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Physical and Mathematical sciences

Физико-Математические науки

The First Main Boundary Value Problem of Dynamics of Thermo-Resiliency's Momentum Theory

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Abstract

In the paper, the first main boundary value problem of Dynamics of Thermo-resiliency's momentum theory is converted into the Elliptic boundary value problem with the formal usage of the Laplace transform. This problem is studied using the method of singular integral equations. The solution of the first main boundary value problem is derived using the inverse Laplace transform.

Keywords: the first main boundary value problem; Elliptic boundary value problem; Laplace transform; inverse Laplace transform; singular integral equation.

Introduction

Let D be a finite or infinite three-dimensional space with the compact boundary S from the class $\Lambda_2(\alpha)$, ($\alpha > 0$).

Denote by D_l and S_l cylinders $D_l = D \times l$, $S_l = S \times l$, respectively, where $l = [0, \infty)$.

The main equations of the thermo-resiliency's momentum theory can be written in a vector form as follows [1], [2]:

$$\begin{aligned} (\mu + \alpha)\Delta u + (\lambda + \mu - \alpha) \operatorname{grad} \operatorname{div} u + 2\alpha \operatorname{rot} \omega - \nu \operatorname{grad} \theta + \rho F &= \rho \partial_t^2 u, \\ (\gamma + \varepsilon)\Delta \omega + (\beta + \gamma - \varepsilon) \operatorname{grad} \operatorname{div} \omega - 4\alpha \omega + 2\alpha \operatorname{rot} u + \rho \mathcal{Y} &= \zeta \partial_t^2 \omega, \\ \Delta \theta - \frac{1}{g} \partial_t \theta - \eta \partial_t \operatorname{div} u + \frac{1}{g} \mathcal{Q} &= 0, \end{aligned}$$

where $u(x, t) = (u_1, u_2, u_3)$ is a movement vector, while $\omega(x, t) = (\omega_1, \omega_2, \omega_3)$ is a rotation vector and $\theta(x, t)$ - temperature. By $\rho, \lambda, \mu, \alpha, \beta, \gamma, \varepsilon, \zeta, \nu, \vartheta, \eta$ are denoted resiliency constants, by $F =$

$(F_1, F_2, F_3), \mathcal{Y} = (\mathcal{Y}_1, \mathcal{Y}_2, \mathcal{Y}_3), Q$ – weight power, weight moment and temperature source, respectively.

The main equations of the thermo-resiliency's momentum theory can be written as:

$$M(\partial_x)\mathcal{U} - \nu\chi\theta - \chi^0 \frac{\partial^2 \mathcal{U}}{\partial t^2} = \mathcal{H}, \quad \Delta\theta - \frac{1}{\vartheta} \frac{\partial\theta}{\partial t} - \eta \frac{\partial}{\partial t} \operatorname{div} u = \mathcal{H}_7, \quad (1)$$

where $M(\partial_x)$ is a differential operator of the momentum resilience theory [3] and $\chi = (\partial_{x_1}, \partial_{x_2}, \partial_{x_3}), \chi^0 = \|\chi_{ij}\|_{6 \times 6}, \chi_{ii}^0 = \rho$ for $i = 1, 2, 3, \chi_{ii}^0 = \zeta$ for $i = 4, 5, 6, \chi_{ij}^0 = 0$ for $i \neq j, \mathcal{H} = (-\rho F, -\rho \mathcal{Y}), \mathcal{H}_7 = -\frac{1}{\vartheta} Q, \mathcal{U} = (u, v).$

The first problem states: to find in the cylinder D_l the solution $U = (\mathcal{U}, \theta)$ of the equation (1) belonging to $C^1(\bar{D}_l) \cap C^2(D_l)$ and satisfying the initial and boundary conditions:

$$\lim_{t \rightarrow 0} \mathcal{U}(x, t) = \varphi^{(0)}(x), \quad \lim_{t \rightarrow 0} \theta(x, t) = \varphi_7^{(0)}(x), \quad \lim_{t \rightarrow 0} \frac{\partial \mathcal{U}(x, t)}{\partial t} = \varphi^{(1)}(x), \quad (2)$$

$$\lim_{D \ni x \rightarrow y \in S} \mathcal{U}(x, t) = f(y, t), \quad \lim_{D \ni x \rightarrow y \in S} \theta(x, t) = f_7(y, t), \quad (3)$$

where $\varphi^{(i)} = (\varphi_1^{(i)}, \varphi_2^{(i)})$ for $i = 0, 1, \varphi^k(i) = (\varphi_1^{k(i)}, \varphi_2^{k(i)}, \varphi_3^{k(i)})$ for $k = 1, 2$ and $\varphi_7^{(i)}$ for $i = 0, 1$ are functions given in the area \bar{D} , while $f = (f^{(1)}, f^{(2)}), f^{(i)} = (f_1^{(i)}, f_2^{(i)}, f_3^{(i)})$ for $i = 1, 2$ and f_7 are functions given on S_l .

The uniqueness theorem of the solution was proved for this problem in [4].

It should be mentioned that in boundary cases some conditions are required to be fulfilled [5].

Solution of the problem

The stated problem is converted into the Elliptic problem as follows below.

Consider the vector function

$$H = (h; h_7), \quad h = (h^{(1)}, h^{(2)}), \quad h^{(i)} = (h_1^{(i)}, h_2^{(i)}, h_3^{(i)}) \text{ for } i = 1, 2, \quad (*)$$

where $h = e^{-t^7} \sum_{k=0}^6 \frac{t^k}{k!} \varphi^{(k)}(x), h_7 = e^{-t^5} \sum_{k=0}^4 \frac{t^k}{k!} \varphi_7^{(k)}(x).$

Let $U = (\mathcal{U}, \theta)$ be a solution of the first problem, then $U_0 = U - H$ will be a solution of the following problem:

$$M(\partial_x)\mathcal{U}_0 - \nu\chi\theta_0 - \chi^0 \frac{\partial^2 \mathcal{U}_0}{\partial t^2} = \mathcal{H}_0, \quad (4)$$

$$\Delta\theta_0 - \frac{1}{\vartheta} \frac{\partial\theta_0}{\partial t} - \eta \frac{\partial}{\partial t} \operatorname{div} u_0 = \mathcal{H}_{07}, \quad (5)$$

$$\lim_{t \rightarrow 0} \mathcal{U}_0(x, t) = 0, \quad \lim_{t \rightarrow 0} \frac{\partial \mathcal{U}_0(x, t)}{\partial t} = 0, \quad (6)$$

$$\lim_{D \ni x \rightarrow y \in S} \mathcal{U}_0(x, t) = f(y, t) - h(y, t) \equiv f_0(y, t), \quad (7)$$

$$\lim_{D \ni x \rightarrow y \in S} \theta_0(x, t) = f_7(y, t) - h_7(y, t) \equiv f_{07}(y, t), \quad (8)$$

where

$$\mathcal{H}_0 = \mathcal{H} - M(\partial_x)h + \nu\chi h_7 - \chi^0 \frac{\partial^2 h}{\partial t^2}, \quad (9)$$

$$\mathcal{H}_{07} = \mathcal{H}_7 - \Delta h_7 + \frac{1}{\vartheta} \frac{\partial h_7}{\partial t} - \eta \frac{\partial}{\partial t} \operatorname{div} h^{(1)}. \quad (10)$$

From (9) and (10) we can derive that

$$\left(\frac{\partial^m \mathcal{H}_0}{\partial t^m}\right)_{t=0} = 0, \quad \left(\frac{\partial^k \mathcal{H}_{07}}{\partial t^k}\right)_{t=0} = 0, \quad x \in \bar{D} \text{ for } m = 0, 1, 2, 3, 4 \text{ and } k=0, 1, 2, 3. \quad (11)$$

Analogously, from (7) and (8) we get that

$$\left(\frac{\partial^m f_0(y, t)}{\partial t^m}\right)_{t=0} = 0, \quad \left(\frac{\partial^k f_{07}(y, t)}{\partial t^k}\right)_{t=0} = 0, \quad y \in S \text{ for } m = 0, \dots, 6 \text{ and } k=0, \dots, 4. \quad (12)$$

Let $\tau = \varsigma + i\xi$ be a complex variable and $\varsigma > \varsigma'$, where ς' is a constant from [5] (condition 4₀). We have:

$$\widetilde{\mathcal{H}}_0(x, \tau) = \int_0^\infty e^{-\tau t} \mathcal{H}_0(x, t) dt, \quad \widetilde{\mathcal{H}}_{07}(x, \tau) = \int_0^\infty e^{-\tau t} \mathcal{H}_{07}(x, t) dt \quad (13)$$

$$\widetilde{f}_0(y, \tau) = \int_0^\infty e^{-\tau t} f_0(y, t) dt, \quad \widetilde{f}_{07}(y, \tau) = \int_0^\infty e^{-\tau t} f_{07}(y, t) dt. \quad (14)$$

$\mathcal{H}, \mathcal{H}_7, f, f_7, \varphi^{(0)}, \varphi^{(1)}, \varphi_7^0$ are taken from [5] according to 1₀ – 5₀ conditions, where $\varsigma > \varsigma'$ and integrals (13) and (14) are absolutely and uniformly convergent.

With the formal usage of the Laplace transform

$$\widetilde{U}_0(x, \tau) = \int_0^\infty e^{-\tau t} U_0(x, t) dt, \quad (15)$$

the stated boundary value problem can be converted into the following boundary value problem[6]:

$$\begin{aligned}
 M(\partial_x)\widetilde{U}_0(x, \tau) - \chi^0 \tau^2 \widetilde{U}_0(x, \tau) - \nu \chi \widetilde{\theta}_0(x, \tau) &= \widetilde{\mathcal{H}}_0(x, \tau), \\
 \Delta \widetilde{\theta}_0(x, \tau) - \frac{\tau}{\vartheta} \widetilde{\theta}_0(x, \tau) - \eta \tau \operatorname{div} \widetilde{u}_0(x, \tau) &= \widetilde{\mathcal{H}}_{07}(x, \tau), \\
 \lim_{D \ni x \rightarrow y \in S} \widetilde{U}_0(x, \tau) &= \widetilde{f}_0(y, \tau), \quad \lim_{D \ni x \rightarrow y \in S} \widetilde{\theta}_0(x, \tau) = \widetilde{f}_{07}(y, \tau).
 \end{aligned}$$

Let us denote this problem by (I_τ) .

