

ISSN : 2394 - 5702

# **International Journal In Commerce, IT And Social Sciences**

**VOLUME NO. 11**

**ISSUE NO. 1**

**JANUARY - APRIL 2024**

**EIS LEARNING**

**No - 198, Upper Hatia, Near Mahatma Gandhi  
Smarak High School, Ranchi - 834003, Jharkhand  
Ph : 919097302256 / Email : [info@eislearning.com](mailto:info@eislearning.com)**

**Editor in Chief****Dr Shiney Chib**

Btech, MBA, MIRPM, MA (Pub.Admn.), MA (Psy.), MCM, LLB, Mphil (IT), Phd.  
 Professor & Research Head, Datta Meghe Institute of Management Studies, Nagpur.  
 Corporate Trainer & Data Analysis Consultant. Secretary, LIONS CLUB -Nagpur North.  
 Datta Meghe Institute of Management Studies, Nagpur

**Editorial Board Members**

<b>Dr. Ranjana Sharma</b> Associate Professor (Finance), Sri Guru Ram Rai Institute of Technology and Science (SGRRITS) Dehradun - 248001 (Uttarakhand)	<b>Prof. Rajiv Sindwani</b> Assistant Professor, YMCA University of Science and Technology, Faridabad
<b>Prof. Dr. Tej Singh</b> Chairperson Department of Commerce Dean Department of Management INDIRA GANDHI UNIVERSITY - MEERPUR REWARI. 123401 HARYANA	<b>Dr. Shalini Aggarwal</b> Associate Prof., Panipat Institute of Engg. and Technology Samalkha, Panipat, haryana-132106
<b>Prof. Sindhu Singh</b> Asst.Professor(Sr.Scale), K.J. Somaiya Institute of Management Studies & Research Vidyavihar,Mumbai	<b>Prof (Dr.)Shefali Verma Thakral</b> Principal, Swami Devi Dyal Institute Of Management Studies (SDDIMS), GOLPURA,TEHSIL: BARWALA, Distt: Panchkula(Haryana)
<b>Prof. Ravi Thangjam,</b> Department of Professional Studies, Central Block, Christ University, Hosur Road, Bangalore, Karnataka,	<b>Dr. Amalendu Bhunia</b> Associate Professor, Department of Commerce University of Kalyani.
<b>Dr. K. DAMODARAN</b> Assistant Professor Department of Economics Annamalai University, Annamalai Nagar – 608 002 Chidambaram, Tamil Nadu	<b>Dr. Bharat Kapoor</b> Assistant professor & HOD, Lovely Professional University Jalandhar, Punjab
<b>Dr. Rajesh Timane</b> Management Consultant & Asst Professor Nagpur University., Nagpur	<b>Dr. Ruchita Verma,</b> Assistant Professor, Department of Commerce,Central University of Rajasthan
<b>Prof. Danish Iqbal Raina</b> Assistant Professor School of Management Studies ans Economics Baba Ghulam Shah Badshah University , Rajouri Jammu and kashmir	<b>Dr. Monika Gupta Vashisht</b> Associate Professor and HOD, Faculty of Management Galaxy Global Group of Institutions, Panchkula Highway Dinarpur, Distt. Ambala
<b>Dr. C. Krishnan,</b> Vice Principal, Government College Kodanchery, Calicut, Kerala, India-673 580.	<b>Mst. Marzina Begum, PhD</b> Assistant Professor Department of Public Administration Rajshahi University Rajshahi-6205 BANGLADESH
<b>Prof. Dr. C. Anbalagan</b> Professor and Research Adviser School of Management & Accounting College of Business & Economics Editor- in-Chief of The Reputed International Journals Hawassa University, Hawassa, Ethiopia, East Africa	<b>Professor José G. Vargas-Hernández,</b> Member of the National System of Researchers of Mexico and a research professor at University Center for Economic and Managerial Sciences, University of Guadalajara.
<b>Dr. Gunindra Nath Sarmah</b> Associate Professor Lakhimpur Commerce College North Lakhimpur-787001, Assam	<b>Dr.Ch.Sri Rama Murthy</b> Asst.Commercial Tax Officer, Commercial Taxes Department Markapur - 523 316, Prakasam District., Andhra Pradesh., India.
<b>DR RAJESH KUMAR</b> ASSISTANT PROFESSOR, P G GOVT. COLLEGE-11 CHANDIGARH DEPPT. OF BBA AND COMMERCE , PG GOVT. COLLEGE-11, CHANDIGARH	<b>Dr. Kankipati Srinivasa Rao,</b> Asst. Professor of Commerce Vivek Vardhini College of PG Studies (AN) Govt. Aided (NAAC Accredited) Osmania University Jambagh, Koti, Hyderabad-500095

### Editorial Board Members

<p><b>Dr M G Mallika</b> Assistant Professor &amp; HOD The Zamorin's Guruvayurappan College, Kozhikode, Research Department of Economics, Kerala.</p>	<p><b>Dr. M. Suresh Babu</b> Professor &amp; Head, Department of Computer Applications, Madanapalle Institute Of Technology And Science, Madanapalle - 517325.</p>
<p><b>Prof. Pravin Madhukar Kinge</b> Assistant Professor Dr. Babasaheb Ambedkar College of Engineering and Research, Nagpur</p>	<p><b>Dr. Amishi Arora</b> Principal Central Institute of Business Management Research and Development Pawan Bhoomi, Somalwada, Wardha Rd, Nagpur,</p>
<p><b>Prof. Susil Kumar Sahoo</b> Asst. Prof &amp; Head, MCA Dept, Al-Ameen Institute of Information Sciences, Bangalore Near Lalbagh Main Gate, Hosur Road, Bangalore-560027</p>	<p><b>Professor Joseph Vincent Ntuda Ebodé</b> Vdirector of The Centre for Research in Political and Strategic Studies (University of Yaounde II and Acting Director of the Institute of Governance, Humanities and Social sciences of Yaounde (Panafrican University-African Union)</p>
<p><b>Er. Anand Nayyar</b> Assistant Professor in Department of Computer Applications &amp; IT at KCL Institute of Management and Technology, Jalandhar, Punjab, India..</p>	<p><b>Francisco Esponilla II</b> University Research Coordinator Technological University of the Philippines, Ermita Manila</p>
<p><b>Dr Th. Siamkhum</b> ASSOCIATE PROFESSOR, Churachandpur College, Manipur, India</p>	<p><b>Dr. Asiya I. Maskaeva</b> College of Humanities and social science, School of Business Studies and Economics, Department of Economics and Statistics, University of Dodoma Tanzania, UDOM</p>
<p><b>Dr. Gobind Singh Gure</b> Asstt. Professor Vishva Bharti College of Education, Jagadhri, Yamuna Nagar (Haryana)</p>	<p><b>Dr. Girish Kumar Painoli</b> Professor, Adama Science And Technology University, Adama</p>
<p><b>Dr. Dinesh Das</b> Asstt. Professor, Dept. of Economics Gossaigaon College, Kokrajhar Assam, INDIA</p>	<p><b>Dr. Guruling V Kokkalaki</b> Asst. Professor, CSI college of Commerce, Dharwad (Karnataka University Dharwad)</p>
<p><b>Memar Ayalew Demeke</b> Lecturer, Addis Ababa Science and Technology University, Addis Ababa, Ethiopia</p>	<p><b>Dr Ramesh Kumar</b> Assistant Professor, Mukand Lal National College, Yamuna Nagar</p>
<p><b>Dr. Rupesh Gaur</b> librarian and HOD of Dept. of Lib. &amp; Inf. Sc. Indira Gandhi National College, Ladwa (Kurukshehra)</p>	<p><b>Dr Mrs Vibha Gupta</b> Associate Professor D.A.V Girls College Yamuna Nagar</p>
<p><b>Prof. Kumud Borgohain</b> Assistant Professor, Dhemaji College c/o Principal, Dhemaji College,P.O-Dhemaji,PIN-787057, Assam,India</p>	<p><b>Dr. T. Srinivasan</b> deputy Director (finance), Directorate Of Distance Education, Annamalai University Annamalai Nagar - 608 002 Tamil Nadu</p>
<p><b>Dr. Nilam Panchal</b> Assistant Professor Institute of Management, Nirma University, Ahmedabad</p>	<p><b>Dr. Nasser Fegh-hi Farahmand</b> Associate Professor, Department of Industrial Management, Tabriz Branch, Islamic Azad University, Tabriz, Iran</p>
<p><b>Dr.GB.Boraiah</b> Assistant professor of Economics, AVK College for Women Official address:AVK college for women,P. J .extention,Davanagere-577002,Karnataka State.</p>	<p><b>Prof. Shiv Kumar Gupta</b> Prof. Shiv Kumar Gupta Head School of Management Studies Baba Ghulam Shah Badshah University Rajouri, J &amp; K</p>

### Editorial Board Members

<p><b>Dr. Yoganarasimhachari. K</b> Assistant Professor of Sociology, Govt . College,(Autonomous) Mandya, Karnataka state</p>	<p><b>Dr. Sangappa. V. Mamanshetty</b> Hod,dept Of Economics, Govt .first Grade College, chincholi-585307. tq; chincholi. disrt. gulbarga. karnatka-state</p>
<p><b>Smt. Vijayalakshmi. N</b> Assistant Professor of Sociology, Govt. First Grade College, GUBBI-572216. Tumkur Dist. Karnataka-state,</p>	<p><b>Dr. Umesh Maiya</b> Assistant Professor and Head, Department of Commerce and Management, Govt. First Grade College, Byndoor- 576214, Karnataka State</p>
<p><b>Dr. Narayanaswamy. A. M</b> lecturer, Department Of Sociology, Department Of Sociology Govt. First Grade College, Madhugiri , Tumkur</p>	<p><b>Dr. Raj Bala</b> Assistant Professor, DAV University, Jalandhar, Punjab</p>
<p><b>Ashish Gupta</b> Assistant Professor, Dr. Hari Singh Gour Central University, (Govt. of India), Sagar, MP (India)</p>	<p><b>Dr. T. C. Thankachan</b> Assistant Professor in Education : St. Thomas College of Teacher Education, Pala, Kerala, India</p>
<p><b>Dr. Ishwar Baburao Ghorade</b> Assistant Professor, Govt. College of Engineering, Aurangabad, India</p>	<p><b>Appointment as International Editorial Board Panel of IJMR</b> Asst. Professor in Central University of Karnataka, Department of Commerce, School of Business Studies, Gulbarga</p>
<p><b>Dr. R. Srinivasan</b> Associate Professor And Head, Department Of Commerce, Srinivasan Arts And Science College, Perambalur</p>	<p><b>Prof. Anup K Suchak</b> Assistant Professor, Green Heaven Institute of Management and Research, Nagpur</p>
<p><b>Dr. Prasanna K. Samal</b> Head-SED Theme, Scientist-F &amp; Scientist Incharge, G.B. Pant Institute of Himalayan Environment &amp; Development (an Autonomous Institute of Ministry of Environment, Forests &amp; Climate Change, Government of India), North East Unit, Itanagar 791 113, Arunachal Pradesh,</p>	<p><b>Eduard V. Musafirov,</b> PhD. Chair of Department of Technical Mechanics, Yanka Kupala State University of Grodno, Grodno, Belarus</p>
<p><b>Dr Nand Kishor</b> Principal, BABE KE College Of Education Daudhar Moga Punjab</p>	<p><b>Dr. G. Muppudathi</b> Principal, Bhartiya Balika Teacher Training College</p>
<p><b>Dr. B. Suresh Lal</b> Associate Professor Kakatiya University Department of Economics Warangal-506009, TS-India</p>	<p><b>Dr. M. Karthikeyan</b> Associate Professor Dept of Cooperatives, Institute of Cooperatives &amp; Development Studies, Ambo University, Ethiopia</p>
<p><b>Dr . Tamanna Kaushal</b> Asst . Prof , Dept of Education St Aloysius College, Jabalpur</p>	<p><b>Sudip Bhattacharyya</b> Free lance journalist &amp; ex-Banker, Exim Bank of India</p>
<p><b>Prof. Pawan Kumar Chugan</b> Professor, Institute of Management, Nirma University, Ahmedabad, Gujarat, India</p>	<p><b>Dr.Munivenkatappa</b> Associate Professor of Commerce and Administration, Smt.VHD Central Institute of Home Science, Sheshadri Road, Bangalore-01, Karnataka</p>
<p><b>Dr. T. A. Ashok Kumar</b> Associate Professor, Christ University, Bangalore. Karnataka. INDIA.</p>	<p><b>Prof. Manawwar Alam</b> Associate , School of Journalism &amp; Mass Communication A-8B,IMS Campus, Sector - 62, Noida (U.P.)</p>

### Editorial Board Members

<p><b>Dr. Shuchi Singhal</b> Associate Professor IIIM College, Jaipur</p>	<p><b>Dr. Sanjeev Kumar</b> Trained Graduate Teacher in Non Medical College/Institute/University : Department of Elementary Education, Himachal Pradesh, India.</p>
<p><b>Dr. P. Mohanasundaram</b> Associate Professor of Commerce College/Institute/University : Periyar University Post Graduate Extension Centre, Dharmapuri.</p>	<p><b>Mamta Gurung</b> Research Scholar College/Institute/University ;Mizoram University</p>
<p><b>Dr. D. Baskar</b> Head, Department of Commerce (Computer Applications), College/Institute/University : Asan Memorial College of Arts and Science, Chennai 600 100.</p>	<p><b>Dr Punnaiah Akkenapally</b> Assistant Professor College/Institute/University : Telangana University</p>
<p><b>Dr Ravi Kant</b> Assist. Prof. College/Institute/University : Shaheed Bhagat singh college DU</p>	<p><b>Dr. R. Ramachandran</b> Assistant Professor Of Commerce College/ Institute/ University/Organisation : Dde, Annamalai University</p>
<p><b>Dr. Sampada Gulavani</b> Asso. Professor College/Institute/University: Bharati Vidyapeeth Inst. of Management, Kolhapur</p>	<p><b>Divya</b> Assistant professor College/Institute/University : government college for women ,mandya</p>
<p><b>Shabarisha, N</b> Assistant Professor School of Business Studies and Social Sciences Christ University Bannerghatta Road Bengaluru- 560076</p>	<p><b>Dr. Kailash Kumar</b> Assistant Professor UILMS Gurgaon</p>
<p><b>Dr. Kamaljeet Kaur</b> Associate Professor, Tecnia Institute of Advanced Studies (GGSIPU),New Delhi</p>	<p><b>Dr. Nidhi Gupta</b> Associate Professor &amp; Academic Coordinator, Tecnia Institute Of Advanced Studies, GGSIPU, New Delhi</p>
<p><b>Ravinder Kumar</b> Assistant Professor, Dept of Political Science, Rajiv Gandhi Govt. College, Saha, Ambala</p>	<p><b>Mayank Arora</b> Assistant Professor, Tecnia Institute of Advance Studies New Delhi</p>



# International Journal In Commerce, IT And Social Sciences

(Volume No. 11, Issue No. 1, January - April 2024)

## Contents

Sr. No.	Articles / Authors Name	Pg. No.
1	Impact of Education on Economic Growth in Ethiopia <i>- Dr Manoj Kumar Mishra</i>	1 - 19
2	Jane Austen's Achievement <i>- Parveen Kumari</i>	20 - 24
3	Psycho-Social Approach in Treatment of Bipolar Disorder <i>- Hemant Kumar</i>	25 - 36
4	Involvement of Women in Livestock Sector in Aligarh District <i>- Dr. A. K. Singh, Dr. Vinod Prakash</i>	37 - 40
5	Socio-Economic Profile of Farmers Regarding Potato Crop <i>- Dr. A. K. Singh, Dr. Vinod Prakash</i>	41 - 44
6	The Roles of Money Deposit Banks in Financing Small and Medium Enterprises in Nigeria <i>- Alhaji Kawugana, Faruna S Faruna</i>	45 - 56





# Impact of Education on Economic Growth in Ethiopia

**Dr. Manoj Kumar Mishra**

Associate Professor in Economics,  
Ethiopian Civil Service University Addis Ababa, Africa

## **ABSTRACT**

*The main objective of this study is to analyze the impact of education on economic growth in Ethiopia using real GDP, as a proxy for economic growth. We used the secondary sources of annual data from Ethiopian Minister of Education (MOE), International Monetary Fund (IMF) and NBE (National bank Ethiopia) for the period 2009-2015. And also we apply multiple linear regression model; RGDP as a dependent variable and education expenditure, primary education enrolment, secondary education enrolment and tertiary education enrolment as independent variable for our study. Education is the important determinant to develop Human capital that acquired mental and physical ability to human being, skill development, training, health care and other capacities of people to enhance their productivity and efficiency. The level of education has a positive impact on economic growth. Therefore increased graduation rates in primary, secondary and tertiary education have a positive impact on economic growth in Ethiopia. As we observed in the regression output  $R^2 = 0.97$  indicates that about 97% variation (Change) in the RGDP of the country is explained by Education and the rest 3% are explained by the variables other than Education. And also based on the p-value of the coefficient of the explanatory variable education expenditure, primary education enrolment, secondary education enrolment and tertiary education enrolment are those variables which have significance impact on the real economic growth of Ethiopia. Finally, based on the analysis of the data we recommend that In order to improve the contribution of the human capital through education, the government of Ethiopia has allocated adequate finance which will help to work on quality of education at all levels of education.*

**Key Words: Education, Economic growth, Human capital, Physical capital, GDP etc.**

## **1. INTRODUCTION**

### **1.1. Back ground of the Study**

Economic growth is gradual and steady process which continues even in the long period and this gradual and steady process helps to raising the level of output, income and employment. The concept of investment in human being and its role on economic growth is an old concept and new theory of economic growth developed to emphasizing the importance of human capital in long term economic growth. One of the characteristics of modern economic growth is technological progress including of existing physical and human resources account for most of measured historical increase in the per capital growth domestic product (Tefera Y. 2017).

