less; some current savers will reduce their saving since future needs can be financed more easily through credit; no change in saving will occur for the very patient and highly risk-averse savers.

© 2015 Global Journals Inc. (US)

a) Conceptual Framework



Source: Author's Compilation, 2015

The researcher has shown how independent variables hypothetically affect the dependent variables.

IV. Analysis and Findings

a) Demographic Information

Table No. 1 : Personal Profile of the Respondents

S. No.	Demographic Profile	Number	Percentage
1	**Gender**		
	Male	260	74.3
	Female	90	25.7
	Total	350	100
2	**Age Groups**		
	20 to 30	89	25.4
	31 to 40	176	50.3
	41 to 50	67	19.1
	51 and above	18	5.1
	Total	350	100
3	**Employment Status**		
	Employed	218	62.3
	Unemployed	132	37.7
	Total	350	100
4	**Profession**		
	Employee	151	43.1
	Businessman	83	23.7
	Student	67	19.1
	Others	49	14.0
	Total	350	100
5	**Level of Education**		
	Undergraduate	90	25.7

© 2015 Global Journals Inc. (US)

	Graduate	138	39.4
	Postgraduate	106	30.3
	Others	16	4.6
	Total	350	100
6	**Marital Status**		
	Married	249	71.1
	Unmarried	101	28.9
	Total	350	100

Source: Author's analysis of research data, 2015

From the above table the researcher has found that males (74.3%) are more than females in number. Most of them are in the age group of 31 to 40 (50.3%), employed (43.1%), graduate (39.4%) and married (71.1%).

b) Influencing Components of Human Savings Behavior

Table No. 2 : Descriptive Statistics

Descriptive Statistics

	N	Mean	Std. Deviation	Variance
social security	350	3.8114	.88857	.790
good profit	350	3.7343	.81583	.666
dependent persons	350	3.6943	1.05750	1.118
to be rich man	350	3.6800	.86670	.751
travel in future	350	3.6486	1.02375	1.048
facility in old age	350	3.6400	1.08208	1.171
children education	350	3.6343	1.18635	1.407
buy durable goods	350	3.5400	1.12148	1.258
purchase land	350	3.5371	1.22418	1.499
liabilities to pay	350	3.2314	1.11547	1.244
provision for pension scheme	350	3.1686	1.10877	1.229
remittance access	350	3.0829	1.23997	1.538
suitable saving scheme	350	3.0057	1.04070	1.083
enough credit access	350	2.9629	1.08720	1.182
chance for future unemployment	350	2.8371	1.28438	1.650
Valid N (listwise)	350			

Source: Author's analysis of research data, 2015

More mean and less standard deviation is the important component of influencing the human saving behavior. Here, it is clear that 'Social Security' is the main and most important component that influences human to have the saving behavior. Then important components are 'Wish to get good profit', 'For dependent persons', and 'To be rich man'. Less important components are 'There have a chance of future unemployment' and 'To have enough credit access'.

c) Reliability and Validity Test

For having high quality research results, it is needed to have valid and reliable data collection. The correct data will show the true results. So, it is necessary to test the validity and reliability to determine whether the tools used in the study are valid and reliable. Reliability of questionnaire was validating with the computation of Cronbach alpha. The value of Cronbach alpha indicates that $\alpha \geq 0.90$ = Excellent (Very High Reliability); $0.70 \leq \alpha < 0.90$ = Good (High Reliability); $0.60 \leq \alpha < 0.70$ = Acceptable; $0.50 \leq \alpha < 0.60$ = Poor and $\alpha < 0.50$ = Unacceptable (Cronbach LJ (1951); Cortina, J.M. (1993).

© 2015 Global Journals Inc. (US)

Table No. 3 : Reliability Test

Case Processing Summary

		N	%
Cases	Valid	350	100.0
	Excluded[a]	0	.0
	Total	350	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.790	16

Source: Author's analysis of research data, 2015

Here, for 16 items (including dependent component), Cronbach alpha is 0.790 which is greater than 0.70 and less than 0.90. That means the researcher has used highly reliable data for analysis.

d) Sample Adequacy and Sphericity Test

The researcher will do the factor analysis. For this reason, it is needed to know the suitability of dataset for factor analysis (Principle Component Analysis). The following table 4 (Table 4) gives information about sample sufficiency index KMO by Kaiser-Meyer-Olkin, which compares the sizes of the observed correlation coefficients to the sizes of the partial correlation coefficients for the sum of analysis variables is (0.706) 70.6%, and it is reliable because it overcomes (0.70) 70% by far (cut-off above 0.50) (Yong, 2013). In addition, supposition test of sphericity by the Bartlett test (H_0: There is no significant relationship between the influencing components of human saving behavior and saving fascination.) is rejected on a level of statistical significance $p<0.0005$ for Approx. ChiSquare = 1370.085. Consequently, the coefficients are not all zero, so the second acceptance of factor analysis is satisfactory (Anastasiadou, 2011). As a result, both acceptances for the conduct of factor analysis are satisfactory and it can proceed with it.

Table No. 4 : Sample Adequacy and Sphericity Test

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.706
Bartlett's Test of Sphericity	Approx. Chi-Square	1370.085
	df	105
	Sig.	.000

Source: Author's analysis of research data, 2015

e) The Scree Plot Graph

The Scree plot shows the graphical representation of eigenvalues and guides to determine the essential factorial axis. The criterion of eigenvalue or characteristic root (Eigenvalue) ≥1 was used for defining the number of the factors (Kaiser, 1960).

© 2015 Global Journals Inc. (US)

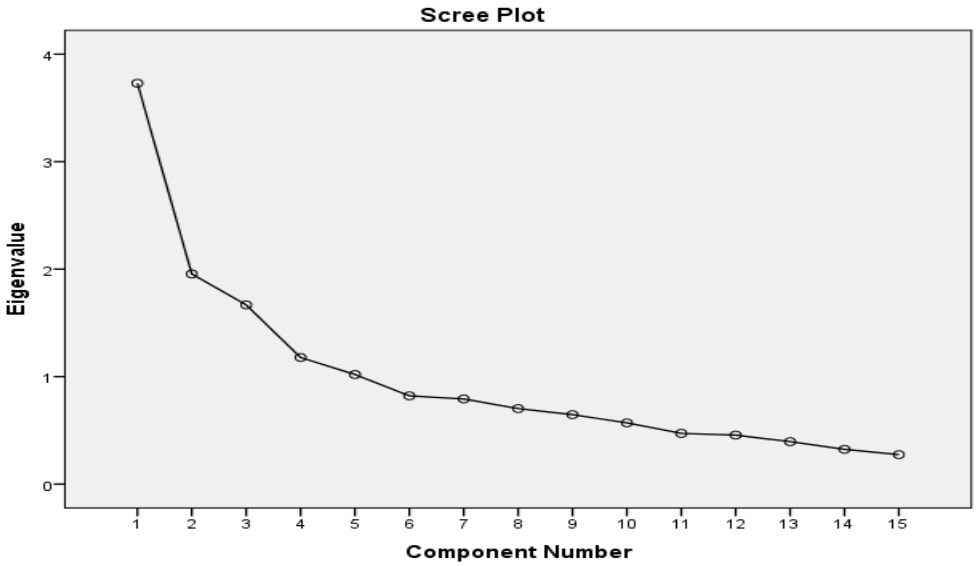


Figure 1 : Scree Plot Graph

Source: Author's analysis of research data, 2015

The above figure shows that the distinguished break up to the fifth factors, whereas after the fifth factor an almost linear part of the eigenvalue curve follows. Here only five factors have eigenvalue over 1.00 i.e., 3.729, 1.955, 1.667, 1.178, and 1.020 for the 1st, 2nd, 3rd, 4th and 5th factor respectively. (Table No. 5) and decide whether they interpret data in a satisfactory way.

Table No. 5 : Eigen values and Variance

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.729	24.863	24.863	3.729	24.863	24.863	2.249	14.990	14.990
2	1.955	13.036	37.899	1.955	13.036	37.899	2.035	13.569	28.559
3	1.667	11.114	49.013	1.667	11.114	49.013	1.898	12.652	41.211
4	1.178	7.853	56.866	1.178	7.853	56.866	1.700	11.330	52.541
5	1.020	6.797	63.662	1.020	6.797	63.662	1.668	11.121	63.662
6	.821	5.472	69.134						
7	.792	5.281	74.415						
8	.703	4.684	79.099						
9	.646	4.307	83.405						
10	.569	3.796	87.201						
11	.472	3.146	90.347						
12	.456	3.038	93.385						
13	.395	2.632	96.017						
14	.323	2.156	98.173						
15	.274	1.827	100.000						

Extraction Method: Principal Component Analysis.

Source: Author's analysis of research data, 2015

© 2015 Global Journals Inc. (US)

The table No. 5 displays the Eigen value in terms of percentage of variance explained. So, factor 1 explains 24.836% of total variance. It is clear that the first few factors explain relatively large amounts of variance (63.662%) whereas subsequent factors explain only small amounts of variance. SPSS 20 extracts all factors with eigenvalues greater than 1, which leaves with five factors. These five factors explain 63.662% of total variance.

Table No. 6 : Communalities

Communalities

	Initial	Extraction
enough credit access	1.000	.657
liabilities to pay	1.000	.748
provision for pension scheme	1.000	.531
purchase land	1.000	.701
chance for future unemployment	1.000	.690
buy durable goods	1.000	.680
children education	1.000	.700
remittance access	1.000	.486
suitable saving scheme	1.000	.766
dependent persons	1.000	.666
to be rich man	1.000	.516
good profit	1.000	.611
social security	1.000	.690
facility in old age	1.000	.583
travel in future	1.000	.523

Extraction Method: Principal Component Analysis.

Source: Author's analysis of research data, 2015

The communalities in the Extraction column reflect the common variance in the data structure or the proportion of variance explained by the underlying factors. i.e., 65.70% of variance associated with question 1 (Component 1 i.e., Enough credit access) is common, or shared, variance. The common communality table shows that each question has the Extraction value more than 0.50 which represent the satisfactory quality of the measurements from the model of 5 factors (Anastasiadou, 2011).

Table No. 7 : Rotated Component Matrix

Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
social security	.756				
good profit	.732				
to be rich man	.640				
travel in future	.551				
dependent persons	.476			-.446	.462
children education		.808			
buy durable goods		.806			
purchase land		.588	.405	.434	
liabilities to pay			.841		
enough credit access			.778		
provision for pension scheme			.527		
chance for future unemployment				.791	

© 2015 Global Journals Inc. (US)

facility in old age				.639	
suitable saving scheme					.837
remittance access					.598
remittance access					.598

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 7 iterations.
Source: Author's analysis of research data, 2015

By the use of SPSS Principle Component Factor Analysis, it is clear that total 15 components can be divided 5 groups of new components. i.e., Factor 1 named 'Social security with rich' contains components of 'Social security, wish to earn good profit, to be rich man, travel in future and for dependent persons'. Factor 2 named 'Children education with purchase durable goods and land' contains components of 'children education, want to purchase durable goods and want to purchase land'. Factor 3 named 'Credit and pension scheme' contains components of 'Liabilities to pay, to have enough credit access and provision for pension scheme'. Factor 4 named 'Chance of future unemployment with old age facilities' contains components of 'Chance of future unemployment and facilities in old age', and factor 5 named 'Remittance with saving scheme' contains components of 'Suitable saving scheme and remittance access'.

In summary, Social security with rich, Children education with purchase durable goods and land, Credit and pension scheme, Chance of future unemployment with old age facilities and Remittance with saving scheme, these five factors can explain 63.662% of total variance.

f) Research Model

The researcher has found 5 important components that influencing human saving behavior. Now researcher has tried to know the significant impact of these components on saving fascination. So the researcher has decided to conduct multiple regression analysis. The regression model is:

$$Y = \alpha + \beta_1 F_1 + \beta_2 F_2 + \beta_3 F_3 + \beta_4 F_4 + \beta_5 F_5 + \epsilon t$$

Where,
Y= Saving fascination
This Saving fascination can be affected by the following influencing components of save:
F_1= Social security with rich
F_2= Children education with purchase durable goods and land
F_3= Credit and pension scheme
F_4= Chance of future unemployment with old age facilities
F_5= Remittance with saving scheme
ϵt= Error Term
And α is constant and β_1, β_2, β_3, β_4, and β_5, are coefficient of estimate.

Table No. 8 : Regression Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.594[a]	.353	.343	.76093	1.663

a. Predictors: (Constant), A-R factor score 5 for analysis 1, A-R factor score 4 for analysis 1, A-R factor score 3 for analysis 1, A-R factor score 2 for analysis 1, A-R factor score 1 for analysis 1
b. Dependent Variable: saving fascination
Source: Author's analysis of research data, 2015

From table no. 8 it is seen that there is a significant correlation between independent variables and dependent variables. At the level of 5% significant, the correlation is 59.4% which shows the moderate relation because the value of R is between 0.40 to 0.60. The value of R^2 indicates that 35.3% dependent variable can be explained by independent variables. Remaining 64.7% of variance can be explained by the other variables. The Durbin-Watson d=1.663, which is between the two critical value 1.5<d<2.5 and therefore it can assume there is no first order liner auto-correlation in these multiple liner regression model (Statistics Solution, 2015).

© 2015 Global Journals Inc. (US)

Table No. 9 : Analysis of Variance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	108.481	5	21.696	37.471	.000[b]
	Residual	199.179	344	.579		
	Total	307.660	349			

a. Dependent Variable: saving fascination

b. Predictors: (Constant), A-R factor score 5 for analysis 1, A-R factor score 4 for analysis 1, A-R factor score 3 for analysis 1, A-R factor score 2 for analysis 1, A-R factor score 1 for analysis 1

Source: Author's analysis of research data, 2015

ANOVA output indicates that regression equation is explaining a statistically significant portion of the variability in the dependent variable from the variability of independent variables. This table also tells that the regression model is statistically highly significant (F test is highly significant, $p=0.000$ which is $p<0.05$). Thus it can be said that "H_0: There is no significant relationship between the influencing components of human saving behavior and saving fascination" is rejected and accept "H_1: There is significant relationship between the influencing components of human saving behavior and saving fascination." Hence, ANOVA output supports the research hypothesis that there is a statistically significant relation between the set of independent variables and dependent variables.

g) Parameter Estimates and Multicollinearity

Table No. 10 : Parameter estimates

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.820	.041		93.919	.000		
	A-R factor score 1 for analysis 1	.024	.041	.025	.579	.563	1.000	1.000
	A-R factor score 2 for analysis 1	.184	.041	.196	4.515	.000	1.000	1.000
	A-R factor score 3 for analysis 1	.483	.041	.514	11.855	.000	1.000	1.000
	A-R factor score 4 for analysis 1	.199	.041	.212	4.898	.000	1.000	1.000
	A-R factor score 5 for analysis 1	.059	.041	.063	1.451	.148	1.000	1.000

a. Dependent Variable: saving fascination

Source: Author's analysis of research data, 2015

This table shows the value of predictor variables and intercept i.e., the value of α, β_1, β_2, β_3, β_4, and β_5 Here constant (α) is 3.820.

Factor 1- The coefficient for Factor 1 is .025. So for every unit increase in Factor 1, a 0.025-unit increase in saving is predicted, holding all other variables constant.

Factor 2- The coefficient for Factor 2 is .196. So for every unit increase in Factor 2, a 0.196-unit increase in saving is predicted, holding all other variables constant.

Factor 3- The coefficient for Factor 3 is .514. So for every unit increase in Factor 3, a 0.514-unit increase in saving is predicted, holding all other variables constant.

Factor 4- The coefficient for Factor 4 is .212. So for every unit increase in Factor 4, a 0.212-unit increase in saving is predicted, holding all other variables constant.

Factor 5- The coefficient for Factor 5 is .063. So for every unit increase in Factor 5, a 0.063-unit increase in saving is predicted, holding all other variables constant.

© 2015 Global Journals Inc. (US)

Third column shows the values for the standard errors associated with these coefficients and factor 2, 3, 4 are statistically significant.

Finally, the research equation should be as follows:

$$Y = 3.820 + 0.025F_1 + 0.196F_2 + 0.514F_3 + 0.212F_4 + 0.063F_5 + \epsilon t$$

The researcher has also tried to know, whether there is any multicollinearity problem in the regression model. So, it can be conducted through Collinearity Statistics. A VIF around 1 is very good. (The minitab blog, 2015) A rule of thumb is that if VIF>10 then multicollinearity is high (Kutner et al, 2004). So there have no any muli-collinearity problem in this model and the model is good in shape.

V. Recommendation and Conclusion

Capital is the result of saving, and savings come from less present consumption for the sake of future goods. For having the economic development, it needs to formulate capital. These capital formation is possible though increased saving behavior from the people. According to (Gedela, 2012) from the classical times, saving has been considered as one of the determinants of growth. To lead the underdeveloped countries to the path of development, rate of savings must be enhanced. For the individuals and households, savings provide a cushion of security against future contingencies, whereas for the nation, savings provide the funds needed in the developmental efforts. To achieve higher rate of growth with relative price stability, the marginal propensity to save should be raised by appropriate incentives and policies. Also, in an era of international financial integration, for macroeconomic stability, higher domestic savings are essential.

So, it is clear that saving is one the most important factors for the developing country to be more developed. In this paper, the researcher has tried to find out cause of human saving behavior. Researcher has found a lot of variables that influencehuman savings behavior. But all variables are not applicable for everyone. For this reason, the researcher has taken only 15 variables. But these 15 variables are not enough because these variables explained only 35.3% variations. So there has a research gap. There should have been more variables to explain the cause of human saving. Here the researcher has found the main cause of human saving is that the having future security. So, financial institutions and government should take some initiatives regarding these variables of savings. Financial institutions can open new policy (scheme) for security purpose and enhance interest rate. As a result, the people will save more than previous time. If the people save more, there will be more development (Ahsan, 2015).

