

Saving

By the end of this unit, students will be able to:

- realize the significance of the culture of saving.
- recognize the importance of planning and living on the basis of economic capacity.

9.1 Saving

9.1.1 The Necessity of Developing the Culture of Saving

- What do you think when we say the culture of saving is important?
- Mention significance of a culture of saving of individuals beyond them to the country

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When I recall my childhood, there is one great memory always in my mind. There is an annual festival that everyone looked forward with strong commitment.

The peoples of our community used to enjoy a spiritual fest. For this festival all individuals including mother like to come with hen, bread and with one bottle of Areke. Even the mere labourer such as Belachew brings a huge and fatten ox.

The day of spiritual fest, is the date where we celebrate by drinking, eating and by being drunken and hence staggering here and there. At the end of that fest, individuals vow what they have to do for the next fest. When the time comes as a usual they bring food and drinks by reducing from their daily consumption and if not even by borrowing from others.

One day the two tough students of the community raised an unacceptable idea. Birtukan has said that “Me and Yonas want to get some money from you to award some brave children of this community here in front of you. “When one of the mothers heard this, she said “the money we have is for spiritual fest. Such money is untouchable. The spirit may attack you.” Following her idea, a number of people gave their comments.

However, on the moment mother Aster, said “I agree on the idea. Even I like to give you money for your today’s objective. For future, we have to talk and to decide”. That day was good day.

In next year the number of students who deserve an award has increased. Neighbours even by allotting their money for this purpose, started to save. In this condition Ato Hailu and Mother Aster brought the idea by developing it. The developed idea states that beside rewards, they agreed to help, helpless aged peoples, sick individuals without money to buy medicine. Hence, the culture of helping one another has developed further. They agreed that, everyone has to contribute per his/her capacity every two months. Mother Aster became cashier and the two students became secretary and auditor.

In the fifth year, the money collected in such way became too huge. Then, they agreed to use it for further advanced reason. Today that group became Idir and is also giving credit service.

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Activity 1

Based on the previous passage, answer the following question:

1. Gather information about one saving institution which is found in your locality and report to your classmates.

Every person beyond using his/her income for the daily purpose has to save for future reasons. Doing so, in addition to satisfying the daily needs, it helps to discharge citizenship duties. For example, we can mention tax paying. Government expands and constructs roads, health centres, schools and so on the basis of income collected from people. Government workers and merchants pay tax on the basis of their income; Farmers and small-merchants too. If they fail to pay that tax on due time, it creates problems to pay when overdue. Hence to be ready to pay on due time, people have to habituate saving.

Saving has a lot of significance. Self-reliance is among them. Self-reliance is when a person is able to fulfill needs by him/her self without expecting from others. When we talk of saving in relation to self-reliance, it is covering necessary expenses without a problem and leading the family without a problem. A self-reliant person satisfies educational, food, clothing and medical expenses by him/her self. Family members would not encounter to the shortage of material and social privileges.

As we see above, self-reliance can be expressed in different ways. It includes fulfilling educational, food and other general basic needs of life. Self-reliance at country level helps to be free from hunger, disease and to have a free society. By comparing the developed and developing countries, we can realize this situation. In developed countries, peoples are full users of educational, medical and other basic services. On the contrary, in developing countries such as Ethiopia, due to economic backwardness, there are a number of problems. The self-reliance expressed by practical evidence such as the existence of ample saved food products and due protection to natural resources.

Activity 2

Discuss on the following dialogue points:

1. Culture has a role for enhancement of saving.
2. Saving has a role for development of culture.

9.1.2 The Significance of Saving for Progress

- Explain how the culture of saving plays the role for country's progress.

The share of citizens in development

W/ro Zenebework Alemayehu, comes back in 1990 E. C. from a 27 years stay out of country, in Europe, in Education and work, which has made her ready for some great task. By coming with capital, she established a veterinary centre in Woliso area. This centre gives a lot of functions for farmers around Woliso. (Source: Addis Zemen, Setoch Amba, Yekatit 1992).