There are many reasons why education is important to economic growth. Education 'can be defined as the stock of skills, competencies, and other productivity-enhancing characteristics'. Education as a critical component of a country's human capital increases the efficiency of each individual worker and helps economies to move up the value chain beyond manual tasks or simple production processes. Human capital has long been considered the most distinctive feature of the economic system and productivity growth (Catherine Grant,2017).

According to World Economic Forum 2016, education affects positively a country's productivity for three things basically. First, it increases the collective ability of the workforce to carry out existing tasks more quickly. Second, secondary and tertiary educations especially facilitate the transfer of knowledge about new information, products, and technologies created by others. Finally, by increasing creativity it increases a country's own capacity to create new knowledge, products, and technologies.

Education is a primary determinant of economic growth, employment and incomes. Ignoring the economic dimension of education would endanger the wealth of future generations, with widespread outcomes for poverty, social exclusion, and sustainability of social security systems (Woessman 2015).Education is the important determinant to develop Human capital that acquired mental and physical ability to human being, skill development, training, health care and other capacities of people to enhance their productivity and efficiency. It refers to any aspects of person that produces economic values which includes personal attributes such as health, nutrition status, knowledge and skills (Todaro, 2012).

Education has the positive impact on the economy when a country is invest on the quality of education. When investing in science and education, professional development of the workforce, the educational institution may create a number of skilled man powers. Investment in education not only affects the development of creative abilities, professionalism, the enhancement of the social status of each individual, but also affects the reproduction of the intellectual and spiritual potential of the whole society. Such costs are invested on one time basis and provide positive result within several cycles of the production process. Investment in education is not only the cost of building new and reconstruction of the existing institutions, their material and technical equipment, the organization of the educational process, the development of teaching technologies, and the management of the training(Oliver Swanson, 2018).

Education concerns not only the quantity of schooling that the percentage of the population that completed primary, secondary, or tertiary education but also, critically, its quality. A developing country

usually lacks the skill sets and knowledge required to adopt new technology and to implement it to the local environment. Thus, implementing a learning process becomes a necessity. Educational quality measured by what people know has powerful effects on individual earnings, on the distribution of income, and on economic growth. The educational quality in developing countries is much worse than educational quantity (school enrollment and attainment). Just providing more resources to schools are unlikely to be successful improving the quality of education will take major changes in institutions.

In the economy, education can increase the human capital in the labor force, which increases labor productivity and thus leads to a higher equilibrium level of output. It can also increase the innovative capacity of the economy; knowledge of new technologies, products, and processes promotes growth. And it can facilitate the diffusion and transmission of knowledge needed to understand and process new information and to implement new technologies devised by others, again promoting growth (WB; 2007).

Ethiopia is the second most populous nation in Africa after Nigeria, and the fastest growing economy in the region. However, it is also one of the poorest, with a per capita income of \$783. Ethiopia aims to reach lower-middle-income status by 2025. The economy experienced strong, broad-based growth averaging 10.3% a year from 2006/07 to 2016/17, compared to a regional average of 5.4%. Ethiopia's gross domestic product (GDP) is estimated to have rebounded to 10.9% in Fiscal year 2017. Agriculture, construction and services accounted for most of the growth, with modest contribution from the manufacturing sector. Private consumption and public investment explain demand-side growth, the latter assuming an increasingly important role (WB 2018).

The composition of Ethiopian economy is based on the three economic sectors. The distribution gives the percentage contribution of agriculture (35.8%), industry (22.2%) and services (42%) to total GDP, and will total 100 percent of GDP if the data are complete. Agriculture includes farming, fishing, and forestry. Industry includes mining, manufacturing, energy production, and construction. Services cover government activities, communications, transportation, finance, and all other private economic activities that do not produce material goods (CIA World Fact book 2018). In developing country there are different reasons in which education affects the economic growth such as: years of schooling, school enrolment, children's and adolescents out of school, average school completion In Ethiopia now there are a number of schools in each regions, zone, word as even if in kebeles especially; primary and secondary schools.

In general, the level of education has a direct impact on economic growth. Therefore increased graduation rates in primary, secondary and tertiary education have a positive impact on economic growth in Ethiopia.

### **1.2.Statement of the Problem**

Human capital has gained significant importance in economic growth. Increased education of the labor force performs to explain the important part of the growth of output in both developed and developing countries.

Education is commonly regarded as the major form of investment in human resources. There is the question whether one should consider all outlays for education as formation of human capital regardless of whether the particular teaching and learning would increase the productivity of labour. Education can, by moving the learners' attitude, improve their quality of life and it may also improve the individuals' skills and efficiency in producing useful things. The contribution of education may make to the flow of intangible satisfactions and the contributions which the skilled and efficient workers will provide goods and service in greater quantity or of better quality. But we face the problem of the labor force in Ethiopia in all sector most of the workers are not skilled labor force especially; in agricultural sector. Therefore using unskilled labor force for providing service and producing product leads less productivity which has a greater impact on the economic growth of once country.

The quality of human capital as a productive source has been consistently improving due to improvement in education and skills, availability of health services etc. Ethiopia is faced by the diverse manpower problems. So, they spread the education, knowledge and knowhow and raise the level of skills and physical efficiency of the people for fast growth of their economy.

Based on the above commonly existing problems, this study attempts to investigate the impact of education on economic growth in Ethiopia. For this purpose the study has the following leading research question that is going to be answered in this study.

Does education affects economic growth?

What educational determinants affect economic growth?

What are the possible implications for the concerned body to solve this problem?

### 1.3. Objectives of the Study

#### 1.3.1. General Objective

The general objective of this study is to examine the impact of Education on economic growth in Ethiopia.

#### 1.3.2 Specific Objectives

To examine how education affects economic growth in Ethiopia

To analyze the relationship between economic growth and education in Ethiopia

To propose policy recommendations, based on the research findings and to suggest a way forward.

### 1.4. Hypothesis of the study

Modern theory of economic growth argues that human capital, especially education and health has the principal role on achieving economic growth and development. Proponents of endogenous growth theory lay emphasis on human capital formation and regard it a factor which explains difference in growth performance of under developed and developed nations (Romer, 1996). Becker (1962), who believes that human capital is just like physical capital and one, can invest in it by means of education, health and training which, in turn, will raise output and contribute to economic growth. Then the study tests the hypothesis:

Ho:  $\beta_i=0$  (i.e. Education have no significance impact on economic growth)

H1:  $\beta_i \neq 0$  (i.e. at least one educational factor has significance impact on economic growth) And

Ho: There is no relationship between Education and economic growth)

H1: At least one educational factor has a relationship with economic growth)

In the empirical findings of this study we will expect that there will be significant relationship between education and economic growth and there is causality between education and economic growth.

### 1.5. Significance of the study

This study deal with the impact of education on economic growth in Ethiopia and beneficial for different stakeholders such as for the researcher, governments, policy makers and other economic agents. The study improves the practical knowledge and skill of the researcher of this study by making familiar with factual evidence and general information on the relationship between education and economic growth.

---

---

## 2. LITERATURE REVIEW

### 2.1. Theoretical Evidence

Education has a strong effect on economic development from two points of view according to the new theory of the economic growth. First of all, the human capital is an input in the production function, thus explaining the options for the investment in education and, secondly, the factors that involve the endogenous growth – especially the technological progress – are correlated to the human capital stock because either it is supposed that it directly determines new technologies or new knowledge, or it is an essential aspect for the research field that generates technology and knowledge. In the same direction it comes the opinion of Harmon, Oosterbeek and Walker [2000], arguing that the more educated countries are developing faster due to the fact that the school enables the labor force to innovate new technologies and to adapt the existing ones to the local production. Consequently, the economies that are inside the technological frontiers have greater opportunities to develop faster [Barro and Sala-i-Martin, 1995]. This is why the growth in the regional capacity of generating and using the human capital may be one of the most important policies of regional development in order to ensure the success of the future high-tech economy. As Gilmore [1999] noted, the human capital is the result of the learning institutions that, in their turn, represent the educational support of the regional economies.

The level of education is influencing not only the growth but also the economic productivity of a country: the states with a rapid growth in the number of persons that enroll the school have experienced a raising productivity and an improvement in the quality of the labor force [Lange and Topel, 2005]. This idea is argued by Gilmore [1999] who considers that the education is preparing the labor force for the productive participation inside an economy, also offering other national benefits: an educated citizen is more able to take part in the local or regional decisions. The influence that education has on the productivity was also analyzed on different periods of time. Lange and Topel [2005] consider that on a long period of time (15-20 years) the estimated impact of education on the productivity is much greater than on a short time (5 years).

Only the human capital accumulation is not always a determinant factor of the economic performance. The contribution of human capital depends on the efficiency of its accumulation: those countries that have inefficiently allocated their resources have little benefits from their investments in human capital, in terms of economic growth [Sianesi and Van Reenen, 2000, 5]. The efficiency of resource allocation is defined by Judson as a ratio between the level of the obtained results and the maximum level possible to be attained in a country, considering the actual global budget and the actual costs for each educational level [Judson, 1998, 337-360]. The analysis made on a few countries, both developed and developing or

less developed states, show the fact that, in spite of the considerable differences existing between the actual and optimal schooling rate, some economies seem to allocate their educational resources in an optimal way.

A World Bank study, made in 2003, shows an essential factor that has led to the growth and development of the Asian tigers: the good allocation and the high quality of education. The same idea is mentioned by Lee [2001] and Lall [2001] who analyze the way in which the resource allocation has evolved on different educational levels in East Asia, starting with the '70s.

The relationship between education and development does not have to be regarded only from the economic point of view. The development process is a more complex one that, apart from the economic growth, also involves social and Cultural Revolution, environment protection, healthcare, etc. The level of instruction has influences on the social life. It is noticed that the educated persons are interacting easily and efficiently not only inside the groups but also in front of the law, norms and social conventions. Such a behavior creates a harmonious environment in which the negotiating costs are very low.

The more educated countries are developing faster due to the fact that the education sector fosters the innovation of new technologies and to adapt the existing ones to the local production; the economies inside the technological frontiers have greater opportunities to develop faster as a result. This clearly indicates that Education has a strong effect on economic development.

For many years, the proposition that educational expansion promoted and in some cases even determined the rate of overall GNP growth remained unquestioned. The logic seemed fairly straightforward. Third World nations were deficient in their supply of semiskilled and skilled manpower. Without such manpower, which, it was assumed, could be created only through the-formal educational system, development leadership in both the public and private sectors would be woefully lacking.

Impressive statistics and numerous quantitative studies of the sources of economic growth in the West were paraded out to demonstrate that it was not the growth of physical capital but rather of human capital (the residual in econometric production function estimates) that was the principal source of economic progress in the developed nations.<sup>15</sup> Clearly, in the newly independent nations of Africa and Asia, there was an immediate need to build up the human as well as physical capital infrastructure in order to provide indigenous leadership for the major tasks of development. Rapid quantitative expansion of enrollments therefore appeared justified in light of the substantial manpower scarcities of the 1950s and 1960s. And although it is often difficult to document statistically it seems clear that the expansion of educational

opportunities at all levels has contributed to aggregate economic growth" by (1) creating a more productive labor force and endowing it with increased knowledge and skills; (2) providing widespread employment and income-earning opportunities for teachers, school and construction workers, textbook and paper printers, school uniform manufacturers, and related workers; (3) creating a class of educated leaders to fill vacancies left by departing expatriates or otherwise vacant positions in governmental services, public corporations, private businesses, and professions; and (4) providing the kind of training and education that would promote literacy and basic skills while encouraging "modern" attitudes on the part of diverse segments of the population. Even if alternative investments in the economy could have generated greater growth, this would not detract from the important contributions, noneconomic as well as economic, that education can make and has made to promoting aggregate economic growth. That an educated and skilled labor force is a necessary condition of sustained economic growth cannot be denied. However, any evaluation of the role of education in the process of economic development should go beyond the analysis of the single statistic of aggregate growth. We must also consider the structure and pattern of that economic growth and its distribution implications—who benefits.

### **2.1.1. Education, Inequality, and Poverty**

Studies on the economics of education in both developed and developing nations formerly focused on the link among education, labor productivity, and output growth. This is not surprising in light of the main objective of development during the 1950s and 1960s, the maximization of aggregate rates of output growth. As a result, the impact of education on the distribution of income and on the elimination of absolute poverty was largely neglected. Recent studies, however, have demonstrated that contrary to what might have been assumed, the educational systems of many developing nations sometimes act to increase rather than to decrease income inequalities.

The basic reason for this perverse effect of formal education on income distribution is the positive correlation between level of education and level of lifetime earnings. This correlation holds especially for workers who are able to complete secondary and university education where income differentials over workers who have completed only part or all of their primary education can be on the order of 300% to 800%. And as levels of earned income are clearly dependent on years of completed schooling, it follows that large income inequalities will be reinforced if students from the middle and upper income brackets are represented disproportionately in secondary and university enrollments. In short, if for financial or other reasons the poor are effectively denied access to secondary and higher educational opportunities, the educational system can actually perpetuate and even increase inequality in Third World nations. (Joseph Kizerbo 1991)



## 2.2. Empirical Evidence

Some of those who analyzed the effect that different educational levels have on the development of a country were Sianesi and Van Reenen [2000]. They noticed that in the case of the primary school, a 1% growth in the schooling rate determines an increase of 2% of GDP per habitant in the less developed countries from the developing ones, while for the OECD states this effect wasn't noticed. An increase of 1% of the enrollment rate in the secondary school would determine a raise of 2,5 - 3% for the developing countries and up to 1,5% for the OECD ones. As it can be seen from this study, the impact of the raising educational rate, on different levels, varies from one country to another, according to the level of economic development, existing a "positive correlation between the economic growth rate and the human capital accumulation at the primary level for the poor countries, at the secondary level for the medium income ones and at a superior level for the rich states" [Judson, 2002, 209–231]. This idea is also underlined by Cowling, who considers that the specific factors for each country are shaping the nature of the entrepreneurial talent and the impact that the education has on performances [Cowling, 2000, 785-789].

In an incipient level of development, East Asia has focused on primary education, attaining an almost 100% rate for this learning cycle, in 1970. This fact facilitated improving the quality and raising the resources allocated for the secondary and tertiary educational levels. The schooling rate has considerably grown for these levels, especially after the '80s. A good example for this is given by the Korean Republic, where the schooling rate for the tertiary education was 16% in 1980, 39% in 1990 and 68% in 1996.

This exponential growth went together with the level of development. There are different opinions regarding the cause-effect relationship. There is a positive correlation between the level of education and the level of development – and this one is not very much criticized – but, in what it consists the causing factor – the education leads to the economic and social evolution or the socio-economic state determines the increase in the enrollment rate in various educational levels – there are many controversies.

Manpower planning needs, the people themselves, both rich and poor, have exerted tremendous political pressure for the expansion of school places in developing countries. Parents have realized that in an era of scarce skilled manpower, the more schooling and the more certificates their children can accumulate, the better will be their chances of getting secure and well-paid jobs. More years of schooling have been perceived as the only avenue of hope for poor children to escape from poverty. As a result of these forces acting on both demand and supply, there has been a tremendous acceleration in LDC public expenditures on education during the past three decade?. The proportion of national income and of national budgets

spent on education has increased rapidly. In Asia, total public expenditures tripled during the 1960s and 1970s; in Africa and Latin America, public educational expenditures more than doubled. In fact, the increase in public expenditure on education in the 1960s and 1970s exceeded increases in any other sector of the economy. By the end of the 1980s, educational budgets in many Third World nations were absorbing 15% to 27% of total government recurrent expenditure. Although this is a sizable expenditure in terms of overall budget, developing nations nevertheless were spending only \$229 per capita on public education, compared to \$468 per capita spent in the developed world. Moreover, with declining or stagnating economic growth combined with rising debt repayment burdens, most Third World governments—primarily the least developed countries of Africa and Asia—were forced in the 1980s and early 1990s to curtail their educational (as well as health and social services) budget.

In a study conducted by Moretti [1998] in USA it is shown that, in the '80s, each additional learning year has led to a medium increase of the income with 5,8%; in the '90s this coefficient has almost doubled, reaching up to 10,9%. The workers with a better level of education have higher revenues because even when they have the same responsibilities it is considered that the productivity of the higher skilled people is greater. As a particular phenomenon, Moretti noticed that a 1% increase in the number of the persons with tertiary education would determine a 1,3% increase in the incomes of the high-school graduates and a 2,2% of those with post-high-school revenues. The idea is undertaken by Sianesi and Van Reenen [2000] who show that the well trained employees have an important influence on the productivity of the less trained ones, generating a knowledge spill-over inside the firm and, in this way, raising the firm's innovation capacity. In this context, we do trust in the Schumpeterian idea, launched by Nelson and Phelps [1966], according to which there is a straight correlation between the human capital stock and the economic growth through the capacity of technological progress induction. The high level of instruction means increased innovation capacity, which can determine technological advance and innovation monopoly, fact that creates competitive advantages generating high profits [Moretti, 1998]. It was noticed that the firms' location in the cities with an educational level over the average determines an increase in the investments in technologies and in new equipments. The production function changes in the case of an additional instruction, the proportion of the physical capital being more and more significant, compared to labor. In this way, the ratio capital/labor is changing [Acemoglu, 1996, 779-804]. Even since 1966, Nelson and Phelps have noticed that the new technologies are favored by the increase in the educational stock [Nelson, Phelps, 1966, 69-75].

Regarded from the two main points of view, the ratio education/development is a relevant one, showing that the modern economies cannot be functional in the absence of a major preoccupation for the qualitative development of human capital.

### **2.2.1. Enrollments data**

Between 1960 and 1990, the total number of persons enrolled in the three main levels of education in Africa, Asia, the Middle East, and Latin America rose from 163 million to 440 million—an average annual increase of 5%. Although the largest part of this increase has been in primary education, it is in the secondary and tertiary levels that the greatest proportionate increases have occurred—12.7% and 14.5% per annum, respectively.