References Références Referencias

1. Abid, S and Afridi, G.S. (2010). Assessing the Household Saving Pattern of Urban and Rural Households inDistrict Muzaffarabad, *Pakistan Journal of Life and Social Sciences,*Pak. j. life soc. Sci. 8(2): 137-141.
2. Ahmad M. H. Atiq Z., Alam S. and Butt S.M. (2006). The impact of demography, growth and public policy on household saving: a case study of Pakistan. *Asia-Pacific Development Journal(13)2.*
3. Ahsan, M.K. (2015) Factors Affecting propensity to Save: A Study in Sylhet City. BIBM Annual Banking Conference 2015, November 22-23, 2015 (Paper presented).
4. Anastasiadou, S. D. (2011). Reliability and Validity Testing of A New Scale For Measuring Attitudes Toward Learning Statistics With Technology, Acta Didactica Napocensia, Volume 4, November 1, 2011, ISSN 2065-1430.
5. Burney, N. A. and Khan, A. H. (1992). Socioeconomic Characteristics and Household Savings: An analysis of the Households' Saving behavior in Pakistan. *The Pakistan Development Review*, 31(1), 31-48.
6. Cortina, J.M. (1993). "What is coefficient alpha? An examination of theory and applications". *Journal of Applied Psychology* 78: 98–104.
7. Cronbach LJ (1951). "Coefficient alpha and the internal structure of tests". *Psychometrika* 16 (3): 297–334.
8. Deaton A. (2005) Franco Modigliani and the Life Cycle Theory of Consumption, *Research Program in Development Studies and Center for Health and Wellbeing*, Princeton University [online] Available at http://www.princeton.edu/~deaton/downloads/romelecture.pdf [Accessed 22 November 2015].
9. Fraczek, B. (2011). The factors affecting the level of household savings and their influence on economy development, *8th International scientific conference Financial management of firms and financial institutions* Ostrava VŠB-TU Ostrava, faculty of economics, finance department 6th – 7th September 2011.
10. Gedela, S.P.R. (2012). Determinants of Saving Behaviour in Rural and Tribal Households (An Empirical analysis of Visakhapatnam District, International Journal of Research in Social Sciences, Volume 2, Issue 3, ISSN: 2249-2496, Available: http://www.ijmra.us, [Accessed: 5 September 2015].
11. Horioka, Ch. and Terada-Hagiwara, A. (2012). The determinants and long-term projections of saving rates in Developing Asia, *Japan and the World Economy*, 24 (2), 128-137.
12. Issahaku, H. (2011)Determinants of Saving And Investment in Deprived District Capitals in Ghana -A

© 2015 Global Journals Inc. (US)

Case Study Of Nadowli in The Upper West Region Of Ghana, *Continental J.Social Sciences 4*: 1 - 11, ISSN: 2141 – 4265, Available: http://www .wiloludjournal.com.

13. Kaiser, H, F. (1960). The application of electronic computers to factors analysis. *Educational and Psychological Measurement*, 20, 141-151.
14. Kutner, M. H.; Nachtsheim, C. J.; and Neter, J. (2004). Applied Linear Regression Models (4th ed.). McGraw-Hill Irwin.
15. Lawrence K. Kibet, Benjamin K. Mutai, Desterio E. Ouma1, Shem A. Oumaand George Owuor (2009) Determinants of household saving: Case study of smallholder farmers, entrepreneurs and teachers in rural areas of Kenya, *Journal of Development and Agricultural Economics* Vol. 1(7), pp. 137-143, October, 2009, ISSN 2006- 9774 © 2009 Academic Journals, Available online at http://www. academicjournals.org/JDAE [accessed: 10 November 2015].
16. Manyama, M. M., (2007). Instilling a Culture of Savings in South Africa. An MSc Thesis Presented at *Gordon Institute of Business Science, University of Pretoria*, South Africa.
17. Obi-Egbedi, O., Alawode, O. and Soneye, A.E. (2014) Savings Determinants among Rural Households in Southwest Nigeria, *World Rural Observations,* 2014;6(4):6-11, ISSN: 1944 6543 (Print); ISSN: 1944-6551 (Online). http://www .sciencepub.net/rural.
18. Rehman, H., Chaudhry, I. S., Faridi, M. Z. and Bashir,F. (2011)Rural-Urban Saving Differentials in Pakistan:Investigation from Primary Data, *A Research Journal of South Asian Studies*, Vol. 26, No. 1, January-June 2011, pp. 19-35.
19. Rogg CS (2000) "The Impact of Access to Credit on the Saving Behavior of Micro entrepreneurs: Evidence from Three Latin American Countries" A paper based on a Thesis submitted to the University of Oxford in June 1999.
20. Shem, A.O. (2002): Financial Sector Dualism: Determining Attributes for Small and Micro Enterprises in Urban Kenya: A Theoretical and Empirical Approach Based on Case Studies in Nairobi and Kisumu. Aachen, Shaker Verlag.
21. Statistics Solution (2015) The Multiple Linear Regression Analysis in SPSS – Available at: http://www.Statistics Solutions.com/ The Multiple Linear Regression Analysis in SPSS [Accessed: December 01, 2015 @ 10.00PM].
22. The minitab blog. (2015) what-in-the-world-is-a-vif, Available at: http://blog.minitab.com/blog/starting-out-with-statistical-software/what-in-the-world-is-a-vif [Accessed: November10, 2015: 10.00PM].
23. Yong G A and Pearce S (2013), A Beginner's Guide to Factor Analysis: Focusing on Exploratory Factor Analysis, Tutorials in Quantitative Methods for Psychology, 2013, Vol. 9(2), P.79-94.

© 2015 Global Journals Inc. (US)

This page is intentionally left blank

© 2015 Global Journals Inc. (US)

Global Journal of Management and Business Research: B
Economics and Commerce
Volume 15 Issue 11 Version 1.0 Year 2015
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Determinants of Rural Income Poverty in Ethiopia: Case Study of Villages in Dodola District

By Muhdin Muhammedhussen
Jimma University, Ethiopia

Abstract- The main objective of this study is to ascertain the socio-economic determinants of income poverty in rural areas of Ethiopia. A Simple random sampling was used to select 217 household heads from two rural areas Dodola district, Oromia Regional State, in a year 2012. The Binary logistic method was used to find out the determinants of income poverty. The result reveals that determinants of income poverty include household size, number of income sources of the household, livestock and farm land ownership. Poverty status is negatively associated with number of income sources of the household, livestock and farm land ownership. However, family size is positively related to poverty. Finally the study suggests the rural households should diversify their income sources. The households should also be effectively involved in family planning.

Keywords: *income poverty, determinants, binary logistic regression.*

GJMBR - B Classification : *JEL Code : I32*



Strictly as per the compliance and regulations of:

© 2015. Muhdin Muhammedhussen. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

Determinants of Rural Income Poverty in Ethiopia: Case Study of Villages in Dodola District

Muhdin Muhammedhussen

Abstract- The main objective of this study is to ascertain the socio-economic determinants of income poverty in rural areas of Ethiopia. A Simple random sampling was used to select 217 household heads from two rural areas Dodola district, Oromia Regional State, in a year 2012. The Binary logistic method was used to find out the determinants of income poverty. The result reveals that determinants of income poverty include household size, number of income sources of the household, livestock and farm land ownership. Poverty status is negatively associated with number of income sources of the household, livestock and farm land ownership. However, family size is positively related to poverty. Finally the study suggests the rural households should diversify their income sources. The households should also be effectively involved in family planning.

Keywords: income poverty, determinants, binary logistic regression.

I. Background and Justification of the Study

Poverty is one of the core issues and the most widespread social problems in the world. It has no geographical boundary. It is found in all directions and corners. Despite world exceptional advances in science, technology and wealth creation, poverty in all its manifestations remains deep and persistent. Poverty is multifaceted and has no single generally accepted definition (Ibrahim and Umar, 2008). Indeed, it is multidimensional. As a result literatures on the concept of poverty show various interpretations in economic, social, political, institutional, environmental and cultural contexts.

As of World Bank (2005), poverty is defined as a deprivation in well-being, and encompasses many dimensions. It, besides the inability to acquire the basic goods and services, consists of low levels of health and education, poor access to clean water and sanitation, inadequate physical security, voicelessness, and insufficient capacity and opportunity to better one's life. O'Boyle (1999) defines poverty as a:

> "….*problem in unmet human physical need. That is, persons and families in poverty lack the goods and services needed to sustain and support life and the income to purchase the goods or services which would meet those needs" (Page 1).*

In the same way, Bradshaw (2005) expressed poverty, generally, as a lack of necessities. Basic food, shelter, medical care, and safety are generally considered essential based on shared values of human dignity. Nevertheless, what is a necessity to one person is not equally a necessity to others. Other writers, like Lehning (2006), Frerer and Vu (2006) and Wolf (2006) also defined and expressed poverty from their own viewpoint and field of study. However, all the approaches and definitions of poverty reveal as a state of human well being deprivation.

Poverty is a threat to the world, especially developing countries. The governments, national and international development institutions have tried to understand the nature of poverty and mechanisms of reducing it. Poverty alleviation is a key policy debate in recent development literature. Many researchers of development economics have argued that the fight against poverty is a necessary condition for sustainable Economic growth. As stated in Oyekale (2011) poverty reduction is the issue that reconsidered as one of the brightest indicators of human progress.

When we come to Ethiopia, it is one of the poorest nations in the world. The country has a long experience famine, hunger and poverty often managed by international humanitarian agencies. The government of Federal Democratic Republic of Ethiopia has been spending large amount of money to alleviate poverty, especially since 1991. Despite strong progress in poverty reduction, still millions of poor people live in the country. In other words, poverty is still a salient feature of the country. According to MoFED (2012), by the year 2010/11 around 29.2% and 28.2% of populations are living below income and food poverty line, respectively.

Even if all Ethiopians suffer of poverty, it is more sever in the rural area than urban areas (MoFED, 2006). This would bring various criminal acts if situations go beyond the limits of social tolerance. Working on anti – poverty program is pivotal. Any effective poverty reduction intervention depends on a good targeting of the poor and their features. Therefore, understanding the nature, determinants and level of rural poverty is a prerequisite for successful and effective government

Author: Lecturer of Economics, Jimma University.
e-mails: muhidmoha@gmail.com, muhdin.muhammedhussen@Ju.edu.et

© 2015 Global Journals Inc. (US)

intervention to reduce deprivation in the rural areas. With the view of that this paper examines the socio-economic determinants of poverty in rural areas of Ethiopia. This study will contribute to the understanding of status and sources of poverty. Moreover, it will provide significant information for concerning bodies such as government, policy makers, and other institutions working to alleviate rural poverty and misery life.

II. Literature Review: Socio-Economic Determinants of Poverty

Poverty alleviation is a key policy debate in recent international development literature. The all inclusive development will happen when people empowered politically, socially and economically. The preparation of policies for poverty alleviation requires a systematic knowledge of the poverty phenomenon. With the growing interest in poverty reduction, it is important to summarize information on poverty and identify characteristics of the poor. In this regard, various studies have been conducted in all corners of the World to identify the factors responsible for poverty and well being deprivation.

Andersson et al (2005) examined the determinants of income and poverty in Lao PDR. The result reveals that household size, dependency ratios, education, and access to agricultural inputs are among the main determinants of per capita consumption. Sekhampu (2013) showed that household size, age and the employment status of the household head significantly explain the variations in the likelihood of being poor in South Africa. The age and employment status of the household head reduces the probability of being poor, while household size is associated with an increased probability of being poor.

Sabir et al (2006) presented the empirical findings on the poverty status and its causes among small farmers in the Pakistan. The result revealed that lower farm productivity, old age of the head, lower prices of the outputs, bigger household size, lack of infrastructure, and dependency ratio were the major determinants of poverty, whereas the education of the head was inversely related to poverty. Hashmi et al (2008), in the same country, showed that the chance of being in poverty increased due to increase in household size, dependency ratio, while, education, value of livestock, remittances and farming decreased the likelihood of being a poor. The same history is explained in the work of Malik et al (2012).

Ibrahim and Umar (2008), in Nigeria, identified the major determinants of poverty include household size, number of income sources of the household head, number of household members employed outside agriculture and the number of literate adult males and females in the household. In the same way, Apata et al (2010) examined the determinants of rural poverty in Nigeria. The results shows that access to micro-credit, education, participation in agricultural workshops/ seminars, livestock asset, and access to extension services significantly affect the probability of existing in poverty whereas female headed households' and distance to the market increases the probability of persistence in poverty.

Bahta and Haile (2013) identified the determinants of poverty in Eritrea. The result of study shows that poverty status is negatively associated with education level, type of resident, size of land, number of meal, remittance, access of credit from relatives, credit institutions, opinion to credit, rain fed crop, irrigated crop, income from agriculture and income from -non-agriculture. However, family number, number of children, children at school age and rent of land highly positively related to poverty.

In Ethiopia, agriculture is the backbone of Economy and agricultural production is the source of livelihood for millions of Ethiopians, especially for those in rural areas. According to Namara et al (2010), the persistent fluctuation in the amount and distribution of rainfall is considered as a major factor in rural poverty. As of Asmamaw (2004) vulnerability to rural poverty are mainly caused by degraded natural resources, poor access to essential services, poor infrastructure, weak local institution, rain-fed agriculture system and low saving.

Tesfahun (2005) revealed that poverty was found to rise with household size and access to micro credit (because of inappropriate use). However, rural poverty falls with higher level of education, size of cultivable land, number of oxen and other animals, and saving. Bogale et al (2005) explored the determinants of rural poverty in Ethiopia. The study illustrates that rural poverty is strongly linked to entitlement failures understood as lack of household resource endowments to crucial assets such as land, human capital and oxen.

In the same way, Bogale (2011) also analysed the extent and determinants of rural household poverty in the eastern highlands of Ethiopia. The study suggests that poverty is location specific, depends on access to irrigated land and access to non-farm income. The result also shows that household wellbeing is negatively affected by household size, and positively affected by age of household head. Probability of being in poverty is also strongly associated involvement in governance, social and production related networks.

Poverty is so technical that it is very difficult to draw a single conclusion. What is more significant is that how poverty is defined and measured. It determines the types and directions of policies aimed at reducing poverty. However, identifying the causes of poverty can be complex exercise (Sekhampu, 2013). Hence, this study focused on identifying the determinants of poverty.

© 2015 Global Journals Inc. (US)

III. Methodology of the Study

The study area was located in Dodola district, Oromia National Regional State, in south Eastern part of Ethiopia It was based cross-sectional study that involved both quantitative and qualitative methods of data collection. Both primary and secondary sources of information were used. The primary data were collected with the use of structured questionnaires. A total of 217 households were randomly sampled.

The study used both descriptive and inferential statistics. Descriptive statistics such as frequency distribution tables, mean and standard deviation were used to analyze the socioeconomic characteristics of the respondents. The Binary Logistic model was used to identify the determinants of poverty in the area. The collected data through household survey was entered, manipulated and analysed using SPSS software. In addition MS-Excel was used to supplement those softwares.

Most of the studies on poverty in Ethiopia are based on data on consumption expenditure. This study was, however, based on income data collected from households in a reference year. The income variable includes all receipts in form of kind and cash for the reference year of the survey, i.e. 2012 Gregorian calendar. Household consumption of self-produced crops, livestock and forest products was also included in income. Salaries, profits, remittances and wages were also considered.

Poverty is usually measured as either absolute or relative poverty using income, consumption and welfare as well being indicator. Relative poverty refers to lacking a usual or socially acceptable level of resources or income as compared with others within a society or country where as absolute poverty refers to the set of resources a person must acquire to maintain a minimum standard of living for survival. It defines the threshold that distinguishes the poor from the non-poor and examines the income or consumption levels of people in reference to that threshold. Recently, these income or consumption based absolute poverty lines have become a norm in almost all developing countries (Wagle, 2002).

The measurement of economic poverty, hence, requires defining a threshold (line) that distinguishes the poor from the non-poor. Any individual or household in the population with a measure below the line will be considered poor. Every society has its own ways of illustrating the standard of living. In the same way, almost all countries have their own national poverty lines to identify citizens whose income falls below a level necessary to maintain a minimum acceptable standard of living. Poverty lines are country specific and governments ultimately define what is meant by poverty in each country. So far, Ethiopia has not developed any official poverty lines. For the purpose of this study, the absolute poverty line is the value of income at the twenty-fifth percentile for sample households, it is ETB 2606. The amount is to a large extent higher as compared the threshold used by Namara et al (2010), it was ETB 1025.

In order to identify the determinants of poverty the study used a probability model in which the chances of being in income poverty are linked to individual, socio-economic and demographic characteristics.
It is defined as:

$$P_i = E(Y= 1/R_i) = \alpha + \beta R_i$$

Where:

Dependent variable: Poverty is in binary nature (1=yes or 0=no): indicates probability being in poverty.The poverty line is ETB 2606 Per Year per Adult.

Independent variable, R_i:

- *Age of the household head (age), Continuous variable*
- *Sex of household head (gender), Discrete variable*
- *Family/household size (family size), Continuous variable*
- *Dependency ratio (dependency ratio), Continuous variable*
- *Farm Landholding (totland),Continuous variable*
- *Livestock ownership in TLU (live stock unit), Continuous variable*
- *Education kevel of household head, (educ), Discrete variable*
- *Income Diversification (income sources),Continuous variable*

IV. Data Analysis and Discussion

a) Socio-Economic Features of Respondents

The majority of the household heads (80.2 percent) were males. Male dominancy, as we know, is one of the typical features of developing countries. About 79.7% of the respondents were married. In terms of education, the majority of them are literate (starting from read and write to secondary education). The literate respondents are around 61.8 percentages.