The existence and uniqueness theorem of this problem is given in [7].

In order to have the inverse Laplace transform for the function $\widetilde{U}_0(x, \tau)$ and this transform would give the classical solution of the problem (I_τ) , we should prove some estimates for the function $\widetilde{U}_0(x, \tau)$ and for its up to the second derivatives with respect to τ .

For this purpose, we will present the solution of the problem (I_τ) by the sum of the solutions of the following problems:

$$M(\partial_x)\widetilde{U}_0^{(1)}(x, \tau) - \chi^0 \tau^2 \widetilde{U}_0^{(1)}(x, \tau) = 0, \tag{16}$$

$$\Delta \widetilde{\theta}_0^{(1)}(x, \tau) - \frac{\tau}{\vartheta} \widetilde{\theta}_0^{(1)}(x, \tau) = 0, \tag{17}$$

$$\lim_{D \ni x \rightarrow y \in S} \widetilde{U}_0^{(1)}(x, \tau) = \widetilde{f}_0(y, \tau), \tag{18}$$

$$\lim_{D \ni x \rightarrow y \in S} \widetilde{\theta}_0^{(1)}(x, \tau) = \widetilde{f}_{07}(y, \tau), \tag{19}$$

$$M(\partial_x)\widetilde{U}_0^{(2)}(x, \tau) - \chi^0 \tau^2 \widetilde{U}_0^{(2)}(x, \tau) - \nu \chi \widetilde{\theta}_0^{(2)}(x, \tau) = \widetilde{\mathcal{H}}_0^{(1)}(x, \tau), \tag{20}$$

$$\Delta \widetilde{\theta}_0^{(2)}(x, \tau) - \frac{\tau}{\vartheta} \widetilde{\theta}_0^{(2)}(x, \tau) - \eta \tau \operatorname{div} \widetilde{u}_0^{(2)}(x, \tau) = \widetilde{\mathcal{H}}_{07}^{(1)}(x, \tau), \tag{21}$$

$$\lim_{D \ni x \rightarrow y \in S} \widetilde{U}_0^{(2)}(x, \tau) = 0. \tag{22}$$

Denote that $\widetilde{U}_0^{(1)} = (\widetilde{U}_0^{(1)}, \widetilde{\theta}_0^{(1)})$ and $\widetilde{U}_0^{(2)} = (\widetilde{U}_0^{(2)}, \widetilde{\theta}_0^{(2)})$.

Let us show that $\widetilde{U}_0^{(1)}(x, \tau)$ and $\widetilde{U}_0^{(2)}(x, \tau)$ are analytic functions with respect to τ and determine asymptotic assessments of these functions and their derivatives.

At first we will begin with the function $\widetilde{U}_0^{(1)}(x, \tau)$. Using the method of partial integration for the integrals from (13) and (14), according to (11) and (12), and considering the conditions $1_0 - 5_0$ from [5], we get:

$$\widetilde{\mathcal{H}}_0(x, \tau) \in C^{1,\delta}(\overline{D}), \quad \widetilde{\mathcal{H}}_{07}(x, \tau) \in C^{1,\delta}(\overline{D}), \tag{23}$$

$$\widetilde{f}_0(y, \tau) \in C^{1,\lambda}(S), \quad \widetilde{f}_{07}(y, \tau) \in C^{1,\lambda}(S). \tag{24}$$

Then, in the half-plane Π_{ζ_0} the following assessments take place:

$$\|\widetilde{\mathcal{H}}_0(x, \tau)\|_{(\overline{D}, 0, \delta)} \leq \frac{c}{|\tau|^6}, \quad \|\widetilde{\mathcal{H}}_{07}(x, \tau)\|_{(\overline{D}, 0, \delta)} \leq \frac{c}{|\tau|^5}, \tag{25}$$

$$\|\widetilde{f}_0(y, \tau)\|_{(S, 0, \delta)} \leq \frac{c}{|\tau|^8}, \quad \|\widetilde{f}_{07}(y, \tau)\|_{(S, 0, \delta)} \leq \frac{c}{|\tau|^6}, \tag{26}$$

$$\|\widetilde{f}_0(y, \tau)\|_{(S, 1, \delta)} \leq \frac{c}{|\tau|^7}, \quad \|\widetilde{f}_{07}(y, \tau)\|_{(S, 1, \delta)} \leq \frac{c}{|\tau|^6}. \tag{27}$$

According to 5_0 from [5], for the rather high value of $|x|$, we will have:

$$|\widetilde{\mathcal{H}}_0(x, \tau)| \leq \frac{c}{|x|^2 |\tau|^6}, \quad |\widetilde{\mathcal{H}}_{07}(x, \tau)| \leq \frac{c}{|x|^2 |\tau|^5}. \tag{28}$$

The problems (16) and (18) have the unique solution [8] and can be given as

$$\mathcal{U}_0^{(1)}(x, \tau) = \int_S \left[T(\partial_y, n(y)) \Psi'(z - y; i\tau) \right]' \psi(y, \tau) d_y S, \tag{29}$$

where $T(\partial_y, n(y))$ is an operator of momentary voltage and $\Psi(z - y; i\tau)$ – a matrix of the fundamental solutions of the equation (16) [3].

In case of internal problem the vector-function $\psi(y, \tau)$ represents the solution of the integral equation:

$$-\psi(z, \tau) + \int_S \left[T(\partial_y, n(y)) \Psi'(z - y; i\tau) \right]' \psi(y, \tau) d_y S = \widetilde{f}_0(z, \tau). \tag{30}$$

And in case of external problem it represents the solution of the integral equation:

$$\psi(z, \tau) + \int_S \left[T(\partial_y, n(y)) \Psi'(z - y; i\tau) \right]' \psi(y, \tau) d_y S = \widetilde{f}_0(z, \tau). \tag{31}$$

In the half-plane Π_{ζ_0} the solutions of these equations are analytic with respect to τ , as the right sides of these equations are analytic functions with respect to τ . Hence, $\mathcal{U}_0^{(1)}(x, \tau)$ is also an analytic function with respect to τ .

According to the Banach theorem, the operators corresponding to the equations (30) and (31) have inverse operators in the class $C^{0,\lambda}(S)$. Hence, we have:

$$\|\psi(\cdot, \tau)\|_{(S,0,\lambda)} \leq C \|\tilde{f}_0(\cdot, \tau)\|_{(S,0,\lambda)},$$

from which, according to (26) we get:

$$\|\psi(\cdot, \tau)\|_{(S,0,\lambda)} \leq \frac{c}{|\tau|^8}. \tag{32}$$

Analogously, from (27) we have:

$$\|\psi(\cdot, \tau)\|_{(S,1,\lambda)} \leq \frac{c}{|\tau|^7}. \tag{33}$$

According to (32) and (33), from (27) follows that

$$\|\widehat{u}_0^{(1)}(\cdot, \tau)\|_{(\overline{D}^{\pm,0,\lambda})} \leq \frac{c}{|\tau|^8}, \|\widehat{u}_0^{(1)}(\cdot, \tau)\|_{(\overline{D}^{\pm,1,\lambda})} \leq \frac{c}{|\tau|^7}. \tag{34}$$

In case of external problem we will have:

$$\left| \widehat{u}_0^{(1)}(x, \tau) \right| \leq \frac{c}{|x|^2 |\tau|^8}, \left| \frac{\partial}{\partial x_k} \widehat{u}_0^{(1)}(x, \tau) \right| \leq \frac{c}{|x|^2 |\tau|^8}, \tag{35}$$

where $k = 1, 2, 3$ and $\tau \in \Pi_{S_0}$.

For each $\overline{D}^* \subset D$ takes place the assessment:

$$\sup_{x \in D^*} \left| \frac{\partial^2}{\partial x_k \partial x_j} \widehat{u}_0^{(1)}(x, \tau) \right| \leq \frac{c(D^*)}{|\tau|^8}, \tau \in \Pi_{S_0}.$$

There exists a solution of the problem (17) and (19), it is unique and can be expressed as [3]:

$$\widehat{\theta}_0^{(1)}(x, \tau) = \int_S \frac{\partial}{\partial n(y)} \frac{e^{-k|x-y|}}{|x-y|} \varphi_7(y, \tau) d_y S, x \in D, \tag{36}$$

where $\varphi_7(x, \tau)$ represents a solution of the singular equation:

$$\pm \varphi(z, \tau) + \frac{1}{2\pi} \int_S \frac{\partial}{\partial n(y)} \frac{e^{-k|z-y|}}{|z-y|} \varphi_7(y, \tau) d_y S = \frac{1}{2\pi} \widetilde{f}_{07}(z, \tau), \tag{37}$$

for the external and internal problems, respectively.

As the function $\widetilde{f}_{07}(z, \tau)$ is analytic with respect to τ , then the solution of the equation (37) is also

analytic with respect to τ . Hence, $\widehat{\theta}_0^{(1)}(x, \tau)$ will be analytic with respect to τ , as well.