Nevertheless, primary enrollment still accounts for nearly 78% of the total LDC school enrollments.

In terms of the proportion of children of school age actually attending school at the primary, secondary, and tertiary levels, the differential between the developed and the less developed regions and among Third World regions themselves is substantial. African countries lag behind at all levels, with only 67% of their primary school-aged children actually enrolled. Table 11.1 shows comparative. Data on enrollment ratios at the primary, secondary, and higher education levels for a selected group of low- and middle-income developing countries in 1965 and 1989. The remarkable increases in enrollments at both the primary and secondary levels are strikingly evident from this table.

### **2.2.2. Literacy data**

The percentage of LDC adults (persons 15 years of age and older) who are illiterate has fallen from 60% in 1960 to 36% in 1990. However, as a result of rapid population growth, the actual number of adult illiterates has risen over this same period by nearly 120 million to an estimated total of over 940 million in 1990. The highest illiteracy rates are found in Africa (50%) and the Arab states (47%), followed by Asia (40%) and Latin America (16%). In North America and Europe, illiteracy rates are a mere 1.0% and 2.5%, respectively.

## **3. METHODOLOGY**

### **3.1. Data Sources and Type of Data**

The main objective of this paper is to examine the impact of education on economic growth in Ethiopia. This study is based on the secondary sources of data. The data used in the model is annual data from Ethiopian Minister of Education (MOE), International Monetary Fund (IMF) and NBE (National bank Ethiopia) for the period 2009-2015.

### 3.2. Research Design

To achieve the objective of this study, we have been used quantitative research approach to examine the impact of education on economic growth in Ethiopia from the period 2009 to 2015 based on the variable of RGDP, Expenditure on education and labor force(primary education enrolment, secondary education enrolment and tertiary education(diploma and above) enrolment).

### 3.3. Method of Data Analysis and Model Specification

This study uses two basic method of data analysis. These methods are descriptive and inferential analysis approach. In the descriptive analysis we simply summarized the collected data in the form of frequency table and histogram while in inferential analysis as its name indicate that we give generalization about our study problem depending on the result findings in this study by using multiple liner regressions methods.

#### 3.3.1 Multiple Liner Regression Method

Multiple linear regressions are regression model that have more than one regress or (independent) variable. The general model for multiple linear regression analysis in which a response is related to a set of quantitative independent variables and dependent variable (Y). In this case, this method is used to investigate the relationship between the education and economic growth. Mathematically, the model is stated as follows:

$$RGDP_t = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Where:

$RGDP_t$  = Real Growth Domestic Product GDP at time t.

$X_1$  = Expenditure on education

$X_1$  = primary education enrolment

$X_2$  = secondary education enrolment

$X_3$  = tertiary education enrolment

$\beta_0$  = is the intercept (constant)

$\beta_1$ ,  $\beta_2$  and  $\beta_3$  are coefficient of the variable  $X_1$ ,  $X_2$  and  $X_3$  respectively

## 4. RESULT AND DISCUSSIONS

The general objective of this study is to analyze the impact of education on economic growth in Ethiopia using multiple liner regression analysis. Explanatory variables are represented by education expenditure, primary education enrolment, secondary education enrolment and tertiary education enrolment from 2009 up to 2015 period.

#### 4.1. Descriptive Analysis Approach

In this study the data are summarized in descriptive analysis approach as follows:

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Real GDP of Ethiopia	7	8.7	11.4	10.19	0.82
Education Expenditure	7	4.4	5.6	4.83	0.5
Primary education enrolment	7	93.4	108.7	98.4	5.59
Secondary education enrolment	7	30.1	37.7	33.91	2.87
Tertiary education enrolment	7	5.2	9.2	7.84	
Valid N (list wise)	7				

**Table 4.1.1:- Descriptive statistics table**

#### Discussion

From the table above we observe that the means show where the center of the data is located, it also show that the averages of the data sets. The standard deviations give us information about how close or far from the mean are the values of the statistical data sets i.e. how concentrated data are around the mean.

Based on the table value the average value of real GDP over the seven year period is 10.19 and its standard deviation from the mean value of 10.19 is 0.82. The mean value of education expenditure, primary, secondary and tertiary education enrolment are 4.83, 98.4, 33.91 and 7.84 respectively.

Among the mean value of primary education enrolment, secondary education enrolment and tertiary education enrolments we observed in the above table the primary education enrolment have average value of 98.4, this value is the larger value among the other explanatory variables which indicates that a large number of students are enrolled in primary schools than the secondary and tertiary education enrolment. And also relatively secondary education enrollment is higher than that of tertiary education enrolment.

#### 4.2. Inferential Analysis using own computation result

##### 4.2.1. Regression Model summary

**Table 4.2.1.1 Table of model summary Model Summary**

<b>Model</b>	<b>R</b>	<b>R Square</b>	<b>Adjusted R Square</b>	<b>Std. Error of the Estimate</b>
1	0.985	0.97	0.965	1.91

**a. Predictors: (Constant), Tertiary education enrolment, Secondary education enrolment, Primary education enrolment, Education Expenditure**

## Discussion

From the above table 4.2.1.1 R means that the coefficient of correlation which used to measures the relationship between the dependent variable and independent variable. In this model the value of coefficient of correlation (R) is 0.985, which is close to one. It indicates that there is a strong relationship between education and Economic Growth.

The other main point we observed that the R square( R<sup>2</sup>), it mean that the coefficient of determination, which is used to measure by how much the endogenous variable explained by exogenous variable. In the above table R<sup>2</sup> =0.97 indicates that about 97% variation (Change)intheRGDP of the country is explained by Education and the rest 3% are explained by the variables other than Education. Which means that, if the education sector has been improving in terms of providing quality of education to meet the objectives of producing efficient, effective and innovative citizens, they will be highly contribute to the growth of the country.

### 4.2.2. Coefficient of Correlation between variables

			<b>Correlations</b>			
<b>Control Variables</b>			<b>Education Expenditure</b>	<b>Primary education enrolment</b>	<b>Secondary education enrolment</b>	<b>Tertiary education enrolment</b>
Real GDP of Ethiopia	Education Expenditure	Correlation	1	0.197	0.707	0.194
		Significance	.	0.035	0.008	0.035
		Df	0	4	4	4
	Primary education enrolment	Correlation	0.197	1	0.289	0.757
		Significance	0.035	.	0.028	0.041
		Df	4	0	4	4
	Secondary education enrolment	Correlation	0.707	0.289	1	0.156
		Significance	0.008	0.028	.	0.038
		Df	4	4	0	4
Tertiary education enrolment	Correlation	0.194	0.757	0.156	1	
	Significance	0.035	0.041	0.038	.	
	Df	4	4	4	0	

**Table 4.2.2.1. The coefficient of correlation between variables**

#### Discussion:

Decision Hypothesis

Ho: There is no relationship between education and economic growth)

H1: Educational factor has a relationship with economic growth)

To identify which explanatory variable are correlated with RGDP of Ethiopia we use the significance vales of each independent variables by comparing to level of significance  $\alpha=0.05$ . If the significance value of each independent variable are less than 0.05 we reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis ( $H_1$ ) and conclude that the variable are correlated. While if it is greater than 0.05 we accept the null hypothesis ( $H_0$ ) and reject the alternative hypothesis ( $H_1$ ) and conclude that the independent variable are not correlated.

Based on the above table value the significance value of all variables are less than 0.05, so we have an evidence to reject the null hypothesis and accept the alternative hypothesis. Therefore there is a significance correlation between variables (Education expenditure, primary, secondary and tertiary education enrolment) with RGDP and also there is correlation between one variable with the other. But except secondary education enrolment other variables have weak correlation with GDP.

#### 4.2.3. Results on the variable Coefficients of the model

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.26	1.79		0.627	0.059
	Education Expenditure	2.088	0.111	0.992	18.827	0
	Primary education enrolment	0.103	0.004	0.996	27.399	0
	Secondary education enrolment	0.298	0.14	0.993	21.35	0
	Tertiary education enrolment	1.267	0.091	0.985	13.932	0

a. Dependent Variable: Real GDP of Ethiopia

#### Discussion

Decision Hypothesis

$H_0: \beta_i=0$  (i.e. Education have no significance impact on economic growth)

$H_1: \beta_i \neq 0$  (i.e. at least one educational factor has significance impact on economic growth)

To identify which variable have a significance effect on the dependent variable we use the p-vales of each independent variables by comparing to level of significance  $\alpha=0.05$ . If the P- value of each independent variable are less than 0.05 we reject the null hypothesis ( $H_0$ ) and accept the alternative hypothesis ( $H_1$ )

and conclude that the independent variable have impacts on the dependent variable, while if it is greater than 0.05 we accept the null hypothesis (Ho) and reject the alternative hypothesis (H1) and conclude that the independent variable have no any impact on the dependent variable.

In our case as we observed from Table 4.2.3 of our data result unstandardized Coefficients of the variable the p-value of the independent variable (secondary education enrolment, primary education enrolment, tertiary education enrolment and education expenditure) are less than 0.05.

Therefore our decision is reject the null hypothesis (Ho) and accept the alternative hypothesis (H1) and we conclude that the independent variable (secondary education enrolment, primary education enrolment, tertiary education enrolment and education expenditure) have a significant effect on the dependent variable (RGDP). In this case we construct the regression model as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Where, Y=dependant variable (RGDP)

$X_i, i = 1, 2, 3, 4$  = independant variable(education expenditure, primary education enrolment, secondary education enrolment, and tertiary education enrolment) respectively.

$$RGDP = 11.267 + 2.088X_1 + 0.103X_2 + 0.298X_3 + 1.267X_4$$

From this regression model we can conclude as follows

The intercept  $\beta_0 = 11.267$ , It shows that change in RGDP of Ethiopia, When all explanatory variables have no a significant effect. Which means that; if government not spent on education and no access on primary, secondary and tertiary education in the country which means all the labor force are not educated the Ethiopia RGDP will be 11.267.

The coefficient of education expenditure  $\beta_1 = 2.088$ , it indicates that the RGDP of Ethiopia increasing by 2.088 when government expenditure on education is increased by one unit; the other explanatory variables remain constant. Hence RGDP and government expenditure on education to produce productive citizen have positive relationship.

The coefficient of primary education enrolment  $\beta_2 = 0.103$  is indicates that the RGDP of Ethiopia increasing by 0.103 when a one unit increase on primary education enrolments; the other explanatory variables remain constant. Hence RGDP and primary education have positive relationship.



The coefficient of secondary education enrolment is  $\beta_3 = 0.298$ , it indicates that the RGDP of Ethiopia increasing by 0.298 when a one unit increase on secondary education enrolments; the other explanatory variables remain constant. Hence RGDP and secondary education have positive relationship. The coefficient of tertiary education enrolment is  $\beta_2 = 1.267$ , it indicates that the RGDP of Ethiopia increasing by 1.267 when a one unit increase on tertiary education enrolments; the other explanatory variables remain constant. Hence RGDP and tertiary education have positive relationship. In general; the results indicate that for every unit increase in government expenditure on education, primary education enrolment, secondary education enrolment and tertiary education enrolment, the real GDP growth rate increases.

Specially, as we observed in the value of the coefficients the explanatory variable, the coefficient of tertiary education enrollment has a value of 1.267 which is a large value relative to the coefficient of other explanatory variables and it indicates that there is a more economic growth change, if government invests in tertiary education which implies that students are in higher (tertiary) education level we expect that they have collective ability better than students who are completed in primary and secondary education and they can carry out existing tasks more quickly and also they can facilitate the transfer of knowledge about new information, products, and technologies created by others.

Furthermore, the coefficient of education expenditure is 2.088, it is the highest value relative to the coefficient of (primary, secondary and tertiary education enrolment), and it implies that investing on education is by how much the economic growth of Ethiopia is changed. So the government of Ethiopia should allocate adequate finance which will help to work on quality of education at all levels of education.

## **5.CONCLUSION AND RECOMMENDATIONS**

### **5.1. Conclusions**

The main objective of the study was to analyze the impact of education on economic growth in Ethiopia using real GDP, as a proxy for economic growth. To determine the impact of education (government expenditure on education, primary education enrolment secondary education enrolment and tertiary education enrolment) on economic growth (real GDP), from results and discussions of the study, we conclude the following observations. According to World Economic Forum 2016, education affects positively a country's productivity for three things basically. First, it increases the collective ability of the workforce to carry out existing tasks more quickly. Second, secondary and tertiary educations especially facilitate the transfer of knowledge about new information, products, and technologies

created by others. Finally, by increasing creativity it increases a country's own capacity to create new knowledge, products, and technologies.

Our study result also confirmed that based on the regression analysis the test was carried out for each variables of government expenditure on education, primary education enrolment, secondary education enrolment and tertiary education enrolment has a P value of less than a level of significance 0.05. Therefore there is no evidence to reject alternative hypothesis. The test confirmed that there is a significant linear relationship between these explanatory variable (government expenditure on education, primary education enrolment, secondary education enrolment and tertiary education enrolment) and real GDP growth.

Generally, this study has confirmed that education at all levels is one of the positive contributors to the growth of economy as measured by the growth in real GDP and therefore a determinant of the needed economic growth. And all variable included in this study has been found to have a strong relationship with economic growth.

## **5.2. Recommendations**

In order to achieve economic growth, more resources should be devoted to education. Education measures have a large impact on human productivity which leads to improved national output. In order to improve the contribution of the human capital through education, the government of Ethiopia has allocated adequate finance which will help to work on quality of education at all levels of education by expansion of primary, secondary and tertiary education in each region, zone, woreda and kebele. In addition only expansion of schools is not enough but also government and concerned body (stake holder) should give attention about quality of education by fulfilling necessary educational materials, by improving the skills of teachers and by designing skill base curriculum which plays to create skilled and productive human capitals to the economy to improve economic growth of a country.

The government must formulate policies towards the establishment of a labor system that rewards education and should also continue its leadership role in creating good environment that encourage better investment in education. Because, participation of the private sector in the education sector speed up the creation of human capital in Ethiopia.

## 6. REFERENCES

- Acemoglu, D., “A microfundation for social increasing returns in human capital accumulation”, *Quarterly Journal of Economics*, vol. 111, nr.3, 1996.
- *American Economic Review Proceedings*, vol. LVI, nr. 56, 1966
- Becker, Gary S.(1962). *Investment in human capital: A theoretical analysis. Journal of Political Economy*, 70 (Supplement), 9-49
- Barro, R., Sala-i-Martin, X., *Economic Growth*, McGraw Hill, New York, 1995.
- Catherine Grant, 2017- *The contribution of education to economic growth: Institute of Development Studies*
- CIA World Factbook (2018) Cowling, M., “Are entrepreneurs different across countries?” *Applied Economics Letters*, nr. 7, 2000.
- DeVol, R.C., “Americas’ High-Tech Economy: Growth, Development and Risks for Metropolitan Areas”, Milken Institute, 1999.
- *Domestic Economic Analysis and Publication Directorate National Bank of Ethiopia 2016/17 Annual Report.*
- *Federal democratic republic of Ethiopia ministry of education: Education Statistics Annual Abstract, 2008 E.C. (2015/16)*
- Gilmore, W., “Education and Human Capital in the New Economy”, T, R & P Seminar, 1999.
- Harmon, C., Oosterbeek, H., Walker, I., “The Returns to Education. A Review of Evidence, Issues and Deficiencies in the Literature”, Centre for the Economics of Education, LSE, 2000.
- *International Monetary Fund, World Economic Outlook Database, April 201*
- Judson, R., “Economic growth and investment in education: how allocation matters”, *Journal of Economic Growth*, nr. 3, 1998.
- Judson, R., “Measuring human capital like physical capital: What does it tell us?”, *Bulletin of Economic Research*, vol. 54, nr. 3, 2002.
- Lall, S., “Harnessing Technology for Human Development”, QEH Working Paper 44, Queen Elizabeth House Working Paper Series, Oxford University, 2001.
- Lange, F., Topel, R., *The Social Value of Education and Human Capital*, Amsterdam: Handbook of Education Economics, 2005.
- Lee, Jong-Wha, “Education for Technology Readiness: Prospects for Developing Countries”, *Journal of Human Development*, vol. 2, nr.1, 2001.
- Lucas, R., “On the Mechanics of Economic Development”, *Journal of Monetary Economics*, Elsevier B.V., vol. 22, 1988.
- Moretti, E., “Social Returns to Education and Human Capital Externalities: Evidence from Cities”, Centre for Labour Research Working Paper No. 9, University of California, 1998.
- Nelson, R., Phelps, E., “Investment in Humans, Technological diffusion and Economic Growth”,
- Oliver Swanson, 2018, *the impact of education on personal and economic growth*
- Popescu, C.C., Pohoană, I. (coord.), *Capital uman, capital social si crestere economică*, Editura Universităţii Al. I. Cuza, Iasi, 2007.
- Romer, P. M.(1996), *Human Capital and Growth: Theory and Evidence*, Carnegie- Rochester Conference Series on Public Policy, Vol. 32.
- Sianesi, B., Van Reenen, J., “The Returns to Education: A Review of Macro-Economic Literature”, Centre for the Economics and Education, LSE, 2000.
- Tefera Y. 2017: *The Impact Of Human Capital On Economic Growth In Ethiopia*
- Woessman 2015) Woessmann, L (2015) *The economic case for education*,
- World bank- *helping to fight poverty and improve living standard in Ethiopia*
- World bank 2007, *the educational quality and economic growth.*
- World Bank, *The East Asian Miracle*, Oxford University Press, 2003.