© 2015 Global Journals Inc. (US)

Table 1 : Demographic Features of Respondents

Demographic features	In percentage
Sex of household head	
Male	80.2
Female	19.8
	100%
Marital status	
Single	1.8
Married	79.7
Widowed/Separated	18.4
	100%
Educational level of household head	
Illiterate	38.2
literate	61.8
	100%

Source: Own Survey and Computation, 2012

The mean age of household head is 50.38 years. The average family size and dependency ratio are 7.94 and 1.9, respectively. This is indeed higher even as compared to national parameters.

Table 2 : Age, Family size and dependency Ratio

Demographic features	Mean
Age of household head	50.38±9.697
Family size	7.94±2.537
Dependency ratio	1.90±1.27

Source: Own Survey and Computation, 2012

As regard to resources or assets ownership, the possession of land and livestock per household is 1.85 hectare and 7.24 (in terms of TLU), respectively.

Table 3 : Sources of Income and Ownership of Basic Resources

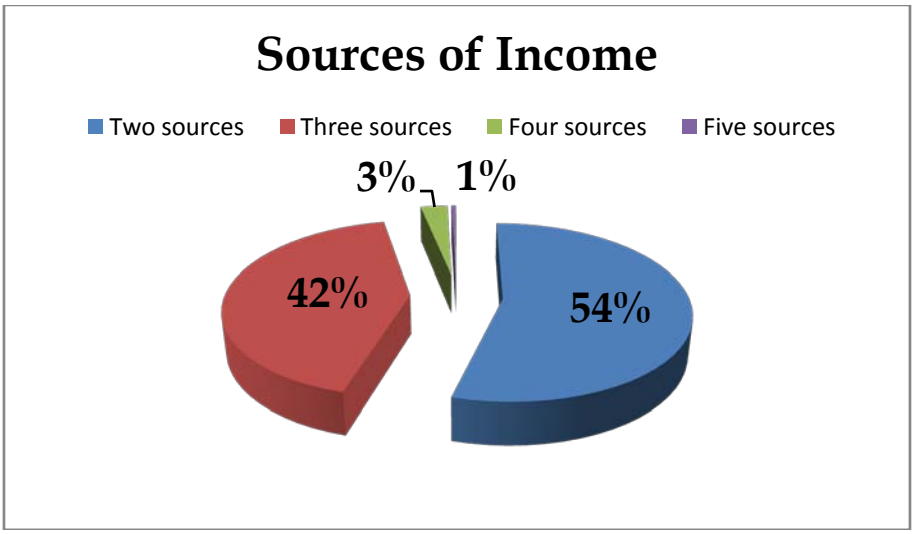
Productive Resources Ownership	Mean
Per adult household income	3719±1756.9
Total land of the family	1.85±0.935
Livestock Wealth in TLU	7.24±2.69

Source: Own Survey and Computation, 2012

The monthly average income per household was ETB 3719. All households earn their income from more than one economic activity. The sources of income are farming, animal husbandry, forest product, remittances, business and others. The majority of households (54%) earn their income from two major activities, crop farming and animal husbandry.

© 2015 Global Journals Inc. (US)

Chart 1 : The number of sources of household income



Source: Own Survey and Computation, 2012

b) Socio-Economic Determinants of Poverty

In order to identify the major determinants of income poverty the dependent variable, poverty situation of households, was regressed against various explanatory variables. The logit model fitted the data fairly well. The chi-square test strongly rejects the hypothesis of no explanatory power and the model correctly predicted 86.2 percent of the observations. Apart from these, the Hosmer and Lemeshow (H-L) test was checked. It is also an important measure of goodness-of-fit test. It tests the null hypothesis that there is a linear relationship between the predictor variables and the log odds of the criterion variable. An insignificant chi-square indicates that the data fit the model well.

Table 4 : Omnibus Tests of Model Coefficients

	Chi-square	df	Sig.
Step	118.303	8	.000
Block	118.303	8	.000
Model	118.303	8	.000

Source: Own Survey and Computation, 2012

The Model Summary we see below reveals that the -2 Log Likelihood statistics is 122.966. The Cox & Snell R^2 can be interpreted like R^2 in a multiple regression and is 42%.

Table 5 : Model summary and H-L test

-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
122.966[a]	0.420	.626

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	7.928	8	0.441

Source: Own Survey and Computation, 2012

Besides the model evaluation (goodness-of-fitness), it is, also, important to check their presence or absence of multicollinearity. In logistic regression, it has the same consequences as multiple regressions. In its presence, we are likely to misinterpret the contribution of independent variables. The correlation matrix confirms that multicollinearity is not a serious issue.

The estimates of the logistic regression are shown in Table 6. In general, **familysize, totland**, **incomesources** and **livestockunit** are statistically significant and the signs on the parameter estimates support expectations.

© 2015 Global Journals Inc. (US)

Table 6 : Binary Logit coefficient estimates for determinants of Poverty

Dependent Variable: Poverty situation of households(1 if the household is poor and 0 if otherwise)

Independent Variables	B	S.E.	Wald	Sig.	Exp(B)
gender(1)	-.312	.768	.165	.685	.732
age	-.015	.038	.156	.692	.985
dependencyratio	.107	.186	.332	.564	1.113
familysize	1.188	.202	34.575	.000*	3.280
educ(1)	.573	.599	.907	.341	1.770
totland	-2.720	.603	20.380	.000*	.066
incomesources	-1.587	.548	8.371	.004**	.205
livestockunit	-.417	.154	7.367	.007***	.659
Constant	.387	1.852	.044	.834	1.473

*Note: *indicate that the coefficients are statistically significant at 0.01 levels.*
***indicate that the coefficients are statistically significant at 0.05 levels.*
****indicate that the coefficients are statistically significant at 0.10 levels.*

Source: Own Survey and Computation, 2012

According the table above, household or family size was found to be a significant determinant of rural poverty. The coefficient for household size was found to be positive at 1 percent level of significance. As the household size increases by one unit, the odds of the household to fall into poverty increases by a factor of 3.280. This implies that the possibility of being in poverty is very high for those families who have large size.

As expected, the coefficient of total land holding was negatively correlated with the probability of a household being in poverty. It is statistically significant at 1 percent. The odds ratio illustrates that a one-hectare increase in land holding, the odds of being poor decrease noticeably. Since agriculture is the mainstay of the households in rural Ethiopia, land is the critical resource. Accordingly, the smaller the land holding implies the greater likelihood of falling in poverty. Increment of land holding by one hectare was found to reduce the chance of being trapped in poverty by a factor of 0.066. In the same way, livestock ownership, as measured in TLU-Tropical Livestock Unit, was found significant in reducing the probability of being trapped in poverty. An additional livestock ownership by one TLU reduces the chance of households to fall in poverty by a factor 0.659. Besides their own direct contribution, livestock are the main supplementary in farming system of Ethiopia.

The coefficient for household's involvement in different activities was found to be statistically significant at 5 percent. The higher income diversification implies the lower chances of being trapped in poverty. As regard to household age and education status, contrary to the expectation, the coefficient for the variables was not found to be statistically significant at either of 1, 5 or 10 percent.

V. Conclusions and Recommendations

Poverty is one of the hottest social issues in international phenomena. In this regard various studies have been conducted in all directions of the world to identify its determinants. The Binary logistic model was employed so as to find out factors affecting income poverty in rural areas of Ethiopia. The dependent variable, poverty situation of households, was regressed against eight explanatory variables. The result shows that income diversification, livestock ownership, family size and land possession are significantly influencing the probability of households being in poverty. As a result they are considered as major determinants of rural poverty. On the other hand, sex of the household head, age, education and dependency ratio were not found to be statistically significant.

The study suggests that two things, above all, are important in reversing the trends of poverty and well being deprivation in rural areas of Ethiopia. These are: First, promoting effective family planning system and second, diversification of income earning mechanisms.

References Références Referencias

1. Andersson, M., Engvall, A., Kokko, A(2005). Determinants of Poverty in Lao PDR.
2. Apata, T. G., Apata, O. M., Igbalajobi, O. A. and Awoniyi, S. M. O.(2010). Determinants of rural poverty in Nigeria: Evidence from small holder farmers in South-western, Nigeria. Academic Journals. Journal of Science and Technology Education Research Vol. 1(4), pp. 85 – 91. Available online http://www.academicjournals.org/JSTER.
3. Asmamaw, E. (2004). Understanding Poverty: The Ethiopian Context; Paper presented at The Gambia AAPAM Roundtable Conference, Banjul, the Gambia, April 19 - 23, 2004.

© 2015 Global Journals Inc. (US)

4. Bahta, Y.T., and Haile, B.O.(2013). Determinants of Poverty of Zoba Maekel of Eritrea: A Household Level Analysis. International Journal of Food and Agricultural Economics Vol. 1 No. 2 Pp 73-84 73. ISSN 2147-8988.
5. Bogale, A., Hagedorn, K. and Korf, B.(2005). Determinants of poverty in rural Ethiopia. Quarterly Journal of International Agriculture 44, No. 2: 101-120.
6. Bogale, A.(2011). Analysis of poverty and its covariates among smallholder farmers in the Eastern Hararghe highlands of Ethiopia. Journal of Development and Agricultural Economics Vol. 3(4), pp. 157-164. Available online at http://www.academicjournals.org/JDAE.
7. Bradshaw, T.K.(2006). Theories of Poverty and Anti-Poverty Programs in Community Development. RPRC(Rural Poverty Research Center) Working Paper No. 06-05.
8. Frerer, K. and Vu, C. (2006). An Anthropological View of Poverty. In B.B. Austin, M.J. (2006). Understanding Poverty from Multiple Social Science Perspectives.
9. Hashmi, A.A., Sial, M.H. and Hashmi, M.H.(2008).Trends and Determinants of Rural Poverty: A Logistic Regression Analysis of Selected Districts of Punjab. The Pakistan Development Review, vol. 47, issue 4, pages 909-923.
10. Ibrahim, H. and Umar, H.S.(2008). Determinants of Poverty among farming Households in Nasarawa State, Nigeria. *Media and Agricultural Marketing.PAT 2008; 4 (1): 11-21: ISSN: 0794-5213. Online copy available at www.patnsukjournal.com/currentissue.*
11. Lehning, A.J.(2006). Political Science Perspectives on Poverty. In B.B. Austin, M.J. (2006). Understanding Poverty from Multiple Social Science Perspectives.
12. Malik, S. Chaudhry, I.S. and Hanif, I.(2012). Analysis of Rural Poverty in Pakistan; Bi-Model Estimation of Some Selected Villages. *International Journal of Humanities and Social Science Vol. 2 No. 8.*
13. MoFED (2006). Ethiopia: Building on Progress a Plan for Accelerated and Sustained Development to End Poverty (PASDEP) (2005/06-2009/10), Volume I.
14. MoFED (2012). Ethiopia's Progress towards Eradicating Poverty: An Interim Report on Poverty Analysis Study (2010/11).
15. Namara, R., Makombe, G., Hagos, F., Awulachew, S.B. (2010). Rural poverty and inequality in Ethiopia: does access to small-scale irrigation make a difference?
16. O'Boyle, J.E. (1999). Toward an Improved Definition of Poverty. Review of Social Economy: http://www.socialeconomics.org/review/htm.
17. Oyekale, T.O.(2011). Impact of Poverty Reduction Programs on Multidimensional Poverty in Rural Nigeria. Journal of Sustainable Development in Africa, Volume 13, No.6. ISSN: 1520-5509.
18. Sabir. H.M., Hussain, Z. and Saboor, A.(2006). Determinants of Small Farmers Poverty In The Central Punjab (Pakistan). Journal of Agriculture & Social Sciences.1813–2235/2006/02–1–10–12.
19. Sekhampu, T.J.(2013). Determinants of Poverty in a South African Township. Kamla Raj 2013 J Soc Sci, 34(2): 145-153.
20. Tesfahun. M.A. (2005). Rural Poverty Situation and Determinants: The Case of Kersa Kondaltity Woreda, South West Shewa. Thesis submitted to the School of Graduate Studies, Addis Ababa University, in partial fulfilment of the requirements for the Degree of Masters of Arts in Regioal and Local Development Studies.
21. Wagle, U. (2002). Rethinking Poverty: Definition and Measurement. Blackwell publishers. ISSJ 171/2002.
22. Wolf, J.P.(2006). Sociological Theories of Poverty in Urban America. In B.B. Austin, M.J. (2006). Understanding Poverty from Multiple Social Science Perspectives.
23. World Bank Institute (2005). Introduction to Poverty Analysis: Poverty Manual.

Appendix

A. Classification Tables(Model adequacy test

Classification Table [a,b]

Observed			Predicted		
			Poverty situation		Percentage Correct
			Poor	Non poor	
Step 0	Poverty situation	poor	0	53	.0
		Non poor	0	164	100.0
	Overall Percentage				75.6

© 2015 Global Journals Inc. (US)

Classification Table[a,]					
	Observed		Predicted		
			Poverty situation		Percentage Correct
			Poor	Non poor	
Step 1	Poverty situation	poor	35	18	66.0
		Non poor	12	152	92.7
	Overall Percentage				86.2
a. The cut value is .500					

B. Correlation Matrix(multicollinearity test)

Correlation Matrix									
	Constant	Income sources	gender(1)	age	Family size	dependency ratio	Educ (1)	totland	Livestock unit
Constant	1.000	-.493	.233	-.704	.104	-.174	.243	.108	-.312
Income sources	-.493	1.000	.093	.058	-.452	-.032	.022	.140	.141
gender(1)	.233	.093	1.000	-.559	-.230	.091	.540	.156	-.032
age	-.704	.058	-.559	1.000	-.084	.119	-.561	-.119	.067
Family size	.104	-.452	-.230	-.084	1.000	-.245	.009	-.679	-.332
dependencyratio	-.174	-.032	.091	.119	-.245	1.000	.088	.119	-.014
educ(1)	.243	.022	.540	-.561	.009	.088	1.000	.047	-.113
totland	.108	.140	.156	-.119	-.679	.119	.047	1.000	-.077
livestockunit	-.312	.141	-.032	.067	-.332	-.014	-.113	-.077	1.000

© 2015 Global Journals Inc. (US)

Global Journal of Management and Business Research: B
Economics and Commerce
Volume 15 Issue 11 Version 1.0 Year 2015
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Water Resource for Economic Development in Vietnam and Implications for Developing Countries

By Tran Thi Lan Huong
Vietnam Academy of Social Sciences, Viet Nam

Abstract- In the framework of the project "Water Resource for Economic Growth and Sustainable Development: Theories and African and Middle East Experiences" funded by Vietnam National Foundation for Science and Technology Development (NAFOSTED) under grant member II3.2-2013.37, the principle investigator and key research members have carried out studying, calculating and analyzing the water supply and demand to define potential, real status of water exploitation and usage for economic development in Vietnam. The study has been pointed out that due to abundant water resource, Vietnam has huge advantages for economic development, especially for agriculture and tourism, but wrong awareness of infinite water resource availability has caused a lot of great losses for economic development.

Keywords: water resource, water supply, water demand, water usage, loss from water, vietnam, middle east.

GJMBR - B Classification : JEL Code : F63



Strictly as per the compliance and regulations of:

© 2015. Tran Thi Lan Huong. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

Water Resource for Economic Development in Vietnam and Implications for Developing Countries[1]

Tran Thi Lan Huong

Abstract- In the framework of the project "Water Resource for Economic Growth and Sustainable Development: Theories and African and Middle East Experiences" funded by Vietnam National Foundation for Science and Technology Development (NAFOSTED) under grant member II3.2-2013.37, the principle investigator and key research members have carried out studying, calculating and analyzing the water supply and demand to define potential, real status of water exploitation and usage for economic development in Vietnam. The study has been pointed out that due to abundant water resource, Vietnam has huge advantages for economic development, especially for agriculture and tourism, but wrong awareness of infinite water resource availability has caused a lot of great losses for economic development. Being considered as "Green Gold" of the world, water resource has to be recognized fully and sufficiently both in the nation of abundant water resource as Vietnam and the nations of scare water resource in developing countries to possibly make policies of efficient water management to ensure sustainable development.

Keywords: water resource, water supply, water demand, water usage, loss from water, vietnam, middle east.

I. Introduction

Although water resource of Vietnam has abundant volume, in fact, usable water resource is limited because of uneven distribution. Many areas are lack of fresh water for living resulted by pollution, flood, erosion, landslide, drought and other factors. Water quality is also degraded seriously making living environment being destroyed and pushing people closer and closer to dangerous risks. Vietnam's Ministry of Natural Resource and Environment estimated that about 37% of water loss was caused by wasting, even in some areas the ratio may be 50%. One of main reasons is that water resource in Vietnam depends much on rainfall and system of trans-boundary rivers, infrastructure of water supply is outdated because some of irrigation system which had been built since 1960s, 1970s now are degraded and damaged heavily. Water management is weak, process of rapid industrialization and urbanization in Vietnam is making demand for water increase higher and higher, whereas pollution of water source is also raised. The purposes of this article is to define potential and real status of water exploitation and usage in Vietnam, emerging issues which Vietnam faces in using water for economic development, therefore recommends some implications. Methodologies are surveys and investigations of 450 samples in provinces of Nam Dinh and Hanoi which are prone to big storms and have high level of rainfall about 1,750mm to 1,800mm, and in Ninh Thuan which is prolonged dry with rainfall about 400 mm to 700 mm, in combination with available statistic data of Vietnamese relevant ministries and agencies to evaluate research outcomes.

