

INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, ECONOMICS & MANAGEMENT

I
J
R
C
M



A Monthly Double-Blind Peer Reviewed (Refereed/Juried) Open Access International e-Journal - Included in the International Serial Directories

Indexed & Listed at:

Ulrich's Periodicals Directory ©, ProQuest, U.S.A., EBSCO Publishing, U.S.A., Cabell's Directories of Publishing Opportunities, U.S.A.,

Open J-Gate, India [link of the same is duly available at Inlibnet of University Grants Commission (U.G.C)],

The American Economic Association's electronic bibliography, EconLit, U.S.A.,

Index Copernicus Publishers Panel, Poland with IC Value of 5.09 & number of libraries all around the world.

Circulated all over the world & Google has verified that scholars of more than 4600 Cities in 180 countries/territories are visiting our journal on regular basis.

Ground Floor, Building No. 1041-C-1, Devi Bhawan Bazar, JAGADHRI – 135 003, Yamunanagar, Haryana, INDIA

<http://ijrcm.org.in/>

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
1.	A STUDY ON THE RISK CULTURE IN BANKING SECTOR <i>FRANK MTAKI & DR. B. GANESH</i>	1
2.	INDIANISM AND INDIAN MANAGEMENT: A CONCEPTUAL STUDY <i>DR. RAVI.T.S</i>	5
3.	RESEARCH IN INFORMATION TECHNOLOGY: BEHAVIORAL ECONOMICS <i>DR. SOU. PARVATI BHAGWAN PATIL</i>	9
4.	A STUDY ON THE INVESTORS PERCEPTION TOWARDS INVESTMENT IN STOCK MARKET IS LUCRATIVE <i>DR. P. RAMAN</i>	12
5.	INDIA EXPORTS TO LATIN AMERICA: A STUDY IN REFERENCE TO DOING BUSINESS WITH ARGENTINA <i>DR. JAYANT SONWALKAR & CHANDAN MAHESHKAR</i>	17
6.	A COMPARATIVE STUDY OF CUSTOMER'S PERCEPTIONS OF SERVICE QUALITY DIMENSIONS BETWEEN PUBLIC AND PRIVATE BANKS IN RAIPUR CITY (WITH SPECIAL REFERENCE TO SBI AND ICICI) <i>DR. SALEEM AQUIL & NAZHAT TAHSEEN</i>	22
7.	ISLAMIC BANKING: INDIAN ECONOMIC DEVELOPMENT <i>DR. SHAKIR SHAIK & DR. SAMEERA</i>	27
8.	IMPACT OF ECONOMIC RECESSION ON THE FINANCIAL PERFORMANCE OF SELECT PRIVATE SECTOR CEMENT COMPANIES IN TAMIL NADU <i>DR. V. MOHANRAJ & DR. N. DEEPA</i>	30
9.	ROLE OF EMPLOYEE TRAINING IN CREATING A BEST PLACE TO WORK AND RETAIN THE BEST TALENT IN THE ORGANISATION <i>DR. J. K. RAJU & NAVEEN. G. NAIK</i>	33
10.	AGRO BASED INDUSTRIES IN INDIA: GROWTH, STATUS AND PROSPECTUS <i>DR. R. M. YALLATTI & A. K. JAYAPPANAVAR</i>	39
11.	A STUDY ON EXPORT PERFORMANCE OF LEATHER PRODUCTS IN INDIA <i>DR. A. MUTHUSAMY & S. KARPAGALAKSHMI</i>	42
12.	FISCAL EXPANSION AND ECONOMIC GROWTH IN MANIPUR <i>HUIDROM IMOBI SINGH</i>	45
13.	THE IMPACT OF NON-PERFORMING LOANS ON NET INCOME OF JORDANIAN BANKING SECTOR THROUGH 2003-2013 <i>DR. AHMAD SALEM ALKHAZALI</i>	56
14.	GLOBALIZATION: IS IT A HOLISTIC MODEL OF DEVELOPMENT? <i>DR. SYED HASAN QAYED</i>	62
15.	THE IMPACT OF INFLATION ON LIVING STANDARD OF HOUSEHOLDS IN HAWASSA CITY, ETHIOPIA <i>DR. P. NANDEESWARA RAO & TASSEW DUFERA TOLCHA</i>	66
16.	IMPACT OF MICROFINANCE BANKS ON POVERTY ALLEVIATION: THE CASE OF AHMADU BELLO UNIVERSITY, MICROFINANCE BANK <i>AMINU Y. USMAN & DANRAKA, N. DARI</i>	73
17.	IMPORT DEMAND, CAPITAL INFLOWS AND DUTCH DISEASE IN GHANA: THE CASE OF FOREIGN DIRECT INVESTMENTS (FDIS) <i>MUSTAPHA IMMURANA, KWAKU BOATENG & DANIEL MALIK ACHALA</i>	77
18.	PRIMARY EDUCATION IN ANDHRA PRADESH: A CASE STUDY OF GUNTUR DISTRICT <i>A.J. BHAGYA LATHA & DR. SHAIK AMEER</i>	86
19.	A COMPARATIVE EVALUATION OF PRIVATE SECTOR BANKS LENDING IN INDIA <i>SOMESHWAR PRIYA D.</i>	95
20.	HISTORY OF TOURISM IN HIMACHAL PRADESH <i>VINAY NEGI</i>	99
	REQUEST FOR FEEDBACK & DISCLAIMER	102

CHIEF PATRON**PROF. K. K. AGGARWAL**

Chairman, Malaviya National Institute of Technology, Jaipur
(An institute of National Importance & fully funded by Ministry of Human Resource Development, Government of India)
Chancellor, K. R. Mangalam University, Gurgaon
Chancellor, Lingaya's University, Faridabad
Founder Vice-Chancellor (1998-2008), Guru Gobind Singh Indraprastha University, Delhi
Ex. Pro Vice-Chancellor, Guru Jambheshwar University, Hisar

FOUNDER PATRON**LATE SH. RAM BHAJAN AGGARWAL**

Former State Minister for Home & Tourism, Government of Haryana
Former Vice-President, Dadri Education Society, Charkhi Dadri
Former President, Chinar Syntex Ltd. (Textile Mills), Bhiwani

CO-ORDINATOR**DR. BHAVET**

Faculty, Shree Ram Institute of Engineering & Technology, Urjani

ADVISORS**PROF. M. S. SENAM RAJU**

Director A. C. D., School of Management Studies, I.G.N.O.U., New Delhi

PROF. M. N. SHARMA

Chairman, M.B.A., Haryana College of Technology & Management, Kaithal

PROF. S. L. MAHANDRU

Principal (Retd.), Maharaja Agrasen College, Jagadhri

EDITOR**PROF. R. K. SHARMA**

Professor, Bharti Vidyapeeth University Institute of Management & Research, New Delhi

FORMER CO-EDITOR**DR. S. GARG**

Faculty, Shree Ram Institute of Business & Management, Urjani

EDITORIAL ADVISORY BOARD**DR. RAJESH MODI**

Faculty, Yanbu Industrial College, Kingdom of Saudi Arabia

PROF. SIKANDER KUMAR

Chairman, Department of Economics, Himachal Pradesh University, Shimla, Himachal Pradesh

PROF. SANJIV MITTAL

University School of Management Studies, Guru Gobind Singh I. P. University, Delhi

PROF. RAJENDER GUPTA

Convener, Board of Studies in Economics, University of Jammu, Jammu

PROF. NAWAB ALI KHAN

Department of Commerce, Aligarh Muslim University, Aligarh, U.P.