---

---

# Jane Austen's Achievement

Parveen Kumari

## **ABSTRACT**

*The correct evaluation of Jane Austen as a novelist has come comparatively recently. Her genius was not recognised by most of her contemporaries or even her successors. None of her books saw a second edition in her lifetime. The collected edition of her works which was brought out in 1833 could not be sold for about half a century. Her first biographer humbly wished her to be placed beside such novelists as Fanny Burney and Maria Edgeworth and no more. But about 1890 the tide of appreciation and popularity markedly turned in her favour and, correspondingly, against her contemporary, Sir Walter Scott. Today she needs no advocate as she has made a secure niche in the temple of fame from where she cannot possibly be dislodged- at least for many years to come.*

## **LIFE**

Jane Austen's life gives little opportunity for the biographer, unless, perchance, he has something of her own power to show the beauty and charm of commonplace things. She was the seventh child of Rev. George Austen, rector of Steventon, and was born in the parsonage of the village in 1775. With her sisters she was educated at home, and passed her life very quietly, cheerfully, in the doing of small domestic duties, to which love lent the magic lamp that makes all things beautiful. She began to write at an early age, and seems to have done her work on a little table in the family sitting room, in the midst of the family life. When a visitor entered, she would throw a paper or a piece of sewing over her work, and she modestly refused to be known as the author of novels which we now count among our treasured possessions. With the publishers she had little success. *Pride and Prejudice* went begging, as we have said, sixteen years; and *Northanger Abbey* (1798) was sold for a trivial sum to a publisher, who laid it aside and forgot it, until the appearance and moderate success of *Sense and Sensibility* in 1811. Then, after keeping the manuscript some fifteen years, he sold it back to the family, who found another publisher.

## **WORKS**

Very few English writers ever had so narrow a field of work as Jane Austen. Like the French novelists, whose success seems to lie in choosing the tiny field that they know best, her works have an exquisite perfection that is lacking in most of our writers of fiction. With the exception of an occasional visit to the watering place of Bath, her whole life was spent in small country parishes, whose simple country people became the characters of her novels. Her brothers were in the navy, and so naval officers furnish the only

---

---

exciting elements in her stories; but even these alleged heroes lay aside their imposing martial ways and act like themselves and other people. Such was her literary field, in which the chief duties were of the household, the chief pleasures in country gatherings, and the chief interests in matrimony. Life, with its mighty interests, its passions, ambitions, and tragic struggles, swept by like a great river; while the secluded interests of a country parish went round and round quietly, like an eddy behind a sheltering rock. We can easily understand, therefore, the limitations of Jane Austen; but within her own field she is unequalled. Her characters are absolutely true to life, and all her work has the perfection of a delicate miniature painting.

The most widely read of her novels is *Pride and Prejudice*; but three others, *Sense and Sensibility*, *Emma*, and *Mansfield Park*, have slowly won their way to the front rank of fiction. From a literary view point *Northanger Abbey* is perhaps the best; for in it we find that touch of humor and delicate satire with which this gentle little woman combated the grotesque popular novels of the *Udolpho* type.

### **ARTISTIC CONCERN**

Considered strictly as an artist, Jane Austen is superior to most of her predecessors as also successors. Most English novelists have had the fault of carelessness. Scott, for example, never revised a line of his own simply because he had no time for it. In the novels of Dickens also we come across passages which could have been easily improved with a little care. Jane Austen was, by contrast, extremely careful and painstaking. For months together, after finishing a novel, she would go on revising it till she found it incapable of further improvement. Her meticulous artistic concern for form, presentation, and style cannot be exaggerated. "It is", observes Diana Neill, "not, therefore, surprising that the final versions of her novels had a formal perfection- no loose ends, no padding, no characterization for its own sake, and a flawlessly consistent idiom suited to the person who used it." What is remarkable about Jane Austen, therefore, is the flawlessness for her art. Everything in her novels is carefully conceived and exquisitely executed.

### **HER RANGE AND THEMES**

Jane Austen's art as a novelist has stringently set limits which she seldom oversteps. She was amazingly aware which side her genius lay and she exploited it accordingly without any false notions of her capabilities or limitations. As Lord David Cecil points out, she very wisely stayed "within the range of her imaginative inspiration." Her "imaginative inspiration" was as severely limited as, for example, Hardy's or Arnold Bennett's. Her themes, her characters, her moral vision, her observation- everything has a well-etched range within which she works, and works most exquisitely. Let us now glance at the territories of her art and achievement.

- 
- (i) All her novels have for their scene of action South England where she lived and which she knew so well. However, her novels cannot be called “regional novels” in a category with, say, Hardy's Wessex novels, because she does not particularly concern herself with the landscape and other peculiar features of the region she deals with. She is, as has been said by Robert Liddell, a “pure novelist” whose concern and study are “human beings and their mutual relations.” Regionalism as such is unknown to her.
- (ii) She deals only with one particular mode of existence. Her novels are all about the upper middle classes and their (mostly trivial) activities. Moody and Lovett observe: “The chief business of these people, as Miss Austen saw them, was attention to social duties; their chief interest was matrimony. This world Miss Austen represents in her novels; outside of which she never steps” The same critics observe: “Unlike Maria Edgeworth, whose novels represented a considerable range of social experience, Miss Austen exploited with unrivalled expertness the potentialities of a seemingly narrow mode of existence.”
- (iii) Jane Austen had an eye for the minutiae of life. Theatricals, tea parties, and balls were the most important events in the placid life of her own family and her neighbourhood. These very things are given the pride of place in her novels. The most “thrilling” events are nothing more than an elopement or a runaway marriage. In her novels there are no storms—except those in tea cups.
- (iv) There is thus no adventure, no passion, and no “romance” in her novels. There are no deeply stirring tempests either literal or psychic, such as we find, for example, in the novels of the Bronte sisters. Charlotte Bronte herself was constrained to observe about Jane Austen: “She ruffles her reader by nothing vehement, disturbs him by nothing profound. The passions are perfectly unknown to her: she rejects even a speaking acquaintance with that stormy sisterhood.”
- (v) She was not a romantic novelist of the kind of either the Brontes or Scott. Temperamentally she belonged more to the eighteenth century than her own age which was then being swept over by a strong current of the Romantic Revival. Once when she was invited to write a romance of the kind of Scott's novels, her reply was perfectly clear: “I am fully sensible that [such a romance] might be more to the purpose, profit or popularity than such pictures of domestic life in country villages as I deal in. But I could no more write a romance than an epic poem... No, I must keep to my own style and go on in my own way: and though I may never succeed again in that, I am convinced that I should totally fail in any other.”

## **HER CHARACTERISATION AND PLOT-CONSTRUCTION**

Jane Austen is one of those novelists in whose works characters cannot be considered apart from the plot. Characterisation and the building of plot go hand in hand, and quite often the two are interchangeable too. Her psychological insight into her characters, like her minute observation, needs no elaboration. Most of them are “round” characters and have an organic development in most cases, from self-deception to self-knowledge and self-realisation. Her female characters are certainly more complex and

engaging than her men who have a certain softness about them. Her characters are all highly individualised and yet they have something of the universal about them. They reveal themselves not in moments of crisis but during their engagement in the trivial activities of social life. Jane Austen herself was so convinced of the reality of her fictive characters that, as Chew puts it, “she would narrate to her family incidents in their lives which do not occur in the book.”

One of Jane Austen's achievements and merits is her excellence at plot-construction. Very few English novelists have given as well-integrated plots as she has. All the characters in a Jane Austen novel are essential to its plot; even the very minor ones cannot be justifiably excused from it on the ground of being superfluous or supernumerary. She has something like the architectonic ability of a dramatist. Numerous of her novels have been split by critics into so many acts of a drama.

### **HUMOUR, SATIRE, AND IRONY**

This detachment from her characters is, mostly, ironic in nature. Her irony, like her humour and comedy, is of the quiet, unobtrusive kind. As Cecil puts it, “humour was an integral part of her creative process.” She laughs at the social aberrations and irrationalities of her characters. She is a satirist but shows no evidence of holding a lash in readiness. She paints more the follies of manners than morals. “Her province,” says Samuel C. Chew, “is not that of sombre delinquency but a venial error. The faults in her characters are mostly due to bad training or want of training in youth. In older people these are often beyond repair; but in young especially the young lovers, they are purged and done away through tribulations which are nonetheless poignant for being generally misunderstandings. Each book is thus a history of self-education and self-correction.” “Jane Austen”, observes Compton- Rickett, “never lashed our follies, she faintly arched her eyebrows and passed on.” She constantly considered decorum, grace, tolerance, sympathy and self-respect in juxtaposition with their opposites like ill-breeding, coarseness, intolerance, selfishness, and self-humiliation. However, she is never harsh, and she never arrogates to herself any pontifical dignity. She is convinced of the ordinariness of life and all its appurtenances. Her tolerance as a moralist places her beside Chaucer, Shakespeare and Fielding.

### **HER STYLE**

A word now about her style which is a monument of grace, lucidity, intelligence, perception and a kind of “feminine” charm. “There are,” says Samuel C. Crew, “qualities of Miss Austen's style- the delicate precision, the nice balance, the seeming simplicity-which remind many readers of Congreve's comedies.”

### **REFERENCES**

- Singh, T.A *History of English Literature*. Bareilly: student store Publishers, 2008
- Long, William J. *English Literature*. Delhi: AITBS Publishers, 2013
- Spark Notes, m: sparknotes.com
- Wikipedia



# Psycho-Social Approach in Treatment of Bipolar Disorder

**Hemant Kumar**

Ph.D, M.Phil  
(Psychiatric SW)

## **ABSTRACT**

*The dramatic success of psychiatric medications in the treatment of bipolar disorder has led most clinicians believe that it is the only treatment of choice. Bipolar disorder is a major psychiatric illness, with a life time prevalence of 1-3%. It is estimated that an adult developing Bipolar disorder in his/her mid 20s effectively loses 9 years of life, 12 years of normal health, and 14 years of work activity. However, current evidences indicate that approximately 20% of the patients do not improve all the possible efforts. This particularly holds true for psychosocial dysfunctions associated with bipolar disorder. Presently, bipolar disorder is labeled as one of the world's top ten causes of disability due to these reasons, psychosocial interventions getting more attention in order to improve and manage dysfunctions at individual, family and community level with the ultimate aim to improve overall quality of life. So these statistics, as well as QOL and cost of care can be improved on by integrating psychosocial treatments with the widely used drug regimens.*

**Keywords: Psycho-Social, Intervention, Treatment, Disorder, Psychiatric**

## **1. INTRODUCTION**

Today, blending medications and psychosocial interventions in the treatment of bipolar disorder is the norm and has considerable support in the research literature. Successful treatment of substance use disorders may involve the use of multiple specific interventions which may vary over time for any individual patient and which may involve more than one clinician. Collaborative treatment integrates medication and psychotherapy approaches for the patient (Riba and Balon, 1999).

The American Psychiatric Association's Practice Guideline for Treatment of Patients with bipolar Disorders (American Psychiatric Association) is an excellent resource on the specific psychosocial and pharmacological treatments for substance use disorders. In addition, it describes the crucial psychiatric management tasks for the psychiatrist providing integrated treatment for substance use disorders. In addition, the psychosocial repercussions of this illness, such as disability are severe. The heritability of bipolar disorder has contributed to a focus on pharmacological treatments, but only about 60% of bipolar patients respond to Li or anticonvulsants alone. Furthermore, only about 40% of patients remain without an illness recurrence over 2-3 year period even when maintained on standard dosages. Also it is clear that

---

---

even with remission of affective episodes, substantial subsyndromal symptoms, particularly depression remain in a large proportion of patients. It has been estimated that psychosocial factors may contribute to 25-30% to the outcome variance in bipolar disorder. Psychosocial Issues In Bipolar Disorder Most patients with bipolar disorder will struggle with some of the following issues, which need consideration in all psychosocial interventions.

- Emotional consequences of affective episodes.
- Developmental deviations and delays caused by past episodes.
- Problems associated with stigmatization.
- Fears of recurrence and consequent inhibition of normal psychosocial functioning.
- Interpersonal difficulties
- Problems in learning to discriminate normal from abnormal moods.
- Academic and occupational problems.
- Marriage, family, child bearing and parenting issues.
- Concerns about genetic transmission.
- Realistic losses due to treatment. These occur for the patient who is truly more creative or productive during hypomania or who experiences significant side effects from treatment.
- Symbolic losses due to treatment. Having a chronic illness and needing medication for life can lead to lowered self-esteem and feelings of defectiveness. The treatment may also be scapegoated, by projection, for unrelated failures in life, or damaging periods of mania are falsely recalled as productive.

For all patients, some psychosocial interventions (in addition to pharmacological management) will be needed to address these issues, although the form, intensity and focus of psychotherapeutic treatments are likely to vary over time for each patient.

Psychosocial interventions can be classified into:

1. Individual approach
2. group approach
3. family approach
4. Community approach including rehabilitation

### **Psychosocial Interventions For Acute Manic Episodes**

The desired goal of psychotherapy in acute mania is not cure of the episode which only time or medications will accomplish, but moderation of the most extreme manic behaviour that can irreversibly devastate lives.

Isolation of the patient from other individuals may sometimes be required to protect both the patient and others. A regular schedule of meetings with the patient may be helpful. Since the manic patient is stimulated by outside events, TV, music and alcohol can heighten manic thought process and activities. Thus a quiet room with fewer distractions may be desirable. Manic patients may also need room to pace or exercise as a way to use energy and ensure sleep. Patients and their families should be advised that during manic episodes patients may engage in reckless driving. Counseling families to disengage from specific arguments and stay calm while maintaining a protective stance may help patients stay in greater control. The psychiatrist may also make concrete interventions, such as “mopping up” after the episode by arranging with merchants for return of inappropriately purchased luxury items.

### **PSYCHOTHERAPIES FOR DEPRESSIVE EPISODES**

There are a range of psychotherapeutic interventions that may be useful for patients with major depressive episodes. Some of these interventions have been studied in patients with bipolar depression as well as in those with unipolar depression. It is not clear to what extent patients with bipolar and unipolar depression are similar in their responsiveness to psychotherapy. However, it seems likely that the following treatments may benefit some patients with bipolar depressive episodes, especially when the depressive episodes seem to be precipitated or exacerbated by psychosocial issues or are the cause of significant psychosocial morbidity.

**Psychodynamic psychotherapy and psychoanalytic treatments** clarify intra-psychic processes that may precipitate and/or perpetuate affective dysregulation in vulnerable patients, and help them to anticipate and master disabilities and neutralize conflicts through the process of insight.

**Interpersonal therapy** seeks to recognize and explore depressive precipitants that involve interpersonal losses, role disputes and transitions, and is especially effective in ameliorating occupational and social aspects of the patient's dysfunction.

**Behaviour therapy** of depression is based on functional analysis of behaviour therapy and /or social learning theory. The techniques involve activity scheduling, self-control therapy, social skills training, and problem solving.

**Cognitive therapy** maintains that irrational beliefs and distorted attitudes towards the self, the environment and the future perpetuate depressive affects and these beliefs may be reversed through CBT.

**Marital and family approaches** for the treatment of depression include behavioral approaches, a psycho-educational approach and a “strategic marital therapy” approach.

**Group therapy** may be particularly useful in the treatment to depression in the context of bereavement.

All these treatments are reported to be effective in the acute treatment of patients with mild to moderately severe unipolar depression, especially when combined with pharmacotherapy. The utility of these therapies in continuation and maintenance phase treatment of patients with bipolar depression has not been subjected to controlled trials. Expert Consensus Guideline for treatment of Bipolar disorder suggests psychotherapy as second line treatment for depressive episodes, to be added when first line treatment with a mood stabilizer and an antidepressant fails.

### **SPECIFIC PSYCHOTHERAPEUTIC APPROACHES**

The available psychotherapeutic treatments for Bipolar disorder are discussed as separate entities, even though in practice, psychiatrists commonly use a combination or synthesis of different approaches depending on the patient's needs and preferences.

#### **PSYCHOANALYSIS**

Patients suffering from bipolar disorder did not fare particularly well with most earlier psychoanalytic writers as potential candidates for psychoanalytic treatment. In the 1950s and 1960s, a group associated with Mabel Cohen applied developmental theories of Melanie- Klein to pathogenesis, transference and counter transference, and claimed greater success in long term outcome. Successes were claimed by various groups for long term outcomes in small number of intensively treated patients (Rosenfeld, 1963; Scott, 1963) Analytic techniques focused on the depressive phase of the illness or the putative underlying depression during mania, using transference and counter transference to explore abandonment fears, repressed rage, manic defenses and need for engagement through testing of limits.

#### **PSYCHO-EDUCATION**

Psycho-education can be defined as a mutual process that attempts to improve a patient's illness management skills through the bi-directional sharing of relevant information. In psycho-education a lower level of psychological ability than in other approaches is needed, so it is cheaper and easier to evaluate. It only requires extensive knowledge of the illness and its management and communication skills. Yet bipolar patients frequently complain about the lack of information they receive.

Psycho-education is appropriate for patients in all stages of the illness; however depending on symptoms, content and methods vary. Ideally the process involves key members of the person's social network, including spouse, family members and caregivers. It is generally held that the partner can more easily discuss the problems without the patient being present.

---

---

### **Aims of psycho-educative treatment for bipolar patients**

- Providing information, assistance, insight and support to the patient and his family.
- Enhancing illness awareness and destigmatization preventing or mitigating recurrences
- Enhancing treatment compliance
- Avoiding drug abuse
- Identifying relapse symptoms
- Stress management
- Enhancing knowledge and coping of psychosocial consequences of past and future episodes.
- Preventing suicidal behaviour.
- Improving interpersonal and social interepisode functioning.
- Coping with subsyndromal residual symptoms and impairment.
- Increasing well-being and quality of life.

