

Unit 9

Saving

Lesson 1: Method of saving

- Proper utilization of resources is important.
 - This helps: -To satisfy our needs and wants
-To use them for a longer period and
-To benefit more people.
 - ✓ Some of our resources are very scarce and are in danger of being totally exhausted. A good example is the **environment**. Studies show that, if we do not take very serious measures to protect our environment, we will totally lose our environmental resources.
 - ✓ These measures include:
 - Protection of the water and air resources.
 - Protection of natural forests.
 - Conservation of bio-diversity in general
- Besides saving our natural resources, we have to know how we should use other resources properly. In order to utilize resources, we need to plan.
 - **Planning** requires an understanding of what we want or need and what resources we have.
- There are number of things that are important to consider before planning your consumption and saving.
 - ✓ First and foremost is your **level of income**.
 - i.e.* When you start work in the future you should estimate how much income you will have.
 - ✓ The next important thing is that consumption has to be **made on the basis of need**.
 - i.e.* We shouldn't consume just because we have the money or spend impulsively as we need to identify those things that are necessities.
- For countries, saving is determined by their **Gross Domestic Product (GDP)**.
 - Countries with a greater GDP can consume and save more since GDP represents the total value of production of goods and services.

- **This means**, the more goods and services we produce, the more we are likely to consume and save.
- **Therefore**, as far as saving is concerned, the most important thing for a country to consider is its **national income**.
- One of the ways that a country can properly utilize resources is through using those that are locally available.
 - i.e.* When people use locally produced goods and services they will save resources such as **transport costs**. By doing that we are helping the domestic industries and economy to flourish.

Lesson 2:

Regulating the National Economy on Realistic International Principles

- **Globalization** is a phenomenon that no country can escape from. It therefore requires an understanding of global economic principles and trends in order to align oneself in a beneficial way.
 - In the international economic order over the past **two decades** there have been dominating principles that govern the economy. Before that there were opposite principles that were supported by two blocs:
 - ✓ The **capitalist west** with the ideologies of market economic and
 - ✓ The **socialist east** with the ideologies of command economic.
 - Over the past two decades however, the capitalist free market structure has prevailed and most countries have pursued that direction for their economy.
- ✓ The economic principles of the **free market economy** are:
 - freedom of decision to economic agents like producers and consumers;
 - lower government involvement in the market; and
 - Letting market forces determine the extent of transactions and prices.
- ✓ Supporting these basic concepts of a market economy, there are other international principles. These include:
 - **Global welfare;**
 - i.e.* - considers the well-being of individuals all over the world by eliminating hunger and disease and increasing literacy rates among the global goals to increase welfare and enhance the quality of life of people around the world.

- **Distributive justice;**
i.e. deals with fairness in the distribution of socio-economic benefits. It means maintaining equality in the economic status of the people.
 - **Comparative advantage;**
i.e. countries should produce those products which bear a minimum cost and should not produce those products that cost more. Instead they should import those products from other countries.
 - **Sustainable development;**
i.e. This includes increasing people's income through production and developing other socio-economic factors like education, health governance, and institutions which ensure sustainable development.
- All these principles are supported by the international multilateral organizations like **International Monetary Fund, World Bank** and **World Trade Organization**.
 - **Ethiopia** is not able to produce all the necessary goods and services domestically; rather we produce and **export** our agricultural products therefore, essential goods have to be imported from other countries by the earnings. Some of our essential **imports** include fuel, medicines and fertilizer machinery and transport equipment necessary for our growth and development. In order to import the technology required to transform the economy to a fast growing one, we need close ties with the rest of the world.
 - **Ethiopia's** economic strategy at present is aligned to the free market principles. Gradually, the country has transformed from a command economy to a **market based economy** and has chosen export led growth.

Lesson 3

Types of Economy

- ✓ The **two** major perspectives through which we study the economy are the **micro** and **macro** economy.
 - Micro means small and
 - Macro means large and inclusive.
- ❖ **Microeconomics**

- Studies the behavior of individual agents of consumers and producers.
- is important to understand the individual behaviors of economic agents
- Deals with the determination of individual prices in individual market of the society and summarizes the interrelationship between these economic agents.
 - **For example**, if we are talking about the price of coffee or how to increase the role of coffee in Ethiopian economy
- ✓ **Microeconomics** also includes the analysis of the welfare of a particular group of people. Whenever the analysis comes down to individual agents or groups, then it is the concern of microeconomic research.
 - **If, for example**, we want research whether a group of people are benefiting from a certain government decision, we conduct a microeconomic research.
- ✓ **Microeconomic** research is, therefore, a very important part of the study of economics. Without knowing how individual agents make their decisions, it would be impossible to devise policies that would affect the entire population or country.