PROF. S. P. TIWARI

Head, Department of Economics & Rural Development, Dr. Ram Manohar Lohia Avadh University, Faizabad

DR. ANIL CHANDHOK

Professor, Faculty of Management, Maharishi Markandeshwar University, Mullana, Ambala, Haryana

DR. ASHOK KUMAR CHAUHAN

Reader, Department of Economics, Kurukshetra University, Kurukshetra

DR. SAMBHAVNA

Faculty, I.I.T.M., Delhi

DR. MOHENDER KUMAR GUPTA

Associate Professor, P. J. L. N. Government College, Faridabad

DR. VIVEK CHAWLA

Associate Professor, Kurukshetra University, Kurukshetra

DR. SHIVAKUMAR DEENE

Asst. Professor, Dept. of Commerce, School of Business Studies, Central University of Karnataka, Gulbarga

ASSOCIATE EDITORS**PROF. ABHAY BANSAL**

Head, Department of Information Technology, Amity School of Engineering & Technology, Amity University, Noida

PARVEEN KHURANA

Associate Professor, Mukand Lal National College, Yamuna Nagar

SHASHI KHURANA

Associate Professor, S. M. S. Khalsa Lubana Girls College, Barara, Ambala

SUNIL KUMAR KARWASRA

Principal, Aakash College of Education, ChanderKalan, Tohana, Fatehabad

DR. VIKAS CHOUDHARY

Asst. Professor, N.I.T. (University), Kurukshetra

FORMER TECHNICAL ADVISOR**AMITA**

Faculty, Government M. S., Mohali

FINANCIAL ADVISORS**DICKIN GOYAL**

Advocate & Tax Adviser, Panchkula

NEENA

Investment Consultant, Chambaghat, Solan, Himachal Pradesh

LEGAL ADVISORS**JITENDER S. CHAHAL**

Advocate, Punjab & Haryana High Court, Chandigarh U.T.

CHANDER BHUSHAN SHARMA

Advocate & Consultant, District Courts, Yamunanagar at Jagadhri

SUPERINTENDENT**SURENDER KUMAR POONIA**

CALL FOR MANUSCRIPTS

We invite unpublished novel, original, empirical and high quality research work pertaining to recent developments & practices in the areas of Computer Science & Applications; Commerce; Business; Finance; Marketing; Human Resource Management; General Management; Banking; Economics; Tourism Administration & Management; Education; Law; Library & Information Science; Defence & Strategic Studies; Electronic Science; Corporate Governance; Industrial Relations; and emerging paradigms in allied subjects like Accounting; Accounting Information Systems; Accounting Theory & Practice; Auditing; Behavioral Accounting; Behavioral Economics; Corporate Finance; Cost Accounting; Econometrics; Economic Development; Economic History; Financial Institutions & Markets; Financial Services; Fiscal Policy; Government & Non Profit Accounting; Industrial Organization; International Economics & Trade; International Finance; Macro Economics; Micro Economics; Rural Economics; Co-operation; Demography; Development Planning; Development Studies; Applied Economics; Development Economics; Business Economics; Monetary Policy; Public Policy Economics; Real Estate; Regional Economics; Political Science; Continuing Education; Labour Welfare; Philosophy; Psychology; Sociology; Tax Accounting; Advertising & Promotion Management; Management Information Systems (MIS); Business Law; Public Responsibility & Ethics; Communication; Direct Marketing; E-Commerce; Global Business; Health Care Administration; Labour Relations & Human Resource Management; Marketing Research; Marketing Theory & Applications; Non-Profit Organizations; Office Administration/Management; Operations Research/Statistics; Organizational Behavior & Theory; Organizational Development; Production/Operations; International Relations; Human Rights & Duties; Public Administration; Population Studies; Purchasing/Materials Management; Retailing; Sales/Selling; Services; Small Business Entrepreneurship; Strategic Management Policy; Technology/Innovation; Tourism & Hospitality; Transportation Distribution; Algorithms; Artificial Intelligence; Compilers & Translation; Computer Aided Design (CAD); Computer Aided Manufacturing; Computer Graphics; Computer Organization & Architecture; Database Structures & Systems; Discrete Structures; Internet; Management Information Systems; Modeling & Simulation; Neural Systems/Neural Networks; Numerical Analysis/Scientific Computing; Object Oriented Programming; Operating Systems; Programming Languages; Robotics; Symbolic & Formal Logic; Web Design and emerging paradigms in allied subjects.

Anybody can submit the **soft copy** of unpublished novel; original; empirical and high quality **research work/manuscript** **anytime** in **M.S. Word format** after preparing the same as per our **GUIDELINES FOR SUBMISSION**; at our email address i.e. infoijrcm@gmail.com or online by clicking the link **online submission** as given on our website ([FOR ONLINE SUBMISSION, CLICK HERE](#)).

GUIDELINES FOR SUBMISSION OF MANUSCRIPT

1. **COVERING LETTER FOR SUBMISSION:**

DATED: _____

THE EDITOR

IJRCM

Subject: **SUBMISSION OF MANUSCRIPT IN THE AREA OF** _____.

(e.g. Finance/Mkt./HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, **please specify**)

DEAR SIR/MADAM

Please find my submission of manuscript entitled ' _____ ' for possible publication in one of your journals.

I hereby affirm that the contents of this manuscript are original. Furthermore, it has neither been published elsewhere in any language fully or partly, nor is it under review for publication elsewhere.

I affirm that all the co-authors of this manuscript have seen the submitted version of the manuscript and have agreed to their inclusion of names as co-authors.

Also, if my/our manuscript is accepted, I agree to comply with the formalities as given on the website of the journal. The Journal has discretion to publish our contribution in any of its journals.

NAME OF CORRESPONDING AUTHOR :

Designation :

Institution/College/University with full address & Pin Code :

Residential address with Pin Code :

Mobile Number (s) with country ISD code :

Is WhatsApp or Viber active on your above noted Mobile Number (Yes/No) :

Landline Number (s) with country ISD code :

E-mail Address :

Alternate E-mail Address :

Nationality :

NOTES:

- a) The whole manuscript has to be in **ONE MS WORD FILE** only, which will start from the covering letter, inside the manuscript. **pdf. version is liable to be rejected without any consideration.**
 - b) The sender is required to mention the following in the **SUBJECT COLUMN of the mail:**
New Manuscript for Review in the area of (e.g. Finance/Marketing/HRM/General Mgt./Engineering/Economics/Computer/IT/ Education/Psychology/Law/Math/other, please specify)
 - c) There is no need to give any text in the body of mail, except the cases where the author wishes to give any **specific message** w.r.t. to the manuscript.
 - d) The total size of the file containing the manuscript is expected to be below **1000 KB**.
 - e) **Abstract alone will not be considered for review** and the author is required to submit the **complete manuscript** in the first instance.
 - f) **The journal gives acknowledgement w.r.t. the receipt of every email within twenty four hours** and in case of non-receipt of acknowledgement from the journal, w.r.t. the submission of manuscript, within two days of submission, the corresponding author is required to demand for the same by sending a separate mail to the journal.
 - g) The author (s) name or details should not appear anywhere on the body of the manuscript, except the covering letter and the cover page of the manuscript, in the manner as mentioned in the guidelines.
2. **MANUSCRIPT TITLE:** The title of the paper should be **bold typed, centered and fully capitalised**.
 3. **AUTHOR NAME (S) & AFFILIATIONS:** Author (s) **name, designation, affiliation (s), address, mobile/landline number (s), and email/alternate email address** should be given underneath the title.
 4. **ACKNOWLEDGMENTS:** Acknowledgements can be given to reviewers, guides, funding institutions, etc., if any.
 5. **ABSTRACT:** Abstract should be in **fully italicized text**, ranging between **150 to 300 words**. The abstract must be informative and explain the background, aims, methods, results & conclusion in a **SINGLE PARA**. **Abbreviations must be mentioned in full.**
 6. **KEYWORDS:** Abstract must be followed by a list of keywords, subject to the maximum of **five**. These should be arranged in alphabetic order separated by commas and full stop at the end. All words of the keywords, including the first one should be in small letters, except special words e.g. name of the Countries, abbreviations.
 7. **JEL CODE:** Provide the appropriate Journal of Economic Literature Classification System code (s). JEL codes are available at www.aeaweb.org/econlit/jelCodes.php, however, mentioning JEL Code is not mandatory.
 8. **MANUSCRIPT:** Manuscript must be in **BRITISH ENGLISH** prepared on a standard A4 size **PORTRAIT SETTING PAPER**. **It should be free from any errors i.e. grammatical, spelling or punctuation. It must be thoroughly edited at your end.**
 9. **HEADINGS:** All the headings must be bold-faced, aligned left and fully capitalised. Leave a blank line before each heading.
 10. **SUB-HEADINGS:** All the sub-headings must be bold-faced, aligned left and fully capitalised.
 11. **MAIN TEXT:**

THE MAIN TEXT SHOULD FOLLOW THE FOLLOWING SEQUENCE:**INTRODUCTION****REVIEW OF LITERATURE****NEED/IMPORTANCE OF THE STUDY****STATEMENT OF THE PROBLEM****OBJECTIVES****HYPOTHESIS (ES)****RESEARCH METHODOLOGY****RESULTS & DISCUSSION****FINDINGS****RECOMMENDATIONS/SUGGESTIONS****CONCLUSIONS****LIMITATIONS****SCOPE FOR FURTHER RESEARCH****REFERENCES****APPENDIX/ANNEXURE****The manuscript should preferably range from 2000 to 5000 WORDS.**

12. **FIGURES & TABLES:** These should be simple, crystal **CLEAR, centered, separately numbered** & self explained, and **titles must be above the table/figure. Sources of data should be mentioned below the table/figure.** *It should be ensured that the tables/figures are referred to from the main text.*
13. **EQUATIONS/FORMULAE:** These should be consecutively numbered in parenthesis, horizontally centered with equation/formulae number placed at the right. The equation editor provided with standard versions of Microsoft Word should be utilised. If any other equation editor is utilised, author must confirm that these equations may be viewed and edited in versions of Microsoft Office that does not have the editor.
14. **ACRONYMS:** These should not be used in the abstract. The use of acronyms is elsewhere is acceptable. Acronyms should be defined on its first use in each section: Reserve Bank of India (RBI). Acronyms should be redefined on first use in subsequent sections.
15. **REFERENCES:** The list of all references should be alphabetically arranged. **The author (s) should mention only the actually utilised references in the preparation of manuscript** and they are supposed to follow Harvard Style of Referencing. **Also check to make sure that everything that you are including in the reference section is duly cited in the paper.** The author (s) are supposed to follow the references as per the following:
- All works cited in the text (including sources for tables and figures) should be listed alphabetically.
 - Use (ed.) for one editor, and (ed.s) for multiple editors.
 - When listing two or more works by one author, use --- (20xx), such as after Kohl (1997), use --- (2001), etc, in chronologically ascending order.
 - Indicate (opening and closing) page numbers for articles in journals and for chapters in books.
 - The title of books and journals should be in italics. Double quotation marks are used for titles of journal articles, book chapters, dissertations, reports, working papers, unpublished material, etc.
 - For titles in a language other than English, provide an English translation in parenthesis.
 - **Headers, footers, endnotes and footnotes should not be used in the document.** However, **you can mention short notes to elucidate some specific point**, which may be placed in number orders after the references.

PLEASE USE THE FOLLOWING FOR STYLE AND PUNCTUATION IN REFERENCES:

BOOKS

- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
- Hunker, H.L. and A.J. Wright (1963), "Factors of Industrial Location in Ohio" Ohio State University, Nigeria.

CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

JOURNAL AND OTHER ARTICLES

- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

UNPUBLISHED DISSERTATIONS

- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

WEBSITES

- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 <http://epw.in/user/viewabstract.jsp>

THE IMPACT OF INFLATION ON LIVING STANDARD OF HOUSEHOLDS IN HAWASSA CITY, ETHIOPIA

DR. P. NANDEESWARA RAO
ASST. PROFESSOR
DEPARTMENT OF ECONOMICS
HAWASSA UNIVERSITY
ETHIOPIA

TASSEW DUFERA TOLCHA
LECTURER
DEPARTMENT OF ECONOMICS
HAWASSA UNIVERSITY
ETHIOPIA

ABSTRACT

In the modern globalization era, inflation crosses borders and affects both developing and developed countries. The most serious costs of persistent inflation is that it destroys the confidence that society can solve its problems and creates fear that their social contracts is falling apart. The food inflation index is currently over 12% and has shown no sign of coming down. The prices of essential food items are astronomical as compared to the prices earlier years. While the pinch is felt by every household, the poorest sections are understandably the worst affected. To understand the impact on the poorest households, the survey conducted across 240 households from five different sub-cities of Hawassa. While the average monthly expenditure has increased but more importantly, food expenditure as a percentage of monthly household expenditure has gone up dramatically. The prices paid by the households for essential food items have increased across the spectrum and this increase in prices has naturally resulted in a change in consumption habits. The burgeoning food budget has invariably led households to cut costs in other areas such as healthcare and transportation and consumption of individual food items also shows a significant reduction. In addition to women workload increase, households have also been forced to adopt other coping strategies such as using up savings, pawning or selling valuables, or taking a loan to finance their monthly cash requirements.

KEYWORDS

inflation, living standard, consumption and price.

INTRODUCTION

In this era of globalization, inflation crosses borders and affects both developing and developed countries. The term Inflation means sustained increased in the general price level of goods and services against a standard level of purchasing power of consumer, leading to fall in the currency's power. On the other hand, the standard of living is the sum of all those goods and services that this world affords us. The most serious costs of persistent inflation may be that it destroys the confidence that society can solve its problems and creates fear that their social contracts is falling apart (Edward, 1981).

For the past couple of years' Ethiopian economy has been under a severe and consistent inflationary pressure. Hawassa city, the most developing city in Ethiopia, is among the highly suffered area due to the following reasons. Hawassa is the destination of different tourists, more comfortable city for recreation, highly developing city, hosts different regional and zonal bureaus and workers. The above mentioned reasons implicitly show that there is a lot of money injection into this town which makes the cost of living very expensive. But this effect may not affect different group of society similarly or the degree of influence is not the same. Households with low levels of assets have been particularly adversely affected by this inflation. Lacking the financial resources to self-insure and being referred to informal employment and volatile earnings because of low skills, the urban poor appear to be highly vulnerable to price shocks and education appears to play a small role for the ability to cope with it.