For each $\tau \in \Pi_{S_0}$, according to (26) and (27) and using the Banach theorem, from (37) we will have:

$$\|\varphi_7(\cdot, \tau)\|_{(S,0,\lambda)} < \frac{c}{|\tau|^6}, \|\varphi_7(\cdot, \tau)\|_{(S,1,\lambda)} < \frac{c}{|\tau|^5}. \tag{38}$$

Hence, we derive that

$$\|\widehat{\theta}_0^{(1)}(\cdot, \tau)\|_{(\overline{D}^+,0,\lambda)} \leq \frac{c}{|\tau|^6}, \|\widehat{\theta}_0^{(1)}(\cdot, \tau)\|_{(\overline{D}^+,1,\lambda)} \leq \frac{c}{|\tau|^5}, \tag{39}$$

$$\left| \frac{\partial}{\partial x_k} \widehat{\theta}_0^{(1)}(x, \tau) \right| \leq \frac{c}{|\tau|^3}, x \in \overline{D}^+, k=1, 2, 3. \tag{40}$$

For the highest value of $|x|$ we will have:

$$\left| \widehat{\theta}_0^{(1)}(x, \tau) \right| \leq \frac{c}{|x|^2 |\tau|^6}, \left| \frac{\partial}{\partial x_k} \widehat{\theta}_0^{(1)}(x, \tau) \right| \leq \frac{c}{|x|^2 |\tau|^5}, k=1, 2, 3.$$

$$\sup_{x \in D^*} \left| \frac{\partial^2}{\partial x_k \partial x_j} \widehat{\theta}_0^{(1)}(x, \tau) \right| \leq \frac{c}{|\tau|^6}, k, j = 1, 2, 3.$$

From (34), (35) and (39) follows that

$$\left| \widehat{U}_0^{(1)}(x, \tau) \right| \leq \frac{c}{|\tau|^5}. \tag{41}$$

The following assessments are true:

$$\left| \widehat{U}_0^{(2)}(x, \tau) \right| \leq \frac{c}{|\tau|^4}, x \in \overline{D}. \tag{42}$$

From (41) and (42) we get that

$$\left| \widehat{U}_0(x, \tau) \right| \leq \frac{c}{|\tau|^4}. \tag{43}$$

The auxiliary statement. The following theorem is true [6]:

Theorem. Let $\tau \in \Pi_{S_0}$, then the problem $(I)_\tau$ has the unique, analytic solution $\widetilde{U}_0(x, \tau)$ with respect to τ , for which the following assessments take place:

$$1) \left| \widetilde{U}_0(x, \tau) \right| \leq \frac{c}{|\tau|^4}, \left| \frac{\partial \widetilde{U}_0(x, \tau)}{\partial x_k} \right| \leq \frac{c}{|\tau|^{2+\frac{2}{3}}} \text{ for any } (x, \tau) \in \overline{D} \times \Pi_{S_0};$$

$$2) \left| \frac{\partial^2 \widetilde{U}_0(x, \tau)}{\partial x_k \partial x_l} \right| \leq \frac{c}{|\tau|^{1+\frac{1}{9}}} \text{ for any } (x, \tau) \in \overline{D} \times \Pi_{S_0};$$

$$3) |\widetilde{U}_0(x, \tau)| \leq \frac{c}{|x|^2 |\tau|^{2+\frac{2}{3}}}, \left| \frac{\partial \widetilde{U}_0(x, \tau)}{\partial x_k} \right| \leq \frac{c}{|x|^2 |\tau|^{1+\frac{2}{3}}} \text{ for } x \rightarrow \infty,$$

where $k, l = 1, 2, 3$.

The main result

Using the above mentioned auxiliary theorem and based on the properties of the Laplace transform, we prove the following result:

Theorem. The first problem of the thermo-resiliency's momentum theory has in D_l a unique solution which can be presented as:

$$U(x, t) = H(x, t) + \frac{1}{2\pi i} \int_{\zeta - i\infty}^{\zeta + i\infty} e^{\tau t} \widetilde{U}_0(x, \tau) d\tau, \zeta > \zeta'_0,$$

where $\widetilde{U}_0(x, \tau)$ represents the solution of the problem $(I)_\tau$ and $H(x, t)$ is a vector-function (*).

Conclusion

The main task was to convert the first main boundary value problem of the thermo-resiliency's momentum theory into the oscillatory problem using the Laplace transform. In the paper, the solution of the oscillatory problem is found and there are given those conditions, which enable to prove the existence of the inverse transform. The effective solution of the main boundary value problem is found using this inverse Laplace transform.

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Productivity Evaluation of Maize - Soybean Intercropping System under Rainfed Condition at Bench-Maji Zone, Ethiopia

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Abstract

The study was carried out to evaluate the productivity of maize - soybean intercropping system and to identify the best combination that maximize productivity of the system. Maize hybrid (BH540) at 44,444 plants ha⁻¹ and three soybean varieties (AFGAT, Awassa-95 and Crawford) in a factorial combination of three planting densities (25%, 50% and 75%) of the recommended population density of soybean with the respective sole of each variety of component crops were arranged in a randomized complete block design with three replications. Sole cropped maize grain yield (3189.80 kg ha⁻¹) was non-significantly greater than intercropped (2753.70 kg ha⁻¹) by means of 13.67%. Soybean seed yield of 1993.61 and 747.48 kg ha⁻¹ was obtained from sole and intercropped soybean, respectively. In all combinations, LER was greater than one justified that a yield advantage of (14-32%) and (6-28%) as depicted by LER 1.14-1.32 and 1.06 -1.28 due to varieties and planting densities, respectively. Generally, as LER was superior in all intercrops evaluating that the productivity of maize-soybean intercropping showed a higher relative yield advantage of 32% over sole cropping. The GMV of the intercrops was increased with an increase in planting density of soybean. Furthermore, the GMV of intercrops (ETB 12176.00 per ha) was greater by means of 41.05% over sole cropped maize whilst lower than that of soybean sole cropped GMV by ETB 3772.90 per ha or 23.66%. However, MA had not significantly varied due to varieties and planting densities and cropping system. In additive intercropping system, maize intercropped with Awassa-95 at 50% planting density showed a yield advantage of 23.71% over sole cropped maize.

Keywords: Intercropping; Gross Monetary Value; Land Equivalent Ratio; Maize; Soybean.

Introduction

Soybean is one of a pre-eminent crop in providing cheap and inexpensive protein (40 %) and oil (20 %) which determines the economic worth of the crop on the globe (Thomas and Erostat, 2008). It has been intercropped with maize successfully since soybean meal is often used to

increase the typically low 6-9 % protein content of maize, it is reasonable to attempt to grow maize and soybean together (Martin *et al.*, 1990). Maize (*Zea mays* L.) has been recognized as a common and dominant main component crop in most intercropping systems because of its complementarity effects in many legumes crops. Therefore, in maize-legumes intercropping system maize with more than one crop recorded higher yields implying that maize-based cropping system is a good strategy of maximizing land use efficiency in the face of land scarcity.

Small-scale farmers have been bearing mixed cropping for various reasons which include increased monetary returns, insurance against crop failure and reduction of pests due to biological diversity within the system (Singh and Balyan, 2000 and Ghosh *et al.*, 2006). The yield advantage obtained in intercropping over sole cropping of two crops which can be adopted to provide more the combined intercrops yield than combined sole crop yield. Hiebsch *et al.* (1995) stated that collective production from the component crops may be greater in intercropping than in sole cropping from a unit land area because of yield advantages occurred as a result of complementary use of resources by component crops as a result, growing two or more crops together is the increase in productivity per unit area (Sullivan, 2006).

Therefore, a cropping system consists of cropping pattern in terms of crop combination, spatial arrangement and sequences of cropping in addition to the resources, input management and technology attributed to involve in the production of the desired products through improving land productivity (Okigbo, 1981). A cereal-legume intercropping is widely practiced in southwestern parts of Ethiopia; Bench Maji zone. Hence, the use of such cropping system in the Southern region is attributed to high density of population to assure yield stability and maintaining a sustainable yield over year (Tenaw *et al.*, 2006).

Bech (2005) supported that increasing stability of yields appears to be a major advantage of intercropping, therefore, a major reason for the pre dominance of intercropping in poorly developed agriculture is that it can give greater stability of yield over different seasons. In addition, maize based intercropping system with legume helps in improving soil health as well as yield crop (Beedy *et al.*, 2010).

In Ethiopia, the total land of soybean production under peasant holdings covers about 6352.46 hectares (CSA, 2007). In the region, adequate and reliable rainfall with long length of growing period being the merits in diversifying crop production per unit area. In the region, soybean-maize intercropping is a common features of farmers with low productivity of the system; such system reduces the performance of different legume cultivars/intercrops in intercropping system. However, maize in association with legumes gives higher total yield and net return (Patra *et al.*, 2000). Hence, the present investigation was carried out to evaluate intercropping advantages over the respective sole crop of maize with different soybean varieties and their proportions in the intercropping system.

Materials and methods

The field experiment was carried out in humid tropics of Bench-Maji zone during the main cropping season at experimental station of Semen Bench Woreda. The experimental site is situated at approximately 6° 52'N to 7° N latitude and 35.5° 21' E, altitude of above 1400 m. The study area is one of among the highest annual rain fall receiving area in Ethiopia which is characterized by its bimodal rainfall pattern with long rainy season, mean annual rainfall 1800 mm with variation in the amount and distribution year to year. The area lies in hot to warm sub-humid lowlands with annual minimum and maximum average temperature of 22 °C and 29 °C, respectively. The soil type of the area is dominantly Nitisols with clay loams in texture and acidic in reaction which is agriculturally productive (Mesfin, 1998).

The three soybean varieties (AFGAT, Awassa-95 and Crawford) and maize hybrid (BH540) were used. On the basis of (ICARDA, 2006) classification, AFGAT and Awassa-95 varieties are indeterminate growth habit with a maturity period of four and three months, respectively and the growth habit of Crawford is determinate and matures at three months. The maize hybrid (BH540)

developed by Bako Agricultural Research Center was the other components of the intercrop. The crop matures in a period of five months, the plant height ranging from 2.30 -2.60 m and tolerant to lodging blight (Mossisa et al., 2001).