❖ **Macroeconomics** is

- A comprehensive and cumulative picture of what goes on in the economy.
- Studying the overall economy of a given country.
- said to be a **bird's eye view** of the economy.
- It is the analysis of the national economy looking at the overall **prices, growth, production and consumption, saving and investment, unemployment, exports and imports** and the like.
- The growth performance of a country is analyzed through macroeconomic studies. This is because growth could only be analyzed through the summary of the total domestic production measured by the **Gross Domestic Product (GDP)**. The percentage increase of the gross domestic product is what is called growth.
- The other very important issue in economics is the study of prices. The most common measurement of the price level is the

Consumer Price Index (CPI). The consumer price index is the weighted index of prices of goods and services consumed in the economy. The percentage increase of this index is what is known as **inflation**. The analysis of inflation determines what kind of policy will be needed to stabilize it.

Lesson 4

Money and Capital

- **Banks** have an importance for development since they make available funds for investment. Investment in turn is a way of increasing production and employment. When production and employment increase, development comes.
- **Local, national and international monetary organizations** have different roles to play in the development efforts in providing funds.
 - **Local monetary organizations**, are
 - ✓ Primarily concerned with the mobilization of capital in the local area cater to the needs of the local communities and business.
 - ✓ They give out loans to local consumers and businesses and are usually opened for profit.
 - ✓ such as **credit unions**
 - **National monetary institutions** are
 - ✓ Larger and give a much bigger financial service by providing substantial amounts of loans to the public.
 - ✓ Impact on the direction of development.
 - ✓ These institutions include the **national bank, the commercial bank** and other **private banks** which guide the supply of money depending on the growth and production demands of the economy.
 - **International monetary organizations** are
 - ✓ A little bit different from the local and national monetary organizations because of their policies in providing funding.
 - ✓ Devise their policies based on the shared principles of member countries.
 - ✓ The policies are dominated by the beliefs of some rich countries who are the major financiers of these institutions.
 - ✓ The **two** major international monetary institutions are **International Monetary Fund (IMF)** and **the World Bank**.

❖ **IMF and the World Bank** are also known as the **Bretton Woods Institutions**.

- ✓ Both these institutions were established by the rich countries in an effort to help developing countries. But these institutions have policies devised by the developed countries with the understanding that they only give the loans and grants when the developing countries satisfy some of the conditions specified in the policies.
- ✓ Some of these **policies** include
 - More liberalization of the economy
 - Privatizing state enterprises and
 - Sway the political ideology and decision maker's interest.
- **Therefore**, local, national and international monetary organizations are instrumental in financing the development efforts of a country. Also, they play a significant role in allocating the available funds to the most productive ventures so that the money can be put to proper use.

Unit 10

Active Community Participation

Lesson 1:

Effective Leadership for Active Participation

- The success of an organization depends on its leader attributes, approaches, and problem solving techniques.
 - **Leadership** simply means giving direction and the quality of a good leader comprises of the personality and style of treatment which influences the behavior of others.
 - There are **three** important features of leadership:
 - influence or support,
 - voluntary effort and
 - goal achievement.
 - In a democracy, effective leadership is very important to enhance good governance, transparency, openness and accountability which are cornerstones for active community participation.
 - **Threats and coercion** are not part of good leadership. It is mutual trust and confidence which helps the community to attain its objectives.
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- ❖ Some personal qualities that are required from a leader to promote public participation include being:
 - ✓ **A planner:**
 - Somebody who has the ability to set appropriate courses of action through well-prepared plans.
 - ✓ **Versatile:**
 - Somebody who is adaptable, flexible, resourceful, multit talented and an all-round personality.
 - ✓ **A motivator:**
 - It is a quality of a leader to **inspire** others to be willing, feel enthusiastic about, interested, and committed to the objective of the task.
 - It is the ability to give somebody a reason or incentive to do something. The leader's own performance guides and motivates the members; for example, being prompt them when asking members to come on time.
 - ✓ **Engaging:**

- A good leader has personal qualities of being charismatic, attractive, appealing, charming and influential. A leader must have the quality to influence others morally and socially by using good communication.
- ✓ **Realistic:**
 - A leader will realize what is achievable or possible, based on known facts. This is evidenced by setting realistic goals and being practical.
- **Generally**, active community participation requires effective leaders who have personal integrity, self-confidence, vision, analytical ability, knowledge, creativity, charisma, flexibility, direction and principles.