II. Basic Characteristics of Water Resource in Vietnam

a) Water Potential

Water resource in Vietnam is evaluated very diversified and abundant consisting of surface water and ground water in natural and artificial watershed areas like: rivers, springs, natural lakes, artificial lakes, wells, dams, ponds, swamps and aquifers. According to the report of the Ministry of Natural Resource and Environment (MoNRE), Vietnam has about 2,372 small and big rivers with the length of over 10 km in which there are 109 main rivers such as: Hong river, Thai Binh river, Bang Giang – Ky Cung river, Ma river, Ca river, Vu Gia – Thu Bon river, Ba river, Dong Nai river, Mekong river and 04 tributaries like Da river, Lo river, Se San river, Sre Pok river compassing huge catchment of over 10,000 square km, representing about 93% of total areas of river network in Vietnam. Besides, Vietnam has many natural lakes, dams, swamps, watersheds which their sizes are vary due to seasons. Some lakes are known as Lak lake in width of 10 square km in Dak Lak province, Bien Ho lake in width of 2.2 squared km in Gia Lai province, Ba Be Lake in width of 5 square km in Bac Kan province and Tay Lake in width of 4.5 square km in Hanoi. Big swamps are located in estuaries of middle coastal areas such as: Tam Giang, Cau Hai and Thi Nai. Vietnam has thousands of artificial dams with water capacity of 26 billion cubic meter in which there are 6 biggest dams with water capacity of over 1 billion cubic meter are exploited for hydroelectricity including Hoa Binh, Thac Ba, Tri An, Dau Tieng, Thac Mo and Ya Ly. According to the data by MoNRE, Vietnam has more

Author: Ph.D, Vietnam Academy of Social Sciences.
e-mail: tranlanhuong@iames.gov.vn

[1] This article funded by the Vietnam National Foundation for Science and Technology Development (NAFOSTED) under grant member II3.2-2013.37

© 2015 Global Journals Inc. (US)

than 3,500 storage lakes in which there are about 650 big and medium storage lakes for hydro power production, flood and drought control, navigation, irrigation and aquaculture. Apart from, ground water is source with huge potential, particularly in Northern and Southern deltas. Water resource in coastal and inland wet areas play important roles in conserving and sustaining function of ecosystem and biodiversity of wetlands.

b) Water supply and demand and effective elements

According to the Ministry of Natural Resources & Environment (MoNRE), Vietnam has about 840 billion cubic meter of surface water in which there is only 310 billion cubic meter supplied by rainfall in Vietnamese territory accounting for 37%, the rest is 63% depending on water runoff out of Vietnam. Total potential ground water exploitation excluding islands is estimated about 60 billion cubic meter. Water volume which is being investigated appropriate 8 billion cubic meter per year. [2] Due to the evaluation criteria of International Water Resource Association (IWRA), a nation which has water consumption per capita below 4,000 cubic meter/year is considered as water insufficient nation. In Vietnam, annual water consumption per capita is about 10,600 cubic meter in 2008, achieving average level in equivalent with the United States of America, however much lower than neighboring countries like Lao PDR, Cambodia, Malaysia, Myanmar, Indonesia. For the supply, water resource in Vietnam brings a lot of unsustainable elements. Over 63% of fresh water in Vietnam originates from outsides, on other hands from other countries. For example, Hong river basin has transboundary water accounting for 50% of total surface water; Mekong river basin has about 90% of total surface water originating from transboundary water. Inland water source of Vietnam is only about 3,600 cubic meter/capita/year[3], and if only accounting for inland water source, Vietnam ranks in the list of water lack nations in the world. Moreover, water supply of Vietnam isn't ensured by seasons because of unpredictable climate change, uneven geographical water distribution. In 13 main rivers and tributaries with basin area of over 10,000 cubic km, there are 10 transboundary rivers, three of them are upstream in Vietnam and downstream in neighboring countries and the rest are upstream in neighboring countries and downstream in Vietnam. That's why Vietnam is much depended on sharing water benefits with neighboring countries.

For water demand, Vietnam is increasing in water demand caused by population growth, unplanned deforestation, serious water contamination and rapid economic development. In 1943, demand for water consumption in Vietnam was 16,641 cubic meter/capita/year, in 2008 about 10,600 cubic meter and is proposed when Vietnam's population increases about 150 million people, its water consumption will be only 2,467cubic meter, nearly equivalent to scare water nations. According to the assessment result in 1999, total water demand of the whole country was represented about 8.8% of total annual water runoff in equivalent to the frequency of 75%, and then increased by 12.5% in 2000 and 16.5% in 2010. Total water for irrigation increased very quickly from 41 cubic km in 1985 (accounting for 89.8%) to 46.9 cubic km in 1990 and 60 cubic km in 2000. Water demand for dry season is huge, especially for agricultural production. For instance, demand for water usage in many places and catchments is able to be twice bigger than real demand resulting in difficulties of production and living. By impacts of global climate change, Vietnam is increasing in demand of water whereas supply of water has trend of decreasing because surface water is evaporated, water is salty and contaminated and conflict for water in Mekong river basin raises.

In general, characteristics of water resource in Vietnam are uneven geographical distribution. Total annual rainfall of Vietnam is high but uneven distributed by space and time. Some places have high rainfall like Bach Main Thua Thien – Hue province up to 8,000mm/year, whereas many areas such as Phan Rang in Ninh Thuan province, Phan Ri in Binh Thuan province, rainfall is very little from 400 mm to 700 mm per year. Distribution of rainfall by time is unbalanced, for example rainfall in dry season in Mekong river delta is less than 10% of total annual rainfall but prolongs nearly 7 months while the rest of 90% concentrates in 5 months of rainy season. Total surface water runoff changes clearly among every season in year in which 75% to 85% is in flooding season and the rest is divided into dry months. Mekong river is the largest river network in Vietnam accounting for nearly 60% of total national water volume, 54 times bigger than water volume in Northern region. Water flooding discharge of Mekong river is possible up to about 40,000m3 per minute, but in dry season, it sometimes decreases by 1,200 -1,700 m3 per minute causing prolonged dry and salty. Many rivers in Tay Nguyen nearly have not got water runoff in dry season. There appears big gap of ground water between dry and rainy seasons from meters to dozens of meters, especially in many places of Tay Bac and Tay Nguyen.

Furthermore, water resource in Vietnam also much depends on disasters and climate change. Storms and floods are considered as disasters causing greatest damages in Vietnam. Big floods damage human and prosperities, landslide, erosion and saltwater intrusion. In recent years, droughts also degrades water resource in Vietnam mainly caused by climate change and overexploitation of water resource.

[2] Ngo Dinh Tuan (2007), Suitable development and usage of water resource, Water Resource University, Workshop on biodiversity and climate change: relationship with poverty and sustainable development, Hanoi, 22-23 May 2007.

[3] Water resource in Vietna: both lack and weak, Ministry of Natural Resource and Environment, 30 August 2011.

© 2015 Global Journals Inc. (US)

Vietnam locates in downstream of big river system in the region of Southeast Asia, 60% of water discharge depends on upstream out of Vietnam. Recently, upstream countries like China and Lao which are building projects to exploit and develop hydro power with huge scope in the upstream of Mekong river and Hong river make water discharge into Vietnam less and less. Raising up of sea water level make water resource worsen in quality resulting in simultaneously affecting ground water such as decrease in aquifers and salinization. Vietnam, particularly Mekong river delta is the "pivot area" of climate change and sea water raising, affecting much in fresh water resource for production and living.

III. The Survey Outcome and Assessment

Our research team had been carried out surveys of reality using water resource in Hanoi, Nam Dinh and Ninh Thuan. Survey samples were 450 people who reside in rural areas, of them 100 people in Hanoi, 100 people in Nam Dinh, and 250 people in Ninh Thuan. 43.8% of total surveyed people were female. Educational level of surveyed people were such as 54.8% of secondary school, 30.0% of high school and 14.7% of university degree. 75.6% of total surveyed people are local citizens.

Hanoi is the capital of Vietnam, locates in the center of Hong river delta. Thanks to alluvium, three quarter of natural area of Hanoi is delta, has big rivers passing through such as Hong river, Da river and a lot of other tributaries. Apart from, Hanoi has many lakes like Tay lake with width of 500 ha, Guom lake, Truc Bach lake, Thien Quang lake, Thu Le lake and big lagoons like Kim Lien, Linh Dam, Ngai Son, Suoi Hai, Meo Gu, Xuan Khanh, Tuy Lai, Quan Son. However, due to process of rapid urbanization since 1990, most of lakes and rivers in Hanoi have been seriously polluted.

Nam Dinh is coastal province locating in southern of Northern delta, has Hong river in downstream. This wetland is the professionally area for producing rice. Because of locating in Tonkin gulf, every year Nam Dinh is often affected by monsoons and tropical low pressure, in average from 4 to 6 storms a year.

Ninh Thuan is a province in South Middle. It has semi mountainous geography with two seasons: dry and rainy seasons. The province is famous place to grow grapes in Vietnam. It is assessed as the driest region in Vietnam, frequently meet a lot of heavy damages from drought.

The popular mistake in Vietnamese recognition is that Vietnam has abundant and infinite fresh water resource. Due to the wrong recognition on richness of water resource, Vietnam has no solutions to protect efficiently fresh water resource, loss and waste water negatively impacting on economic development. According to the survey outcome, people in Hanoi and Nam Dinh said that they were not lack of water for living and production, whereas in Ninh Thuan, 129/250 surveyed people said that they were lack of fresh water for living and 242/250 surveyed people said that they were lack of water for production. For water quality, according to the survey outcomes in three provinces and cities, most of people got water from dug wells (100 people in Hanoi; 30 people in Nam Dinh and 105 people in Ninh Thuan). Tap water were used parallel with well water (99/100 people in Nam Dinh; 5/100 people in Hanoi and 145/250 people in Ninh Thuan). The number of people who got water from rivers, lakes and ponds were very limited. It's concluded that water for living in three provinces in the basic is industrially processed in frame of tap water or self processed in frame of well water. Ability of assessment of these water sources is so easy that awareness of saving water is not high.

However, the biggest problem of water source for living and production in Nam Dinh and Hanoi is water contamination. In Nam Dinh, 39% of total surveyed people wished to be advised how to process polluted water source and 10% of total surveyed people would like to improve water quality. In Hanoi, 98% of total surveyed people said that water source for living and production was over polluted and had to be processed at once.

Regarding to water cost for living and production: According to the survey outcomes, 100% of total surveyed people in Nam Dinh and Hanoi said that water cost for living and production was very low and inconsiderable. 60% of total surveyed people in Nam Dinh and Hanoi said that water source was available in rivers and lakes, but there needed to use irrigation equipments for water into fields such as pumps, scoops.

Mean while in Ninh Thuan where is frequently dry, 129/250 surveyed people said that they were always lack of water for living and 242/250 surveyed people answered that they were always lack of water for production. Because of water scarity, 56.68% of surveyed people had to pay from 20% to 30% of their income for buying living water and 22% of surveyed people said that they have to spend 10 days a month to buy water for production with rather high cost (about from 20% to 30%). Drought occur frequently in Ninh Thuan, especially from summer in 2014 to the end of 2015 is making riverbeds, streams, lakes being run out of water. According to the People Committee of Ninh Thuan province, prolonged drought affected directly on people's living, for instance over 50,000 people were lack of food and water. Crop were damaged seriously, over 20,000 ha had to be stopped for production, at the same time, prolonged drought also affected directly thousands of livestock which were lack of water to drink resulting in nearly 500 cattle died. According to the survey outcome, up to 95.2% of surveyed people said that they had to leave land for cultivation because of

© 2015 Global Journals Inc. (US)

drought and 99.2% of surveyed people answered that they became poorer and poorer because of frequently continued droughts.

Table 1 : Impacts of droughts and floods on livings of Hanoi's, Nam Dinh's and Ninh Thuan's people in the survey of 2015

Impacts (% surveyed people)	Droughts in Ninh Thuan	Floods in Hanoi and Nam Dinh
Being poorer and poorer	99.2%	75.4%
Loss of crops	96.0%	82.3%
Decrease in productivity	85.2%	67.7%
Influence in health	61.2%	40.3%
Leave land for cultivation	95.2%	42.3%
Change for employment	52.0%	41.1%
Non impacts	4%	14.9%
Total	250	250

Source: Survey outcome of IAMES, 2015.

Loss in economic development related to water source was warned by the World Bank in 2007. According to the assessment of the World Bank in 2007, every year Vietnam lost about 1.3 % of GDP resulting by water pollution equivalent to the Philippines, whereas Cambodia lost about 2.7% of GDP and Indonesia lost appropriate 2.3% of GDP. Regarding as real value, every year Vietnam lost about US$ 780 million because of economic damages resulting from water resource while Indonesia lost about 6.3 US$ billion, the Philippines lost US$ 1.4 billion and Cambodia lost 450 US$ million. Regarding as average income per capita, every year Vietnam lost about US$ 9.3/capita due to economic damages resulting from water resource[4]. Additionally, according to the survey, 85.2% of surveyed people in Ninh Thuan and 67.7% of surveyed people in Hanoi and Nam Dinh said that floods and droughts made productivities decrease. The most dangerous thing was that 95.2% of surveyed people in Ninh Thuan and 42.3% of surveyed people in Hanoi and Nam Dinh said that they had to leave land for cultivation because of droughts and floods. Water pollution affected health of 61.2% of surveyed people in Ninh Thuan and 40.3% of surveyed people in Hanoi and Nam Dinh.

In sector structure of water usage, agriculture accounted for 82% of total water demand in 2008 while industry and consumption only accounted for 18%. It is focused that water demand for agriculture has been huge without any great changes since 1990, for instance, in 1990 agriculture needed to use 91% of total water demand whereas industry and consumption was only 9%). However, water usage and exploitation are not reasonable and lack of sustainability that it has been caused decreasing in water resource while efficiency of water usage is still low, waste of water usage is popular in the whole country. For example, water demand for agriculture is the biggest in Mekong river delta and Hong river basin, representing up to 70% of total water demand in other provinces like Nam Dinh. In fact, real irrigation areas is much lower than planned irrigation ones, only 68% of total irrigation areas in the whole country. It's proven that efficiency of water usage for agriculture is not high, not gaining more active achievements for GDP growth. In aquaculture, waste water from aquaculture processing plants and pollution from aquaculture cause water contamination, especially in Hong river and Mekong river basins. According to data of Nam Dinh's and Hanoi's Departments of Environment in 2014, it's estimated that economic loss by air pollution impacted on local health, every year cost about VND 295,000 per capita. Total cost of cough people in internal Hanoi is up to VND 1,530 per capita every day. Regarding as industrial production, industrial waste water contain a lot of contaminated chemicals when wasting into environment will affect much on quality of water resource. The most polluted water industrial productions are paper, chemicals, textiles, painting… In the whole of Vietnam, there are 154 industrial parks and big sized processing areas, but there are only 43 ones having waste concentrated processing system in spite of only meeting the demand of current waste processing capacity of about 70%.

Apart from, exploitation of hydro irrigation lakes is causing a lot of problems like water control in upstream, water supply and sustains environmental water discharges of downstream because most of them are not designed to have mission for flooding water into downstream areas in dry season. Ninh Thuan is the locality having the poorest volume of ground water, coastal delta in Ninh Thuan has thin watershed and lot of danger of salinization, therefore main water supply for provincial production and living depends on Cai Phan Rang river. However, Ninh Thuan has not enough water storage lakes in rainy season to dry season to save water and drainage when having floods, therefore droughts and floods in Ninh Thuan are very hard. Surface water in Ninh Thuan depends on rainfall, so

[4] World Bank (2007), Economic Impacts of Sanitation in Southeast Asia, Water and Sanitation Programs – East Asia and Pacific (WSP-EAP), November.

© 2015 Global Journals Inc. (US)

discharge in rainy season is very abundant but in dry season, discharge of rivers and streams is being dried. In rainy season, high rainfall concentrates in the area for short time resulting in serious floods in the whole Ninh Thuan province. Water storage lakes like Song Trau lake, Ho Cho Mo lake, Phuoc Trung lake and Thanh Son lake also small and outdated designed capacity without enough capacity to store water in dry season and have to drainage in rainy season. According to the survey in fact, Ninh Thuan has undergone serious floods in 2010 and 2015 damaging a lot of ha of rice, onion…, destroying and flooding many houses, jamming traffic transportation and great economic losses.

IV. Implication for Developing Countries

In recent years, awareness of great losses resulting from insecurity of water source, Vietnam begins to recognize more properly about it. To protect and manage water resource, Law on water resource was issued in 1998 and amended in 2012. Parallel with these, many important regulations to protect water environment such as: Degree No 67/2003/ND-CP on fee of environmental protection for sewage; Degree No 149/2004/ND-CP on permitting explosion, exploitation and usage of water resource, drainage of sewage into water resource; Degree No 34/2005/ND-CP on punishing administrative activities related to water resource; Degree No 88/2007/ND-CP on 28/5/2007 on urban and industrial drainage; Degree No 112/2008/ND-CP on integrated management, protection and exploitation of resources and environment of water storage lakes, hydro powers; Degree No 120/2008/ND – CP on river basin management; Decision No 15/2008/QD-BTNMT on issuing regulations on protection of ground water resource; Circular No 02/2009/TT-BTNMT on regulation on assessing waste water approachment of water resource…According to the survey outcomes, in all localities, 94.8% of total surveyed people said that local authorities also had propaganda to raise awareness of saving water. The main ones consisted of disseminating knowledge (93.9% of total surveyed people answered that); frequently checking (51.4% of total surveyed people answered that); informing cost of water (2.9%) and quota of water (2%). However, regarding to economics, water resource hasn't been fully assessed efficiency of water supply and demand, essential investment to ensure economic growth and sustainable development, real losses resulting from wasting and polluting water, essential economic institutions to ensure water security. Beside to juridical regulations on water ownership, protection and management, it should need to analyze, assess and explain comprehensively water resource in aspect of economic factor to ensure sustainable development. Most of total surveyed people in three provinces like Hanoi, Nam Dinh and Ninh Thuan recommended to build more tap water pipes (390/450 of total surveyed people answered that); advise to process water (272/450); improve water quality (249/450); support to dig wells (224/450) of which especially, constructing more tap water pipes and supporting to dig wells are very essential according to the evaluation of local people.