In the cropping season, the system was evaluated on randomized complete block design in factorial arrangement with three replications. The system comprised row intercropping with the soybeans sown between maize rows and sole cropping of the components crops. Maize seeds were sown in rows with 75cm inter-row spacing and 30cm intra-row spacing in cropping system. In the system, row intercropping of soybean was done between consecutive eight (8) rows of maize at 75%, 50% and 25% of recommended plant densities of sole soybeans varieties (500,000 plants ha⁻¹) at 40cm of inter-row spacing.

The intra-row spacing for soybean varieties was adjusted according to planting density in the system. Hence, the mean soybean population ha⁻¹ used in the intercrop for 75%, 50% and 25% was 375,000, 250,000 and 125,000 plants, respectively. Sole maize and soybean were planted at their optimum plant densities of 44,444 and 500,000 plants ha⁻¹, respectively. All recommended agronomic practices were employed for each crop as per the schedule. System productivity as whole were determined by using yield of component crop from net harvestable plot area.

Data Collected and Analysis

The total and partial land equivalent ratios (LER), gross monetary value (GMV) and monetary advantage (MA) were calculated by standard procedures. Number of pods per plant, number of seeds per pod and a 100- seeds weight of each soybean varieties were recorded. The entire soybean and maize crop in net plot area were harvested for determination of seed yield and maize grain yield and converted to hectare basis (kg ha⁻¹). The partial LER (individual crop's LER) and total LER (sum of individual crop's LER) were used as indices to evaluate the productivity of intercropping systems. Thus, LER can be calculated as:

$$LER = Y_{ij} / Y_{ii} + Y_{ji} / Y_{jj}$$

Where:

Y- is the yield per unit area, Y_{ij} and Y_{ji} are intercrop yields of the component crops, i and j, and Y_{ii} and Y_{jj} are sole crop yields. The partial LER value, L_i and L_j, represent the ratios of the yields of crops i and j when grown as intercrops, relative to sole crops and can be expressed as:

$$L_i = (Y_{ij} / Y_{ii}) \text{ and } L_j = (Y_{ji} / Y_{jj})$$

LER is the sum of the two partial land equivalent ratios so that;

$$LER = L_i + L_j$$

Gross monetary value (GMV) and monetary advantage (MA) were calculated from the yield of maize and soybean in order to measure the productivity and profitability of intercropping as compared to sole cropping of the associated component crops (Mead and Willey, 1979). Monetary returns values were estimated on the basis of market price of produce (Maize and soybean) during the harvest period. Accordingly, GMV was calculated by multiplying yields of the component crops by their respective current market price for all varieties of soybean and maize yield. Thus, MA described by Willey (1979a) was calculated as:

$$MA = \text{Value of combined intercrops yield} \times \frac{(LER - 1)}{LER}$$

Results and discussion

Yield Attributes of Component Crops

Neither the soybean varieties and planting densities nor the cropping system had a significant effect on number of grain per ear and Harvest Index (Table 1). There was a non-significant decreasing trend of maize grain per ear, harvest index and 1000-grain weight in intercropped maize as planting densities of soybean decreased from 75% to 25%. This is due to the

development of complementarity as a result of which there was less competition for nitrogen at low planting density and there was a possibility of current transfer of fixed nitrogen to cereals crop like maize, however, a significant change in 1000-grain weight was noticed. Number of pods per plant was significantly reduced due to increase in planting density in intercropping system. Furthermore, it was significantly varied among soybean varieties and non-significantly varied due to cropping system. The highest number of pods per plant (34.98) for AFGAT and the lowest number of pods per plant (25.78) was obtained for variety Crawford (Table 2). Significant differences in 100 seed weight of soybean was recorded due to soybean varieties and cropping system. The highest 100 seed weight of 16.81g for Crawford while the lowest 100 seed weight of 13.80 g for AFGAT was obtained. Number of seeds per pod was non-significantly ($P < 0.05$) different due to planting density and varieties and cropping system (Table 2).

Table 1: Yield and Yield attributes of maize as affected by the associated soybean varieties and planting densities grown in sole and intercropped with soybean

Treatments	Grains per ear	Harvest Index (%)	1000- grain weight (g)	Grain Yield (kg/ha)
Soybean varieties				
Maize +AFGAT	309.16	38.04	283.26	2372.70
Maize +Awassa-95	337.27	47.64	386.90	3188.30
Maize +Crawford	323.29	40.09	303.65	2700.10
LSD (0 .05)	NS	NS	34.99	598.77
Soybean planting densities				
Maize + 25%	314.07	38.81	306.30	2520.40
Maize +50%	337.24	47.15	290.37	2971.40
Maize +75%	318.40	47.15	377.14	2769.20
LSD (0 .05)	NS	NS	34.99	NS
CV (%)	14.43	29.66	10.78	21.76
Cropping System¹				
SC	311.27	40.05	305.85	3189.80
IC	323.27	41.92	324.60	2753.70
CV (%)	7.17	25.66	9.97	20.26
LSD (0 .05)	NS	NS	NS	NS

¹:SC= Sole cropping, IC= Intercropping, NS= Non-significant

Maize Grain Yield

Grain yield of maize in intercropping differed markedly with respect to soybean varieties and interaction effect compared to other variety. However; the relative highest maize grain yield of 4181.20 kg ha⁻¹ was obtained when maize was intercropped by Awassa-95 at 50% planting density (Table 2). However, the grain yield of intercropped maize slightly increased with an increase in planting density of component legumes. In mixture of Awassa-95 at 50% planting density was greater by 1824.70 (43.64%) than that of yield obtained in Crawford at 50% planting density at which the lowest maize yield was achieved. This is due to a significant effect occurred among soybean varieties as some varieties grown vigorously might have depressed maize grain yield.

Table 2: Grain yield (kg ha⁻¹) of maize grown in sole and intercropped with soybean as influenced by interaction effect of soybean varieties and planting densities

Planting Densities	Soybean Varieties			Mean
	AFGAT	Awassa - 95	Crawford	
25%	2374.80	2600.90	2585.50	2520.40
50%	2376.50	4181.20	2356.50	2971.40
75%	2366.70	2782.70	3158.30	2769.23
Mean	2372.67	3188.27	2700.10	
LSD (0.05)	1037.10			

Soybean Seed Yield

An increasing trend was observed with respect to seed yield (kg ha⁻¹) of soybean due to an increase in the proportion planting density from 25% to 75% under intercropped soybean conditions. Therefore, a seed yield ranged from 604.80 to 909.00 kg ha⁻¹, respectively was recorded (Table 3). This attributed to the inherent varietal characteristics in intercropping system and the differences in seed yield among varieties in the early season could be due to competition.

A significant varietal difference in seed yield was observed due to variety AFGAT and Crawford hence highest and lowest seed yield of 906.80 kg ha⁻¹ and 643.20 kg ha⁻¹, respectively were observed from AFGAT and Crawford in intercropped with maize. The result attributed to varietal differences and the ability of individual variety to exploit the available resources like solar radiation, soil moisture and nutrients.

Table 3: Yield and yield attributes of the associated soybean grown in sole and intercropped with maize as affected by soybean varieties and planting densities

Treatment	Pods/plant	Seeds/pod	100- seed weight (g)	Seed yield (kg/ha)
Soybean Varieties				
Maize + AFGAT	34.98	2.21	13.08	906.80
Maize + Awassa-95	29.93	2.20	14.45	692.40
Maize + Crawford	25.78	2.24	16.81	643.20
LSD (0 .05)	6.31	NS	1.01	226.48
Soybean Planting Densities				
Maize + 25%	40.04	2.16	15.33	604.80
Maize + 50%	27.84	2.22	14.64	728.60
Maize + 75%	22.80	2.27	15.10	909.00
LSD (0 .05)	6.31	NS	NS	226.48
Sole Soybean Varieties				
AFGAT (100%)	28.00	2.2	11.80	1859.70
Awassa-95 (100%)	28.00	2.2	11.9	2029.50

Crawford (100%)	20.00	2.2	15.70	2091.70
Cropping System¹				
SC	25.30	2.23	13.09	1993.61
IC	30.23	2.22	15.02	747.48
LSD (0 .05)	NS	NS	0.67	162.26

¹:SC= Sole cropping, IC= Intercropping, NS= Non-significant

Intercrop Yield

Yield of intercrops were reduced due to intercropping with maize. Sole cropped maize grain yield (3189.80 kg ha⁻¹) was non-significantly superior compared to intercropped (2753.70 kg ha⁻¹) by means of 436.10 kg ha⁻¹ (13.67%) implied that maize grain yield was non-significantly reduced by 13.67% due to intercropping. This could be due to higher inter-specific competition for available resources such as nutrients, soil moisture and root spaces between intercrops. Furthermore, the seed yield of sole soybean was significantly greater than that of intercropped by 1246.13 kg ha⁻¹. However, the intercropping was additive, due to intercrops competition, soybean suffered a yield reduction of 1246.13 kg ha⁻¹ (62.51%) in intercropping as compared to the respective sole seed yields. This might be because of competition for light had an effect on bean yield in maize bean intercropping (Fisher et al., 1986).

Productivity of Intercropping

The productivity of intercropping was evaluated using the partial and total LERs as induces. The partial LER of maize varied significantly in terms of soybean varieties. A significant increase in partial LER (0.27 to 0.41) of soybean was calculated due to a proportional increase in planting densities (Table 4). In all intercrops LER was superior in resources use efficient as compared to sole cropping this justified that the intercropping was better than their respective sole cropping. The intercropped maize yielded the equivalent of 74% to 99% and 79% to 93% of its sole crop yield in terms of soybean varieties and planting densities, respectively. This showed that it was an advantageous as compared to sole cropping of either of the component crops as depicted by total LER values above one indicated complementarity in resource utilization by the component crops.