### **KEY STEPS IN THE PSYCHO-EDUCATION PROCESS**

1. Assessment: What host factors will have an impact on outcome in this patient's disease?

- A. Which comorbid disorders are present or likely to recur?
- B. What characteristics are likely to contribute to illness management skills?
- C. Explore the patient's views about his/her illness and its treatment:

2. Implementation: setting the stage:

- A. Educate regarding boundary conditions, requirements of treatment, practicalities of accessing the caregivers between appointments. That is: What can they expect from treatment, and how do you expect them to act?
- B. If there are discrepancies between patient expectations and preferences, discuss and resolve early in treatment.
- C. Discuss explicitly the how-to's of access, particularly in crisis. (Don't underestimate the importance of this: perceived access dictates degree of participation - i.e., will they call you when they have a side effect or an exacerbation of symptoms and how / when will you respond?).

3. Implementation: personal cost-benefit analyses around specific treatment decisions:

- A. Fix clearly in your own mind the boundaries to work within (e.g., it is not likely to be clinically justified to give antidepressants to a manic patient; many patients with substance use disorders should not be given benzodiazepines). Then working within these parameters:
- B. Convey information around expected benefits and possible side effects of an intervention, or preferably a series of options.
- C. Query the patient regarding concerns, fears, preferences about both good and deleterious effects of the various options.

- D. If applicable, suggest within the set up of options your own preference and the reasons behind your stance.
- E. Give the patient the option of treatment choice wherever possible.
- F. Set follow-up time frame and procedures for jointly assessing both good and deleterious effects, including how to access you in situations of crisis.

#### 4. Implementation: follow-up

- A. You have in essence jointly conducted an experiment. How did it turn out?
  - i. After assessment, what is your opinion of the good and deleterious effects? Was the gain worth the pain?
  - ii. What is the patient's opinion? Was the gain worth the pain?
- B. Jointly decide (with as much input from the patient as is clinically feasible):
  - i. Continue as is?
  - ii. Adjust current intervention (e.g., dose, time, frequency)?
  - iii. Change intervention (or add another)?

A small number of studies have looked at the effect of psycho educational interventions in bipolar disorder. **Clarkin et al (1990)** using a structured psycho educational intervention for patients and their spouses and **Perry et al (1999)** with a program oriented toward recognizing the early symptoms of manic relapse reported encouraging results. **Honig et al (1994)** used a psycho educational program for bipolar patients and key relatives focused on developing coping skills and recognizing the need for social supports and found significant reductions in expressed emotions in families, with an associated decrease in relapses.

### **FAMILY THERAPY**

Bipolar patient relatives often state that information given to the patient is really useful for them as well. While applying family therapy in this population, the treatment issues one should anticipate are three fold.

1. As soon as manic or depressive episode is over, the patient frequently wants to resume normal relations immediately. After the ordeal that the family members has been just through, however they are not ready to do so, and an atmosphere of conflict results.
2. Dysfunctional patterns frequently arise around the issue of dependence. For example, immediately after discharge, family members are often active in ensuring medication compliance. While it is appropriate for a time, continued too long such activity becomes dysfunctional and deprives the patient of the chance to assume full responsibility for his/ her well being.

3. Family members, consumed with worry about the onset of another episode, find danger in virtually any expression of anger or sadness on the part of the patient. This reinforces the patient's dependent position and also disqualifies virtually all of his or her emotional expression.

**Family focused treatment (Miklowitz et al, 1990)** is based on the assumption that acute episodes of bipolar disorder have disorganized effects on the family unit that are reflected in disturbances in affective and communication styles of key family members. Based on behavioral family management techniques,

**FFT** involves not only the patient but also the significant others.

The program consists of 4 modules: (1) assessment of family and marital milieu. (2) Psycho- education for patient and family about Bipolar disorder. (3) Communication enhancement training. (4) Problem-solving skills training. A recently concluded randomized controlled trial (Miklowitz et al, 2000) showed that compared to patients who received follow up crisis management, patients assigned to **FFT** had fewer relapses (especially depressive), the most dramatic improvement being in patients whose families were high in expressed emotion.

### **MARITAL THERAPY**

There is a 45% separation or divorce rate among patients of bipolar disorder, compared with 18% in controls. This fact underlines the importance of marital therapy for this population. Mayo (1979) describes the issues in marital therapy for bipolar patients. With improvement from an affective episode, modification of the couple's customary mode of interaction is necessary. Problems in the marital relationship, sexual relation, and time schedules, handling of money and care of children must be dealt with differently. Children are frequently pressured to take sides during parental arguments. They develop ambivalent attitudes about the apparent inadequacy of the “well” parent in face of continued “bad behavior” of the sick parent. During therapy, attention is focused on enabling the spouse to assume more responsibility for his/her own behavior that may lead to exacerbation of symptoms in the patient.

### **GROUP THERAPY**

Arguments in favour of group therapy for bipolar patients are based on illness effects in social adjustment, interpersonal aspects of coping with the illness, and the well-known economic advantages of treating chronic illnesses in group setting. The group can also offer a safe and controlled atmosphere, which could function as a buffer during stressful periods, and would allow an effective change of denial mechanisms. Other authors suggest starting group therapy during hospitalization, even when in acute phase.

**Goals of bipolar groups** include educating the patients on nature of the disease, helping them learn ways of coping with its symptoms and encouraging them to discuss relevant psycho dynamic and interpersonal issues. To achieve these goals, several investigators have explored alternative group approaches for this population.

### **COGNITIVE BEHAVIORAL THERAPY**

In bipolar affective disorder, behavioral therapy may be useful for patients with mildly depressed or dysthymic moods, or on post manic dysphoria when the patient quite often remains hypoactive and abulic. Self control techniques, stress management and inoculation, exposition and coping might be useful in the treatment of specific problems derived from the illness. Simple behavioral techniques (such as pairing tablet-taking with a routine activity) can be used to facilitate adherence.

### **INTERPERSONAL AND SOCIAL RHYTHM THERAPY (IPSRT)**

**IPSRT of Frank et al (2000)** integrates interpersonal therapy with social rhythm therapy. It focuses on stabilizing social rhythms, such as patterns of social stimulation and sleep-wake schedule, and on improving interpersonal relationships as a means to develop better coping skills. **IPSRT** begins while the patient is in the acute episode of illness

### **MILIEU THERAPY**

The term milieu therapy has been used to describe an environment which is in some way therapeutic. **Bjork et al (1977)** observed that principles of treatment derived from the therapeutic community model - democratization and permissiveness- are generally incompatible with the effective treatment of manic patients. They stress that milieu modifications are necessary to meet individual treatment needs, and describe approaches to managing manic patients in four phases- preadmission evaluation, and the post admission, middle and termination phases of inpatient treatment.

### **SUPPORT GROUPS**

Many support groups provide useful information about bipolar affective disorder and its treatment. Patients in these groups often benefit from hearing the experiences of others who are struggling with such issues as denial versus acceptance of the need for medications, problems with side effects and how to shoulder other burdens associated with the illness and its treatment. In India we have volunteer groups like friends of NIMHANS, a women's group that had developed and administers with volunteer help a psychosocial rehabilitation centre for psychiatric patients.



---

---

## APPROACHES IN DEVELOPMENT

**Sleep management:** Wehr et al. (1998) worked with a rapid cycling patient over a 2 year period to help him maintaining bed rest in a dark room for 14 hours each night. The regimen resulted in sleep and mood stabilization, and a single case replication has been reported (Justice et al., 1999).

**Insight intervention:** Davidoff et al. (1988) showed individuals with a range of psychotic conditions videotapes of their own behaviour captured during the first 2 days of hospital admission. The videotape intervention, compared with a control condition, resulted in significant improvements in treatment attitudes and delusionality, although not in other symptom areas.

**Psychodynamic group therapy :** In a small study of psychodynamic group therapy (Kanas & Cox, 1998) bipolar patients obtained higher engagement and lower anxiety conflict and avoidance ratings on a measure of group process compared with groups of schizophrenic or neurotic patients.

### Social Approaches

Social approaches can be divided into 2 categories, environmental manipulation and behavioural change.

## ENVIRONMENTAL MANIPULATION

- 1. Treatment setting:** Inpatient care is indicated for the suicidal, for those with severe or non-responsive illnesses and for those without an adequate social support network. The timing of hospitalization may be important in order not to damage further the fragile self-esteem of the individual nor to foster dependency. Some patients fear stigmatization, but this anxiety can be reduced by educating the patient about the potential benefits of being allowed space to improve current coping responses in a less stressful environment.
- 2. Life-Style Counseling** – Practical help in dealing with financial, housing and other areas may be required. A change to a less vulnerable employment may be indicated. However, reducing stress for an individual should not condemn him or her to an unfulfilling life.
- 3. Enhancing Social Support** – O'connell et al. showed that social support was the psychosocial factor most strongly correlated with a good treatment outcome. One study done in our institute (Singh & Nizamie, 1991) confirmed this finding, and also found that in our population, the 'mother'

is the most important role relationship from whom the highest average actual or ideal support is available to bipolar affective disorder patients. These studies emphasize an increasingly important role for a family support component in any treatment package. Such interventions should improve the quality of the domestic environment and reduce the level of maladaptive behaviours in the patient and relatives.

### **BEHAVIORAL CHANGE**

1. **Improving Coping Skills:** If exposure to specific life events cannot be reduced, it may be possible to alleviate the stress experienced by changing the meaning of the events for the individual or changing the behavioural response. At a general level, all patients will benefit from broad-based problem solving training. Rehearsing now to act or cope with anticipated difficulties will lead to development of protective behaviours.
2. **Social Skills Training:** Social skills training entails the patient's learning specific interpersonal skills and competencies through methods that promote the maintenance and generalization of the new or rehabilitated skills. Studies on role of social skills training in bipolar affective disorder are lacking.

### **REHABILITATION**

10-30% of patient with bipolar affective disorder show evidence of moderate or severe social impairment. The latter is usually a consequence of affective symptoms, even if these are relatively trivial in themselves. Patients with bipolar affective disorder may suffer from some features of the negative symptom complex, like social eccentricity and isolation, and apparent lack of motivation and spontaneous activity. It is now recognized that there is a role for rehabilitation in the management of these patients.

Before instituting a rehabilitation programme, the psychosocial assessment must address the complex interaction of preexisting personal and social problems: the disruptive effects of the disorder upon self-esteem and social functioning, and the current affective psychopathology. For the majority of patients with bipolar affective disorder the primary aim of rehabilitation is to enhance personal adaptation. Shaw and Koch suggest that cognitive therapy may be useful in rehabilitating these individuals. Compared to its applications for patients with schizophrenia, vocational rehabilitation of patients with bipolar affective disorder focuses less on work performance and more on work for restoring confidence and self-esteem and enhancing feelings of mastery. Few patients with bipolar affective disorder show persistent psychotic symptoms or gross behavioural disturbance. For this group, rehabilitation interventions parallel those used for other chronic mentally ill patients. This incorporates four priority areas focussing on social skills and self-care, maximizing role performance, reducing or eliminating inappropriate

behaviours and engaging the help of one close contact (who might support the individual on return to the community).

## **SPECIFIC CONSIDERATIONS FOR SPECIAL GROUP**

**Children and adolescents:** Psychiatric management of children and adolescents with bipolar affective disorder must be informed by an assessment of the individual's emotional, social and academic capacities and skills, as chronic mood lability and major mood episodes may interfere with normal development in these areas. Comorbid conditions such as learning problems also need to be addressed.

**Elderly:** Foelker et al (1986) made the first psychotherapy program for elderly bipolar patients, integrating traditional therapy approaches with psycho-education, Li level monitoring and case management. Some fear that learning based theories may have less value because older people tend to be more rigid psychologically and less inclined to change, but there is ample evidence that normal elder people can continue to learn. Family members should be instructed about the importance of maintaining adequate hydration, especially considering various fasts in our country, as dehydration can lead to Li toxicity. Other interventions include keeping the medicines in bottles with name of the medication written in big letters.

**Pregnancy:** Because of the risks of pharmacologic treatment, psychotherapy alone is an important alternative for female patients who are pregnant or planning to conceive. Bipolar women who are maintained on Li deserve family planning as a planned pregnancy increases available options. Individuals with bipolar affective disorder who are considering having children may benefit from genetic counseling.

**Patients exposed to recent life events:** The observation has been made repeatedly that bipolar patients are sensitive to life events. One study in our institute (Singhal & Pandey, 1980) showed that 55% of subjects experienced life events before the onset of manic episode, and that the most common stress found was failure in achieving a target (examination, election), economical crises and the death of a first degree relative. Patients and their families should work with the psychiatrist to develop an understanding of the unique association for each individual patient between stressful events and the onset of symptoms; and they should be encouraged to contact the psychiatrist during such times.

**Patients with associated comorbidity and complications :** Patients with bipolar affective disorder remain vulnerable to other psychiatric disorders, most common being substance use disorders and

personality disorders. Each of these has particular consequences and increases overall psychosocial vulnerability of the patient. So, psychosocial interventions should address these disorders also.

## CONCLUSION

Among various psychosocial approaches described for treatment of bipolar affective disorder, evidence is most robust for the efficiency of psycho-education, family therapy, and IPSRT, while group therapy and CBT are supported by weaker evidence. The effects seem stronger for depressive symptoms, while literature on Li and anticonvulsants suggests their greater stabilizing effects on manic symptoms. Also, various psychosocial interventions help to improve patient's compliance with medications and to deal with psychosocial consequences of the illness. Thus, mood stabilizers and psychosocial interventions are complementary treatment approaches that if administered conjointly will offer more efficacious, effective and lasting treatment for patients with bipolar affective disorder.

## REFERENCES

- American Psychiatric Association (1994) Practice guideline for the treatment of patients with bipolar disorder. American Journal of Psychiatry, 151 (12 suppl.), 1-36.*
- Bjork, D., Steinberg, M., Lindenmayer, J.P., & Pardes, H. (1977). Mania and milieu: treatment of manics in a therapeutic community. Hospital and Community Psychiatry, 28(6), 431-436.*
- Clarkin, J.F., Glick, G., & Haas, G. (1990). A randomized clinical trial of in-patient family intervention: V. Results for affective disorders. Journal of Affective Disorders, 18, 17-28.*
- Davidoff, S.A., Forester, B.P., Ghaemi, S.N. & Bodkin, J.A. (1988). Effect of video self-observation on development of insight on psychotic disorders. Journal of Nervous and Mental Disease, 186, 697-700.*
- Foelker, G.A., Molinari, V., Marmion, J.J. & Chacko, R.C. (1986). Lithium groups and elderly bipolar outpatients. Clinical Gerontology, 5, 297-307.*
- Frank, E., Swartz, H.A. & Kupfer, D.J. (2000). Interpersonal and social rhythm therapy: managing the chaos of bipolar disorder. Biological Psychiatry, 48(6), 430-432.*
- Honig, A., Hofman, A., & Rozendaal, N. (1997). Psychoeducation in bipolar disorder. Effect on expressed emotion. Psychiatry Research, 72, 17-22.*
- Justice, W.A., Quinto, C., Cajochen, C., & Warten, E. (1999). A rapid cycling bipolar patient treated with long nights, bed rest, and light. Biological Psychiatry, 43, 45, 1075- 1077.*
- Kanas, N. & Cox, P. (1998). Process and content in a therapy group for bipolar outpatients. Group, 22, 39-44.*
- Mayo, J.A. (1979). Marital therapy with manic-depressive patients treated with lithium. Comprehensive Psychiatry, 20(5), 419-426.*
- Miklowitz, D.J., Simonewi, T.L., George, E.L., Richards, J.A., Kalbag, A., Ericsson, S.N., & Suddatn, R. (2000). Family-focussed treatment of bipolar: 1-year effects of a psychoeducational program in conjunction with pharmacotherapy. Biological Psychiatry, 48(6), 430-432.*
- Perry, A., Tarrier, N., & Morriss, R. (1999). Randomized controlled trial of efficacy of teaching patients with bipolar disorder to identify early symptoms of relapse and obtain treatment. British Medical Journal, 16, 149-153.*
- Riba MB, Balon R. Psychopharmacology and Psychotherapy: A collaborative approach. Washington DC, American Psychiatric Press, 1999.*
- Singhal, A.K., & Pande S.K. (1980). Study of psychologically stressful events in the precipitation of manic episodes. DPM Dissertation submitted to Ranchi University.*
- Wehr, T.A., Turner, E.H., Shimada, J.M. Lowe, C.H., Barker, C., & Leibenluff, E. (1998). Treatment of a rapid cycling bipolar patient by using extended bed rest and darkness to stabilize the timing and duration of sleep. Biological Psychiatry, 43, 822-828*

# Involvement of Women in Livestock Sector in Aligarh District

**Dr. A. K. Singh And Dr. Vinod Prakash**

Head and Senior Scientist (Horticulture) and Scientist (Extension) Kristi Vigyan Kendra, Aligarh  
(Chandra Shekhar Azad University of Agriculture and Technology, Kanpur)

## **ABSTRACT**

*Gender refers to the socially determined differences between women and men, such as roles, attitudes, behaviours, and varies across gender roles are learned and vary across cultures and overtime. They are, thus amenable to change. Gender is a relational term that includes both women and men. Gender equality focuses on changes for both women and men. The caste system in India separated into economic and social strata by birth. The rigid hierarchy remained largely in place for many countries, despite periodic challenges from social and religious reform movements. The study was carried out during 2018 in Aligarh district of Uttar Pradesh regarding on the ground of being Lodha block in livestock areas. Four villages were randomly selected from the village list of the block for the study in Livestock activities that as compare to man, women average contribution was more (61.00 %) out of 8 livestock activities and man contribution was (39.00%). Out of 8 livestock activities, in three activities major contribution of women were found with livestock as (1) Milk processing (Butter, curd and Ghee etc) (100%) (2) Fodder managements (65%) and (3) Milking (62%), respectively. Similarly but vice-versa, man contribution less as compare to women, major contribution of man were found with livestock as (1) Making animal food (48%) (2) Cleaning of animals and animal house (44%) and animal feeding (3) (41%), respectively. India is an agriculture based country and livestock sector is an integral component of it where, livestock production is largely in the hands of women. Most of the animal farming activities such as fodder collection, feeding, watering, and health care, management, milking and household-level processing, value addition and marketing are performed by women. S.J. Patel et.al. (2016)*

## **1. INTRODUCTION**

India is an agriculture based country and livestock sector is an integral component of it where, livestock production is largely in the hands of women. Most of the animal farming activities such as fodder collection, feeding, watering, and health care, management, milking and household-level processing, value addition and marketing are performed by women. S.J. Patel et.al. (2016). Swaminathan, the famous agricultural scientist describes that it was woman who first domesticated crop plants and thereby initiated the art and science of farming. While men went out hunting in search of food, women started gathering seeds from the native flora and began cultivating those of interest from the point of view of food, feed, fodder, fibre and fuel. Women have played and continue to play a key role in the conservation of basic life support systems such as land, water, flora and fauna. They have protected the health of the soil through organic recycling and promoted crop security through the maintenance of varietal diversity

---

---

and genetic resistance. Rural women play a key role in agricultural sector production by working with full passion in production of crops right from the soil preparation till post harvest and food security activities (Habib, 1996; ESCAP, 1996; Ahmed & Hussain, 1986).