Activity 3

Answer the following questions on basis of above passage:

1. Search for a person like W/ro Zenebework who has done certain developmental activities by saving and present your findings to the class.
2. What is the significance of saving for oneself, family and community?

Saving is not only for personal prosperity. People with a well-developed culture of saving have made a great contribution to a country. They can engage in certain job sectors to help the development endeavour.

Activity 4

Discuss the following questions:

1. How the culture of saving can be developed?
2. How is the culture of saving foster country's progress?

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9.1.3 Bankruptcy and Backward Traditions

- Discuss in groups the meaning of bankruptcy and backward traditions.

Backward traditions are long existed beliefs and procedures which are obstacles for new outlooks and scientific findings and do not co-exist with modern living style and opinions.

Avoiding backward traditions which result in bankruptcy and poverty

Bankruptcy is the unwise use of properties which are either in kind or in cash. It is the opposite of saving. Harmful practices which lead to bankruptcy are too broad. Among them having a lot of fests, unwise use of time and natural resources are few of them.

Harmful practices cause Bankruptcy while using properties for daily purpose by disregarding the future objectives. This indicates life without plan. Bankruptcy is the failure to differentiate the issue to get priority from none and the most necessary from the less necessary. Bankruptcy is also using more in a single consumption. Generally, bankruptcy is using everything for today without planning for the future. It ignores what will happen for tomorrow. The main factor for bankruptcy at individual level is not inculcating him/her with ethics. Hence, addiction may occur.

Bankruptcy of individuals has direct or indirect role in the social life of peoples. They distort the place of others. They also expect aid and support from others. It creates burden upon society. Since their work ethics is not strong, it has negative effect in production. For example, if there is the driver of service bus of a given institution, and if the driver does not respect time on giving transport services for workers, then the work is not well-discharged. He too has no respect for social life.

9.2 Being Based on Plan and Economic Capacity

Among the works of the famous Musician, Mahamud Ahmed, there is a song, read it,

አቅምን አውቆ መኖር ጥሩ ነው
ታላቅ ችሎታ ነው።

- What does the message of this poem? Explain.

Either the Borrower or Lender may Die

Lanse is known by over caring to herself in her work place. She is decorating herself more than what she deserves. However, she is secretary in the institution. She is known for her fashion clothes. By looking at her situation, other workers of the institution consider as if she has guaranteed better income source. But, the case is not that Lanse has liability from different persons. Some clothes and materials are borrowed from different persons. Other clothes and materials are to be paid in future or bought by loan.

Borsamo is the driver in the institution. He is commonly understood for not working assignment. He is known for being absent from work either on day of salary or other days after salary. He hides himself from different people. Because, he borrowed money from different persons by saying “I will refund when I get salary”. Hence the borrowers are closely looking for him. His difference from Lanse is that he is not buying clothes and decorations. Rather he is spending that money on gambling and drinking.

But the secret of these two persons is known by Alemitu, who is head finance of the institution. While she asks them why do not abandon yourself from this borrowing addiction, they say “either the borrower or lender may die”. They are saying, the liability may remain unpaid. Hence, she surprised by their saying and gives them the salary. They come back also in next month as usual.

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Activity 5

Answer the following questions on basis of the above passage:

1. What has happened to Lanse and Borsamo due to their interest to live beyond their capacity?
2. What would you do if people are there in your community like Lanse and Borsamo?

A. Living on Basis of Income Capacity

A person living on basis of his/her economic capacity does not spend unnecessary expenses and saves something for future. By doing so, he/she helps him/her self and his/her country. Individuals living beyond their economic capacity have liability and failed to pay that liability.

Living beyond economic capacity can be expressed in different ways. For example, buying luxurious materials is not as such important by borrowing to implement interests beyond the income and comparing oneself with what others are doing. Since these practices are harmful they have great danger. Psychological dissatisfaction is one of them. It also creates inferiority complex. They may borrow even in shortage of capacity to do those things. To avoid such problems it is important to live per ones capacity.