In addition, soybean varieties yielded the equivalent of 29% to 41% of their sole crop yield, while 27% to 41% of their sole crop yield was obtained due to soybean planting densities. A yield advantage of 20% over sole cropping was obtained due to complementarity of component crops that enables to exploit available resources efficiently compared to sole cropping of each component crops. In general, the relative yield advantage of soybean intercropped with maize was up to 32% due to a variety Awassa-95 that was higher than could be achieved by growing the associated crops separately.

The result revealed that GMV showed the same trend as the total LER due to planting densities (Table 4). The GMV increased with the increased in planting density of soybean in intercropped maize/soybean. This might be because of higher seed yield values and the higher price per kg of soybean which contributed more in gross monetary value than maize as depicted by monetary value of soybean varieties in intercrops. Thus, the highest GMV of ETB 13503.00 per ha (LER = 1.28) and lowest GMV of ETB 10510.00 per ha (LER= 1.06) were obtained when maize intercropped with soybean at planting densities of 75% and 25%, respectively. This depicted that The GMV of intercrops (ETB 12176.00 per ha) was higher than that of sole cropped maize (ETB 7177.00 per ha) or greater by means of 41.05%. However, the GMV (ETB 15948.90 per ha) of sole cropped soybean was by far superior to GMV of intercrops (ETB 12176.00 per ha) which showed that the GMV of sole cropped soybean was greater than that of intercrops by ETB 3772.90 per ha or 23.66% (Table 4). This might be because of a higher contribution of soybean seed yield from sole cropping (1993.61 kg/ha) compared to intercrop (747.48 kg/ha) as the higher price per kg of soybean.

Monetary advantage (MA) of intercropping was used to calculate the absolute value of the genuine yield advantage Willey (1979a) assuming that the appropriate economic assessment of intercropping should be in terms of increased value per unit of area of land. The result showed that an increase in MA with increase in planting density of soybean. Therefore, the highest MA was obtained due to variety Awassa-95 (ETB 3024.00 per ha) and at planting density of 75% (ETB 2962.00 per ha) in intercropping system.

Table 4: Partial and total Land Equivalent Ratio, Monetary value and monetary advantage as affected by soybean varieties and planting densities and intercropping system

Treatments	Partial LER		Total LER	Monetary value (Birr/ha)		GMV ¹	Monetary Advantage MA ²
	Maize	Soybean		Maize	Soybean		
Soybean varieties							
Maize +AFGAT	0.74	0.41	1.16	5338.5	7254.50	12593.00	1572.00
Maize +Awassa-95	0.99	0.32	1.32	7173.6	5539.10	12712.70	3024.00
Maize +Crawford	0.84	0.29	1.14	6075.2	5145.90	11221.00	1428.00
LSD (0 .05)	0.18	0.10	NS	1347.20	1811.90	NS	-
Soybean planting densities							
Maize + 25%	0.79	0.27	1.06	5670.9	4838.60	10510.00	700.00
Maize + 50%	0.93	0.33	1.26	6685.6	5828.6	12514.00	2363.00
Maize + 75%	0.87	0.41	1.28	6230.8	7272.4	13503.00	2962.00
LSD (0 .05)	NS	0.10	NS	NS	1811.9	2453.80	-
CV (%)	21.76	30.32	19.17	21.76	30.32	20.17	-
Cropping system³							
SC	1.00	1.00	1.00	7177	15948.90	-	-
IC	0.97	0.34	1.20	6196	5979.90	12176.00	-
CV (%)	13.83	3.13	6.20	5670.9	4838.60	-	-
LSD (0 .05)	NS	0.05	0.15	6685.6	5828.6	-	-

^{1,2,3}: SC= Sole cropping, IC= Intercropping, NS= Non-significant, PLER and LER=partial & total land equivalent ratio, GMV= Gross Monetary Value and MA= Monetary Advantage

Conclusions

The general productivity of the system become more effective and farmers in the area could be advantageous in additive mixture. A yield advantage in intercropping over sole cropping was obtained due to complementarity of component crops for better available resources utilization. GMV and LER were consistent with total seed yield of soybean obtained due to planting densities in additive intercropping. An economic assessment of intercropping should be in terms of increased value per unit of area of land. Hence, an increase in MA occurred with increase in planting density of soybean depicting yield become higher at high density of soybean. Maize - soybean intercropping found to be more valuable and productive compared to sole cropping. In general, the system appeared to be more helpful for small scale framers in the area.

Conflict of interests

The authors have not declared any conflict of interests.

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Исторические науки и археология

Ukrainian Historiography About the Solution of Agrarian Peasant Question in the Programs of Ukrainian Parties at the Beginning of 20th Century, 1991-2013

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Abstract

The article is devoted to modern (post-Soviet) vision of Ukrainian historiographical science concerning resolving of agrarian peasant question, which is understood by the author as the complex of relations between the state and the peasantry, processes of the transformation of peasants' legal and property statuses and land use by peasants. That's why the historical partological study is considered in tight connection with peasant movement in Ukraine at the beginning of the 20th century. The author reflects on the ideological essence of parties, which defined the specifics of their proposals both on land reform and on the change of peasants' estate status. Moreover, it is suggested to evaluate the attitude to agrarian question as one of the criteria for parties classification as left-wing, right-wing or centrist. Controversial issues regarding agrarian parts of party programs are investigated as well as the methods of struggle proposed by the parties.

Keywords: historiography; party; peasants; agrarian peasant question; agrarian program; socialists; nationalists; liberals.

Introduction

Important component of political parties' theoretical heritage at the beginning of the 20th century was the development of agrarian issue, which influenced greatly the success of the parties' activity. In 1900s the peasantry appeared on the foreground of social and political life. Receiving its loyalty meant the increase of the political parties' value. This made parties leaders to look for the most effective answers for the questions of land scarcity, securing of agrarian workers' labor rights, small farming, promoting of agricultural level, etc. Land and labour issues were suggested to solve in strong connection to the reform of future government system, guaranteeing of state and national rights of population, including peasants'.

Literary review

Political parties' programs at the beginning of the 20th century now make an object of historical and political studies, some of which are partly or completely devoted to agrarian component of political platforms. Post-Soviet researches of this issue were summarized only in two historiographical works – the article of V. Lutsenko (1996) and monograph of V. Dubinskyi and O. Fedkov (2012). Moreover, these two works do not overlap in the selection of materials since V. Lutsenko analysed the researches of his contemporaries while V. Dubinskyi and O. Fedkov mostly investigated the heritage of the historians starting from 1996. V. Lutsenko paid attention to the new outlook of Ukrainian and Russian colleges at agrarian programs of Kadets, SRs, Social Democrats and Monarchists in the works of N. Bychkova, L. Bondarenko, V. Nahainyk, M. Savchyn, O. Sorokina, V. Susorov and O. Fedkov. Notably, the author within the pages of his article organized a kind of discussion between historians concerning the agrarian program of Constitutional Democrats. While L. Bondarenko and O. Fedkov found the propositions of Kadets on reformist solving of agrarian peasant question (in terms of forced repurchase of the land from pomestchiki (the landlords), rationalization in agricultural management, development of small crediting) to be cautious and reasonable, their “opponents” M. Yakupov and O. Zakharchuk expressed Leninist opinion on the left liberals' program as the counter-revolutionary [1].

The historiography of agrarian issue is represented in broader scale in the common study by Dubinskyi and O. Fedkov. The authors admitted that most of the works mentioned by them reviewed the agrarian question tangentially, within the framework of general information over parties' programs or their generalized aims. The authors paid a detailed attention to characterizing V. Lukianenko's dissertation and O. Fedkov's monograph. At that, the thesis of the first author is estimated as less informative for the historians research subject (agrarian programs of Ukrainian political organizations) since it explores the approaches to solve the agrarian problem from the perspective of different social groups, while the vision of the ways out of this problem by political organizations on the territory of Ukraine was represented only in one chapter [2]. Apparently, such skepticism is caused by the reason that authors of the monograph limited their study to the investigation of the synopsis of V. Lukianenko's thesis.

The works of V. Dubinskyi and O. Fedkov, in fact, interesting by plot and variety of used sources, also worth historiographical. So, I consider that it is necessary to perform a generalized review of Ukrainian historical literature where the process of political thought on the prospects of agrarian reform, qualitative content of agrarian programs as well as their support or disapproval by peasants are analyzed. That's what makes the subject of this article. Comparative analysis of scientific publications is executed in the next order: 1) perception by parties of the reasons of the agrarian peasant issue sharpening under the conditions of the revolution situation forming and during the Russian revolution of 1905; 2) stages of agrarian programs forming by Ukrainian and Russian parties and working out of their final versions; hermeneutics of the propositions of agrarian question solving; 3) discussion concerning suggested methods of peasant struggle.

Research results

The choice of the subject statement should be also explained. In order to do this the difference between the widely used in historical literature notions of “agrarian”, “peasant” and “agrarian peasant” issues should be defined. Agrarian question in historical discourse is understood as theorizing of state agrarian policy, ways of its reforming, redistribution of land property and the approaches to do it. Peasant question characterizes the understanding of peasantry legal status, their place in the system of social, labor and economic relations, proprietary rights, peasants' territorial and public self-organization, etc. Agrarian peasant issue reflects the relations between peasants and the state, the processes of the peasants' legal and proprietary statuses alternations and, above all, land use by peasants. Namely in this framework the defined direction of partology is analyzed in this article.