Due to the reality of water exploitation and usage in Vietnam, it should recommend some implications for developing countries.

Firstly, Vietnam is seen as the world hub of food, however it is able to cause into food crisis when loss of water if there is no solution to protect water resource reasonably. Global climate change is directly influenced all countries of which there is Vietnam. The United Nations awared that Vietnam is one of nations being affected the most by climate change and sustainable management of water resource is one of the most urgent issues.

Secondly, those who much depends on transboundary water resources like Vietnam and some different countries need to be positive to cooperate with neighboring countries to preserve water resource and create sustainable development for downstream ones.

Thirdly, target for economic development is essential but it should ensure water resource for sustainable development. The problems such as: health, diseases, poverty, social security are mainly related to water and expanded rapidly when water resource decrease. In the human history, there are a lot of conflicts and fights related to water among nations and communities. In the coming time, water is seen as the worthiest asset of every nation. That's why it's beneficial to invest into water to get "huge profits" for long time. In the past, Vietnam accepted to replace fresh environment by economic development, therefore it is facing a lot of challenges related to water resource for economic growth and development in the future.

Fourthly, water resource is not infinite and vulnerably effected by climate change, it have to be ready to response whenever having urgent changes. Vietnam is facing a lot of dangers of lossing water resource from inside and outside. Rising in earth temperature decreases surface water, it should be increase in exploiting replaceable ground water, rising in sea level make one part of inland flooded equivalent to limiting river network and saltination. Loss of water resource is in visionable danger. Parallel with different solutions to protect water resource, Vietnam has to make solutions to response negative impacts of climate change.

V. Conclusion

Thanks to the study and analysis, it's possible to say that water is not infinite resource. Scarcity of water or uncertainty of fresh water protection has been making Vietnam meet great challenges in socio-

© 2015 Global Journals Inc. (US)

economic development. In principle, water resource is not considered as common asset, but also commodity with commercial and economic values. All localities and nations must have solutions for investment and exploitation, management of water sources reasonably to be able to meet demand for long time and stable development, mustn't gain achievement of growth at once by accepting trade-off of insecurity of water sources. Price for pay will be expensive for nations and future generations. Water management in accordance with laws, policies and local community participation will help nations to use water resources the most effectively for socio-economic development.

References Références Referencias

1. Ngo Dinh Tuan (2007), "Suitable development and usage of water resource", presented at the Workshop on biodiversity and climate change: relationship with poverty and sustainable development, Water Resource University, Hanoi, 22-23 May 2007.
2. Ministry of Natural Resource and Environment (2011), Water resource in Vietnam: both lack and weak, 30 August 2011.
3. Tran Thanh Xuan (2010), Surface water resource in Vietnam and future challenges, Institute for Hydro Meteorology, Ministry of Natural Resource and Environment.
4. (2012), Impacts of Climate Change on Growth and Economic Development in Vietnam, Statistic Publishing House, Hanoi.
5. World Bank (2007), Economic Impacts of Sanitation in Southeast Asia, Water and Sanitation Programmes – East Asia and Pacific (WSP-EAP), November.
6. United Nations (2012), "Managing water under uncertainty and risk", United Nations World Water Development Report 4, Vol.1.
7. The survey outcome of IAMES on water resources and impacts of floods and droughts for living of local people in rural areas of Ninh Thuan, Nam Dinh, Hanoi and Vietnam.

© 2015 Global Journals Inc. (US)

Global Journal of Management and Business Research: B
Economics and Commerce
Volume 15 Issue 11 Version 1.0 Year 2015
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Money as a Medium of Exchange: Then and Now: Can Technology be a Facilitator of Exchange?

By Amaresh Das
Southern University at Bew Orleans, United States

Abstract- This paper deals with the origin of money through its function as a medium of exchange. Barter can give rise to money through necessitating the use of a standard of value even before calling for the use of a medium of exchange. In a given society at any point in time money is defined in principle simply as the subset of total financial assets and commodities which are actually performing monetary functions. Three main functions are usually suggested. Money is thought to be that which serves as a medium of exchange, standard of value and store of value. Defining money in a particular context would simply involve a judgment as to which items currently possess these properties to a greater or lesser extent. The paper also ascertains whether money originated through its function as a medium of exchange, can explain the dynamics of monetary exchange of most recent days. The paper also ascertains if technological changes can improve the efficiency of the trading process.

Keywords: *medium of exchange, standard of value, store of value gresham's law.*

GJMBR - B Classification : *JEL Code : E40, D51*



Strictly as per the compliance and regulations of:

© 2015. Amaresh Das. This is a research/review paper, distributed under the terms of the Creative Commons Attribution-Noncommercial 3.0 Unported License http://creativecommons.org/licenses/by-nc/3.0/), permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

Money as a Medium of Exchange: Then and Now: Can Technology be a Facilitator of Exchange?

Amaresh Das

Abstract- This paper deals with the origin of money through its function as a medium of exchange. Barter can give rise to money through necessitating the use of a standard of value even before calling for the use of a medium of exchange. In a given society at any point in time money is defined in principle simply as the subset of total financial assets and commodities which are actually performing monetary functions. Three main functions are usually suggested. Money is thought to be that which serves as a medium of exchange, standard of value and store of value. Defining money in a particular context would simply involve a judgment as to which items currently possess these properties to a greater or lesser extent. The paper also ascertains whether money originated through its function as a medium of exchange, can explain the dynamics of monetary exchange of most recent days. The paper also ascertains if technological changes can improve the efficiency of the trading process.

Keywords: medium of exchange, standard of value, store of value gresham's law.

I. Introduction

Before attacking the complex monetary problems of a modern society it is best to arm oneself with a thorough understanding of the fundamental nature of money and its functions and the general framework of the monetary system. Only then one is equipped with the essential tools for attacking contemporary monetary problems. The assumption that money arose from the realization of the inconvenience of barter, popular as it is among economists, needs careful re-examination. This is what the paper principally proposes to do

a) *Money as a Medium of Exchange and as a Store of Value*

Money can act as the standard of value without actually becoming the medium of exchange. In primitive societies, for example, cattle was sometimes used as a standard of value but were not necessarily used as a medium of exchange If the troublesome problem of 'double coincidence of wants' is to be avoided, some readily acceptable thing must be available as a go-between to bring about a smooth and effective exchange of goods. Some form of money, therefore, must be called into use to act as the intermediary or as the 'medium of exchange'. It is not enough that there be a basis for comparing the value of things to be exchanged.

Keynes, being a leading exponent of the nominalist school which regards money primarily as a unit of account, attaches more importance to its standard of value function, stating that initself the use of a mere medium of exchange would hardly have made us emerge from the phase of barter.[1] Although as a general rule the materialist school supports wholeheartedly the medium of exchange theory of the origin of money a few of its members endorsed the standard of value theory. Thus Laughlin, a leading monetary monetarist, stated that as soon as two or three articles entered the field of exchange, reference to a common denominator became imperative. As Laughlin says (1903, p7)

> So natural is this operation of the human mind that the evolution of the standard concept must have preceded the concept of the medium of exchange. In fact, the whole history of money seems to show the existence of a tendency to use as a medium of exchange the article first chosen as a standard of value.

Another prominent member of the 'hard money school' Gregory takes a similar line.[2] According to the standard value theory of the origin of money, it is difficult to see how the medium of exchange could possibly have preceded in chronological order the standard of value, considering that the use of a medium of exchange necessarily implies the use of a standard of value. No nominalist could have put the case for the standard of value theory more forcefully.

There is almost an infinite variety of primitive monetary system, each obeying a particular set of values.

> The economic system of the North American colonies in the early period was too primitive to make the use of coined money indispensable. The

Author: College of Business, Southern University at New Orleans, New Orleans LA,, 70118, USA. e-mail: adas2@cox. net

[1] J. M. Keynes (1930

[2] As Gregory (1933, p 45) writes
The difficulties of pure barter were first overcome by the expression of values in terms of some common prized object before that object served as a medium of exchange and the qualities which fitted the commodity to serve as a common denominator of values would not necessarily fit it to serve as a given medium of exchange.

© 2015 Global Journals Inc. (US)

> economy of the rural district was simple. Most settlers moved within a small radius and did not buy many things from outside. In the opinion of Nettels, early social arrangements were such as to make for the elimination of the use of modern money possible.

According to the standard of value theory of the origin of money, it is difficult to see how the medium of exchange could possibly have preceded in chronological order the standard of value, considering that the use of a medium of exchange necessarily implies the use of a standard of value. If an object comes to be used systematically as an intermediary in the exchange of goods and services, by its function its use implies consciously or otherwise the expression of prices in terms of the object concerned. It fulfills, therefore, the function of the standard of value. On the other hand, the use of a standard of value evidently does not necessarily imply the use of a medium of exchange. Indeed, as Gregory rightly pointed out, the need for a common denominator to facilitate barter must have been felt long before the increase in the volume and diversity of goods made the use of a medium of exchange imperative. So long as there were fixed exchange parities between the principal objects bartered against each other systematically, there were no imperative need for a standard of value with the diversification of products, services and requirements, however, the tariffs of fixed parties tended to become too involved, and the use of some common unit of account became increasingly necessary. There was a tendency to fix ratios in one particular unit or in several units convertible to each other on the basis of fixed parities,[3]

It seems probable that, in many instances, long before primitive man felt impelled to accept for his goods or services an object he did not require for his direct needs he must have come to be induced to value goods and services in terms of some fairly widely used object. This view is contested by Menger who believes that a primitive stage a common denominator was not necessary because early barter was not done for the sake of obtaining equal value, but for the sake of securing what was needed in return in return for what was in superfluity.[4]

> India had primitive currencies which were in use for many centuries B. C. even in those parts of the sub-continent which had reached in advanced civilization. Almost all economic transactions in many villages were carried out without the use of money. When they happen to be rich in money they hoard it in coins which serve as ornaments. Until recently the use of modern money in remote villages in Uttar Pradesh was rare, whether for effecting exchanges or remunerating services. (Hodkin (1931, p 17).

It would seem that the assumption that money necessarily arose from the realization of the inconveniences of barter, popular as is among economists, needs careful re-examination. The medium of exchange theory of the origin of money appears sometimes in an extreme form which suggests that at a certain moment a deliberate decision to adopt money was made, when the increase in the volume of trade made barter conditions intolerable. Economic historians rightly denounce the idea of a deliberate decision to change the system of commercial exchanges as being fully as unrealistic as Rousseau's conception of the conclusion of a *contract social*. The suggestion made by Crowther (1940) that currency must have been the invention of a 'lazy genius' who could not be bothered with the complications arising from barter appears to be equally divorced from reality, while it is just probable that some communities out of untold thousands may have adopted money through the deliberate invention of one person or the deliberate decision of the community, the chances are that in the overwhelmingly majority of instances the evolution of money was an unconscious and gradual process. It is important that economists writing on the subject should realize that institutions such as the division of labor, or private property, or money, are not invented by some genus, lazy or otherwise, on a Sunday afternoon.

It is equally important to bear in mind that money was not invented once for all for the entire globe. While in many instances the institutions may have been copied by various communities from others, very often each community worked out its own salvation independently in its own way, without knowing anything about identical or similar solutions arrived at in other parts of the world. It is impossible to accept the application to money of the different conception implied in Crowther's remarks...

It seems certain that, while in many communities barter without the use of any kind of money continued long after the system had become cumbersome owing to increase in the commercial turnover, in other circumstances some form of money was adopted long before this became absolutely necessary or particularly advantageous from the point of view of the interchange of goods. Apart from instances

[3] In Iceland during the 14th century there existed an elaborate tariff of fixed parities expressed in terms of stock fish on the basis of which all barter transactions were effected. In communities where barter was based on free bargaining the need for a common denominator must have made itself felt at a relatively early stage.

[4] Menger may be right so far as the very early phases are concerned. But then at such early phases the medium of exchange was equally unnecessary. The turnover of goods consisted at that stage largely of exchanges of presents. See Einzig (1947).So, standards of value may have been employed by primitive communities before the adoption of a medium of exchange, though not for the requirements of trade. According to this view money may have been employed even before the development of barter, for the purpose of valuing wealth which required the use of a common denominator.

© 2015 Global Journals Inc. (US)

in which money was first adopted for purposes other than trade, even its premature developments out of barter is conceivable at a stage when the community could well have retained the more primitive method of moneyless trading. Money tends to develop automatically out of barter, through the fact that favorite means of barter are apt to arise. A stage is usually reached when the use of one of the means of barter becomes so widespread that it may be said to have become a medium of exchange. This process was aptly described by Menger who realized the inadequacy of the conception under which pure barter is supposed to have continued until it reduced itself to absurdity through the expansion of turnover, and was then replaced by money[5]

> Metallic money was not unknown in Japan in 700 A.D. In A.D. 713 tax was payable in copper. In the 10th century gold dust became a medium of exchange. At first it was put in a small bag of convenient size (ten ryo). But later it was realized that gold dust often dripped from the mouth of the bag, so it was melted into gold bars and used by weight, the bars being cut as required. The use of gold dust and gold bars continued even after the adoption of coinage, as there were not enough coins. (Takizawa (1927, p 95).

An intermediate stage in the progress from pure barter economy – under which goods are acquired for direct consumption only – to money economy is the employment of some favorite medium of exchange[6]. It seems probable that when money developed out of barter it did so not because barter had become intolerable through an increase in the commercial turnover, but because more and more people found convenient to use the same intermediate goods in their transactions. This may appear to be saying the same things in a different way. In reality there is an essential difference between the negative approach used by many generations of economists who attributed the origin of money to the intolerable inconvenience of barter that forced the community to adopt a reform, and the positive approach suggested here, according to which the method of exchange was improved upon before the old method became intolerable and before an impelling need for the reforms had arisen.

b) Money as a Store of Value

When economists are engaged in a controversy on the question whether the function of money as a medium of exchange preceded its function of money as a standard of value, they are inclined to overlook or under-rate the claim of the store of value function. This is probably due to the fact that an object that is used as a store of value cannot, by that reason alone, be considered as money. It need not necessarily be suitable even subsequently to assume the role of money; many non-monetary objects which are capable of fulfilling the function as a store of value are precluded by their nature from assuming that role.

Jevons (1875) was among the few economists who realized the full significance of the store of value function of money and the possibility that chronologically it may have preceded the other monetary functions. As he writes:

> The use of esteemed articles as a medium for conserving value may in some cases precede their employment as currency. Historically speaking, such a generally esteemed substance as gold seems to have served firstly as a commodity valuable for ornamental purposes; secondly, as a store of wealth; thirdly as medium of exchange, and finally as a measure of value. (p 16)

He quotes instances for the use of gold in the Homeric period as a store of value and points out that it was not until a later period that it that it replaced oxen as a common measure of value. His observation conveys the impression that he considered it essential for an article to be used for ornamental purposes before it could become a store of value.[7]

A detailed examination of the origin of money through its function as a store of value is provided by Rist ((1940) who copiously quotes from Keynes (1930). He famously quotes a remark by Keynes.

> The importance of money essentially flows from its being a link between the present and the future. (Keynes, p 293).

Rist rightly points out that when money loses its capacity to serve as a store of value function – the day paper money begins to depreciate at a rapid pace – it becomes less suitable for acting as a medium of exchange even though it does not altogether lose its capacity of serving that purpose. After both World Wars people in various countries reverted largely to barter, or to the use of primitive money, because their paper money ceased to be suitable to fulfill the function of store of value. Holders of goods were reluctant to

[5] Turner (1929) ridiculed the assumption that primitive communities are necessarily gravely handicapped in trade by the difficulty in effecting direct exchanges between the original producer and the ultimate consumer He pointed out that if the would-be buyer of certain goods are unable to find a seller to accept his goods, he could always improve his bargaining position by swapping his goods against other which were more easily exchangeable. If even these goods did not serve his purpose adequately he could swap them against other goods even more easily acceptable until he gained possession of the right kind of goods with the aid of which he could acquire the goods he really needed.

[6] The increasingly frequent use of one particular medium of barter tended to raise its status gradually and imperceptibly to that of a medium of exchange.

[7] This is by no means necessarily so. Goods such as wheat, oxen, smoked fibre mats, etc., were used as a store of value even though they could not be described as ornamental

© 2015 Global Journals Inc. (US)

accept notes even for a few hours and preferred to employ as a medium of exchange goods capable of playing the part of a store of value. Rist makes it quite clear that an object cannot satisfactorily fulfill the function of a medium of exchange unless the recipients are prepared to hold it temporarily at any rate in its capacity of a store of value.[8]

c) Gresham's Law

If two or more different kinds of currencies are legal tender, and have a fixed ratio in relation to each other, then the one which is over-valued compared to its free market price is apt to remain in circulation while the under-valued one is likely to disappear. This later came to be known as Gresham's Law. The principle that bad money drives out good money operates in another sense. During periods of debasement the debased currencies are apt to remain in circulation while the full-valued currencies are apt to disappear through hoarding, industrial use or export. There are many instances in the evidence on the behavior of primitive currencies to show that Gresham's Law applies to them in both senses. On the other hand, in many other instances primitive currencies have defied Gresham's Law. An instance of the operation of Gresham's Law is provided by India and Burma where until comparatively recently rice served as a medium of exchange, and only inferior rice remained in circulation. Yet, another instance of the same kind is that of tobacco currency in Virginia, the use of which led to a market determination of the quality of tobacco produced for the requirement of monetary circulation.[9]

The operation of Gresham's Law in primitive societies, however, at a more advanced data is at times apt to be handicapped by the lack of adequate export facilities. The use of some primitive currencies is confined to a particular community and cannot be exported at all. The dual character of many primitive currencies facilitates the operation of Gresham's Law. If one of several currencies in use becomes over-valued it is apt to become diverted to non-monetary use and the under-valued currencies remain in circulation.