The purpose of this research paper was to investigate the impact of inflation on different households in Hawassa city. On the other hand, this paper was studying study the micro level effects of inflation.

STATEMENT OF THE PROBLEM

Basically economic theory reveals that inflation results in redistribution of income and wealth because the prices of all the factors of production do not increase in the same proportion. The flexible income group, such as businessmen, traders, merchants, speculators gain during inflation due to wind fall profits that arise because prices rise faster than the cost of production. On the other hand, the fixed income groups, such as, workers, salaried persons, pensioners, interest and rent earners, are always the losers during inflation because their incomes do not increase as fast as the prices. Generally, inflation is unjust because it puts economic burden on those sections of the society who are least able to bear it. Different empirical studies conducted at macro level also confirm these economic principles. As a country many empirical studies are done on inflation and related topics at macro level. The findings of such studies represent the average effects of inflation on the whole population of the country. But in reality the effect of inflation on different groups of society is not the same. Rather than considering the influence of price shock on average it is better to understand the severity of this situation from grassroots. In our country the study of inflation at household level is not common. Specifically, in this paper the impact of inflation at household level was conducted in Hawassa city. Hence this paper tried to investigate closely the impacts of inflation on the society having different living standards and different sources of income and suggests appropriate policy interventions.

OBJECTIVES OF THE STUDY

The main purpose of this study was to investigate household level effects of recent inflation in Hawassa city. The specific aims of this paper was to:

- Identify copying strategies of households suffered from price shocks.
- Analyzed the depth of the problem
- Know the consensus of those societies on causes of inflation

SOURCES OF DATA AND METHODS OF ANALYSIS

The data required for the purpose of this study was obtained from primary sources through structural questionnaires distributed among the target groups. The questionnaires were designed in accordance with the objective of the paper. The prepared questionnaire was distributed on pre specified target groups. To take the sample initially, the whole population of Hawassa would categorized systematically into government employed, self-employed and unemployed households. After systematic division, had made 80 samples was taken randomly from each group and sum-up 240 sample households. Once the appropriate data was gathered, the descriptive statistics and case study methods was employed. In these analysis methods some copying strategies was revealed and discussed.

LITERATURE REVIEW**THEORETICAL FRAME WORK**

Inflation brings shifts in the distribution of income between different sections of people. The producing classes such as agriculturist, manufacturers and traders gain at the expense of salaried and working classes. The rich become richer and the poor becomes poorer. Thus, there is a transfer of income from poor to rich classes. Inflation, therefore, is unjust. Besides, those who are hard hit by inflation are the young, old, widows and small savers, i.e. all those who are unable to protect themselves. But the most unfortunate thing is that monetary and fiscal authorities who are entrusted with the task of maintaining price stability are often responsible for creating inflationary conditions, for example, a country at war resorts to printing of currency notes as one of the methods of financing the war (Makanaka).

Similar, the government of a developing economy may resort to deficit financing as one of the methods of financing development projects. In these cases, inflationary finance, like taxation, brings additional revenue to the public authorities. However, taxation cannot destroy an economy except in rare cases by elimination whole groups of people. Inflation, on the other hand, can destroy fixed income group, pauperize the middle classes and destroy the very foundation of an economy. No wonder inflation has been termed as "a species of taxation, crueled of all "and "open robbery". Inflation particular the hyperinflation type, will therefore endanger the very foundation of the existing social and economic system. It will create a sense of frustration distrust, injustice and discontent and may force people to revolt against the government. It is therefore, "economically unsound, politically dangerous and morally indefensible". Therefore, it should be avoided and even if it occurs it should be controlled (Doepke).

In literature of economics we find quite vast theories that may corresponding or contradict to one another. Among these theories the structuralist and the monetarist theories are the major one. These are believed to have relevance in most literature in general inflation and few attempts on food price inflation.

THE MONETARIST THEORY

The monetarist theory of inflation scribes (food price) inflation to changes in the money supply. Several scholars wrote on money supply as the sole cause of any inflation. According to this theory, it is a behavioral 'fact' proven by empirical evidence that demand for money is stable (Ghatak, 1981:23) and late of inflation is loss of holding real balances. It follows, therefore, that the rate of increase of the nominal stock of money determines the inflation rate (Banerjee, 1975:15-16). This is made possible based on the assumption that agents do not change the relationship among their wealth, volume of transaction and their income level and constant velocity of money in the short run.

Frisch, 1990:221, then, derived growth rate of money supply to equate the growth of general prices. That is, the monetarist formulated that the elasticity of the general price level to the change in the supply of money is unity. A number of other researches, such as Kotwal (1987) indicated that 'the long and large price movements are the liable to monetary factors'. The relationship between changes in the stock of money per unit of output and changes in the general price level is an outstanding specimen of empirical regularity in economics. However, they noted that:

...it should notice inferred that the relationship between money and price is straight, rigid and mechanical, but there are long and variable time lags with regard to the effect of changes in the rate of growth of money supply on price and output in other word, the monetary impulses that consist of changes in the rate of growth of money stock constitute a major force behind cyclical changes in the level of prices, output and employment (Ibid).

STRUCTURALIST THEORY OF INFLATION

Structuralist argues that there are equally important structural and institutional factors for food price inflation especially in developing countries. Thirwall (1989) wrote that:

...the basic forces of (food price) inflation are supply phenomena, that is, structural limitations or bottle necks inherent in the socio-economic system and cumulative inflationary processes. They, however, do not deny the fact that financial factors can propagate it. In view of this, school, structural constraints in developing countries is very powerful.

They also argue that not only are there equally important structural and institutional factors but also that money supply is explained by these factors outside the control of central banks. Moreover, Kirk Patric (1981) explained that information irregularity among agents and rigidities and disequilibria between supply and demand in different sectors are the characteristics of developing economies. As a result, we may find a simultaneous underutilization of resource in one sector and significant scarcity of commodities in the others.

The structuralist note that "nominal wage contact and a decline in real wages owing to inflation restricted agricultural supplies as prime cause of inflation as witnessed following a foreign exchange bonanza (e.g. Mexico) as possible episodes of conflict and price formation inspired inflation" (Taylor, 1992).

Similarly, Flemming (1976:39-40), in view of the structuralist theory, stressed two basic causes of inflation (especially in Latin American countries); namely, the rigidity of food supply and in adequacy and in stability of the purchasing power of exports, adding, the argue that in dual economies, food supply is in elastic and hence price are very flexible in response to changing demand.

Flemming (1976) puts the difference between these theories in nutshell; while for monetarist, excess demand for food resulting from excess supply of money as a major portion of it goes for food consumption is regarded as the only cause of inflation. The structuralist scribe inflation to the composition of demand for commodities accompanied by inflexibilities in the productive structure (p.39).

EMPIRICAL STUDIES**INFLATION AND THE URBAN POOR IN ETHIOPIA**

The overall economic performance of Ethiopia during the last fifty years had been in adequate and disappointing. The period of military regime was characterized by misguided and in effective economic policies, attended civil war, high military expenditure, devastating drought, and wide spread poverty.