Among all the political parties theoretical basis of Revolutionary Ukrainian Party-Ukrainian Socialist-Revolutionary Labour Party (RUP-USDLP) activity draw the strongest attention of researchers. It is to certain extend determined not only by a relatively long history of this party, but

also by the ongoing and challenging process of its program document development. For this reason T. Gunchak entitled the party as “odd organization”, which came into existence not from the manifestation of its program, which would be a reasonable step, but from general provisions [3]. It influenced the structuring of RUP-USDLP theoretical basis establishment. Particularly, according to A. Pavko, the next stages could be determined in the forming of party’s vision of agrarian peasant question: 1) declaring of the limited, as for the left, agrarian transformations (cancellation of redemption payments, liquidation of all the duties and taxes, confiscation of allotted, cloistral lands, liquidation of community) in “RUP program project”, 1903; 2) adjustment of “Project” positions on the pages of party body “Selianin” (“The Peasant”) (the claims on the state-owned lands were added to the mentioned above list; the lands must have been rented to landless farmers and the money from them must have been intended for public needs), 1903; 3) Project of the RUP platform which took as a model the Erfurt Program of Social Democratic Party of Germany assigned to clear the way to the capitalism in agriculture, transfer the allotted, cabinet, church and cloistral lands to peasants; in same time it left the question about the landlords’ property, land municipalization; 4) USDLP program establishment at the end of 1905, which approved the idea of land municipalization and emphasized on the big private owners’ lands confiscation [4].

Notably, that the position of the historian concerning the assumption by Ukrainian social democrats of inevitability of capitalistic development in agriculture contradicts the ideology of USDLP of that time. The preamble of their program, in particular, clearly defined the attitude of the party to private property and market economy as a whole: “The abyss between the haves and haves-not is enhanced even more by the crises, which take root in the essence of capitalistic way of production, they... prove that reproduction forces have overgrown it, that private property for the means of production, which has been a method of exploitation of peasants, craftsmen and small sellers makes the output of labours a property of idle capitalists and big landlords. Only the transformation of private property on means of production – land, mines, pits, raw material, machines and means of communication – into public property and transformation of commercial production into social production, which is made for the civil society and by the society representatives themselves – can result in transferring of great production and constant growth of reproductive public labour for those classes that have been exploited, from the sources of poverty and humiliation – to the sources of welfare and all-round harmonious improvement” [5]. Thus, the support of the agriculture capitalization (“annihilation of laws which limit the rights of peasants to manage their land freely; the right of public land redistribution, the right of detachment”) could be estimated not as the party end purpose, but as an intermediate goal, necessary only in order to “abolish all the vestiges of serfdom in agrarian relations”. Though, beyond these horizons USDLP had quite generalized vision of agrarian issue in terms of the attitude to the private property and to the capitalism as a whole. In future the liquidation of any kind of economic exploitation, “annihilation of class supremacy and the classes themselves” were supposed [6].

V. Dubinskyi and O. Fedkov also paid attention to the question of the RUP agrarian program evolution: while until 1905 RUP had tended preferably to the thought of land nationalization – its socialization for the state fund with further redistribution between farmers on conditions of rent according to the labour principle (“one should cultivate as many land as he can”, annihilation of serfdom vestiges (easements liquidation, return of allotted land cuts (otrezy), then under the influence of Menchviks they standed for its municipalization [7]. Keeping to the Menshevist direction in agrarian peasant question solution by USDLP was marked by P. Shmorhun [8].

New, comparing to the conclusions of A. Pavko, was the analysis performed by V. Dubinskyi and O. Fedkov of USDLP attitude to agrarian peasant question after the end of the revolution. The party laid strictures on Stolypin reform (“paper way to settle agrarian relations”), which, as they convinced, kept landlords ownership and supremacy untouchable, forced peasants to settle on worse lands, use disadvantageous for them services of Peasant bank, sharpened social inequality, didn’t take into account the peculiarities of land issue in different parts of the empire. New in the work of V. Dubinskyi and O. Fedkov was their observation that Social Democrats, as well as Ukrainian liberals, focused greatly on the problems of agriculture intensification and crediting, development of cooperation and agricultural education, which, apart from the improvement of

material situation in the countryside, aimed at the establishment of the party firm basis here: to some extent cooperative activity legalized the operation of USDLP and also provided additional advantages in the development of new party cadres. Moreover, “the group of party theorists” (M. Porsh, V. Sadovskiy, L. Yurkevych) even approved the idea of resettlement policy, criticizing only the measures of its organization. V. Dubinskyi noted that in this direction the party began to favour the cooperation with “middle class” and wealthy peasants, “who made one of the sources of national intelligentsia (therefore, the party active)”, which we can connect rather to amplifying right-wing deviation of social democrats than to rational highlighting of key points in party development. Another important moment emphasized by V. Dubinskyi is complete devaluation of national question, which was more and more submitted to “class idea” – the consequence of the limited successes of Ukrainian political forces to streightforward the peasantry to the path of national struggle [9].

Quite certain is the perception of agrarian peasant question settlement by Spilka (USDU-Ukrainian Social Democratic Union). The dominant influence of Mensheviks on its activity is defined (it is known that the party didn't have its own separate program – nevertheless it propagated its vision of future agrarian system in the press and leaflets which became the objects of scientific researches). Thus, the land should have been confiscated from the exploiters without compensation and later distributed between the farmers in terms and amounts defined by local peasant committees, which would have been the real owners of the land: “local population through its elected representatives decides what lands and by which lots to give out for the usage by all the peasants, per person and at which lands it is more profitable to cultivate land under the guidance or pretence of people's representatives” – USDU assumed a definite Menshevik position of land municipalization. Other suggestions of the party concerned the return of land cuts, repayment amounts, and defense of agrarian labours' rights (implementation of eight hour shifts, improvement of nutrition and housing conditions). Only the lots of small owners and peasants should have stayed in private property [10].

It is quite easy for the historians to analyze the position of Ukrainian National Party (UNP), above all due to the following two moments: 1) agrarian program of the party was written in detail; 2) its propaganda in the countryside failed, which makes to estimate the suggestions of Ukrainian nationalists exclusively as a theory. The researchers, primarily, agree with the vision of UNP as not only a nationalist party, but also as a socialist party. The later comes from the criticism of capitalism and recognition of the necessity to build socialist regime which were declared in the program [11]. At the same time, the socialism by UNP had the distinctions from the perceptions over future social and political system by other parties, it smoothly interconnected national and social issues. The realization of social and economical policy of the party supposed evolutionary way of social society establishment. This opportunity was put by the theorists of UNP into the dependence from the level of civilization development (“social system... will be joint only by the nations of extremely high culture”), establishment of ethnocratic Ukrainian society, suggesting the usage of the benefits of socialized property to the title nation (“to nationalize land means to make it the property of Ukrainian nation”), of the liberation of Ukraine in general (“until exist the nations-slaves and nations-dominants...till then agrarian question can't be resolved”). The steps to this should lie in the regulation of land rent and, finally, solving of agrarian question – land nationalization for the compensation to Ukrainian owners and without compensation for the outsiders [12]. Hence, the understanding of nationalization by M. Mikhnovsky's followers was quite peculiar and suggested “transfer of land into the property of the nation”, which brought the solution of the contradictions over the land into dependence from the prospects of national revolution and rather delayed peasants from independency.

The historians also investigated other suggestions of UNP concerning the improvement of peasants economic conditions by means of minimum program: 1. Legal regulation of rent relations (rating of rent according to land profitability, abolishment of short-time rent, implementation of countryside arbitration courts for the solving of disputes between landlords and peasants; transformation to rental farming, independence of a renter concerning “the way of business”, compensation for the implemented improvements in the rented property). The emphasis on the

establishment of rental relations must have demonstrated to the peasants the parasitical character of land aristocracy existence. 2. Protection of agrarian workers' labour rights, implementation of labour occupancy safety standards in agriculture [13]. In 1907 UNP proclaimed the task to transfer the landlords lands to peasants on the rights of private property, which was explained by them by "the danger of the Russian (Moscow) Trudoviks' land reform for Ukrainian nation", "the voice of the peasantry itself" and, finally, their own conclusions that "A Ukrainian farmer is not prepared for the socialism" [14]. The last, taking into account the position of Ukrainian peasantry regarding ARPU (All-Russian Peasant Union) could be considered as a vision distinct from the majority of agrarians. Actually, neither first, nor second programs were communicated appropriately to the peasantry due to the scantiness of agitation work, as was stated by the author of the current article and by A. Pavko [15].

In the summing up of UNP program there are two opposite viewpoints. Thus, H. Kasianov criticized it for "declarativity and crudity" [16]. The second point could be argued since the party in the minimum program part concerning agrarian and labor issues proposed quite rational measures – to observe sanitary labour conditions, to fix working hours, to regulate rental relations. F. Turchenko noted in general considered and well-thought-out character of UNP program [17], which in my opinion, represents another extreme. The difference of common version of land nationalization from nationalization proposed by UNP is not clear. Also the position on the "educational" role of the rent calling to open peasants' eyes to the parasitic character of the landowners is questionable. Indistinctively, exalting the interest of the Ukrainian owners, the party expressed according to the land redemption.

V. Dubinskyi, O. Fedkov and A. Pavko also considered program measures and activity of Socialist Party of Ukraine (SPU). A. Pavko was interested mostly in the nature of the party (the researcher approvingly cited the characteristics given to the Social Party of Ukraine by O. Hermaize – "intelligent socialism on the Ukrainian grounds"), its tactical adjustment for the union with other left parties, understanding of the national issue by the party members, polemics of the party with L. Ukrainka and I. Steshenko concerning the prospects of Ukraine independency [18]. V. Dubinskyi, O. Fedkov, on the other hand, made an emphasis on social content of the program. Nevertheless, the historians could hardly get much useful information from the SPU heritage which should be explained by the source data narrowness since the party represented the solution of agrarian and peasant issue as generalized statement. "Project of the Social Party of Ukraine" concerning agrarian sphere proposed only "gradual socialization of the land, means of production and communication; measures for this, in order to simplify for the peasants the transformation to common, public business" [19]. Moreover, in the research work of V. Dubinskyi and O. Fedkov there is a mentioning of peasant issue in the socialists body "Dobra novyna" ("Good news"): the party leaders considered to be necessary to carry out systematic explanatory work among the peasants on the values of socialism, transfer of power to the working class [20].