[8] This does not necessarily mean, however, that their function of store of value is always the origin of its other functions. Indeed, since a time lag must necessarily elapse between the acceptance of money in payment and its subsequent use in payment, be it only a few days, or a few hours or, even a few minutes. During the Second World War the depreciation of the Chinese paper money assumed such proportion that sellers of goods were unwilling to keep it as a store of value even for the briefest possible period.

[9] This is also true of other commodities serving as currencies in the old American colonies. There was also a tendency for inferior, badly strung or faked wampum to remain in circulation among the colonies, for the simple reason that in trade with the Indians only perfect specimens were accepted. The working of the cigarette standard in prisoner's camps during the Second World War also illustrated the functioning of Gresham's Law. Usually the cigarettes of favorite brands disappeared; they were either consumed or hoarded. Only less popular brands of hand-filled cigarettes remained in circulation. See Bagehot (1915).

II. Money and the Medium of Exchange

The standard of view of money, that is primarily a technical device for overcoming the inefficiency of barter, led on naturally to the characteristic dual perspective on the relationship between money and real economic activity, which is found in most mainstream monetary and macroeconomic theory. Although the existence of money is accepted (seemingly grudgingly) as part of the background of economic institutions, monetary changes *within* a given framework are still regarded as essentially neutral.

a) Is Money Neutral? the Role of Technology

The 'invention' of money must at one time have had some sort of impact in moving the economy away from the original state of barter; but there is no further ongoing relationship between money and real. economic activity. Money is, therefore, at once very important and yet unimportant, Trautwe in (1993) puts this nicely when discussing 'the standard view of money as a requisite but essentially neutral lubricant of economic activity. The reason for this shift is not difficult to find. The orthodox economic theory of the latter part of the twentieth century is essentially *Walrasian* in the sense that a framework is adopted in which the coordination of exchange activities in a general equilibrium setting is seen as unproblematic. Models based explicitly or implicitly on Walrasian 'microfoundations' therefore have no real role for money to play. ((Laidler (1990), Hahn (1983)). The Walrasian auctioneer provides a (fictitious) method of coordinating activities in a market economy without the need for any other agency, and it is hardly surprising that models that easily solve problems of information and coordination in this way can find no role for money (Bell (2001)..

Another way of putting the point would be to say that technological advances can be assumed to make the Walrasian vision of the economy a potential reality instead of just a convenient theoretical fiction. With the advance of technology. most recent modelling efforts involving search, storage cost, 'shopping time' and so on, obviously do intend to remedy this particular defect but again fit awkwardly into a structure which originally presumed to solve all such problems *a p r i o r i* vis relative price signals. In the primitive communities, exchange of goods would have required barter between agents with coincident endowment and wants. However in modern day at an advanced level of division of labor, one may trade by getting something one does already possess but which, as judged from past history, one will be able to sell later easily to others. For a suitable range of the number of units per trader and the number of differentiated products available, traders have enough holes in their inventories to barter, but, after sometime trades involving money play an important role; and sometimes no trade at all is possible in an encounter of two randomly selected traders. Which product evolves

© 2015 Global Journals Inc. (US)

as the most desired 'money' thus depends on the random dynamics of the market, without outside interference and without any special property of that product at the beginning.

This result conforms to statistics where 'everything' can be described by randomness, whether it is Boltzmann statistics for thermodynamics, the build-up of social hierarchies or the value of the European currency. Economists might regard this view as oversimplified. For a recent model, the time dependence could be quantified: a stationary state is reached if every trader has several chances to trade with every other possible trader., the distribution of times for which one currency stays on top then appears to follow a stretched exponential. Other models of statistical mechanics of money' are discussed in Stauffer (2001).

Looking up contributions such as the work by Jones ((1976) or the seminal paper by Kiyotaki and Wright ((1985), one finds almost the same structure of analysis. Following then the prevalent style of reasoning in their subject they were theoretical investigations into the nature of equilibria in an economy with a large number of goods rather than a truly dynamic model of the emergence of money. The question pursued is under what conditions one would find a 'monetary equilibrium' in which one of the available goods emerges as a medium of exchange and under what conditions the economy remains stuck in a situation of barter trade. Like in many other areas in economics, the demonstration of the existence of multiple equilibria (barter vs monetary equilibrium as well as different monetary equilibria) pointed to the necessity of investigating out-of equilibrium dynamics.

To give the reader a feeling of the typical approach pursued in economics in modern days we give a short sketch of the basic ingredients of the seminal Kiyotaki and Wright model that has stimulated a whole branch of recent economic literature. The setup is, in fact, more of an example than that of a general model of a multi-good economy. In particular, it is assumed that there are three commodities in the economy which are called goods 1,2.3. there is also an infinite number of individuals who specialize in both production and consumption: type *i.*[$i = 1, 2, 3$] agents derive pleasure (utility) only from the consumption of good *i*and are able to produce only good $i \mp j$.

A typical example used in many of the pertinent contribution has the following structure of consumption and production:

i	1	2	3
i'	2	3	1

This implies that there is no 'double coincidence of wants' in the economy. Therefore, intermediate trading of goods by agents who do not desire them as consumption goods is required for the satisfaction of the need of these agents. It id furthermore assumed that in every period there is a random matching process that assigns every agent to a pair with one other agent within the economy. Pairs of agents then have the chance to trade with each other (exchange their goods).

In the theoretical papers on this subject, the focus is on the detection and characterization of steady state Nash equilibria.: sets of trading strategies of each type of agents together with the steady state distribution of goods resulting from these strategies, so that each individual maximizes its expected utility under full information (rational expectations) about the strategies pursued by other individuals. There are also storage costs per period for goods that are not consumed by their owners. The distribution of both the instantaneous utilities derived from consumption and the storage costs are crucial for the types of Nash equilibria that exist in the model. These goods with lower storage costs are, then, more likely to emerge as 'moneys' due to their more convenient properties. A particular interesting situation is the coexistence of the so-called 'fundamental' and 'speculative' equilibria. In the former, only goods with lower storage costs are accepted by the agents, while in the latter case some low-storage costs are also traded against high-storage commodities. The second case[10] is the most interesting one as it corresponds to the 'emergence of money'; certain goods are not traded not because of their intrinsic values but purely because they are accepted by other agents.

[10] To solve the steady state equilibria requires us to consider the development of expected lifetime utility for each group of agents:

$$E \sum_{t=0}^{\infty} \beta^t [\, I_i^u(t) U_i - I_t^D(t) D_t - I_{ij}^C(t) C_{ij} \,]$$

Where U_t is the instantaneous utility from consumption, D_t the instantaneous disutility, C_{ij} the storage costs of goods j for types i, $\beta <$ 1 is the discount factor and I_i^u , I_i^D , I_{ij}^C are indicator functions assuming the value 1 at any period t in which consumption, production or exchange take place and 0 otherwise. Bellman's approach in dynamic programming allows us to express this problem in terms of value function of certain states. For example,

$$V_i(j) = -C_{ij} + \max \beta E [\, V_i(j)' \mid j \,]$$

could be used to denote the value for an individual of group *i* to currently own one unit good *j*. The value $V_i(j)$ of this scenario consists of an instantaneous disutility, $-C_{ij}$ the negative storage costs incurred by this agent plus the discounted value of the expected change in its situation in the next period, $E[V_i(J')\mid J]$.

© 2015 Global Journals Inc. (US)

III. Concluding Remarks

It seems to be a mistake to assume that barter became reduced to absurdity at an early phase of economic progress. The chances are that in the majority of communities it survived long after its replacement by some form of monetary system became possible through technical and, of course, intellectual progress. Notwithstanding the limitations of the store of value theory, it undoubtedly contains a large part of the truth, and it is indispensable for an understanding of the evolution of money. Although recent direction toward a dynamic monetary exchange further facilitate our understanding of money, any rigorous derivation of the type of Nash equilibria outlined above is still a combinatorial nightmare. A fact that is liable to impress one more than anything else as a result of a study of the background to primitive money is the possibility of a wide variety of causes leading to the same solution, and of the same cause leading to a wide variety of solutions.

A comprehensive approach to the basic nature and functions of money, then, suggests that the origin of money lie, not so much in the need to eliminate the inefficiency of barter in an exchange economy but in social practice. There is an evolutionary aspect to the relationship between the monetary and credit systems as first suggested by Moore's distinction between commodity money, fiat money and credit money and Chik's identification of five stylized 'stages of banking' in the evolution of the modern financial system.

Advocates of technology-based 'free banking' which refers to the elimination of what is seen as government 'interference' in currency and banking affairs, have stressed the medium of exchange function and hence criticized the recent monetary economics (NME) on these grounds, even though sharing with the latter group a preference for *laissez-faire* in the financial services industry. For example, many monetarists assert the relevance of Menger's (1892) approach even in the present day Menger's theory attempts to explain the convergence of a market system on a common monetary standard purely in terms of the self-interest of traders in the system, and without the need to invoke any form of legal or social restrictions. An 'invisible hand' argument is used to suggest that trader's interest in reducing transactions costs will prompt eventual convergence on a single commodity as the standard. Technological changes can certainly improve the efficiency of both the trading and accounting process and also change the external form of the various assets into which the necessary 'trust and confidence' may be reposed. It is doubtful, however, that technology alone will succeed in eliminating the basic features of a modern day monetary problem.

References Références Referencias

1. Bagehot, W (1915) *Lombard Street: A Description of the Money Market*, London, John Murray.
2. Bell, S (2001) The Role of the State and the hierarchy of Money, *Cambridge Journal of Economics*, 25,pp 149-63.
3. Einzig, Paul (1947) *Primitive Money in its Ethnological, Historical and Economic Aspects,* Eyre and Spottiswoode, London.
4. Jevons,Stanley (1875) *Money and the Mechanics of Exchange*, D Appleton and Co, New York.
5. Keynes, J .M (1930) *A Treatise on Money*, Vol 1, Thomas Nelson and Sons, London.
6. Kiyotaki N and Wright R (1985) On Money as a Medium of Exchange *Journal of Political Economy*,97, pp 924-54.
7. Laidler D W (11989) Dow and Saville's Critique of Monetary Policy – A Review Essay, *Journal of Economic Literature,* 27 pp 1147 -59 Laughlin, J L (1903) *Principles of Money*, New York.
8. Menger, C (1892) On the Origin of Money *Economic Journal* 2, pp 235-55.
9. Crowther, G. (1940) *An Outline of Money*, Harcourt Bacon and Company, London.
10. Rist, Charles (1940) *History of Monetary and Credit Theory from John Law to the Present Day,* London.
11. Takizawa, M (1927) *The Penetration of Money Economy in Japan,* Columbia University Press, New York.
12. Trautwein, H M (1993) A Fundamental Controversy about Money: Post Keynesian and New Monetary Economics' in G. Mongiovi and C. Ruhl (eds) *Macro Economic Theory: Diversity and Convergence,* Edward Elgar.
13. Turner, George (1884) *Samoa a Hundred Years Ago*, London.

© 2015 Global Journals Inc. (US)

Global Journals Inc. (US) Guidelines Handbook 2015

www.GlobalJournals.org

FELLOW OF ASSOCIATION OF RESEARCH SOCIETY IN BUSINESS (FARSB)

Global Journals Incorporate (USA) is accredited by Open Association of Research Society (OARS), U.S.A and in turn, awards "FARSB" title to individuals. The 'FARSB' title is accorded to a selected professional after the approval of the Editor-in-Chief/Editorial Board Members/Dean.



- The "FARSB" is a dignified title which is accorded to a person's name viz. Dr. John E. Hall, Ph.D., FARSB or William Walldroff, M.S., FARSB.

FARSB accrediting is an honor. It authenticates your research activities. After recognition as FARSB, you can add 'FARSB' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, and Visiting Card etc.

The following benefits can be availed by you only for next three years from the date of certification:

FARSB designated members are entitled to avail a 40% discount while publishing their research papers (of a single author) with Global Journals Incorporation (USA), if the same is accepted by Editorial Board/Peer Reviewers. If you are a main author or co-author in case of multiple authors, you will be entitled to avail discount of 10%.

Once FARSB title is accorded, the Fellow is authorized to organize a symposium/seminar/conference on behalf of Global Journal Incorporation (USA).The Fellow can also participate in conference/seminar/symposium organized by another institution as representative of Global Journal. In both the cases, it is mandatory for him to discuss with us and obtain our consent.





You may join as member of the Editorial Board of Global Journals Incorporation (USA) after successful completion of three years as Fellow and as Peer Reviewer. In addition, it is also desirable that you should organize seminar/symposium/conference at least once.

We shall provide you intimation regarding launching of e-version of journal of your stream time to time.This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.



The FARSB can go through standards of OARS. You can also play vital role if you have any suggestions so that proper amendment can take place to improve the same for the benefit of entire research community.

As FARSB, you will be given a renowned, secure and free professional email address with 100 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders,Auto-Responders, Email Delivery Route tracing, etc.





The FARSB will be eligible for a free application of standardization of their researches. Standardization of research will be subject to acceptability within stipulated norms as the next step after publishing in a journal. We shall depute a team of specialized research professionals who will render their services for elevating your researches to next higher level, which is worldwide open standardization.

The FARSB member can apply for grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A. Once you are designated as FARSB, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria. After certification of all your credentials by OARS, they will be published on your Fellow Profile link on website https://associationofresearch.org which will be helpful to upgrade the dignity.



The FARSB members can avail the benefits of free research podcasting in Global Research Radio with their research documents. After publishing the work, (including published elsewhere worldwide with proper authorization) you can upload your research paper with your recorded voice or you can utilize chargeable services of our professional RJs to record your paper in their voice on request.

The FARSB member also entitled to get the benefits of free research podcasting of their research documents through video clips. We can also streamline your conference videos and display your slides/ online slides and online research video clips at reasonable charges, on request.

© Copyright by Global Journals Inc.(US)| Guidelines Handbook



The FARSB is eligible to earn from sales proceeds of his/her researches/reference/review Books or literature, while publishing with Global Journals. The FARSB can decide whether he/she would like to publish his/her research in a closed manner. In this case, whenever readers purchase that individual research paper for reading, maximum 60% of its profit earned as royalty by Global Journals, will be credited to his/her bank account. The entire entitled amount will be credited to his/her bank account exceeding limit of minimum fixed balance. There is no minimum time limit for collection. The FARSC member can decide its price and we can help in making the right decision.

The FARSB member is eligible to join as a paid peer reviewer at Global Journals Incorporation (USA) and can get remuneration of 15% of author fees, taken from the author of a respective paper. After reviewing 5 or more papers you can request to transfer the amount to your bank account.



MEMBER OF ASSOCIATION OF RESEARCH SOCIETY IN BUSINESS (MARSB)

The ' MARSB ' title is accorded to a selected professional after the approval of the Editor-in-Chief / Editorial Board Members/Dean.



The "MARSB" is a dignified ornament which is accorded to a person's name viz. Dr. John E. Hall, Ph.D., MARSB or William Walldroff, M.S., MARSB.

MARSB accrediting is an honor. It authenticates your research activities. After becoming MARSB, you can add 'MARSB' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, Visiting Card and Name Plate etc.

The following benefitscan be availed by you only for next three years from the date of certification.



MARSB designated members are entitled to avail a 25% discount while publishing their research papers (of a single author) in Global Journals Inc., if the same is accepted by our Editorial Board and Peer Reviewers. If you are a main author or co-author of a group of authors, you will get discount of 10%.

As MARSB, you will be given a renowned, secure and free professional email address with 30 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders,Auto-Responders, Email Delivery Route tracing, etc.



© Copyright by Global Journals Inc.(US) | Guidelines Handbook



We shall provide you intimation regarding launching of e-version of journal of your stream time to time.This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.



The MARSB member can apply for approval, grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A.



Once you are designated as MARSB, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria.

It is mandatory to read all terms and conditions carefully.

© Copyright by Global Journals Inc.(US)| Guidelines Handbook

AUXILIARY MEMBERSHIPS

Institutional Fellow of Open Association of Research Society (USA)-OARS (USA)

Global Journals Incorporation (USA) is accredited by Open Association of Research Society, U.S.A (OARS) and in turn, affiliates research institutions as "Institutional Fellow of Open Association of Research Society" (IFOARS).



The "FARSC" is a dignified title which is accorded to a person's name viz. Dr. John E. Hall, Ph.D., FARSC or William Walldroff, M.S., FARSC.

The IFOARS institution is entitled to form a Board comprised of one Chairperson and three to five board members preferably from different streams. The Board will be recognized as "Institutional Board of Open Association of Research Society"-(IBOARS).

The Institute will be entitled to following benefits:

The IBOARS can initially review research papers of their institute and recommend them to publish with respective journal of Global Journals. It can also review the papers of other institutions after obtaining our consent. The second review will be done by peer reviewer of Global Journals Incorporation (USA) The Board is at liberty to appoint a peer reviewer with the approval of chairperson after consulting us.

The author fees of such paper may be waived off up to 40%.

The Global Journals Incorporation (USA) at its discretion can also refer double blind peer reviewed paper at their end to the board for the verification and to get recommendation for final stage of acceptance of publication.