Lesson 2:

Civic Participation

- ❖ **Associations or civic societies** are;
 - ✓ organizations formed by the collection of voluntary individual members.
 - ✓ not static; they are dynamic and ever changing to meet the needs of society, their members, corporate objectives and environmental changes.
 - ✓ established with the objective of advocating certain societal issues.
 - ✓ Others are formulated to help the individuals in the group.
- ❖ **Therefore**, organizations need to formulate their objectives and structures. Once the objectives have been agreed:
 - Suitable plans or courses of action are prepared;
 - Appropriate structures and arrangements are decided upon; and
 - The actions for individuals and groups of people are identified to achieve those objectives.
- ❖ Usually the members of associations have the following characteristics:
 - They define themselves as members;
 - They share common goals;
 - They engage in different activities.
- ❖ Citizens' participation extends from merely voting in a democratic election to reflecting interests in policy processes.

- ❖ Citizens' participation in **policy making** and **evaluating public policies** has many advantages. It is very important for a democratic government
 - To know how the citizens feel and react to various issues.
 - To develop alternative ideas and the government use the opportunity to consider and balance different perspectives.
 - To enables a government to shape policy that suits development of the society.
 - To reached on consensus for developing a sense of ownership and responsibility.
- ❖ Citizens engage in the **process of policy making** by directly participating in civic life and by discussing pressing issues with their neighbors or with citizens who belong to civic forums in their communities, like
 - Parent-teacher associations, service organizations, neighborhood associations or Iddir.
- ❖ Citizens also engage in policy making by taking part in various facets of the **formal process** of governance. For instance,
 - citizens can attend public meetings and hearings sponsored by government agencies;
 - they can meet with, or write to, public officials to express their concerns;
 - they can join organizations such as trade groups etc.; and, of course,
 - They should vote in elections. These forms of participation enable citizens to have a say on policy issues.
- ❖ **Associations** and **organizations help** extensively in the participation of citizens in policy making.
 - First of all, these groups organize the venue for airing views and important issues in the community. Also,
 - They serve as a forum to analyze the problems of the community.
 - They are organized directly to influence public policy and to advise the government by identifying local issues and problems and raising awareness of the community.
 - Finally, they can propose suitable solutions to a problem.
- ✓ These associations and organizations could be in the form of professional associations, non-governmental organizations (NGO), community clubs etc.

- ❖ **The media** are vital in democratic systems. The power of the media is widely recognized in the world today. It can be used:
 - to check the accountability of government officials
 - in shaping the perceptions and impressions of people.
 - as a means of communication between the government and the people i.e., media take messages from the government to the people and vice versa.
 - ❖ By **freedom of the press** it does not mean that anybody can write what he/she pleases. Writings or speeches should be based on the truth, to be fair and unbiased. It is a means of protecting values, such as individual rights and a viable representative government.
 - ❖ However, the basic idea of this principle is that the press should be free to communicate to the people and get access to government information in order to communicate its activities to the people.
 - ❖ The **FDRE Constitution, Article 29: Right of Thought, Opinion and Expression** stated that:
 1. Everyone has the right to hold opinions without interference.
 2. Everyone has the right to freedom of expression without any interference.
 3. Freedom of the press and other mass media and freedom of artistic creativity is guaranteed.

I.e. Freedom of the press shall specifically include the following elements:

 - (a) Prohibition of any form of censorship.
 - (b) Access to information of public interest.
 - 4. In the interest of the free flow of information, ideas and opinions which are essential to the functioning of a democratic order, the press shall, as an institution, enjoy legal protection to ensure its operational independence and its capacity to entertain diverse opinions.
 - 5. Any media financed by or under the control of the State shall be operated in a manner ensuring its capacity to entertain **diversity** in the expression of opinion.
 - 6. These rights can be limited only through laws which are guided by the principle that freedom of expression and information cannot be limited on account of the content or effect of the point of view expressed.
- i.e. Legal limitations** can be laid down in order to protect the well-being of the youth, and the honour and reputation of individuals. **Any**

propaganda for war as well as the public expression of opinion intended to injure human dignity shall be prohibited by law.

7. Any citizen who violates any legal limitations on the exercise of these rights may be held liable under the law.

Unit 11

The Pursuit of Wisdom

Lesson1: Knowledge

- **Knowledge** is
 - ✓ A general understanding of nature and ideas.
 - ✓ The most powerful tool in the hands of man.
 - ✓ It influences the way man lives and interacts with nature.