Agrarian project of Ukrainian Peasant Party (UPP) is scarcely mentioned in the historical literature. This party existed, as it is known, only on paper. The only document evidencing its existence is "Our tasks" (Declaration of the Ukrainian Peasant Party), published in a single issue of the newspaper "Zaporizhia" from 23rd of February 1906. So, the historians must make conclusions on the positions of Ukrainian Peasant Party only out of its platform, which assumed the solution of land question as follows: freely elected Constituent assembly should according to the developed by the Assembly means nationalize all the land funds excluding the lots belonging to small owners (those who have a lot no bigger than established maximum), which should "further stay in their property" [21].

F. Turchenko emphasized active participation of UNP members in the peasant party project support. The editorial office of "Hliborov" ("The Grain Grover") already in November of 1905 appealed for the creation of a separate political organization of agrarians. The logical consequence of this proposition became the proclamation about the creation of new Ukrainian party, which should have defended the interests of Ukrainian peasants [22]. V. Dubinskyi and O. Fedkov having compared the Declaration of Ukrainian Peasant Party and minimum program of Ukrainian

National Party came to the conclusion that “the peasants” in fact repeated the suggestions of “the nationalists” [23]. Really, the main thesis of the UNP agrarian project “to nationalize land means to make it the property of Ukrainian nations” is adhered in the program of UPP – all the lands should be transferred into “national property of Ukrainian people”. Furthermore, quite emphatically in the manner of “the nationalists” sounds the motto to awake class consciousness of peasants [24]. So, V. Dubinskyi, F. Turchenko, O. Fedkov do not deny the hypothesis that M. Mikhnovsky himself could be the author of the program document of the UPP.

Eclectic program of the Social Party of Ukraine, which had place for the pretence to having nationwide character and opposing Ukrainians to Russians, Jews, Polish (social and political masters of Ukrainian nation) and claiming to form labour legislation on the basis of scientific socialism and preservation of small private property, certainly, was subjected to severe criticism from Ukrainian left-wing politics, which was noted by F. Turchenko [25]. In general, the program of the UPP could be characterized as petit bourgeois version of agrarian question solution, since the authors of the documents tended to small-holding parceling in dealing with major land question [26]. This could demonstrate the beginning of a noticeable right-wing deviation in social and political ideology of the nationalists.

The propositions to solve agrarian peasant issue by Ukrainian political centrists – liberals – make a separate subject for research. Dynamics of agrarian issue development by left liberals coincides with the transformation of the party general program means, analyzed in the thesis work by S. Ivanytska (Chmyr) and monograph by V. Kolesnyk and L. Mohylnyi: 1) autumn 1904 – development of the Ukrainian Democratic Party (UDP) platform; 2) autumn-summer 1905 – adoption of the UDP and the Ukrainian Radical Party (URP) programs; 3) September of 1905 – country and city congress of Ukrainian democrats, which approved to strive instantly for the confiscation of private, allotted, cabinet and cloistral lands; 4) correction of UDP program by its Poltava community, published on the 27th of November 1905 in the annex to newspaper “Poltavschina” (agrarian issue is covered in the section “Questions economic and financial”); 5) December 1905 – April 1906 – development and adoption of Ukrainian Democratic Radical Party, based on URP platform [27].

In spite of the differences in programs, their agrarian parts by the UDP, the URP and the UDRP are actually similar, though the platform of the URP and the created on its basis program of the UDRP are regarded to be more considered and detailed. Ukrainian left-wing liberal parties, as known, defended the position of land nationalization (“the land belongs to the nation, to all people... is managed by the Parliament or the Sejm”: state, allotted, cloistral, church lands should be transferred into regional land fund (URP, UDRP) or into the property of the region, controlled by autonomous regional sejm (UDP); lots belonging to big private owners should pass to that fund (be subordinated to autonomous government bodies) through repurchase operation according to the calculations of “national bank” or with the help of the bodies of local government by the proceeds of the agrarians (“at a low price and not much in the hands of a single person, as much as one family can process”) with further distribution between them (landless and land-poor) of land into long-term rent according to the so-called “labour rate” (UDP, URP, UDRP); common (cooperative) use of land was emphasized (URP, UDRP); it was suggested to spread labour legislation at work-hands (“peculiarities which are demanded by the character of agricultural labour”) (URP); to develop agrarian and specialized education (UDP, URP, UDRP). Left liberals also proposed to implement the permissible limitation of purchased land per one household (UDP, URP). The rest of the suggestions of radical democrats concerned facilitation of peasants’ activity – to abolish redemption payments and taxes paid by peasants, legal regulation of rental relations, abolishment of strip holding (URP), protection of agricultural workers labour (UDP) [28]. The UPD suggested to solve agrarian peasant question exclusively by constitutional means through the consensus with all-Russian and regional government authorities. Firstly, Russian legislative body should have developed general principles of agrarian reform conduction. Then national parliament (sejm) should have adapted developed propositions according to local specifics [29].

The question of private property institution remained debatable in the groundwork of left liberals. The members of the UDRP, as demonstrated by O. Fedkov and V. Dubinskyi, didn't arrive at a consensus – ultimately the question should have been decided by village committees [30]. This position with slight variations was common for the UDP, the URP, the UDRP and the Society of Ukrainian Progressists (TUP) – the last mentioned in addition to the agrarian program of the UDRP strived to “abolish forced land arrangement with its isolated farmsteads and otrubs”) [31].

Ukrainian historians describing the propositions of left liberals concerning the solution of land question mostly agree on reasonable arguments of programs developers about the expediency of compensation for land, definition of the upper limit and state regulation of land usage. Particularly, V. Kolesnyk, L. Mohylnyi and V. Moisiienko explained it by the understanding by centrists of temporariness of even land distribution. Since together with democratic growth further land parceling occurs, it was suggested that the land should be owned by those, who work on it. In such a way, lands could be transferred from one user to another – state lands were not subjected to privatization [32].

Another interesting aspect of our subject is the level of interrelation between agrarian programs of the national left liberals and Russian parties. There is a settled outlook that social-economic propositions of the UDP, URP and the UDRP had rather inconsiderable novelty and according to the main points in general they coincides with the Kadets' platform. But in contemporary historiography such viewpoint is not as unanimous. For example V. Moisiienko analyzing agrarian projects summarized that Ukrainian liberal parties didn't fall back to thoughtless copying of others' projects or theories, but tried to work out their own forms and methods of state political organization, of national and social liberation [33]. Opposing position is hold by V. Kolesnyk, L. Mohylnyi and A. Pavko, who estimate the program of URP as eclectics of theoretical best practices of different parties. Yet they released UDP from such criticism [34]. I think that compilativity, insufficient elaboration and specification of agrarian programs were the common features of centrist parties platforms. Moreover, this peculiarity was preserved after their joining, which certainly influenced the poor success of left liberals in the agitation of population.

S. Donchenko considers that it is economic program of Ukrainian liberals that reflects their dual nature. The claim of the UDRP to submit land fund to regional authorities lays beyond “Kadet nature” of its program and is close to the SRs' “socialization”. In general, in agrarian peasant question radical democrats took a position closer to the claims of Russian Social Democrats and Social Revolutionaries, in spite of the declared proposition of mandatory land buyout from large private owners [35].

The above mentioned thought is hard to agree since the SRs suggested transferring lands into the control of the bodies of local governments from democratically organized non-estate country and city communities to regional and central establishments inclusively. At the same time, land issues should have been solved mostly by community, while liberal project supposed to fulfill agrarian reform through representative regulatory bodies, in other words, “in bourgeois way” [36].

Whether it gives grounds to confirm entire devotion of Ukrainian centrists programs to the ideas of liberalism or whether the adjustment for socialism of radical-democrats contradicted market realias and how do historians refer to it? V. Dubinskyi and O. Fedkov in their works come to the conclusion about correspondence of parties statements to the task of capitalism purification: for example, the UDP oriented peasants for “reformatory way of agrarian question solution and adaptation of agriculture to market conditions”, the party “wanted to reconcile the interests of landlords and peasants”, and the question of compensation for land was explained by “the membership of the party itself, where substantial share was occupied by land owners”. Certain material for such thinking is provided rather by disputes over agrarian question conducted by the leaders of radical democrats than by the texts of party programs. Some of their speakers, as demonstrated V. Dubinskyi, considered it was necessary to raise the agrotechnical level of peasant farming and peasants agrarian education (S. Borodaievskyi, B. Hrinchenko, M. Hrushevskyi, S. Yefremov, O. Lototsky, I. Chykalenko), liquidate the community (V. Vasylenko, O. Lototsky),

protect the rights of agricultural workers (M. Hekhter, B. Hrinchenko, O. Lototsky), define the property right on land as the right to use land, extending this right to the landlords on condition of their consent to do business personally or even keep the land to the landlords in private property within established maximum area (M. Hrushevskiy, V. Domanitskiy, G. Kovalenko, M. Kononenko) [37].

Separate attention V. Dubinskyi paid to the views on agrarian issue of Ukrainian economists and liberal public person M. Tugan-Baranovsky, who suggested executing land nationalization for compensation according to “unchanged conditions of capitalist business since only in this case land reform can be successful”. The fulfillment of land buying out the scientist reasoned both by market mechanisms (“land should pay off the mortgage debt rested on it” and by tax reasoning (“land would be subjected by so many rubles of state tax, that it would never be subjected to so many percents in case of its repurchase by ordinary capitalistic way”) [38]. In such a way Ukrainian liberals suggested reformist solution of agrarian question, adaptation of agriculture to market conditions of country development – this conclusion made by V. Dubinskyi discords to general purpose of the party to achieve the establishment of socialist regime.