That women play a significant and crucial role in agricultural development and allied fields including in the main crop production, livestock production, horticulture, post harvest operations, agro/ social forestry, fisheries, etc. The nature and extent of women's involvement in agriculture, no doubt, varies greatly from region to region. Even within a region, their involvement varies widely among different ecological sub-zones, farming systems, castes, classes and stages in the family cycle. But regardless of these variations, there is hardly any activity in agricultural production, except ploughing in which women are not actively involved. Studies on women in agriculture conducted in India and other developing and under developed countries all point to the conclusion that women contribute far more to agricultural production than has generally been acknowledged. Recognition of their crucial role in agriculture should not obscure the fact that farm women continue to be concerned with their primary functions as wives, mothers and homemakers. Roshan lal and Ashok khurana(2011).

In the food security the rural women over the world play a major role, agricultural production and in the development and stability of the rural areas but women face a number of constraints in approaching agricultural extension sources especially in developing countries.

Rural women along with men play an important role in the agriculture sector like crop production, livestock production as well as cottage industry. Butt,T.M.,Z.Y.Hassan et.al. 2010. In this context, a study was taken with the following objectives:

1. To study the study were gender based on caste category
2. To study the comparative activities related to livestock sector

### **METHODOLOGY:**

The study was purposively conducted in Lodha block of Aligarh district (U.P.) on the ground of being a major rice growing area and livestock areas. Four villages were randomly selected from the village list of the block for the study. Thus, there were 100 respondents in total for study undertaken through proportionate random sampling technique and the investigator himself collected data with the help of pre tested interview schedule.

---



---

**RESULTS AND DISCUSSION:**
**Table 1. Distribution of respondents (Gender) based on caste category in agriculture and livestock sector**

**Table 1** indicate that a majority of the respondents (39.00%) belong to backward caste while the general caste (34.00%) and Scheduled caste/ scheduled tribe caste category (27.00%), respectively. Similar finding have been reported by Bose and Santipriya (1961)

**It is obvious from table 2 in Livestock activities** that as compare to man, women average contribution was more (61.00 %) out of 8 livestock activities and man contribution was (39.00%). Out of 8 livestock activities, in three activities major contribution of women were found with livestock as (1) Milk processing (Butter, curd and Ghee etc) (100%) (2) Fodder managements (65%) and (3) Milking (62%), respectively. Similarly but vice-versa, man contribution less as compare to women, major contribution of man were found with livestock as (1) Making animal food (48%) (2) Cleaning of animals and animal house (44%) and animal feeding (3) (41%), respectively.

**It is obvious from table 3 in Social and decision power activities** that as compare to women, average contribution of man was very high (91.00 %) and women contribution was very low (9.00%). Out of 5 Social and decision power activities, in three activities major contribution of man were found as (1) Village Leader (98%) (2) Social workers (97%) and (3) Head of family (96%), respectively. Similarly but vice-versa, women contribution less as compare to man, major contribution of women were found as (1) Social participation (22%) (2) Extension agents (14%) and (3) head of family (4%), respectively.

**CONCLUSION:**

Gender refers to the socially determined differences between women and men, such as roles, attitudes, behaviours, and varies across gender roles are learned and vary across cultures and overtime. They are, thus amenable to change. Gender is a relational term that includes both women and men. Gender equality focuses on changes for both women and men. The majority of the respondents (39.00%) belong to backward caste while the general caste (34.00%) and Scheduled caste/ scheduled tribe caste category (27.00%), respectively. In Livestock activities that as compare to man, women average contribution was more (61.00 %) out of 8 livestock activities and man contribution was (39.00%). Out of 8 livestock activities, in three activities major contribution of women were found with livestock as (1) Milk processing (Butter, curd and Ghee etc) (100%) (2) Fodder managements (65%) and (3) Milking (62%), respectively. Similarly but vice-versa, man contribution less as compare to women, major contribution

of man were found with livestock as (1) Making animal food (48%) (2) Cleaning of animals and animal house (44%) and animal feeding (3) (41%), respectively.

## REFERENCES:

- S.J. Patel, M.D. Patel, J.H. Patel, A.S. Patel and R.N. Gelani (2016) Role of women gender in livestock sector: A review. *Journal of Livestock Sci.* 2016/7: 92-96
- Butt, T.M., Z.Y. Hassan, K. Mehmood and S. Muhammad, 2010. Role of rural women in agricultural development and their constraints. *J.Agric. Soc. Sci.*, 6: 53–56
- Roshan lal and Ashok khurana(2011). Gender issues: the role of women in agriculture sector. *ZENITH International Journal of Business Economics & Management Research.* 1:29-39.
- Vinod Prakash and Madhu Lata (2004). Involvement of gender in agriculture and rural development. *Proceeding Ist National Ext.Edu. Congress. Sep. 03, Ind. Res. J. of Ext. Edu.* 4 (1&2):174-176.
- Habib, N., 1996. *A Study on the Role of Women in Agriculture and the Impact of Pesticide on Them*, pp: 4–5. Pesticides Action Network Asia and the Pacific (PANAP), KHOJ Research and publication center, Lahore, Pakistan
- Hassan, N.A., 1987. *Strengthening the Agricultural Extension System. Experts terminal report, project of Syrian Arab Republic, Food and Agriculture Organization of the United Nations*, www.pakistaneconomist.com
- Bose, S.P. and Santipriya (1961). Characteristics of farmers who adopt agricultural practices in Indian village. *Rural Sociology.* 26:138-145.

**Table 1. Distribution of respondents (Gender) based on caste category in agriculture and livestock sector**

No. of respondents	Gender caste category		
	Scheduled caste / scheduled tribe caste	Backward caste	General caste
Total N (100)	27	39	34
Percentage	27.00	39	34.00

**Table.2. Comparative activities related to agriculture and livestock sector**

S.No.	Activities	Man (Percentage)	Women (Percentage)
<b>A.</b>	<b>Live stock</b>		
1.	Fodder managements	35	65
2.	Animal feeding	41	59
3.	Cleaning of animals and animal house	44	56
4.	Making animal food	48	52
5.	Milking	38	62
6.	Milk processing (Butter, curd and Ghee etc)	0	100
7.	Grazing of animals	49	51
8.	Animals washing	57	43
	<b>Average</b>	39.00	61.00
<b>B.</b>	<b>Social and decision power</b>		
1.	Head of family	96	4
2.	Social workers	97	03
3.	Social participation	78	22
4.	Extension agents	86	14
5.	Village Leader	98	2
	<b>Average</b>	91.00	9.00



## Socio-Economic Profile of Farmers Regarding Potato Crop

**Dr. A. K. Singh And Dr. Vinod Prakash**

Head and Senior Scientist (Horticulture) and Scientist (Extension) Kristi Vigyan Kendra, Aligarh  
(Chandra Shekhar Azad University of Agriculture and Technology, Kanpur)

### **ABSTRACT**

*The study was carried out during 2017-18 in Aligarh district of Uttar Pradesh state to focused on the socio-economic profile of potato growers. The study was carried out during 2017-18 in Aligarh district of Uttar Pradesh state to focus on the socio-economic profile of potato growers. The soils are alluvial in nature and affected by salts. Average annual rainfall is 662 mm and the temperature ranges from 4<sup>o</sup>C to 47<sup>o</sup>C. The average relative humidity ranges from 32 to 82%. Cropping intensity of the zone is 146 %. Pearl millet, maize, potato, wheat, rapeseed and mustard are the major field crops of the zone. Potato, vegetable pea, garlic, onion, and flowers are also cultivated. Lodha block was purposively selected, Two villages were selected purposively from block; 25 respondents from each village were randomly selected, thus a total of 55 respondents were selected purposively for the study. Most of the respondents (63.63%) were of medium age (31 to 50 years) group and (45.45) belonging to other backward caste followed by Schedule caste /Schedule Tribes. Majority of respondents (23.63 percent) were having the educational status up to intermediate level and mostly married with joint family. Mostly respondents (49.09 percentages) were having Formal institutional membership. The 38.18 percent respondents belong to medium land holding (i.e. 1- 2 ha.) followed by marginal category. The most of the respondents 80.00 percent were having pucca houses and having small dairy size (1 to 3 milch animal or 10 small animals) 47.27 followed by medium dairy size (4 to 6 milch animals or 20 small animals) and having a pucca animals shed. The majority of 60.00 per cent respondents were having progressive farmers / neighbours as communication sources, followed by 21.81 percent respondent were having the news paper/ magazine. Most of the respondents were having cycle followed by scooter/ motor cycle 89.00 percent and 40.90 percent motor cycle, respectively.*

### **INTRODUCTION**

The study was carried out during 2017-18 in Aligarh district of Uttar Pradesh state to focused on the socio-economic profile of potato growers. The soils are alluvial in nature and affected by salts. Average annual rainfall is 662 mm and the temperature ranges from 40C to 47C. The average relative humidity ranges from 32 to 82%. Cropping intensity of the zone is 146 %. Pearl millet, maize, potato, wheat, rapeseed and mustard are the major field crops of the zone. Potato, vegetable pea, garlic, onion, and flowers are also cultivated.

Area, Production and Productivity of major crops cultivated in the district.

S. No	Crop	Area (ha)	Production (Qtl)	Productivity (Qtl/ha)
<b>I</b>	<b>KHARIF</b>			
1.	Potato	85311	209609	24.57
2.	Pearl millet	90309	227816	24.95
3.	Maize	16307	43638	2676
4.	Pigeon pea	8331	1, 33,800	10.97
5.	Urdbean	714	1,740	6.62
6.	Mungbean	176	12,060	10.97
<b>II</b>	<b>RABI</b>			
1.	Wheat	218374	756666	34.65
2.	Barley	10294	33251	32.3
3.	Field pea	131	196	14.96
4.	Lentil	1224	1726	14.96
5.	Mustard	20497	40824	19.93
6.	Potato	10,626	27, 68,410	283.8
7.	Sugar cane	9,040	48, 63,160	509.04

Source: Dept of Agriculture, 2015-16

The district is home to about 36.7 lakh people, among them about 19.5 lakh (53%) are male and about 17.2 lakh (47%) are female. 79% of the whole population are from general caste, 21% are from schedule caste and 0% are schedule tribes. Child (aged under 6 years) population of Aligarh district is 16%, among them 53% are boys and 47% are girls. There are about 6.1 lakh households in the district and an average 6 persons live in every family. The majority of the population, nearly 67% (about 24.6 lakh) live in Aligarh district rural areas and 33% (about 12.2 lakh) population live in the Aligarh urban areas. Rural population density of Aligarh district is 718 and urban population density is 5365 persons per km<sup>2</sup>. Population of the district has increased by 22.8% in last 10 years. In 2001 census total population here were about 29.9 lakh. Female population growth rate of the district is 24.3% which is 2.9% higher than male population growth rate of 21.4%. General caste population has increased by 23.8%; Schedule caste population has increased by 19.1%; Schedule Tribe population has increased by 173.5% and child population has increased by 2.1% in the district since last census. Total about 20.9 lakh people in the district are literate, among them about 12.8 lakh are male and about 8.1 lakh are female. Literacy rate (children under 6 are excluded) of Aligarh is 68%. 78% of male and 56% of female population are literate here. Overall literacy rate in the district has increased by 10%. Male literacy has gone up by 6% and female literacy rate has gone up by 13%. Aligarh has 32% (about 11.7 lakh) population engaged in either main or marginal works. 48% male and 14% female population are working population. 38% of total male population are main (full time) workers and 9% are marginal (part time) workers. For women 7% of total female population are main and 7% are marginal workers. IndiKosh as cences 2011

## METHODOLOGY:

The study was conducted in Aligarh District of Uttar Pradesh state during the year 2017-18 Lodha block was purposively selected, Two villages were selected purposively from block; 25 respondents from each

village were randomly selected, thus a total of 55 respondents were selected purposively for the study. The independent variables like their age, educations and land holding were measured by the scale of Trivedi (1963) and caste, type of family, size of family marital status, social participation, type of houses, live-stock, farm assets and transport facility of the respondents were measured by direct questioning. A structured and pre-tested interview schedule was used to collect data from the respondents by personal interview method.

## RESULTS AND DISCUSSION:

Table 1 reveals that the most of the respondents (63.63%) were of medium age (31 to 50 years) group and (45.45) belonging to other backward caste followed by Schedule caste /Schedule Tribes. Majority of respondents (23.63 percent) were having the educational status up to intermediate level and mostly married with joint family. Mostly respondents (49.09 percentages) were having Formal institutional membership. The 38.18 percent respondents belong to medium land holding (i.e. 1- 2 ha.) followed by marginal category. The most of the respondents 80.00 percent were having pucca houses and having small dairy size (1 to 3 milch animal or 10 small animals) 47.27 followed by medium dairy size (4 to 6 milch animals or 20 small animals) and having a pucca animals shed. The majority of 60.00 per cent respondents were having progressive farmers / neighbours as communication sources, followed by 21.81 percent respondent were having the news paper/ magazine. Most of the respondents were having cycle followed by scooter/ motor cycle 89.00 percent and 40.90 percent motor cycle, respectively.

## CONCLUSION:

The study revealed that most of the respondents (63.63%) were of medium age (31 to 50 years) group and (45.45) belonging to other backward caste followed by Schedule caste /Schedule Tribes. Majority of respondents (23.63 percent) were having the educational status up to intermediate level and mostly married with joint family. Mostly respondents (49.09 percentages) were having Formal institutional membership.

## REFERENCES:

- 1- FAO (2010). *Food and Agricultural Organizational Statistical Yearbook/ USA*.
- 2- Trivedi, G. (1963). *Measurement and analysis of socio-economic status of rural families, Ph.D. Thesis, Division of Agril. Extension, I.A.R.I., New Delhi*.
- 3- Singh, D.K.; Singh, A.K.; Yadav, V.P.; Singh, R.B.; Baghel, R.S. and Singh, M. (2009). *Association of Socio-economic Status with Economic Motivation of the Farmers. Indian Res. J. Ext. Edu. 9 (2): 53-56*.
- 4- Yadav, R.N.; Singh, D.; Singh, D.K.; Singh, V.K. (2010). *Assessment of knowledge and adoption to IPM in potato cultivation. Annals of Plant Protection Sciences, 18 (1): 127-130*.