After taking power in may 1991, EPRDF re-instituted and implemented 'mar Retled' economic system. Some reports revealed that the real GDP of the nations between 1991/92 and 2001/12 was glowing by 16.33%. despite some progress in terms of reducing poverty in recent years (MoFED, 2012), Ethiopia still stands among the poorest countries in the world. According to the united nation's (UNDP, 2012), human development index Ethiopia is 159th out of 177 countries, with human development index (HDI) of 0.606. in 2011, 78% of the total population live below the poverty line of USD 2 aday and 34% below then a final poverty line, life expectance at birth remains at 47 years for male and 45 for female, which was below the sub-saharan average of 48 (WB, 2012). In a similar line, according to the latest household survey, wms, 2004, malnutrition was preventing in the country with about 37% of children stunted, suffering from chronic malnutrition.

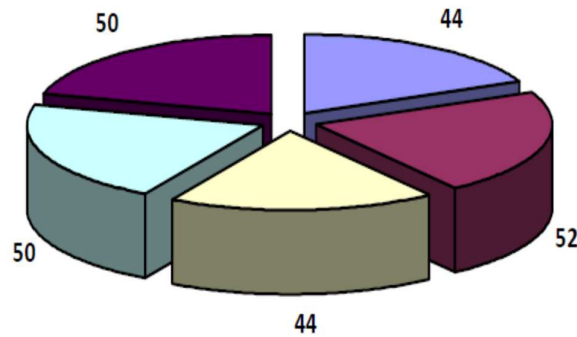
RESULT AND DISCUSSION**INTRODUCTION**

The past few years have seen extreme fluctuations in the inflation index. After hitting double digits in early 2008, inflation has subsequently come down in the last two years. But the commodity prices in the markets are still very high, making it rather unaffordable to the poor and thus indicating a worsening food security situation. To understand the impact of the price rise in essential commodities on the households of Hawassa, the researcher decided to conduct a survey across households from some of the sub-cities. The objective of the survey was to understand the impact of price rise on the consumption patterns of the households, the effect on household aspects, and the means households have resorted to in order to survive the crisis.

RESPONDENT PROFILE

The survey covers 240 number of households which were taken from five different sub-cities of Hawassa. These sub-cities are Piazza, Meneharia, Misrak, Mehalketema and Haikdar. The distribution of the households across these five districts is shown in the following pie-chart.

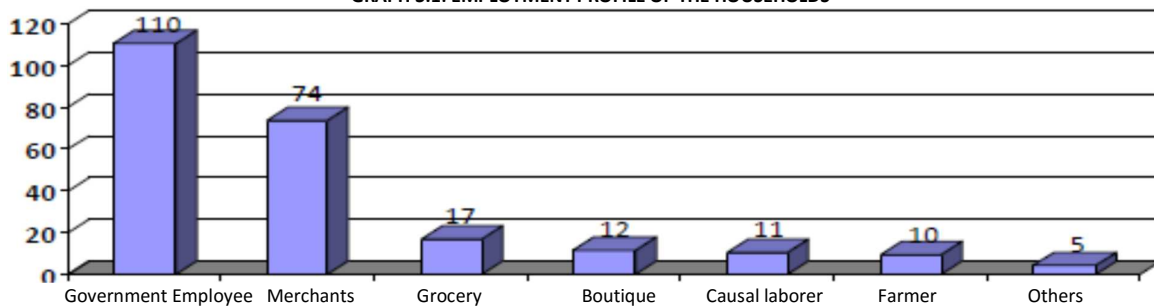
CHART 3.1: SAMPLE SIZES IN SAMPLE SUB-CITIES



The average family size of the household is 7 with 4 adults and 3 children.

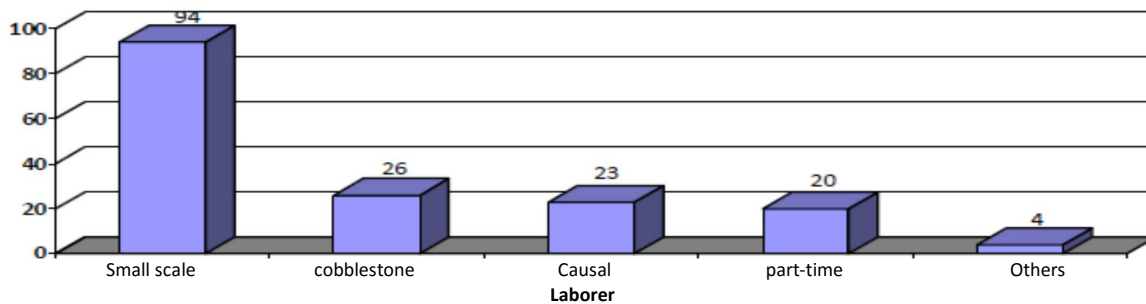
While almost half of the respondents (110) are government employees, the next largest category is that of merchants (74).

GRAPH 3.1: EMPLOYMENT PROFILE OF THE HOUSEHOLDS



A little over 70% of the surveyed households report a secondary revenue stream. Participating in small scale enterprise in different manner is the most common secondary occupation with as many as 94 households practicing it.

GRAPH 3.2: SECONDARY REVENUE STREAM OF THE HOUSEHOLDS

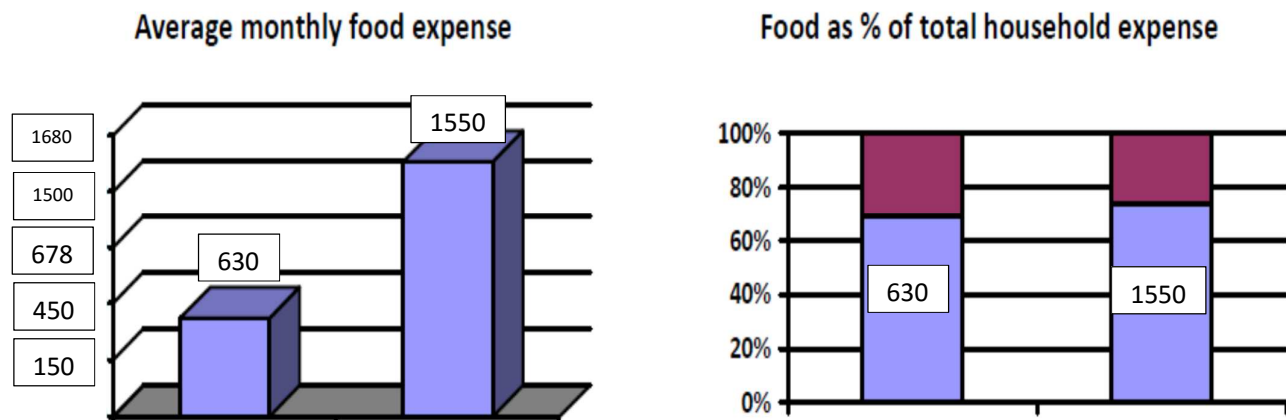


INCOME AND EXPENDITURE TRENDS

Average income over the entire sample (all five districts) has increased marginally from Birr 948 four years ago to Birr 1,714 now. What is more relevant is the average monthly household expense, which has highly increased from Birr 814 four years ago to Birr 1,988 now. This shows that the percentage at which income has increased (44.7%) over the past four years is significantly less than the percentage increment of the household's expenditure (59.05%).

A more revealing statistic is the average monthly expense on food which explains the increase in average monthly total household expense as well. As the chart on the right shows, monthly food expenses as a percentage of the monthly total household expense has risen marginally from 69% to 78%.

GRAPH 3.3: INCOME AND EXPENDITURE TRENDS



Hence, the average monthly household expenses havenot increased as much as the average monthly expenses on food indicates that the family has cut costs on other aspects of the household.