The IBOARS can organize symposium/seminar/conference in their country on behalf of Global Journals Incorporation (USA)-OARS (USA). The terms and conditions can be discussed separately.

The Board can also play vital role by exploring and giving valuable suggestions regarding the Standards of "Open Association of Research Society, U.S.A (OARS)" so that proper amendment can take place for the benefit of entire research community. We shall provide details of particular standard only on receipt of request from the Board.



The board members can also join us as Individual Fellow with 40% discount on total fees applicable to Individual Fellow. They will be entitled to avail all the benefits as declared. Please visit Individual Fellow-sub menu of GlobalJournals.org to have more relevant details.

© Copyright by Global Journals Inc.(US) | Guidelines Handbook

We shall provide you intimation regarding launching of e-version of journal of your stream time to time. This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.



After nomination of your institution as "Institutional Fellow" and constantly functioning successfully for one year, we can consider giving recognition to your institute to function as Regional/Zonal office on our behalf.
The board can also take up the additional allied activities for betterment after our consultation.

The following entitlements are applicable to individual Fellows:



Open Association of Research Society, U.S.A (OARS) By-laws states that an individual Fellow may use the designations as applicable, or the corresponding initials. The Credentials of individual Fellow and Associate designations signify that the individual has gained knowledge of the fundamental concepts. One is magnanimous and proficient in an expertise course covering the professional code of conduct, and follows recognized standards of practice.

Open Association of Research Society (US)/ Global Journals Incorporation (USA), as described in Corporate Statements, are educational, research publishing and professional membership organizations. Achieving our individual Fellow or Associate status is based mainly on meeting stated educational research requirements.



Disbursement of 40% Royalty earned through Global Journals : Researcher = 50%, Peer Reviewer = 37.50%, Institution = 12.50% E.g. Out of 40%, the 20% benefit should be passed on to researcher, 15 % benefit towards remuneration should be given to a reviewer and remaining 5% is to be retained by the institution.

We shall provide print version of 12 issues of any three journals [as per your requirement] out of our 38 journals worth $ 2376 USD.

Other:

The individual Fellow and Associate designations accredited by Open Association of Research Society (US) credentials signify guarantees following achievements:

- The professional accredited with Fellow honor, is entitled to various benefits viz. name, fame, honor, regular flow of income, secured bright future, social status etc.

© Copyright by Global Journals Inc.(US)| Guidelines Handbook

- In addition to above, if one is single author, then entitled to 40% discount on publishing research paper and can get 10%discount if one is co-author or main author among group of authors.
- The Fellow can organize symposium/seminar/conference on behalf of Global Journals Incorporation (USA) and he/she can also attend the same organized by other institutes on behalf of Global Journals.
- The Fellow can become member of Editorial Board Member after completing 3yrs.
- The Fellow can earn 60% of sales proceeds from the sale of reference/review books/literature/publishing of research paper.
- Fellow can also join as paid peer reviewer and earn 15% remuneration of author charges and can also get an opportunity to join as member of the Editorial Board of Global Journals Incorporation (USA)
- • This individual has learned the basic methods of applying those concepts and techniques to common challenging situations. This individual has further demonstrated an in–depth understanding of the application of suitable techniques to a particular area of research practice.

Note :

"

- In future, if the board feels the necessity to change any board member, the same can be done with the consent of the chairperson along with anyone board member without our approval.
- In case, the chairperson needs to be replaced then consent of 2/3rd board members are required and they are also required to jointly pass the resolution copy of which should be sent to us. In such case, it will be compulsory to obtain our approval before replacement.
- In case of "Difference of Opinion [if any]" among the Board members, our decision will be final and binding to everyone.

"

Process of submission of Research Paper

The Area or field of specialization may or may not be of any category as mentioned in 'Scope of Journal' menu of the GlobalJournals.org website. There are 37 Research Journal categorized with Six parental Journals GJCST, GJMR, GJRE, GJMBR, GJSFR, GJHSS. For Authors should prefer the mentioned categories. There are three widely used systems UDC, DDC and LCC. The details are available as 'Knowledge Abstract' at Home page. The major advantage of this coding is that, the research work will be exposed to and shared with all over the world as we are being abstracted and indexed worldwide.

The paper should be in proper format. The format can be downloaded from first page of 'Author Guideline' Menu. The Author is expected to follow the general rules as mentioned in this menu. The paper should be written in MS-Word Format (*.DOC,*.DOCX).

The Author can submit the paper either online or offline. The authors should prefer online submission.Online Submission: There are three ways to submit your paper:

(A) (I) First, register yourself using top right corner of Home page then Login. If you are already registered, then login using your username and password.

(II) Choose corresponding Journal.

(III) Click 'Submit Manuscript'. Fill required information and Upload the paper.

(B) If you are using Internet Explorer, then Direct Submission through Homepage is also available.

(C) If these two are not convenient, and then email the paper directly to dean@globaljournals.org.

Offline Submission: Author can send the typed form of paper by Post. However, online submission should be preferred.



© Copyright by Global Journals Inc.(US)| Guidelines Handbook

Preferred Author Guidelines

MANUSCRIPT STYLE INSTRUCTION (Must be strictly followed)

Page Size: 8.27" X 11'"

- Left Margin: 0.65
- Right Margin: 0.65
- Top Margin: 0.75
- Bottom Margin: 0.75
- Font type of all text should be Swis 721 Lt BT.
- Paper Title should be of Font Size 24 with one Column section.
- Author Name in Font Size of 11 with one column as of Title.
- Abstract Font size of 9 Bold, "Abstract" word in Italic Bold.
- Main Text: Font size 10 with justified two columns section
- Two Column with Equal Column with of 3.38 and Gaping of .2
- First Character must be three lines Drop capped.
- Paragraph before Spacing of 1 pt and After of 0 pt.
- Line Spacing of 1 pt
- Large Images must be in One Column
- Numbering of First Main Headings (Heading 1) must be in Roman Letters, Capital Letter, and Font Size of 10.
- Numbering of Second Main Headings (Heading 2) must be in Alphabets, Italic, and Font Size of 10.

You can use your own standard format also.
Author Guidelines:

1. General,

2. Ethical Guidelines,

3. Submission of Manuscripts,

4. Manuscript's Category,

5. Structure and Format of Manuscript,

6. After Acceptance.

1. GENERAL

Before submitting your research paper, one is advised to go through the details as mentioned in following heads. It will be beneficial, while peer reviewer justify your paper for publication.

Scope

The Global Journals Inc. (US) welcome the submission of original paper, review paper, survey article relevant to the all the streams of Philosophy and knowledge. The Global Journals Inc. (US) is parental platform for Global Journal of Computer Science and Technology, Researches in Engineering, Medical Research, Science Frontier Research, Human Social Science, Management, and Business organization. The choice of specific field can be done otherwise as following in Abstracting and Indexing Page on this Website. As the all Global

Journals Inc. (US) are being abstracted and indexed (in process) by most of the reputed organizations. Topics of only narrow interest will not be accepted unless they have wider potential or consequences.

2. ETHICAL GUIDELINES

Authors should follow the ethical guidelines as mentioned below for publication of research paper and research activities.

Papers are accepted on strict understanding that the material in whole or in part has not been, nor is being, considered for publication elsewhere. If the paper once accepted by Global Journals Inc. (US) and Editorial Board, will become the copyright of the Global Journals Inc. (US).

Authorship: The authors and coauthors should have active contribution to conception design, analysis and interpretation of findings. They should critically review the contents and drafting of the paper. All should approve the final version of the paper before submission

The Global Journals Inc. (US) follows the definition of authorship set up by the Global Academy of Research and Development. According to the Global Academy of R&D authorship, criteria must be based on:

1) Substantial contributions to conception and acquisition of data, analysis and interpretation of the findings.

2) Drafting the paper and revising it critically regarding important academic content.

3) Final approval of the version of the paper to be published.

All authors should have been credited according to their appropriate contribution in research activity and preparing paper. Contributors who do not match the criteria as authors may be mentioned under Acknowledgement.

Acknowledgements: Contributors to the research other than authors credited should be mentioned under acknowledgement. The specifications of the source of funding for the research if appropriate can be included. Suppliers of resources may be mentioned along with address.

Appeal of Decision: The Editorial Board's decision on publication of the paper is final and cannot be appealed elsewhere.

Permissions: It is the author's responsibility to have prior permission if all or parts of earlier published illustrations are used in this paper.

Please mention proper reference and appropriate acknowledgements wherever expected.

If all or parts of previously published illustrations are used, permission must be taken from the copyright holder concerned. It is the author's responsibility to take these in writing.

Approval for reproduction/modification of any information (including figures and tables) published elsewhere must be obtained by the authors/copyright holders before submission of the manuscript. Contributors (Authors) are responsible for any copyright fee involved.

3. SUBMISSION OF MANUSCRIPTS

Manuscripts should be uploaded via this online submission page. The online submission is most efficient method for submission of papers, as it enables rapid distribution of manuscripts and consequently speeds up the review procedure. It also enables authors to know the status of their own manuscripts by emailing us. Complete instructions for submitting a paper is available below.

Manuscript submission is a systematic procedure and little preparation is required beyond having all parts of your manuscript in a given format and a computer with an Internet connection and a Web browser. Full help and instructions are provided on-screen. As an author, you will be prompted for login and manuscript details as Field of Paper and then to upload your manuscript file(s) according to the instructions.

To avoid postal delays, all transaction is preferred by e-mail. A finished manuscript submission is confirmed by e-mail immediately and your paper enters the editorial process with no postal delays. When a conclusion is made about the publication of your paper by our Editorial Board, revisions can be submitted online with the same procedure, with an occasion to view and respond to all comments.

Complete support for both authors and co-author is provided.

4. MANUSCRIPT'S CATEGORY

Based on potential and nature, the manuscript can be categorized under the following heads:

Original research paper: Such papers are reports of high-level significant original research work.

Review papers: These are concise, significant but helpful and decisive topics for young researchers.

Research articles: These are handled with small investigation and applications

Research letters: The letters are small and concise comments on previously published matters.

5.STRUCTURE AND FORMAT OF MANUSCRIPT

The recommended size of original research paper is less than seven thousand words, review papers fewer than seven thousands words also.Preparation of research paper or how to write research paper, are major hurdle, while writing manuscript. The research articles and research letters should be fewer than three thousand words, the structure original research paper; sometime review paper should be as follows:

Papers: These are reports of significant research (typically less than 7000 words equivalent, including tables, figures, references), and comprise:

(a)Title should be relevant and commensurate with the theme of the paper.

(b) A brief Summary, "Abstract" (less than 150 words) containing the major results and conclusions.

(c) Up to ten keywords, that precisely identifies the paper's subject, purpose, and focus.

(d) An Introduction, giving necessary background excluding subheadings; objectives must be clearly declared.

(e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition; sources of information must be given and numerical methods must be specified by reference, unless non-standard.

(f) Results should be presented concisely, by well-designed tables and/or figures; the same data may not be used in both; suitable statistical data should be given. All data must be obtained with attention to numerical detail in the planning stage. As reproduced design has been recognized to be important to experiments for a considerable time, the Editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned un-refereed;

(g) Discussion should cover the implications and consequences, not just recapitulating the results; conclusions should be summarizing.

(h) Brief Acknowledgements.

(i) References in the proper form.

Authors should very cautiously consider the preparation of papers to ensure that they communicate efficiently. Papers are much more likely to be accepted, if they are cautiously designed and laid out, contain few or no errors, are summarizing, and be conventional to the approach and instructions. They will in addition, be published with much less delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and to make suggestions to improve briefness.

It is vital, that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.

Format

Language: The language of publication is UK English. Authors, for whom English is a second language, must have their manuscript efficiently edited by an English-speaking person before submission to make sure that, the English is of high excellence. It is preferable, that manuscripts should be professionally edited.

Standard Usage, Abbreviations, and Units: Spelling and hyphenation should be conventional to The Concise Oxford English Dictionary. Statistics and measurements should at all times be given in figures, e.g. 16 min, except for when the number begins a sentence. When the number does not refer to a unit of measurement it should be spelt in full unless, it is 160 or greater.

Abbreviations supposed to be used carefully. The abbreviated name or expression is supposed to be cited in full at first usage, followed by the conventional abbreviation in parentheses.

Metric SI units are supposed to generally be used excluding where they conflict with current practice or are confusing. For illustration, 1.4 l rather than 1.4 × 10-3 m3, or 4 mm somewhat than 4 × 10-3 m. Chemical formula and solutions must identify the form used, e.g. anhydrous or hydrated, and the concentration must be in clearly defined units. Common species names should be followed by underlines at the first mention. For following use the generic name should be constricted to a single letter, if it is clear.

Structure

All manuscripts submitted to Global Journals Inc. (US), ought to include:

Title: The title page must carry an instructive title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) wherever the work was carried out. The full postal address in addition with the e-mail address of related author must be given. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining and indexing.

Abstract, used in Original Papers and Reviews:

Optimizing Abstract for Search Engines

Many researchers searching for information online will use search engines such as Google, Yahoo or similar. By optimizing your paper for search engines, you will amplify the chance of someone finding it. This in turn will make it more likely to be viewed and/or cited in a further work. Global Journals Inc. (US) have compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

Key Words

A major linchpin in research work for the writing research paper is the keyword search, which one will employ to find both library and Internet resources.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy and planning a list of possible keywords and phrases to try.

Search engines for most searches, use Boolean searching, which is somewhat different from Internet searches. The Boolean search uses "operators," words (and, or, not, and near) that enable you to expand or narrow your affords. Tips for research paper while preparing research paper are very helpful guideline of research paper.

Choice of key words is first tool of tips to write research paper. Research paper writing is an art.A few tips for deciding as strategically as possible about keyword search:

- One should start brainstorming lists of possible keywords before even begin searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in research paper?" Then consider synonyms for the important words.
- It may take the discovery of only one relevant paper to let steer in the right keyword direction because in most databases, the keywords under which a research paper is abstracted are listed with the paper.
- One should avoid outdated words.

Keywords are the key that opens a door to research work sources. Keyword searching is an art in which researcher's skills are bound to improve with experience and time.

Numerical Methods: Numerical methods used should be clear and, where appropriate, supported by references.

Acknowledgements: Please make these as concise as possible.

References

References follow the Harvard scheme of referencing. References in the text should cite the authors' names followed by the time of their publication, unless there are three or more authors when simply the first author's name is quoted followed by et al. unpublished work has to only be cited where necessary, and only in the text. Copies of references in press in other journals have to be supplied with submitted typescripts. It is necessary that all citations and references be carefully checked before submission, as mistakes or omissions will cause delays.

References to information on the World Wide Web can be given, but only if the information is available without charge to readers on an official site. Wikipedia and Similar websites are not allowed where anyone can change the information. Authors will be asked to make available electronic copies of the cited information for inclusion on the Global Journals Inc. (US) homepage at the judgment of the Editorial Board.

The Editorial Board and Global Journals Inc. (US) recommend that, citation of online-published papers and other material should be done via a DOI (digital object identifier). If an author cites anything, which does not have a DOI, they run the risk of the cited material not being noticeable.

The Editorial Board and Global Journals Inc. (US) recommend the use of a tool such as Reference Manager for reference management and formatting.

Tables, Figures and Figure Legends

Tables: Tables should be few in number, cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g. Table 4, a self-explanatory caption and be on a separate sheet. Vertical lines should not be used.

Figures: Figures are supposed to be submitted as separate files. Always take in a citation in the text for each figure using Arabic numbers, e.g. Fig. 4. Artwork must be submitted online in electronic form by e-mailing them.

Preparation of Electronic Figures for Publication

Even though low quality images are sufficient for review purposes, print publication requires high quality images to prevent the final product being blurred or fuzzy. Submit (or e-mail) EPS (line art) or TIFF (halftone/photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Do not use pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings) in relation to the imitation size. Please give the data for figures in black and white or submit a Color Work Agreement Form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution (at final image size) ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs) : >350 dpi; figures containing both halftone and line images: >650 dpi.

Color Charges: It is the rule of the Global Journals Inc. (US) for authors to pay the full cost for the reproduction of their color artwork. Hence, please note that, if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a color work agreement form before your paper can be published.

Figure Legends: Self-explanatory legends of all figures should be incorporated separately under the heading 'Legends to Figures'. In the full-text online edition of the journal, figure legends may possibly be truncated in abbreviated links to the full screen version. Therefore, the first 100 characters of any legend should notify the reader, about the key aspects of the figure.

6. AFTER ACCEPTANCE

Upon approval of a paper for publication, the manuscript will be forwarded to the dean, who is responsible for the publication of the Global Journals Inc. (US).

6.1 Proof Corrections

The corresponding author will receive an e-mail alert containing a link to a website or will be attached. A working e-mail address must therefore be provided for the related author.

Acrobat Reader will be required in order to read this file. This software can be downloaded

(Free of charge) from the following website:

www.adobe.com/products/acrobat/readstep2.html. This will facilitate the file to be opened, read on screen, and printed out in order for any corrections to be added. Further instructions will be sent with the proof.

Proofs must be returned to the dean at dean@globaljournals.org within three days of receipt.

As changes to proofs are costly, we inquire that you only correct typesetting errors. All illustrations are retained by the publisher. Please note that the authors are responsible for all statements made in their work, including changes made by the copy editor.

6.2 Early View of Global Journals Inc. (US) (Publication Prior to Print)

The Global Journals Inc. (US) are enclosed by our publishing's Early View service. Early View articles are complete full-text articles sent in advance of their publication. Early View articles are absolute and final. They have been completely reviewed, revised and edited for publication, and the authors' final corrections have been incorporated. Because they are in final form, no changes can be made after sending them. The nature of Early View articles means that they do not yet have volume, issue or page numbers, so Early View articles cannot be cited in the conventional way.