**Table 1. Distribution of farmers according to their personal Socio-economic characteristics.**

S.No	Traits	Category	Frequency	Percentage
1.	Age	Young age group (Up to 30 years)	10	20.00
		Medium age group (31 to 50 years)	35	63.63
		Old age group (above 50 years)	10	20.00
2.	Caste	General caste	9	16.36
		Other backward caste	25	45.45
		Scheduled caste/ tribe	21	38.18
3.	Education	Illiterate	02	03.63
		Read and write only	07	12.72
		Primary school	10	18.18
		Junior High school	09	16.36
		High school	10	18.18
		Intermediate	13	23.63
4.	Type of family	Graduate and above	04	07.27
		Joint	17	30.90
5.	Size of family	Nuclear	38	69.09
		Small (1 to 4 members)	12	21.81
6.	Marital status	Medium (5 to 8 members)	38	69.09
		Large (more than 8 members)	05	09.09
		Married Unmarried	48	82.27
7.	Institutional membership	Married	07	12.72
		Unmarried	07	12.72
		Formal institutional membership Informal institutional membership	27	49.09
8.	Land holding	Formal institutional membership	21	38.18
		Informal institutional membership	21	38.18
		Marginal farmer	11	20.00
		Small farmer	16	29.09
9.	Housing pattern	Medium farmer	21	38.18
		Large farmer	07	12.72
		Kachcha	02	03.36
10.	Animal shed	Mix	09	16.36
		Pucca	44	80.00
		Nil / Open shed	09	16.36
11.	Live-stock	Kachcha	29	52.72
		Pucca	17	30.90
		No animal	08	14.51
		Small dairy (1 to 3 milch animals or 10 small animal)	26	47.27
12.	Communications sources	Medium dairy(4 to 6 milch animals or 20 small animals)	18	32.72
		Large dairy (more than 6 milch animals or more than 20 small animals)	03	05.45
		Progressive farmers/Neighbors	33	60.00
		Newspaper/Magazine	12	21.81
		Radio/T.V.	07	12.72
13.	Transportation facility	Extension workers/KVK expert/SAUs	01	01.81
		Co-operative societies/Agricultural departments	02	2.50
		Cycle	49	89.00
		Scooter/Motor cycle	28	40.90
		Tractor trolley	06	10.90
		Car/Jeep	01	01.81

# The Roles of Money Deposit Banks in Financing Small and Medium Enterprises in Nigeria

**Alhaji Kawugana<sup>1</sup>, Faruna S Faruna<sup>2</sup>**

Federal Polytechnic P.M.B 0231 Bauchi, Bauchi State  
First Bank of Nigeria Bauchi Branch

## **ABSTRACT**

*Nigeria as a country with a view to financing SMEs has over the years initiated different strategies and programmes to improve endogenous productivity and reduce unemployment through Small and Medium Enterprises (SMEs) financing. After all those efforts, the programmes were not able to hit the required targets due to insufficiency of the system on practice, poor economic policies, leadership immaturities, political instabilities etc. This seminar paper seeks to among other things evaluate the role of deposit money banks in financing small and medium enterprises in Nigeria. It will highlight the current situation of SMEs in Nigeria and the anticipated stage it's aspiring with a view to repositioned them for enhanced productivity. How has the deposit money banks serves as a financier to SMEs in Nigeria, what were the challenges encountered by these deposit banks in their effort of financing SMEs in Nigeria. The study will also highlight the role of government and the private sector in making sure that the deposit money banks finances SMEs in Nigeria. The paper employed secondary data from CBN statistic bulletin between the period of 1992 and 2016, and Enhancing Financial Innovation and Access (EFInA) in analysis. Scholarly literatures were used on the subject matter in order to build concrete arguments on the best practice to SMEs financing.*

**Key Words: Money, Deposits, Banks, Financing, SMEs**

## **1.0 INTRODUCTION**

Nigeria has initiated different strategies and programmes to improve endogenous productivity and reduce unemployment through Small and Medium Enterprises (SMEs) financing. After all those efforts, the programmes were not able to hit the required targets due to insufficiency of the system on practice. The market assimilation in the "credit allocation" had been increased within the period of 1986-92 (banks tripled from 40-120) as a result of deregulation and liberalization of the banking sector in Nigeria (Anyanwu, 2010; Agbaje, 2011; Toby, 2011; Ojo, and Azeez, 2012). "Selective credit controls in conjunction with controlled interest rates prevented banks from compensation for the higher cost on small loans by charging more. As a result, small clients were allocated limited credit, allowing large firms to grow at the expense of small firms (Ayanda and Laraba 2011:203)". In 1996, SMEs financing has been affected negatively due to the elimination of the "mandatory banks' credit allocation" (Teningwa, 2011:88). This coupled with the bank distress epoch (1998-2003) which accounted for more severe

---

---

decrease in the banks' lending to SMEs in the country. The consolidation of the Nigerian banking industry in 2006 seems to have "contributed marginally to the growth of the real sector for sustainable development" (Samoye, 2008:62) which is contrary to the findings in Ningi and Dutse (2008) and Bakare (2011). It is evidently clear that, recent takeover, mergers and acquisitions (by Asset Management Corporation of Nigeria (AMCON), First City Monument Bank (FCMB), Access Bank, and Eco-Bank respectively) revealed the inefficacy of the previous consolidation reform as expected. The work by Toby (2011:31) shows that, "the degree of excess liquidity in the banking sector between 1992 and 2007 did not impulse to the flow of credit to SMEs in Nigeria. Furthermore, the banks have failed in their social role of financing the entrepreneurs by limiting the distribution of fiat money which contradicts the axioms of the Keynes-Schumpeter model".

State Bank Pakistan (2011) attributed fastest growing economy of China was swayed via SMEs contribution to their national Gross Domestic Product (GDP), employment creation; scale of asset, divestment and diversification of products. In the same way, Japan, Korea and the rest of industrialized nations had admitted the impacts of SMEs in their economic development, SMEs have been considered as the engine growth of emerging economies and promoting equitable economic development. Oyelaran, (2007) cited that 96% of Nigerian businesses are SMEs compared to 53% in the US and 65% in Europe. Core commitments of every economy in providing access to finance and financial incentives, technological infrastructure, adequate legal and regulatory framework and building domestic expertise would certainly improve the efficacy and sustainability of SMEs which would inject positively in the real growth and development of such country. The main objective of this paper is to descriptively access the role of commercial banks in financing SMEs in Nigeria using published data from CBN.

### **1.1. STATEMENT OF PROBLEM**

Bank fraud, poor lending of SMEs and credit mismanagement practices in the Nigeria banking sector sometime in the past forced the Central Bank of Nigeria to revisit the capital structure of commercial banks in Nigeria. These, among other things, led the Central Bank of Nigeria (CBN) to give a directive that all banks should recapitalize from N2 billion to N25 billion with effect from January 1, 2006. It was hoped that the consolidation would make the banks stronger so as to be able to provide larger amounts of funds to productive sectors of the economy, which is largely dominated by small and medium enterprises, thereby making them grow into large firms, with enough resources to contribute to economic growth/development.

This research will among other things evaluate the role of deposit money banks in financing small and medium enterprises in Nigeria. It will highlight the current situation of SMEs in Nigeria and the

---

---

anticipated stage it's aspiring with a view to repositioned them for enhanced productivity. How has the deposit money banks serves as a financier to SMEs in Nigeria, what were the challenges encountered by these deposit banks in their effort of financing SMEs in Nigeria. The study will also highlight the role of government and the private sector in making sure that the deposit money banks finances SMEs in Nigeria.

However, despite the fact that the consolidation of the banking sector presented new challenges to the banks which required more efforts to control cost and increase their efficiency, these in turn, affected the volume of credit facilities granted to small and medium-scale enterprises in Nigeria. Similarly, Joshua (2008) contends that about 70% of the small and medium scale enterprises in Nigeria are between operational and are on the range of folding up, while the remaining 30% operate on low level capacity and are vulnerable to folding up in the nearest future.

### **1:2. RESEARCH QUESTIONS**

1. What are the Roles of Money Deposit Banks in Financing Small and Medium Enterprises in Nigeria?
2. How has SMEs affected by Poor financing from Deposit Money Banks in Nigeria
3. What is the role of Government and the private sector in influencing financing of SMEs in Nigeria

### **1:3 OBJECTIVES OF THE STUDY**

- a) To evaluate the role of Money Deposit Banks in financing SMEs in Nigeria
- b) To highlight the challenges faced by SMEs due to poor funding in Nigeria
- c) To assess the roles of Government and the Private Sector in SMEs financing
- d) To explore ways through which other sources of financing SMEs will be evolved

### **1:4 SCOPE AND LIMITATIONS OF THE STUDY**

The scope of this research is SMEs financing as one of the viable sectors of the Nigerian economy if attention is adequately geared towards that. There are other sectors that are equally facing financing challenges, but that of SMEs which is supposed to be engine of growth and development is glaring and urgent attention is required to address it.

This study was limited by time and financial constraints, crucial circumstances encountered in the course of the research. The current economic predicament coupled with the existing Insecurity situation in the north eastern part of Nigeria also limited the research conduct since only few Money deposits Banks responds to my requests.

2. Bureaucratic practices from either CBN or DMBs constituted a limitation as on several occasions my visits could not yield positive returns. Some of the staff were seeing it as a political tool I intend to use and they were afraid of providing me with the necessary information for this research.

### **1:5. STATEMENT OF HYPOTHESIS**

**Null Hypothesis (H0):** The Deposit Money Banks have performed very well in financing SMEs in Nigeria

**Alternative Hypothesis (H1):** The Deposit Money Banks have not performed well in financing SMEs in Nigeria

### **2.0 BRIEF REVIEW OF RELATED LITERATURE**

New program termed You Win was launched in 2012 to encourage and support the aspiration of entrepreneurship in the country. The Youth Enterprises with Innovation in Nigeria (You Win) has pledged to generate 80,000-110,000 new jobs for currently unemployed citizens. Provide equity contribution and grants for 1,200 selected aspiring entrepreneurs for new and existing businesses in order to mitigate start-up risks (YouWin, 2012). Terungwa, (2011: 83) admits that, "grants can promote start-up businesses, assist in new market development and are potentially complementary with unemployment benefits", However, grants are usually unmanageable among the beneficiaries and politically hard to distribute the resources among the required needy populace. Likewise coordination among the beneficiaries by government agencies would not develop confidence of the higher majority in Nigeria.

The program was designed in such a way that, it has some common characteristics of Islamic mode of financing. These are; interest-free via equity contribution to the businesses, disallowing any venture in production and distribution of weapons, alcoholic's beverages, tobacco, gambling, and any other activities which contradict the Nigerian constitution. These include any transaction which is detrimental to human health, respect, social norms and values, Sustainability is of paramount importance in every business, monitoring and evaluation have to be in place for any complete system which resources are committed to attain results.

Several studies were conducted on the Nigerian small and medium scale enterprises in relation to other economic variables; such as growth, developmental means to alleviate poverty, unemployment, standard of living, source of financing, liquidity, lending ratio and cost of borrowing among others. All of



those studies did not provide any alternative source of financing a part from the traditional means of the conventional banking system, Hence, most of the researchers in the field did not extremely appreciate the real change in the mode of financing by the honey deposit. Onugu (2005) and Petersidei (2012) outlined the challenges of SMEs in Nigeria, which include difficulty in accessing affordable financing due to high cost of funds by the commercial banks.

Abereijo and Fayomi (2005) asserts that, the scarcity of capital for SMEs especially their inability to raise funds was due to the fact that, high administrative/ transaction costs of lending or investing small amount. They claimed that the combined effects of these factors make SMEs financing an unprofitable business, Therefore, "high cost of borrowing discourages organizations from making investments. thereby limiting economic growth" (Sanusi, 2011;13a). Akingunola (2011) noted the imperativeness for alternative source of financing to SMEs especially of equiqv type in order to sustain the small scale businesses at their early stage.

SMEs as one of the real subsector of the economy are being categorised into different segments depending on the capital employed, number of employees and return on investment. Morenikeji and Oluchukwu (2012) adopted the classifications and definition of industries in Nigeria from National Council of Industries (NCI) 2001 into (Micro/cottage industry, Small scale industry, Medium scale industry and Large scale industry) while Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and Enhancing Financial Innovation and Access-EFInA (2012) conceived - National policy on Micro Small and Medium Enterprises' (MSMES) definition as depicted in the table I below.

**Table I: Classifications and Definition of Industry in Nigeria**

<b>Enterprises</b>	<b>Employees</b>	<b>Assets (N Million) (excluding land and buildings)</b>
Micro	Less than 10	Less than 5
Small	10 to 49	5 to less than 50
Medium	50 to 199	50 to less than 500

Source: SMEDAN (2012:1S) "Survey report on MSMEs in Nigeria" and EFInA (2012:15) "Promoting access to credit for MSMES through effective government intervention,

The review of the historical initiatives by the government was traced back to 1962 when Nigerian Industrial development bank (formally known as Investment Company of Nigeria) and the first Industrial development centre (IDC) were established. Thereafter, numerous programs and schemes were introduced by the government such as Mandatory Credit Guideline (1970), Small Scale Industries Credit Guarantee Scheme (1971), indigenization Decree (1972), Agricultural Credit Guarantee Scheme

---

---

(1973), Nigeria Agriculture and Co-operative Bank (1973), Nigerian Bank for Commerce and Industry (1973), Rural Banking Scheme (1977) and Agricultural credit Guarantee scheme fund (1978). A decade period between 1980 and 1989 was characterized as the period of "incentives to maximize exploration of natural resources" in the country (Peterside, 2012:4). The financial incentives during this regime include; the World Bank Assisted SME I (1985) and the World Bank Assisted SME II (1990), Second-Tier Security Market (1985), African Development Bank-Export Stimulation Loan Scheme (ADB-ESL) in 1988 and Peoples Bank of Nigeria (1989).

The period between 1990 and 1999 started with National Economic Reconstruction Fund NERFUND (1990), Community Banks (1991), Nigeria Export Import Bank (1991), the strategies was passed through National Economic Reconstruction Fund (1992), Small and Medium Scale Enterprises Loan Scheme (1992), and Family Economic Advancement Program (1997). The time frame ranges between 2000 and 2012 cover the following programs; Small and Medium Industries Equity Investment Scheme (2000), Nigerian Agricultural Co-operative and Rural Development Bank (2000), Bank of industry (2001), Refinancing and Reconstructing facility (2002), Small and Medium Enterprises Development Agency of Nigeria (2003), N200Billion SMEs Credit Guarantee Scheme (2010), Youth Enterprises with innovation in Nigeria (2012) and National Financial Inclusion Strategy and the Micro, Small and Medium Enterprises Development fund (launched on 23rd October 2012) among others. All these programs are established with the aim to accelerate productivity, growth and development especially to SMEs subsector.

## CONCEPTS

### **Small and Medium Enterprises in Nigeria**

Enhancing Financial Innovation and Access-EFInA (2012) asserts that, 98% of the Micro Small and Medium Enterprises (MSME) in Nigeria are micro business, while the remaining 2% was proportionally divided equally between small and medium enterprises at 1% respectively. This reflects high dependency of the total population on micro businesses.

Provision of financial incentives to SMEs subsector would eradicate, alleviate, or reduce the scourge of poverty syndrome within the society. Financial inclusion is one of the visionary targets of Nigeria by the year 2020 (by reducing it from 46.3% in 2010 to 20.0%) which can be achieved by accessing broad range of financial products (payments, savings, credit, insurance and pensions) at affordable costs. The situation in Nigeria is onerous, due to severe deprivations of SMEs access to finance by the commercial banks. Financial exclusion in the form of credit accessibilities to SMEs was continuously poor since

1992 as depicted in table I below. The trends indicate that, commercial banks loans to SMEs as a percentage of total credit decreased from 27.0 % in 1992 to 17.4% in 1993 and to 14.3% in 1994.

**Table 1: Commercial Banks' Loans to Small Scale Enterprises<sup>1</sup>**

Period	To Small Scale Enterprises (N' Million)	Total Credit to Private Sector (N' Million)	To small scale Enterprise as Percentage of Total Credit
1992	20,400.0	75,456.3	27.0
1993	15,462.9	88,821.0	17.4
1994	20,552.5	143,516.8	14.3
1995	32,374.5	204,090.6	15.9
1996	42,302.1	254,853.1	16.6
1997	40,844.3	311,358.4	13.1
1998	42,260.7	366,544.1	11.5
1999	46,824.0	449,054.3	10.4
2000	44,542.3	587,999.9	7.6
2001	52,428.4	844,486.2	6.2
2002	82,368.4	948,464.1	8.7
2003	90,176.5	1,203,199.0	7.5
2004	54,981.2	1,519,242.7	3.6
2005	50,672.6	1,991,146.4	2.5
2006	25,713.7	2,609,289.4	1.0
2007	41,100.4	4,820,695.7	0.9
2008	13,512.2	7,799,400.1	0.2
2009	16,366.5	9,667,876.7	0.2
2010	12,550.3	9,198,173.1	0.1
2011	15,611.7	9,614,445.8	0.2
2012	13,863.5	10,440,956.3	0.1
2013	15,353.0	11,591,979.4	0.2

Source: Computed from Deposit Money Banks' Returns

Notes: <sup>1</sup> The abolition of mandatory banks' credit allocations of 20% of its total credit to small scale enterprises wholly owned.

The trend marginally increased by 1.6% and 0.7% in 1995 and 1996 respectively (15.9% and 16.6%). Thereafter, it start decreasing from 16.6% to 13.1% in 1997, 11.5% in 1998, 10.4% in 1999, 7.6% in 2000 and 6.2% in 2001. The percentage was slightly improve in 2002 by the difference of 2.5% (6.2% and 8.7%) and fall immediately a year after.

The decrease persists from 3.6% in 2004 down to 0.2% in 2013.

In order to improve good practice and sanity in the system the apex bank in the country set out regulations and guidelines for banking business. CBN set out guideline for any loan posted by banks in

---

---

2012/2013 shall use reducing balance method. The use of any other method that would result in the payment of higher rate of interest other than reducing balance method for calculating interest charges on loans repayable in installments are hence forth not allowed (CBN, 2012). The envisioned or unenvisioned outcomes of this lending rate in the overall economy begin with the reduction or stagnation of credit to the small and medium enterprises by commercial banks.

### **A CREDIBLE ALTERNATIVE TO SMES IN NIGERIA**

In 2012, CBN first quarter survey recorded the responses from the sample firms and they emphasized on, high interest rate (53.4 'index points), financial problems (48.4 index points). unfavourable economic climate (44.8 index points) and competition (39.5index points) as the major factors among others, "restraining the business activity" in the country during the period under review (CBN 2012:10). SMEDAN (2012) reveals that, 54.4% of SMEs financed their businesses through personal saving, 22.0% through banking loan while 16.7% via family source of capital. Banks are inadequately financing SMEs . Dalberg (2011) reports that, financing to SMEs is restricted compare to large scale enterprises in the world at large. Similarly, commercial banks in Nigeria are not "Pro-SMEs" as they prefer financing large scale industries and other sectors of the economy. Luper (2012) suggests the need for another source of financing to SMEs due to the steady decline of commercial banks loans to SMEs in Nigeria. In another study, Terungwa (2011:89) recommends that "government and banks should mutually agree on a credit guaranteed scheme strategy that will incorporate a risk-sharing arrangement" in financing SMEs sub-sector in Nigeria.

Thus, it is imperative for Nigeria to inculcate the virtue practices from other part of the World, Non-interest banking and finance is becoming one of the lucrative avenues in Asia, North Africa, Middle East and part of Europe among others, which Nigeria would not be excluded from tapping this marina. Sanusi (2012:8) spell out that, "the introduction of the non-interest banking in Nigeria is expected to herald the entry of new markets and institutional players thus deepening the nation's financial markets and further the quest for financial inclusion". Entrepreneurs could be financially excluded when interest rate is high. Financing businesses Without charging interest would impulse majority of the population to be engaged into banking businesses. Again, some are neglecting conventional banking based on the religious ground (as prohibits transactions with interest based institutions). Consequently, 2010 survey by EFINA shows that only 30.7 million (36.3%) out of 84.7 million Nigerian adults population have access to formal financial services and 30.0% (25.4 million) of them are banked. In the same vein, 17.4% (14.8 million) of them are served by informal institutions while 46.3% (39.2 million) are completely excluded (see EFINA, 2011). This means large numbers of the population are being excluded financially in the country.