FOOD PRICE TRENDS

The respondents were asked the prices they paid on average for a list of essential commodities 4years back and the prices they now have to pay. The list of commodities included cereals, vegetables, oil, meat, milk and milk products. The resulting data reveals a substantial increase in prices for most of the commodities. Refer to the following table for the list.

TABLE 3.1: FOOD PRICE TRENDS

Items	Dec' 2009	Dec' 2012	% increase
Wheat	3.9	10	61%
Maize	2.25	7	68%
Onions	3.6	12	70%
Potatoes	1.25	4	66%
Tomatoes	3.8	9	57%
Oil	19.6	40	51%
Sugar	7	25	72%
Buttermilk	63	140	55%
Milk	5.5	12	46%
Eggs	0.6	2.5	61%
Chickens	48	100	52%
Meat	60	150	60%

Source: own computation

Prices of a kilogram of maize and wheat have risen by nearly 60%. Basic vegetables such as onions and potatoes have seen a rise of over 66%. It should be understood that these are the prices the households pay their local shopkeepers.

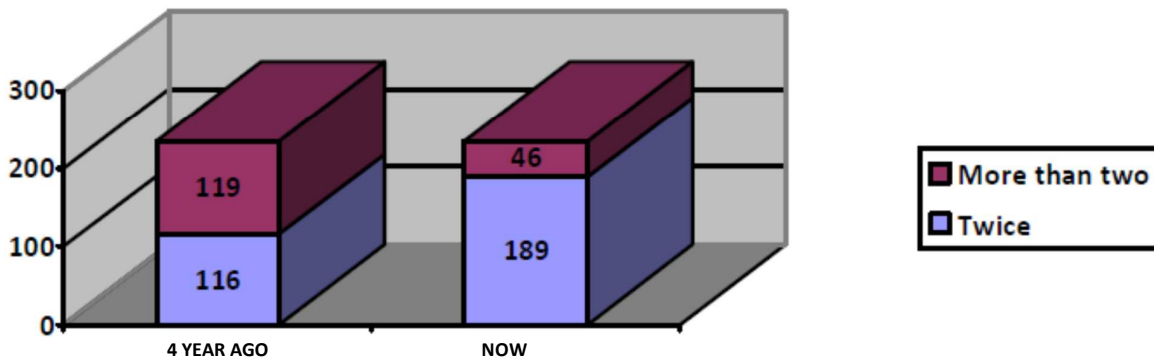
CHANGE IN FOOD HABITS

From the data presented in the previous section it can be deduced that the percentage increase in food expenses (9%) seem to be less than proportionate to the increase in commodity prices. Clearly this indicates a change in food habits – more specifically, a cut down in consumption volume and quantity.

The survey data supports this hypothesis. To a question on how many meals per day do households consume now as compared to 4years ago, over 60% of the households who earlier consumed more than two meals a day report they are no longer able to afford more than two meals a day.

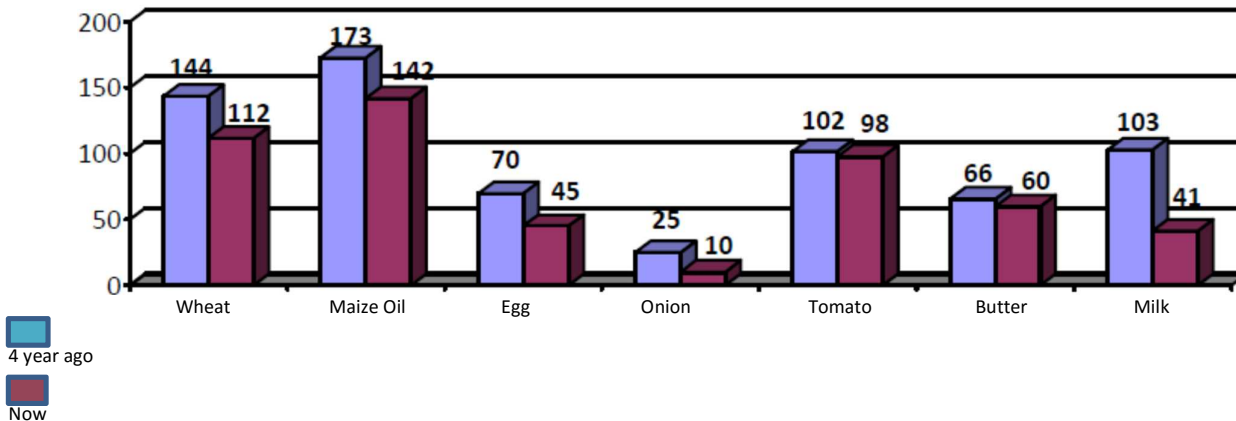
GRAPH 3.4: TRENDS OF MEALS PER

Meals per day



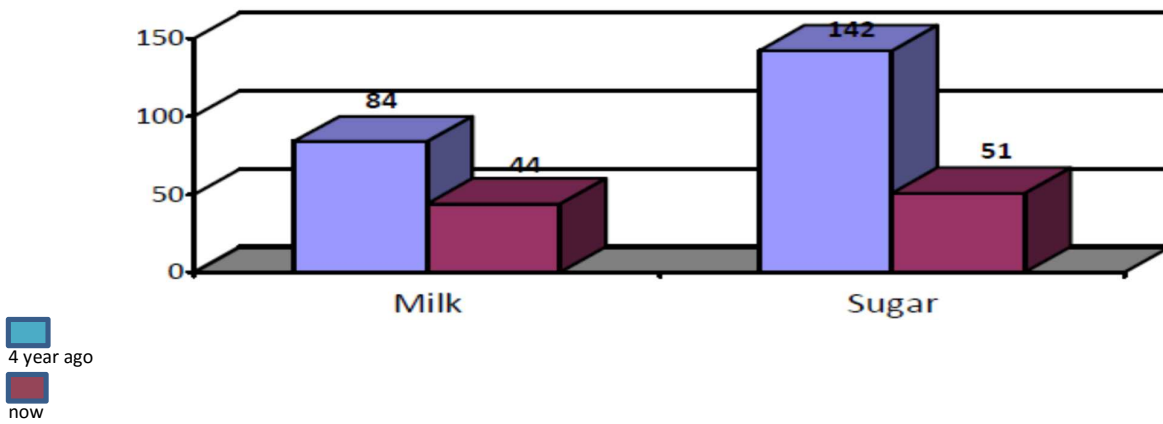
This trend has invariably been reflected in the consumption levels of individual commodities. The following chart displays the number of households who report consumption of a particular commodity at least once a day (4years ago and now).

GRAPH 3.5: CHANGE OF THE FOOD HABITS OF THE HOUSEHOLD



As shown in the chart, the number of households who consume cereals like wheat and maize at least once a day has come down substantially. A significant number of households however don't find the consumption of meat and buttermilk affordable on a daily basis anymore. Vegetable consumption has shown a marginal decline. Apart from these, commodities which are more frequently consumed, such as milk and sugar, also show a drop in frequency for many households. For instance, the number of households who consume milk and sugar at least twice a day has dropped by about 48% and 64% respectively.

GRAPH 3.6: CONSUMPTION TRENDS OF MILK AND SUGAR



Other commodities such as chicken and meat are seemingly consumed by very few households in general (less than 5% of the sample) and an analysis into the consumption patterns of such commodities therefore seems unjustified.