Knowing ways of proper usage of money is one of skills of saving. Method of saving may differ from one person to another and from one society to another. For example, some people purchase fixed assets to save money. Some others save in banks frequently. When the amount of money saved in the bank increase, also the amount of interest increases.

B. Using on Basis of Planning

- Mention the significance of leading life on basis of plan?

Unusual occasions of Buta

Buta has no experience about the usage of money taken from his families. He has been thinking for two days as he has incurred his first salary after his graduation from teachers training college. He planned to invite his friends who have attended his graduation day and also planned to buy some clothes for his work place. But he planned to do all these needs at the same time. Therefore, he borrowed some money from someone by saying, "I will pay back in future from my salary". And he used all the borrowed money. Half of the next month salary paid for this debt. But, he realized that the remaining money is not enough until the next month.

While Buta is working and pay his debt too, he started to talk about financial shortages. He is usually worried about his failure to help his families even on some decisive issues. In the meantime, he found a good friend who leads his life on bases of plan. Since Buta was open, he shared his life condition to his friend. His friend shared to him his method of financial usage. The method shows how any person can use his/her own money properly.

No.	Title of expense	Amount of expense in percentage
1	House expense	38%
2	Contribution for social affairs	7%
3	Saving for clothes	12%
4	For transport	17%
5	For health care	9%
6	Saving for future	10%
7	Recreation	2%
8	For education	5%

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Activity 6

Answer the followings on basis of the table:

1. From number 1–8, identify if there are appropriate and unnecessary expenses. Furthermore, identify expenses to be improved.
2. The salary of Buta is three hundred fifty birr (350.00). Distribute it on basis of the above title of expenses.
3. By interviewing one of the family members you approach more, write on way of their saving. Then, distribute their expense on the model of Ato Buta's plan. Is it suitable for that person or not? Why?

Planning is stating on what to be done in future. It is distributing finance, knowledge, time and such raw materials on basis of priority. At any occasion, planning is the decisive thing to human beings. Planning is path of development both at individuals and at country level.

Activity 7

Answer the following questions:

1. Have you ever heard the practices of plans for decisions at government level?
2. What are bases of those plans?

C. The Significance of Planning

- Mention on how individuals progress can be related with country's development?

"Saving is not greedy"

No body understand the significance of saving money in our village. Family planning is also not functional here. I always surprised because of my society's action. Let me tell you one story which is important how much life is difficult with out plan.

My Father's name is Bayack. He was a college teacher. According to our culture the property of one

person is also the property of his relatives. Because of this, my father and his core family living together in well condition as compare with others. All our relatives were came to our home and they eat, drink and alive together for a long time. When he took his salary he must distribute it for them. He can't save alone. This cultural action exposed him and his family for no change. However, his colleagues who came from the highland area of Ethiopia live properly manage their life according to their plan. They save their money and plan to change their life. They have equal salary with my father, but they can save their money because there is no extended family who disturb their life.

My father and his family's life is communal. One day I told to my father, "Father, why those people came to our home? Why not ignored them? They can live by their own expense. You have to save money to change our life. Look my close my shoes. Look my sisters and brothers. All we are your children. But our relatives become additional burden for our life. We have nothing to be happy. Plus to these, you prepared yourself to marry another wife. Last year because of lack of money you suffer more." My father do not want to listen me more. He said, "Boy! stop here now. Do you know your culture? What I did still now is all our culture. This is our life style. We are not interested to save money the function money for us is to make fun and share equally what ever we have. Living together and helping others is our social capital. But saving money is the behaviour of greedy people. So, we are not greedy and we are not interested to save money." My father speak loudly. I become anger by his idea.

Activity 8

Answer the following questions on basis of the above passage:

1. What makes the two families similar?
2. What are the significance of child spacing for a betterment of family?

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Planning is a very important thing in the life of any people. It helps people to manage their life in a good way. It is based on their income and save the family from suffering. We have to understand the function of culture. Our culture sometimes lead to increase our expanse. We have to manage our selves based on time and income. Family is responsible for the whole people of a country. Saving money and family planning must take in to consideration to improve the life condition of the people.