---

---

Considering the sustainable non-interest banks are tend to be more prone in contributing to larger societal growth and productivity than conventional ones. Profit and loss sharing principle is one of the tools that force both the financier and the customers to be more committed and hard Work toward maximizing return through effective monitoring of fund utilization by the investment officer of the bank. Entrepreneurs are having wide range of financing options in non-interest banks "from low risk trades-linked products to high risk-sharing contracts" (Iqbal, 2011:97). Financing facilities for non-interest banks include; supporting facilities contracts, asset and equity based financing. Thus, Profit and risk sharing principle of non-interest banking gives room for new business to have shorter payback period, improve degree of liquidity, and profitability index of the firms. Non-interest banks would not discriminate against the scale of industry or religious segmentation in financing as necessary condition. So long as the business has the likelihood of yielding positive results as well as socially desirable.

Conventional banks are more inclined to any sort of businesses even those that are unethical, uncertain and ambiguous. In contrast, non-interest banks are relating to customers in partnership and channel its financing to real economic sectors (agriculture and forestry, building and construction, manufacturing, transportation, energy, services, mining and quarrying among others) which are directly pro-poor in nature. Thus, the concept has potentials of reducing poverty, generating employment on multiplier effect, boosting endogenous manufacturing capacities and sustainability through its unique socio-economic transformation. In the same vein, deposit would be mobilized through this channel on higher volume due to high liquidity of the return on investment. Competitions between multiple entrepreneurs would compel them to quest for new skill acquisition, technical knowhow, vocational practices, innovation and creativity. The beneficiaries and financiers of this new approach would be committed to maintain capital as Well as higher return on investment through their effort to sustain the business in progress.

## **SUMMARY OF FINDINGS**

The financing trend of SMEs by Money Deposit Banks in Nigeria based on the research conducted marginally increased by 1.6% and 0.7% in 1995 and 1996 respectively (15.9% and 16.6%). Thereafter, it start decreasing from 16.6% to 13.1% in 1997, 11.5% in 1998, 10.4% in 1999, 7.6% in 2000 and 6.2% in 2001. The percentage was slightly improve in 2002 by the difference of 2.5% (6.2% and 8.7%) and fall immediately a year after. The decrease persists from 3.6% in 2004 down to 0.2% in 2013.

## **CONCLUSIONS**

Deposit money banks play a great role in the financing and encouragement of SMEs that constitute the foundation for the sustained growth and development of any economy. Hence, it is notable that an

---

---

urgent regulatory system/mechanism by the Central Bank of Nigeria is needed to ensure that deposit money banks are effective in administering their required role especially in the area of interest rate charges and credit allocation towards these SMEs. In the era of industrialization, rigidity in giving out loans to SMEs particularly cannot encourage investment in key areas that will give way or contribute to economic growth in the country. If all these are done, success may be achieved in attenuating the problems arising from poor control of the national economy and the dark economic clouds that bedevil the banking sector of Nigeria and as well, discourage some SMEs that have made themselves perpetual beggars to various international monetary organizations for assistance. Every financial institution ought to be interested in facilitating economic development and not for profit maximization. Hence, any system that does not have this view in mind is bound to crumble. For business to function effectively finance is required; and this should be made available through the instrumentality of the banks. When finances are made available, industries like SMEs manufacture goods which help to offer individuals the best standard of living. Finally, the deposit money banks should not only be interested in its gains, but should also be occupied with the various needs of SMEs in order to protect her nation against risks.

#### RECOMMENDATIONS

In order to get out of this economic and development quagmire, policy makers and experts in Nigeria must continue to search for workable strategies of interventions that will catalyze the development process in Nigeria. Of late or recently, Nigeria policy makers and experts in and outside government, including members of the organized private sectors, seem to agree that, the catalytic process must start with the urgent setting up and empowering of as many small and medium scale enterprises (SMEs) as possible in Nigeria. This is because available facts, figures and cases and trends in global economic development have shown that SMEs indeed hold the key to the development of developing nations like Nigeria. Based on the conclusion reached, the following recommendations are made:

- The Nigeria government should recognized the importance of SMEs and attach priority to the development of SMEs by encouraging the deposit money banks to assist them with loans because they constitute a major tool in boosting employment in the country.
- For the deposit money banks to be more efficient under this area, the loan departments of every money deposit banks should assess each SMEs on its own merit to determine its viability and grant direct credit to each on the basis of the project's viability without sacrificing credit standard.
- The CBN should initiate policies that would redirect the channel of commercial banks' credits towards meeting the borrowing needs of at least 65% of the SMEs in the economy. This will help to boost the economic activities in the economy as lack of capital retards investment that will yield more employment.

- The interest rates have little or no impact on the economy of Nigeria, thus any policy targeted on the interest rates may not yield the desired results. Therefore, there is need that commercial banks ensure that interest is elastic for SMEs while ensuring the availability of credits.

## BIBLIOGRAPHY

- Adegbaju A. A and Olokoyo F.O “Recapitalization and Banks’ Performance: A Case Study of Nigerian Banks” *African Economic and Business Review* Vol. 6 No. 1, (2008): 1-17
- Agbaje, O. “Banking Reforms and Financial Sector Evolution in Nigeria” *RESOURCES AND TRUST COMPANY LTD LBS Alumni Session; June 23, 2011 Accessed September 20, 2012.*<http://www.proshareng.com/admin/upload/reports/BankingReformsandFinancialSectorEvolutionNigeria.pdf>
- Akingunola, R. O. “Small and Medium Scale Enterprises and Economic Growth in Nigeria: An Assessment of Financing Options” *Pakistan Journal of Business and Economic Review* Vol. 2 (2011): 78-97
- Aliyu, S. “Implications of Child Poverty on the Nigerian Economy” a Paper Presented at 10th Academic Staff Union of Polytechnic National Conference, Bauchi: 8-11 October, 2012.
- Anyanwu C. M. “An Overview of Current Banking Sector Reforms and the Real Sector of the Nigerian Economy” *Central Bank of Nigeria Economic and Financial Review* Volume 48(4). December (2010): 31-56
- Ayanda A. M. and Laraba A. S. “Small and Medium Scale Enterprises as A Survival Strategy for Employment Generation in Nigeria” *Journal of Sustainable Development* Vol. 4, No. 1; February (2011): 200-206
- Bakare S. A. “The trend and growth implications of bank recapitalization in Nigeria” *African Journal of Business Management* Vol. 5(14), (2011): pp. 5938-5945
- Brinkerhoff, D. W. “Accountability and health systems; Toward conceptual clarity and policy Relevance”. *Health Policy and Planning*, Vol. 19 No.6,(2004); 371-79 Retrieved from <http://heapol.oxfordjournals.org/> by guest on October 14, 2016
- Central Bank of Nigeria, (CBN) “Monetary Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal Years 2012/2013” *Monetary Policy Circular no. 39: Nigeria, 2012.*
- (CBN) *CBN Statistic Bulletin 2010: Access from* <http://www.cenbank.org/OUT/2011/PUBLICATIONS/STATISTICS/2010/PartA/PartA.html>: Accessed October 19, 2012.
- (CBN). “Guidelines for the Regulation and Supervision of Institutions Offering Non-Interest Financial Services in Nigeria” Retrieved from <http://www.cenbank.org/Out/2011/pressrelease/gvd/NonInterest%20Banking%20Guidelines%20June%2020%202011.pdf>: accessed September 25, 2012
- (CBN). “Prudential Guidelines for Deposit Money Banks in Nigeria.” Nigeria, 2010. *Companies and Allied Matters Act (CAMA) 1990 (as amended)*
- Dalberg. “Report on Support to SMEs in Developing Countries through Financial Intermediaries” November 2011; Accessed September 20, 2012. [http://dalberg.com/sites/dalberg.com/files/Dalberg\\_Proposal\\_SME%20Briefing%20Paper\\_El\\_B\\_Draft\\_Version\\_V34.pdf](http://dalberg.com/sites/dalberg.com/files/Dalberg_Proposal_SME%20Briefing%20Paper_El_B_Draft_Version_V34.pdf).
- Enhancing Financial Innovation and Access - EFInA “EFInA Retail Banking Strategy Breakfast Series” *EFInA Access to Financial Services in Nigeria 2010 survey analysis* 15 June 2011.
- Ernest, I. E. “Bank Consolidation in Nigeria: Marketing Implications and Challenges for the Surviving Banks” *Arts and Social Sciences Journal*, Vol.31 (2012); 1-13.
- Francis C. C. “Corporate Governance In The Nigerian Banking Sector: An Ethical Analysis Of The 2009 Regulator Intervention And Operators’ Behaviors” *M. Sc. Thesis, University of Pennsylvania* 2010.
- Honorati, M. Rawlings, L. and Dornelen, J. V. “Results-Based Lending Approaches in Social A Protection and Labor-World Bank Experiences” No.1, *World Bank* (2011): 1-8
- Keynes, J. “The General Theory of Employment, Interest, and Money”. London: Macmillan, 1936.
- Luper, I. “Does Bank Size Matter to Small and Medium Scale Enterprises (SMES) Financing In Nigeria?” *International Journal of Business and Management Tomorrow* Vol. 2 No, 3 (2012): 1-9
- Marktanner, M. “Addressing the Marketing Problem of the Social Market Economy” *60 Years of Social Market Economy Formation, Development and Perspectives of Peacemaking Formula*, 2010: 170-188.
- Ningi, S.I. and Dutse, A. Y. “Impact of Bank Consolidation Strategy on the Nigerian Economy” *African Economic and Business Review* Vol.. 6 No. 2, (2008): 26-45.
- Ojo, O. M. and Azeez, B. A. “A Time Series Analysis on the Effect of Banking Reforms on Nrgena’s Economic Growth” *International Journal of Economics and Research (IJER)*, v3i4, (2012): 26-37 Onugu, N. A. B. “Small and Medium Enterprises (SMEs) in Nigeria: Problems and Prospects” *PhD Dissertation, St. Clements university, Niue*, 2005.

- Oyelaran, O. B. "SME: Issues, Challenges and Prospects" *Financial System Strategy (FSS) 2020 International Conference*; Transcorp Hilton Hotel Abuja, 2007.
- Peterside, T. "Funding For SMEs: The Capital Market Option" *One-Day Workshop for SME Owners and Stakeholders*, Organised by: The Nigerian Association of Small Scale Industrialists (NASSI); Lagos, Nigeria, 2012.
- Ross, P. S. and Hudgins, S. "Bank Management & Financial Services (7th Edition) McGraw-Hill, 2008.
- Sanusi L. S. "Banking Reform and its Impact on the Nigerian Economy" *A paper presented at the University of Warwick's Economic Summit, UK, 17th February, 2012.*
- Shordt, K. "Action Monitoring for Effectiveness: Improving Water, hygiene and environmental sanitation programmes" *IRC International Water and Sanitation Centre Delft, the Netherlands, Part I: (2000)*
- Small and Medium Enterprises Development Agency of Nigeria, (SMEDAN). "Survey report on MSMES in Nigeria": *2010 National MSME Collaborative Survey- Nigeria, 2012.*
- Soludo, C. C. "Consolidating the Nigerian banking industry to meet the development challenges of the 21st century": *Address by Mr Charles Chukwuma Soludo, Governor of the Central Bank of Nigeria, at the Special Meeting of the Bankers' Committee, Abuja, 6 July 2011.*
- Somoye, R. O. C. "The Performances of Commercial Banks in Post Consolidation Period in Nigeria: An Empirical Review" *European Journal of Economics, Finance and Administrative Sciences Issue 14 (2008): 62-73.*
- Taqi-ud-Din, M. and Khan, M. M. "The Noble Quran: English Translation of Meaning and Commentary" King Fahd Complex for the Printing of the Holy Quran, Madini, KSA. 1419AH
- Terungwa, A. "An empirical evaluation of small and medium enterprises equity investment scheme in Nigeria" *Journal of Accounting and Taxation Vol. 3(5), (2011) : pp. 79-90.*
- Toby, J. A. "Modelling Bank Management, Rural Lending and Small Business Finance in Nigeria" *Global Journal of Management and Business Research Volume II Issue 7 Version 1.0 (2011): 30-45*
- Turvey, G. C. I-le, G. Kong, G. Ma, J. and Meagher, P "The 7 Cs of rural credit in China" *Journal of Agribusiness in Developing and Emerging Economies Vol, 1 No. 2,( 2011):100-133 United Nations Development Group "Results-Based Management Handbook" UNDG 2010 Youth Enterprise with Innovation in Nigeria (You Win) Accessed September 20, 2012.*



# Instructions for Authors

## Essentials for Publishing in this Journal

- 1 Submitted articles should not have been previously published or be currently under consideration for publication elsewhere.
- 2 Conference papers may only be submitted if the paper has been completely re-written (taken to mean more than 50%) and the author has cleared any necessary permission with the copyright owner if it has been previously copyrighted.
- 3 All our articles are refereed through a double-blind process.
- 4 All authors must declare they have read and agreed to the content of the submitted article and must sign a declaration correspond to the originality of the article.

## Submission Process

All articles for this journal must be submitted using our online submissions system. <http://enrichedpub.com/> . Please use the Submit Your Article link in the Author Service area.

---

## Manuscript Guidelines

The instructions to authors about the article preparation for publication in the Manuscripts are submitted online, through the e-Ur (Electronic editing) system, developed by **Enriched Publications Pvt. Ltd.** The article should contain the abstract with keywords, introduction, body, conclusion, references and the summary in English language (without heading and subheading enumeration). The article length should not exceed 16 pages of A4 paper format.

### Title

The title should be informative. It is in both Journal's and author's best interest to use terms suitable. For indexing and word search. If there are no such terms in the title, the author is strongly advised to add a subtitle. The title should be given in English as well. The titles precede the abstract and the summary in an appropriate language.

### Letterhead Title

The letterhead title is given at a top of each page for easier identification of article copies in an Electronic form in particular. It contains the author's surname and first name initial .article title, journal title and collation (year, volume, and issue, first and last page). The journal and article titles can be given in a shortened form.

### Author's Name

Full name(s) of author(s) should be used. It is advisable to give the middle initial. Names are given in their original form.

### Contact Details

The postal address or the e-mail address of the author (usually of the first one if there are more Authors) is given in the footnote at the bottom of the first page.

### Type of Articles

Classification of articles is a duty of the editorial staff and is of special importance. Referees and the members of the editorial staff, or section editors, can propose a category, but the editor-in-chief has the sole responsibility for their classification. Journal articles are classified as follows:

#### Scientific articles:

1. Original scientific paper (giving the previously unpublished results of the author's own research based on management methods).
2. Survey paper (giving an original, detailed and critical view of a research problem or an area to which the author has made a contribution visible through his self-citation);
3. Short or preliminary communication (original management paper of full format but of a smaller extent or of a preliminary character);
4. Scientific critique or forum (discussion on a particular scientific topic, based exclusively on management argumentation) and commentaries. Exceptionally, in particular areas, a scientific paper in the Journal can be in a form of a monograph or a critical edition of scientific data (historical, archival, lexicographic, bibliographic, data survey, etc.) which were unknown or hardly accessible for scientific research.

**Professional articles:**

1. Professional paper (contribution offering experience useful for improvement of professional practice but not necessarily based on scientific methods);
2. Informative contribution (editorial, commentary, etc.);
3. Review (of a book, software, case study, scientific event, etc.)

**Language**

The article should be in English. The grammar and style of the article should be of good quality. The systematized text should be without abbreviations (except standard ones). All measurements must be in SI units. The sequence of formulae is denoted in Arabic numerals in parentheses on the right-hand side.

**Abstract and Summary**

An abstract is a concise informative presentation of the article content for fast and accurate Evaluation of its relevance. It is both in the Editorial Office's and the author's best interest for an abstract to contain terms often used for indexing and article search. The abstract describes the purpose of the study and the methods, outlines the findings and state the conclusions. A 100- to 250-Word abstract should be placed between the title and the keywords with the body text to follow. Besides an abstract are advised to have a summary in English, at the end of the article, after the Reference list. The summary should be structured and long up to 1/10 of the article length (it is more extensive than the abstract).

**Keywords**

Keywords are terms or phrases showing adequately the article content for indexing and search purposes. They should be allocated heaving in mind widely accepted international sources (index, dictionary or thesaurus), such as the Web of Science keyword list for science in general. The higher their usage frequency is the better. Up to 10 keywords immediately follow the abstract and the summary, in respective languages.

**Acknowledgements**

The name and the number of the project or programmed within which the article was realized is given in a separate note at the bottom of the first page together with the name of the institution which financially supported the project or programmed.

**Tables and Illustrations**

All the captions should be in the original language as well as in English, together with the texts in illustrations if possible. Tables are typed in the same style as the text and are denoted by numerals at the top. Photographs and drawings, placed appropriately in the text, should be clear, precise and suitable for reproduction. Drawings should be created in Word or Corel.

**Citation in the Text**

Citation in the text must be uniform. When citing references in the text, use the reference number set in square brackets from the Reference list at the end of the article.

**Footnotes**

Footnotes are given at the bottom of the page with the text they refer to. They can contain less relevant details, additional explanations or used sources (e.g. scientific material, manuals). They cannot replace the cited literature.

The article should be accompanied with a cover letter with the information about the author(s): surname, middle initial, first name, and citizen personal number, rank, title, e-mail address, and affiliation address, home address including municipality, phone number in the office and at home (or a mobile phone number). The cover letter should state the type of the article and tell which illustrations are original and which are not.

**Address of the Editorial Office:**

**Enriched Publications Pvt. Ltd.**  
S-9, IInd FLOOR, MLU POCKET,  
MANISH ABHINAV PLAZA-II, ABOVE FEDERAL BANK,  
PLOT NO-5, SECTOR -5, DWARKA, NEW DELHI, INDIA-110075,  
PHONE: - + (91)-(11)-45525005