MANIFESTATIONS OF FOOD PRICE INFLATION IN HAWASSA CITY

In the city under consideration, the impact of food price inflation has been reflected in many ways. The shift of community’s demand from more nutritious diet to food which has lesser nutritional values is among the manifestation of the problem. According to the response of some poor households previously though they are poor, they relatively get food with better nutritional values with affordable price, but nowadays due to food price inflation they are forced to rely on foods that are relatively cheaper and have very poor nutritional constituent.

According to the data, some households have reduced their daily food consumption and also started to have a meal a day. The effects of the inflation have also been deflected in some social life of the people. One of the typical examples of the fact is some households have been quitted from involving in some socially acceptable cultural and religious practices namely ‘Edir’, ‘Ekub’ and ‘Senbete’ because they are not able to afford the money contributed for this purposes. Theother evidence which indicates the severity of inflation is that some households even do not know the price of some expensive food items such as meat. This implies that such kinds of households do not go to butchery and buy meat for a long period of time.

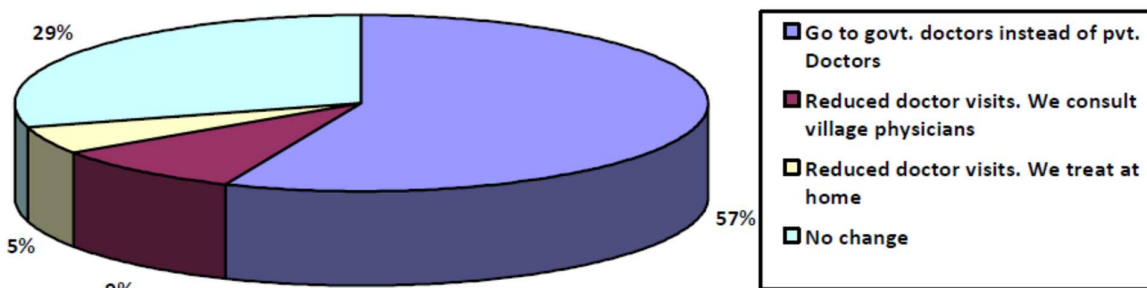
During the data collection most young generation say that they fear the inflation to get the marriage. Because they are risk averse in their life and not optimist over settle down of inflation in the near future. In addition to this most respondents believe that the wide spread of street dwellers, thefts and prostitution are also the other reflections of the expensive normal living standard. In other words, because of high living costs, these members of the city households have started involving in the above mentioned dangerous but socially not acceptable income generating activities.

IMPACTS OF INFLATION ON OTHER ASPECTS OF HOUSEHOLDS AND COPING STRATEGIES

As observed in an earlier section, the increase in the average monthly household expenditure is less than proportionate to the increase in the average monthly food expenses. This clearly indicates that the household has tried to cut costs in other aspects of the household. The survey attempted to capture this trend with appropriate questions about children’s education, healthcare and transportation, and the data indeed reveals that the family has been attempting to compensate in other areas. While we are not implying that the changes in household circumstances described in this section and the earlier one are all because of the price rise, we do attempt to demonstrate that the increase in food expenses have had a significant impact for sure.

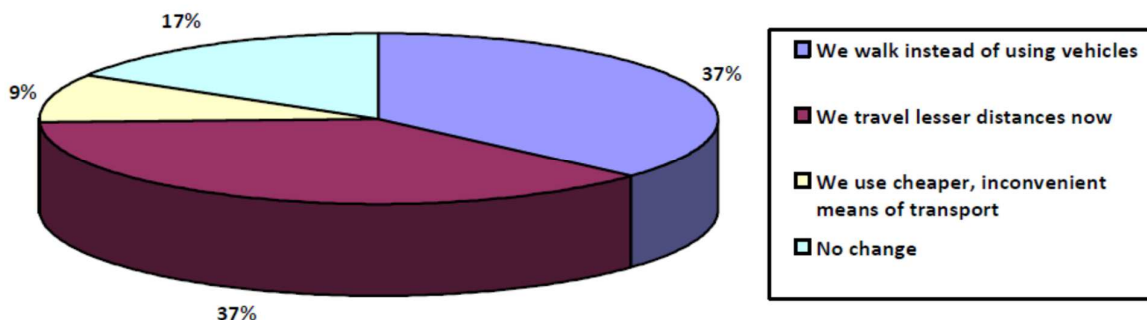
Healthcare seems to be a prominent area where the household has attempted to make adjustments. To a question on how the household handles its healthcare needs now as compared to 4 years ago, a significant majority responded that they now go to government hospitals/doctors instead of private dispensaries. What is of more concern is the fact that many other households are now desisting from seeking professional help.

CHART 3.2: THE TRENDS OF HEALTHCARE



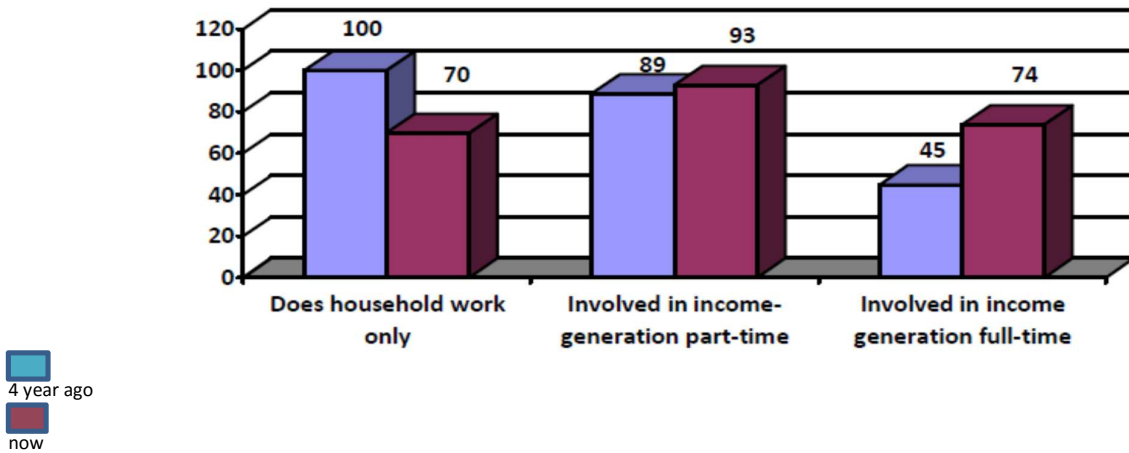
Transportation is another area where the household has cut down expenses. To a question on the household’s transportation habits have changed, almost all the households have reported some coping mechanism they have adopted. Only 17% of households report no change in transportation habits.