6.3 Author Services

Online production tracking is available for your article through Author Services. Author Services enables authors to track their article - once it has been accepted - through the production process to publication online and in print. Authors can check the status of their articles online and choose to receive automated e-mails at key stages of production. The authors will receive an e-mail with a unique link that enables them to register and have their article automatically added to the system. Please ensure that a complete e-mail address is provided when submitting the manuscript.

6.4 Author Material Archive Policy

Please note that if not specifically requested, publisher will dispose off hardcopy & electronic information submitted, after the two months of publication. If you require the return of any information submitted, please inform the Editorial Board or dean as soon as possible.

6.5 Offprint and Extra Copies

A PDF offprint of the online-published article will be provided free of charge to the related author, and may be distributed according to the Publisher's terms and conditions. Additional paper offprint may be ordered by emailing us at: editor@globaljournals.org .

You must strictly follow above Author Guidelines before submitting your paper or else we will not at all be responsible for any corrections in future in any of the way.



Before start writing a good quality Computer Science Research Paper, let us first understand what is Computer Science Research Paper? So, Computer Science Research Paper is the paper which is written by professionals or scientists who are associated to Computer Science and Information Technology, or doing research study in these areas. If you are novel to this field then you can consult about this field from your supervisor or guide.

TECHNIQUES FOR WRITING A GOOD QUALITY RESEARCH PAPER:

1. Choosing the topic: In most cases, the topic is searched by the interest of author but it can be also suggested by the guides. You can have several topics and then you can judge that in which topic or subject you are finding yourself most comfortable. This can be done by asking several questions to yourself, like Will I be able to carry our search in this area? Will I find all necessary recourses to accomplish the search? Will I be able to find all information in this field area? If the answer of these types of questions will be "Yes" then you can choose that topic. In most of the cases, you may have to conduct the surveys and have to visit several places because this field is related to Computer Science and Information Technology. Also, you may have to do a lot of work to find all rise and falls regarding the various data of that subject. Sometimes, detailed information plays a vital role, instead of short information.

2. Evaluators are human: First thing to remember that evaluators are also human being. They are not only meant for rejecting a paper. They are here to evaluate your paper. So, present your Best.

3. Think Like Evaluators: If you are in a confusion or getting demotivated that your paper will be accepted by evaluators or not, then think and try to evaluate your paper like an Evaluator. Try to understand that what an evaluator wants in your research paper and automatically you will have your answer.

4. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

5. Ask your Guides: If you are having any difficulty in your research, then do not hesitate to share your difficulty to your guide (if you have any). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work then ask the supervisor to help you with the alternative. He might also provide you the list of essential readings.

6. Use of computer is recommended: As you are doing research in the field of Computer Science, then this point is quite obvious.

7. Use right software: Always use good quality software packages. If you are not capable to judge good software then you can lose quality of your paper unknowingly. There are various software programs available to help you, which you can get through Internet.

8. Use the Internet for help: An excellent start for your paper can be by using the Google. It is an excellent search engine, where you can have your doubts resolved. You may also read some answers for the frequent question how to write my research paper or find model research paper. From the internet library you can download books. If you have all required books make important reading selecting and analyzing the specified information. Then put together research paper sketch out.

9. Use and get big pictures: Always use encyclopedias, Wikipedia to get pictures so that you can go into the depth.

10. Bookmarks are useful: When you read any book or magazine, you generally use bookmarks, right! It is a good habit, which helps to not to lose your continuity. You should always use bookmarks while searching on Internet also, which will make your search easier.

11. Revise what you wrote: When you write anything, always read it, summarize it and then finalize it.

12. Make all efforts: Make all efforts to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in introduction, that what is the need of a particular research paper. Polish your work by good skill of writing and always give an evaluator, what he wants.

13. Have backups: When you are going to do any important thing like making research paper, you should always have backup copies of it either in your computer or in paper. This will help you to not to lose any of your important.

14. Produce good diagrams of your own: Always try to include good charts or diagrams in your paper to improve quality. Using several and unnecessary diagrams will degrade the quality of your paper by creating "hotchpotch." So always, try to make and include those diagrams, which are made by your own to improve readability and understandability of your paper.

15. Use of direct quotes: When you do research relevant to literature, history or current affairs then use of quotes become essential but if study is relevant to science then use of quotes is not preferable.

16. Use proper verb tense: Use proper verb tenses in your paper. Use past tense, to present those events that happened. Use present tense to indicate events that are going on. Use future tense to indicate future happening events. Use of improper and wrong tenses will confuse the evaluator. Avoid the sentences that are incomplete.

17. Never use online paper: If you are getting any paper on Internet, then never use it as your research paper because it might be possible that evaluator has already seen it or maybe it is outdated version.

18. Pick a good study spot: To do your research studies always try to pick a spot, which is quiet. Every spot is not for studies. Spot that suits you choose it and proceed further.

19. Know what you know: Always try to know, what you know by making objectives. Else, you will be confused and cannot achieve your target.

20. Use good quality grammar: Always use a good quality grammar and use words that will throw positive impact on evaluator. Use of good quality grammar does not mean to use tough words, that for each word the evaluator has to go through dictionary. Do not start sentence with a conjunction. Do not fragment sentences. Eliminate one-word sentences. Ignore passive voice. Do not ever use a big word when a diminutive one would suffice. Verbs have to be in agreement with their subjects. Prepositions are not expressions to finish sentences with. It is incorrect to ever divide an infinitive. Avoid clichés like the disease. Also, always shun irritating alliteration. Use language that is simple and straight forward. put together a neat summary.

21. Arrangement of information: Each section of the main body should start with an opening sentence and there should be a changeover at the end of the section. Give only valid and powerful arguments to your topic. You may also maintain your arguments with records.

22. Never start in last minute: Always start at right time and give enough time to research work. Leaving everything to the last minute will degrade your paper and spoil your work.

23. Multitasking in research is not good: Doing several things at the same time proves bad habit in case of research activity. Research is an area, where everything has a particular time slot. Divide your research work in parts and do particular part in particular time slot.

24. Never copy others' work: Never copy others' work and give it your name because if evaluator has seen it anywhere you will be in trouble.

25. Take proper rest and food: No matter how many hours you spend for your research activity, if you are not taking care of your health then all your efforts will be in vain. For a quality research, study is must, and this can be done by taking proper rest and food.

26. Go for seminars: Attend seminars if the topic is relevant to your research area. Utilize all your resources.



© Copyright by Global Journals Inc.(US)| Guidelines Handbook

27. Refresh your mind after intervals: Try to give rest to your mind by listening to soft music or by sleeping in intervals. This will also improve your memory.

28. Make colleagues: Always try to make colleagues. No matter how sharper or intelligent you are, if you make colleagues you can have several ideas, which will be helpful for your research.

29. Think technically: Always think technically. If anything happens, then search its reasons, its benefits, and demerits.

30. Think and then print: When you will go to print your paper, notice that tables are not be split, headings are not detached from their descriptions, and page sequence is maintained.

31. Adding unnecessary information: Do not add unnecessary information, like, I have used MS Excel to draw graph. Do not add irrelevant and inappropriate material. These all will create superfluous. Foreign terminology and phrases are not apropos. One should NEVER take a broad view. Analogy in script is like feathers on a snake. Not at all use a large word when a very small one would be sufficient. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Amplification is a billion times of inferior quality than sarcasm.

32. Never oversimplify everything: To add material in your research paper, never go for oversimplification. This will definitely irritate the evaluator. Be more or less specific. Also too, by no means, ever use rhythmic redundancies. Contractions aren't essential and shouldn't be there used. Comparisons are as terrible as clichés. Give up ampersands and abbreviations, and so on. Remove commas, that are, not necessary. Parenthetical words however should be together with this in commas. Understatement is all the time the complete best way to put onward earth-shaking thoughts. Give a detailed literary review.

33. Report concluded results: Use concluded results. From raw data, filter the results and then conclude your studies based on measurements and observations taken. Significant figures and appropriate number of decimal places should be used. Parenthetical remarks are prohibitive. Proofread carefully at final stage. In the end give outline to your arguments. Spot out perspectives of further study of this subject. Justify your conclusion by at the bottom of them with sufficient justifications and examples.

34. After conclusion: Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium though which your research is going to be in print to the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects in your research.

Informal Guidelines of Research Paper Writing

Key points to remember:

- Submit all work in its final form.
- Write your paper in the form, which is presented in the guidelines using the template.
- Please note the criterion for grading the final paper by peer-reviewers.

Final Points:

A purpose of organizing a research paper is to let people to interpret your effort selectively. The journal requires the following sections, submitted in the order listed, each section to start on a new page.

The introduction will be compiled from reference matter and will reflect the design processes or outline of basis that direct you to make study. As you will carry out the process of study, the method and process section will be constructed as like that. The result segment will show related statistics in nearly sequential order and will direct the reviewers next to the similar intellectual paths throughout the data that you took to carry out your study. The discussion section will provide understanding of the data and projections as to the implication of the results. The use of good quality references all through the paper will give the effort trustworthiness by representing an alertness of prior workings.

Writing a research paper is not an easy job no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record keeping are the only means to make straightforward the progression.

General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear

· Adhere to recommended page limits

Mistakes to evade

- Insertion a title at the foot of a page with the subsequent text on the next page
- Separating a table/chart or figure - impound each figure/table to a single page
- Submitting a manuscript with pages out of sequence

In every sections of your document

· Use standard writing style including articles ("a", "the," etc.)

· Keep on paying attention on the research topic of the paper

· Use paragraphs to split each significant point (excluding for the abstract)

· Align the primary line of each section

· Present your points in sound order

· Use present tense to report well accepted

· Use past tense to describe specific results

· Shun familiar wording, don't address the reviewer directly, and don't use slang, slang language, or superlatives

· Shun use of extra pictures - include only those figures essential to presenting results

Title Page:

Choose a revealing title. It should be short. It should not have non-standard acronyms or abbreviations. It should not exceed two printed lines. It should include the name(s) and address (es) of all authors.



© Copyright by Global Journals Inc.(US)| Guidelines Handbook

Abstract:

The summary should be two hundred words or less. It should briefly and clearly explain the key findings reported in the manuscript--must have precise statistics. It should not have abnormal acronyms or abbreviations. It should be logical in itself. Shun citing references at this point.

An abstract is a brief distinct paragraph summary of finished work or work in development. In a minute or less a reviewer can be taught the foundation behind the study, common approach to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Yet, use comprehensive sentences and do not let go readability for briefness. You can maintain it succinct by phrasing sentences so that they provide more than lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study, with the subsequent elements in any summary. Try to maintain the initial two items to no more than one ruling each.

- Reason of the study - theory, overall issue, purpose
- Fundamental goal
- To the point depiction of the research
- Consequences, including definite statistics - if the consequences are quantitative in nature, account quantitative data; results of any numerical analysis should be reported
- Significant conclusions or questions that track from the research(es)

Approach:

- Single section, and succinct
- As a outline of job done, it is always written in past tense
- A conceptual should situate on its own, and not submit to any other part of the paper such as a form or table
- Center on shortening results - bound background information to a verdict or two, if completely necessary
- What you account in an conceptual must be regular with what you reported in the manuscript
- Exact spelling, clearness of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else

Introduction:

The **Introduction** should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable to comprehend and calculate the purpose of your study without having to submit to other works. The basis for the study should be offered. Give most important references but shun difficult to make a comprehensive appraisal of the topic. In the introduction, describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will have no attention in your result. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here. Following approach can create a valuable beginning:

- Explain the value (significance) of the study
- Shield the model - why did you employ this particular system or method? What is its compensation? You strength remark on its appropriateness from a abstract point of vision as well as point out sensible reasons for using it.
- Present a justification. Status your particular theory (es) or aim(s), and describe the logic that led you to choose them.
- Very for a short time explain the tentative propose and how it skilled the declared objectives.

Approach:

- Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done.
- Sort out your thoughts; manufacture one key point with every section. If you make the four points listed above, you will need a least of four paragraphs.

- Present surroundings information only as desirable in order hold up a situation. The reviewer does not desire to read the whole thing you know about a topic.
- Shape the theory/purpose specifically - do not take a broad view.
- As always, give awareness to spelling, simplicity and correctness of sentences and phrases.

Procedures (Methods and Materials):

This part is supposed to be the easiest to carve if you have good skills. A sound written Procedures segment allows a capable scientist to replacement your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt for the least amount of information that would permit another capable scientist to spare your outcome but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section. When a technique is used that has been well described in another object, mention the specific item describing a way but draw the basic principle while stating the situation. The purpose is to text all particular resources and broad procedures, so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step by step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

- Explain materials individually only if the study is so complex that it saves liberty this way.
- Embrace particular materials, and any tools or provisions that are not frequently found in laboratories.
- Do not take in frequently found.
- If use of a definite type of tools.
- Materials may be reported in a part section or else they may be recognized along with your measures.

Methods:

- Report the method (not particulars of each process that engaged the same methodology)
- Describe the method entirely
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures
- Simplify - details how procedures were completed not how they were exclusively performed on a particular day.
- If well known procedures were used, account the procedure by name, possibly with reference, and that's all.

Approach:

- It is embarrassed or not possible to use vigorous voice when documenting methods with no using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result when script up the methods most authors use third person passive voice.
- Use standard style in this and in every other part of the paper - avoid familiar lists, and use full sentences.

What to keep away from

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings - save it for the argument.
- Leave out information that is immaterial to a third party.

Results:

The principle of a results segment is to present and demonstrate your conclusion. Create this part a entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Carry on to be to the point, by means of statistics and tables, if suitable, to present consequences most efficiently.You must obviously differentiate material that would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matter should not be submitted at all except requested by the instructor.

Content

- Sum up your conclusion in text and demonstrate them, if suitable, with figures and tables.
- In manuscript, explain each of your consequences, point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation an exacting study.
- Explain results of control experiments and comprise remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or in manuscript form.

What to stay away from

- Do not discuss or infer your outcome, report surroundings information, or try to explain anything.
- Not at all, take in raw data or intermediate calculations in a research manuscript.
- Do not present the similar data more than once.
- Manuscript should complement any figures or tables, not duplicate the identical information.
- Never confuse figures with tables - there is a difference.

Approach

- As forever, use past tense when you submit to your results, and put the whole thing in a reasonable order.
- Put figures and tables, appropriately numbered, in order at the end of the report
- If you desire, you may place your figures and tables properly within the text of your results part.

Figures and tables

- If you put figures and tables at the end of the details, make certain that they are visibly distinguished from any attach appendix materials, such as raw facts
- Despite of position, each figure must be numbered one after the other and complete with subtitle
- In spite of position, each table must be titled, numbered one after the other and complete with heading
- All figure and table must be adequately complete that it could situate on its own, divide from text

Discussion:

The Discussion is expected the trickiest segment to write and describe. A lot of papers submitted for journal are discarded based on problems with the Discussion. There is no head of state for how long a argument should be. Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implication of the study. The purpose here is to offer an understanding of your results and hold up for all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of result should be visibly described. Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved with prospect, and let it drop at that.

- Make a decision if each premise is supported, discarded, or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."
- Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work
- You may propose future guidelines, such as how the experiment might be personalized to accomplish a new idea.
- Give details all of your remarks as much as possible, focus on mechanisms.
- Make a decision if the tentative design sufficiently addressed the theory, and whether or not it was correctly restricted.
- Try to present substitute explanations if sensible alternatives be present.
- One research will not counter an overall question, so maintain the large picture in mind, where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

- When you refer to information, differentiate data generated by your own studies from available information
- Submit to work done by specific persons (including you) in past tense.
- Submit to generally acknowledged facts and main beliefs in present tense.

Please carefully note down following rules and regulation before submitting your Research Paper to Global Journals Inc. (US):

Segment Draft and Final Research Paper: You have to strictly follow the template of research paper. If it is not done your paper may get rejected.

- The **major constraint** is that you must independently make all content, tables, graphs, and facts that are offered in the paper. You must write each part of the paper wholly on your own. The Peer-reviewers need to identify your own perceptive of the concepts in your own terms. NEVER extract straight from any foundation, and never rephrase someone else's analysis.

- Do not give permission to anyone else to "PROOFREAD" your manuscript.

- Methods to avoid Plagiarism is applied by us on every paper, if found guilty, you will be blacklisted by all of our collaborated research groups, your institution will be informed for this and strict legal actions will be taken immediately.)
- To guard yourself and others from possible illegal use please do not permit anyone right to use to your paper and files.



© Copyright by Global Journals Inc.(US)| Guidelines Handbook

Criterion for Grading a Research Paper (Compilation) by Global Journals Inc. (US)

Please note that following table is only a Grading of "Paper Compilation" and not on "Performed/Stated Research" whose grading solely depends on Individual Assigned Peer Reviewer and Editorial Board Member. These can be available only on request and after decision of Paper. This report will be the property of Global Journals Inc. (US).

Topics	Grades		
	A-B	**C-D**	**E-F**
Abstract	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form Above 200 words	No specific data with ambiguous information Above 250 words
Introduction	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
Methods and Procedures	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
Result	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
Discussion	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
References	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring

INDEX

A

Annals · 2, 4, 5, 10

B

Barter · 45

C

Copiously · 48
Cronbach · 20, 21, 22, 27

D

Dichotomy · 13

L

Luborsky · 2, 10

N

Nespresso · 12

O

Ontario · 4

P

Pechlaner · 2, 10
Pennsylvania · 4
Prognosis · 8

R

Renminbi · 7

S

Sinceit · 8
Stagnation · 6
Sterling · 8





Global Journal of Management and Business Research

Visit us on the Web at www.GlobalJournals.org | www.JournalofBusiness.Org
or email us at helpdesk@globaljournals.org



ISSN 9755853

© Global Journals