Saving is not greedy. It is a wise person's activity. Children are also not grown by chance. But they are grown by the amount of income and effective administrations. Saving money and using family planning strategy give the following significances.

- Save the life of mother from death;
- Children have opportunity to get education;
- Decrease street boys, girls and beggars;
- Save natural resources.

However, there is disadvantages of failure to saving money and using family planning strategy.

They are:

- Increments of mother's death;
- Increments of street boys, girls and beggars, and
- Over consumption of natural resources.

Activity 9

Answer the following question:

1. Share your experience about unplanned family in your community for your classmates.

Summary

The enhancement of culture of saving is important for the development of individual as well as collective life. At country level, saving has the importance such as ensuring health and educational services. Usage of natural resources is related to saving also. This is giving due place for the future generation. Destroying forests, exposing a land to erosion and the like result in poverty.

At personal level, the way of handling money and properties have great guarantee for the future. It has a purpose of self-reliance, investment, development and participation in social areas. There are principles of saving for this purpose. For example, an expense should not exceed the income.

There are different methods of saving. These are limiting family number, honouring time, and living on the basis of one's income. While this, some one has to realize, there are issues which hinder the culture of saving. They are anti-saving harmful practices. Being bankrupt, unwise use of money and destruction natural resources are among harmful practices. These problems are furthered by the absence of readiness to accept modern living, not learning from others, and low level of understanding. These problems can be corrected by educating society.

It is important to plan to use properties, money and natural resources we have. It is better to plan and to live on the basis of economic capacity which is a guarantee to citizens and country.

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Key Words

Infrastructures:	It includes telephone, electricity etc.
Investment:	Using money for fixed assets and services
Material property:	Observable material such as house, car, agricultural product, industry and factory
Spiritual property:	It is non-observable and expressed by ethics or philosophy of a person
Knowledge:	Includes culture, music and religion
Vision:	Setting the future expectations on present objectives
Debt:	Material or money to be paid in future

Unit Review Exercises

Do these review exercises in your exercise book.

I. Write "True" if the statement is correct and write "False" if the statement is incorrect

1. Whether a person has culture of saving or not, the beneficiary or victim is him/her self only.
2. If a person is able to be wealthy by any means, it is to mean that he has well understood about saving.
3. Natural resources ever exist and not reduced while used.
4. It is better to have equal allotment for short and long run achievements.
5. Better life style means having balanced income and expense.

II. Match words or phrases under column 'A' with correct items of column 'B'

A	B
1. Natural resources	A. Minerals
2. Family planning	B. Planning
3. Backward opinions	C. Irresponsibility for others
4. Bankruptcy	D. Living on basis of economic capacity
5. Credit union	E. I shall not think for tomorrow
	F. Admitting unlimited interest

III. Copy the following questions on your exercise book and fill the correct answer on the space provided

1. Unwise use of materials in kind or in cash is said to be _____.
2. Among practices and strategies to be used to enhance the culture of saving at individual as well as country level are _____ and _____.

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IV. Choose the correct answer for the following questions

- Possible conditions of development of a country are
 - Departing people from backward opinions
 - Long run plan
 - Short run plan
 - All.
- Which one of the following is wrong statement in relations to giving due attention for future generation?
 - Transmitting the developed culture of saving
 - Creating citizens shaped by education and knowledge
 - Non exhaustive usage of natural resources
 - It has no relation with protection of natural resources.
- Which one of the following is the practice to bankruptcy?
 - Investing oil distribution centre at mid of rural
 - Expands movies houses
 - Creating education opportunity to all
 - Practicing family planning.
- Self-reliance means
 - Being alone
 - Helping others to be self-reliant
 - Avoiding dependency
 - All except (a).

V. Give short answers for the following questions

- By using some stories, explain the significance of enhancing the culture of saving.
- Backward opinions have direct effect on the development culture of saving. Explain this with the relevance to your community.