CHART 3.3: CHANGES OF TRANSPORTATION HABITS



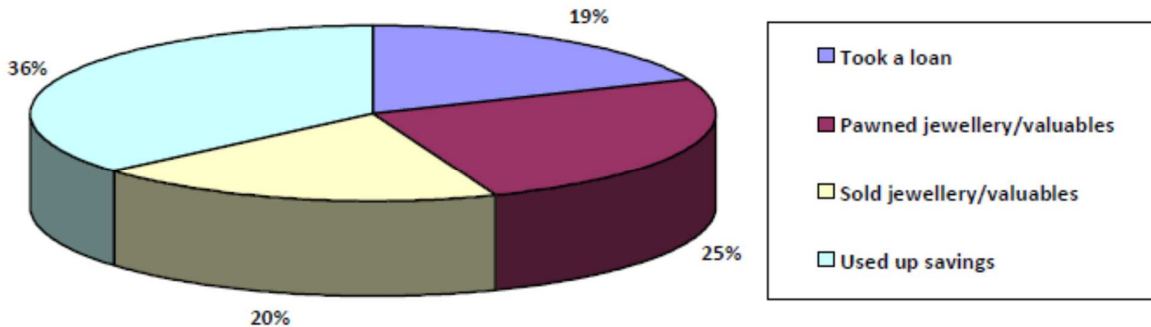
Fortunately, children’s education doesn’t seem to have been impacted drastically. A very marginal number of households (< 15) have reported that their children (boys or girls) no longer attend school, but this cannot credibly be termed as a tangible insight if we take into account factors other than the price rise and any surveying errors. If there is actually a trend, however, over the long term households—particularly the poorer ones—could very well be unable to afford their children’s education (as over the short term households could adopt either use debt or other coping strategies). Women however have been working harder to contribute to household’s finances. To a question on how the women’s workload has changed over the past 4 years, a sizeable number of households have suggested an increase in the women’s workload. In the chart below, notice the decrease in the women who worked only in the household and the corresponding increase in the number of women who contribute to income generation now.

GRAPH 3.6: CHANGES OF WOMEN’S WORKLOAD



And finally many households have had to make arrangements for cash by digging into their assets or by taking a loan. Over 40% of the surveyed households were forced to resort to desperate measures of some sort. The measures these households have taken are displayed in the chart below.

CHART 3.4: SURVIVAL MEASURES OF HOUSEHOLDS TOWARDS INFLATION



CONCLUSION AND RECOMMENDATIONS

CONCLUSION

The price rise has clearly impacted the poor urban households, leaving the poorer among them in a state of helpless desperation. The main means of livelihood of these peoples are employment in governmental and non-governmental organizations, trade, and daily laborer. In addition to involving the aforementioned livelihood activities, a significant number of the study households involve in petty trade. Not only has the price rise rendered many commodities unaffordable on a regular basis (and thereby reduced consumption below levels termed as adequate nutrition), but it has also resulted in the household facing hardships in other spheres of the household. Over the long term worrying trends are likely to consolidate, wherein households are forced to sacrifice necessities such as professional healthcare and children’s education just to make space for sufficient food to survive.

In order to squeeze the problem this price inflation each household have employed various coping mechanisms. Some of the coping strategies are reducing the quantity of food consumption, cut or reduce entertaining of non- food items, using their savings and fixed assets for daily consumption, taking loan selling jewelries, relish visiting of government hospitals, enjoying walking on foot and shifting consumption of foods towards poor nutritious diets. It is also concluded that the majority of the householdemployed more than one coping strategies to handle the impact of the inflation on their livelihood.

RECOMMENDATIONS

The researcher believes that in addition to macro- level policies, micro-level interventions have to considered as alternative instruments. Of-coursegovernment has already started taking some measures so as to revert this problem. The following points are raised as alternative interventions: -

- Minimizing the chain of intermediaries in the market between sellers and buyers who inflates the prices of respective products.
- Distributing some food items like wheat, maize, food oil and etc to the urban people with lower price throw consumer cooperatives.
- Taking prior initiative for market cooperatives to be established and equipping their capacity by giving short term training and providing credit with lesserinterest.
- Providing credit to those individuals who organized themselves in group and want to involve in some entrepreneurship activities.
- Fighting the rent seekers in general and those in microfinance and consumer cooperatives which have direct effect inflation of food price in particular.

REFERENCES

1. Banerjee, 1975, “Inflation, cause and cores with special (reference to developing countries”, The world press private limited, Callutta, India.
2. Blanson, 1989, “Macro economic theory and policy”, Harper and Row, publishers, New York Sanfrancisco.
3. Doepke M, M Schneider (2006), “Inflation as redistribution shock: effects on aggregate and welfare”, NBER working paper.
4. Fender, 1990, “Inflation; a contemporary perspective”, the University of Michigan press Michigan. USA.
5. Fleming, 1976, inflation: oxford university press, Great Britain.
6. Foster Edward (1981), “who losses from Inflation”, annuals of the American academyof political and social science sage and publications, vol.456, pp 32-45.

7. Frisch, 1990, Theory of inflation, Cambridge university press, Cambridge.
8. Ghatak, 1981, "Monetary economics in developing countries", Theminillan press Ltd. London.
9. Ghosh, 2000, inflation and growth, IMF research, Bulletin.
10. Kirkpatric, 2011, "Theories of inflation in less developed countries" in Livingston development economics and policy.
11. Kotwal, 1987, "Theories of inflation: a critical survey", Chicago university press, Chicago.
12. Makanaka, "Household consumer expenditure", macroscan, August 20, 2011.
13. MoFED, 2012, "Annual report on macro-economic developments", Ethiopia fiscal year (2011/12), ministry of finance and economic development, Addis Ababa.
14. O. R. Krishnaswami, M Rangantham (2009), Methodology of Research in Social Science", Himalaya Publishing House.
15. 'Reducing inflation motivation and strategies", pp156-166, Chicago and London, the University of Chicago press.
16. World Bank, 2012, worldFood Program Report.

REQUEST FOR FEEDBACK

Dear Readers

At the very outset, International Journal of Research in Commerce, Economics & Management (IJRCM) acknowledges & appreciates your efforts in showing interest in our present issue under your kind perusal.

I would like to request you to supply your critical comments and suggestions about the material published in this issue as well as on the journal as a whole, on our E-mail infoijrcm@gmail.com for further improvements in the interest of research.

If you have any queries, please feel free to contact us on our E-mail infoijrcm@gmail.com.

I am sure that your feedback and deliberations would make future issues better – a result of our joint effort.

Looking forward an appropriate consideration.

With sincere regards

Thanking you profoundly

Academically yours

Sd/-

Co-ordinator

DISCLAIMER

The information and opinions presented in the Journal reflect the views of the authors and not of the Journal or its Editorial Board or the Publishers/Editors. Publication does not constitute endorsement by the journal. Neither the Journal nor its publishers/Editors/Editorial Board nor anyone else involved in creating, producing or delivering the journal or the materials contained therein, assumes any liability or responsibility for the accuracy, completeness, or usefulness of any information provided in the journal, nor shall they be liable for any direct, indirect, incidental, special, consequential or punitive damages arising out of the use of information/material contained in the journal. The journal, neither its publishers/Editors/ Editorial Board, nor any other party involved in the preparation of material contained in the journal represents or warrants that the information contained herein is in every respect accurate or complete, and they are not responsible for any errors or omissions or for the results obtained from the use of such material. Readers are encouraged to confirm the information contained herein with other sources. The responsibility of the contents and the opinions expressed in this journal are exclusively of the author (s) concerned.

ABOUT THE JOURNAL

In this age of Commerce, Economics, Computer, I.T. & Management and cut throat competition, a group of intellectuals felt the need to have some platform, where young and budding managers and academicians could express their views and discuss the problems among their peers. This journal was conceived with this noble intention in view. This journal has been introduced to give an opportunity for expressing refined and innovative ideas in this field. It is our humble endeavour to provide a springboard to the upcoming specialists and give a chance to know about the latest in the sphere of research and knowledge. We have taken a small step and we hope that with the active co-operation of like-minded scholars, we shall be able to serve the society with our humble efforts.

Our Other Journals