- ✓ The developments in **science** and the **transformations in technology** have impacted greatly on social life. This transformation has brought a change in our conception of distance and time. Within seconds you can reach people in any corner of the world.

For example: Mobile telephone technology

- Through knowledge, society continues to change. You even see a transformation in yourself as it has the power to effectively alter your social status.
- Many great names in the world are linked to remarkable achievements. In **Ethiopia** there were great personalities whose achievements will long be remembered.

For instance: -**Professor Aklilu Lemma—an Ethiopian Scientist**
 -**Metier Afework Tekle — an Ethiopian Artist**

Lesson 2:

Information as a Source of Knowledge

- **Data** is a collection of raw facts or figures which obtained through experiment or survey and helps to draw a conclusion.
- **Information** is:
 - ✓ A collection of data which represented in physical form and that we made aware.
 - ✓ Helps us to develop our knowledge.
- One of the **methods** through which we can gather information is through **research**. In carrying out research you identify different sources of information and data in various formats. Such as **quantitative data** and **qualitative data**.
- **Quantitative data:** Information based on numerical facts and figures.
 - ✓ It is in the form of statistics of grades achieved over previous years, could be found in your school and in other educational establishments including the Ministry of Education. Some data may be found on the internet.
- **Qualitative data:** Information based on oral and personal reflections of a sample group.
 - ✓ Interviews with teachers and students may provide qualitative data.
- **Generally**, there are basic steps while conducting **scientific research**.
 - ✓ Identifying the problem
 - ✓ Hypothesis
 - ✓ Data collection methods
 - ✓ Interpreting and analyzing
 - ✓ Conclusion and recommendation

- A **hypothesis** is a problem that you need to solve through research. A hypothesis is a theory or idea that is the basis of research.
 - ✓ **For example**, a desire for a potential cure for an illness, may serve as a hypothesis which will lead to research into the use of a new drug.
- The data collected and analyzed for a specific purpose help to make generalizations and recommendations.
- **Knowledge** is understanding or learning about that which is known.
- **Information** is also defined as knowledge in the form of facts.
- It is said that you **acquire knowledge** but you **obtain information**.
 - ✓ This expression indicates that **knowledge** refers to something very wide in scope, but **information** refers to more specific facts obtained for a particular purpose.
- **Wisdom** is gained through the accumulation, practical and wise use of knowledge.

Lesson 3:

Developing Reading Habits

- ✓ The habit of reading is linked to the pursuit of wisdom.
 - ✓ Developing a reading habit expands the frontiers of knowledge.
 - ✓ A widely read population is also an informed public which can make informed judgments.
 - ✓ **Therefore**, we need to develop the **culture of reading** for the good of the people and the benefit of the country.
 - ✓ Without a purpose, reading is meaningless, and there cannot be any conscious activity.
 - ✓ By reading your course books, magazines, newspapers and textbooks for information you will expand your reading and develop all-round knowledge.
 - ✓ **Reading** requires you to draw out the main ideas and also involves reviewing the content and developing a general picture that can be stored for future use.
 - ✓ When you read for knowledge, you should try to summarize and review (either in your head or by taking brief notes) to make the purpose of reading more fruitful.
- **Truth is:**
- The quality of being correct, true or close to the true value.
 - ✓ There are **three** theories of truth.
1. **Relativity of truth**
 - States that truth is relative to space and time.
 - Means there is **no** absolute or fixed truth.

- What is believed to be true for a given society may not be true for another.
- Equally, what is true for a society today, may not remain true tomorrow or thereafter.
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2. Pragmatic theory of truth

- Where truth is measured by its **usefulness** or **utility**.
- What is true is that which is useful for a person, group or even a country. What is false is the reverse of this.
- Was developed in the nineteenth and twentieth centuries by American philosophers, namely Charles S. Pierce, William James and John Dewey.
- They also believed that their theory of truth was **dynamic, practical** and measurable.
- Resembles some sayings in our own societies, for example, the Amharic saying “**Washto Kematalat Washto Mastarek**”.
i.e. Such a saying measures truth in terms of outcomes.

3. Scientific theory of truth

- Differs from these theories of truth in that scientific facts are not relative or measured by utility to individuals or groups.
- Depend purely on **objective facts** which remain the **same** for everyone, all the time.
- Resembled the thinking held by the ancient Greek philosophers such as Plato and Aristotle that truth is absolute.