The remarkable thing is that Ukrainian centrists considered capitalism as a temporary phenomenon. In the platform of Kharkiv committee of UDP published on the 25th of October 1905 it was stated: “We are deeply convinced that only at fulfillment of socialist regime, only under the condition of entire fall of bourgeois economic regime and division of the society into classes of exploited and exploiters, people will get a complete possibility of free development in physical, mental and moral senses [39]. Confiscation of allotted, state, church and cloistral lands without compensation and expropriation for compensation of landlords lands must have served to the prevention of peasant degeneration. Traditional vision of peasants on the land as common property of all the working classes (“The land is no one’s – the land is the God’s and only those who can cultivate it themselves or by the labour of their families can use it”) became an ideological justification of such confiscation [40]. This is the evidence of moderate socialist platform of radical democrats. Finally, В. Дубінський та О. Федьков, in one of their publications agreed on the “closeness of separate statements of Ukrainian liberals’ agrarian program to Neonarodniki” [41].

Interesting segment of historical partological studies is represented by the ways of agrarian question solving proposed by Ukrainian parties in their programs or appeals. In the activity of the RUP the historiography of the question clearly defines two periods. At the beginning of it functioning RUP proposed to reach the change of agrarian system by means of terror supported by the party in 1902 during the devastations at Left-bank Ukraine, which was explained by V. Borysenko as “relicts of Populism” in the activity of RUP – too attractive seemed the image of Narodniki to a new generation of revolutionists [42]. Imprisonments, which seized the party after suppression of Kharkiv-Poltava uprising, threw cold water on its position concerning violent means of struggle. From now RUP instead of agrarian terror suggested peasants “the most powerful means of struggle with landlords” – strike and boycott (refusal to pay taxes and serve homage) while its political purpose was limited to the task “to earn confidence and respect among the peasants”. Already in 1905, V. Golovchenko demonstrated, “Gaslo” (“Motto”) opposed these methods to rebellion and extemporaneous revolts, defined as disorganizing measures. Moreover, as revealed H. Kasianov, “The Project of the RUP Program” appealed peasants for the organization of demonstrations. Reasonability of terror was accepted in political agitation, but actually the party didn’t use it [43]. Among all the mentioned above measures RUP the most effectively approached strikes. Already in 1903, as pointed out by V. Borysenko, it organized and headed a series of considerable strikes of agricultural workers at Yekaterinoslav, Kyiv, Poltava and Podolia Governorates. This experience was later successfully used by the USDU [44].

As demonstrated by the historians, the party tactics still didn’t change during the revolution of 1905-1907 years. Analyzing party tactics during this time, H. Kasianov concluded that the UDRLP set an ambitious task not so much to select the most effective methods of struggle for the peasantry as to turn peasants’ energy into organized forms of struggle [45]. Really, in spite of the sharpening of social contradictions, the RUP strongly declaimed spontaneous peasant actions,

which was embodied in the resolution of the II party Congress “On the Attitude to Spontaneous Movements”. Alternative to this was seen by the party in the organization of strike movement. It was new, as shown by V. Dubinskyi and O. Fedkov, that the USDLP supported the activity of All-Russian Peasant Union, which was seen by the party as the foundation able to turn revolutionary energy of peasantry from demolition to sound social and political movement [46].

Apparently, it was indecision in work with peasants that didn't allow the RUP-USDLP to achieve considerable successes in the extension of their influence on the province. Already in 1906 the clear superiority in the countryside was achieved by Spilka. V. Kolesnyk, L. Mohylnyi, V. Dubinskyi and O. Fedkov worthily described the methods of struggle proposed by this party. The tactics of the USDU involved the combination of peaceful and violent ways of struggle. Thus, the realization of labour rights of work-hands could have been generally achieved in peaceful way, including strike, which was considered the most effective one of them, the agrarian tasks, on the other hand, should have been solved by revolutionary means. Important role was devoted to the union of workers and peasants, to the armament of people. The researchers distinguished the following main well-proven methods of the USDS's struggle: strike, fighting high land rent prices, refusal from provision of recruits to army. Besides, they gave detailed clarifications on how to arrange protest movements. In the article “How to Take the Land away from the Landlords”, published in the USDS's “Lystok Pravdy” (“The Leaflet of the Truth”) peasants were explained the connection of land question and revolution struggle, how to organize a strike and what claims should be demanded of the landlords. Furthermore, Spilka, unlike USDLP supported pogrom movement in the countryside, which, evidently, enlarged their popularity among peasants. The last, as shown by the researches, went beyond the scope of guiding vision in social-democracy about the character of agrarian movement. The ideas of Spilka were extended by the means of written and oral agitation, creation of clubs, libraries, organization of meetings, conferences and public readings [47].

Unlike left parties, the liberals, as demonstrated by V. Dubinskyi and O. Fedkov propagated exclusively peaceful methods of struggle. Agrarian peasant question must have been solved in terms of legislative activity, and until that, the leaders of middle-road parties suggested to develop agrarian education, release peasants from bureaucracy custody, organize strikes (“in such a manner it is better to fight with the enemy and only when he is prepared”), create cooperative enterprises, favour to the formation of bottom structures of the all-Russian Peasant Union and calling of Ukrainian Peasant Congress on the creation of separate Ukrainian peasant organization, which, keeping the relations with the ARPU, should have strived for the turning of peasant movement in Ukraine to peaceful way and, what's the most important, transfer peasant desires to attain land and liberty into national stream [48]. Thought, unlike Ukrainian socialistic parties, left liberals still couldn't reach out peasants by these means. Objective reasons for centrists' transferring into fringe politicians, as shown by A. Pavko, were party promiscuity, its weak connections with masses, which was caused by the failure to work in clandestine conditions and, finally, by the small quantity of the liberals [49].

Conclusion

The subject of the agrarian peasant question in the programs of Ukrainian parties, reviewed in specialized or general historical studies, is rather abundant with information and assumptions. In its turn, it is discomposed into subtopics according to the place of the party in the political spectrum (left-wing, middle-road or right-wing parties) or how it concerns specific political power. In spite of the different objects of research, their depth level and the research field of the agrarian peasant question solution conceptions, all these scientific explorations could be consolidated according to the range of common features. First of all, the methodology of research in post-Soviet historiographical period changed in the sense of shifting away from the analysis of parties programs as doubtless evidence of the pureness of their ideological representativeness. Now critical understanding of the agrarian parts of the party programs is done only with the obligatory involvement of other data – party proclamations, appeals, congresses stenographs, memoirs, which considerably extend and elaborate the research. Secondly, in order to clarify the future agrarian system foreseen by the parties it is important to define their ideological and theoretical identification – commitment to Marxism, Narodnichestvo, Liberalism, Moderate Socialism.

However, as was shown above, the question on the true position of left liberals with not completely defined status of the party with socialistic direction is still debatable. Thirdly, important is foregrounding at practical part of parties vision of agrarian system changes – how to attain changes to the good for indigent peasants. Without placing such emphasizes the study of the agrarian peasant question concepts becomes abstractive, meager, devoid of problem character.

Though the monograph of V. Dubinskyi and O. Fedkov, often referred to in this article, being the latest and the most substantial, crests all the post-Soviet period of the subject historiography, this work is definitely not final. In the historiography of the problem of working out by the parties of the ways of agrarian peasant issue solving the questions of the comparative analysis of agrarian sections of parties programs and other theoretical concepts in terms of their economical practicability are still open. The comparison of certain suggestions of Ukrainian parties with the realization of similar measures during conduction of agrarian reforms in other countries is also essential. Such rationalization of the problem demands interdisciplinary approach and addressing to simulation method. Such approach will provide clarification on the quality of the agrarian changes propositions, reasons of their popularity or, conversely, of their disapproval.

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“An Analysis of the Farmers’ Community Perception and Awareness About Crop Insurance as a Risk Coping Strategy”: A case from Pakistan

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Abstract

The purpose of this study was to assess the awareness and perception of farmers of Pakistan about the crop insurance. This study was conducted in two tehsils* of RajanPur district of Punjab province of Pakistan. Using various statistical tools like arithmetic mean, standard deviation, counting, percentage and analysis of variance, the collected data was analyzed using SPSS. A five-point Likert scale was also used to measure different variables. The findings revealed that majority of the respondents i.e. 64.17% respondents were aware with the term “crop insurance” while the understanding level with crop insurance varied among those who had general awareness about crop insurance i.e. only 29.87 % respondents among those who were aware claimed that they understand well about crop insurance. The major sources of awareness about crop insurance were found to be friends/coworkers and financial institutes. Climatic risk and crop diseases were declared as the most important risks faced by respondents in the study area. There were found considerable misperceptions about crop insurance among farmers i.e. majority of the farmers declared the crop insurance as a scheme which does not compensate their losses as it should be and as well as a kind of a tax which can reduce their income as well as they believed that it is only designed for a specific group of farmers i.e. large scale farmers. Farmers believed that a crop insurance plan with low premium and offering maximum compensation against losses can be acceptable to them. Using ANOVA and CHI SQUARE test, it was found that education and landholdings were significant with the level of awareness while age was not found to be significant with awareness. Before launching crop insurance plans in Pakistan and to make such scheme more

* In some countries of South Asia i.e. Pakistan and India, Tehsil is an administrative division. It is an area of land with a city or town that serves as its headquarters, with possible additional towns, and usually a number of villages.

successful, government institutes related to agriculture can create awareness among farmers about crop insurance and take steps to reduce the misunderstandings and misperception which exist among the farming community. Offering of maximum subsidy from Government of Pakistan can attract the farmers towards crop insurance.

Keywords: Pakistan; Crop Insurance; Risk coping strategy; Awareness; perception.

Introduction

In agriculture the farmers have to face several types of risks like production risk, financing risk and marketing risk of their produce. In order to tackle the risks associated with agriculture, the farmers take different types of measurements like choice of different varieties of plants and animal breeds, crop and animal husbandry and the use of precautionary prevention measures against the adverse weather events such as use of shelter belts & mulching and securing access to supplementary irrigation facilities [1]. Besides these basic tools of coping the risk, crop insurance is an effective tool to manage the risks associated with production of agricultural produce. The risk associated with farmer's production and income can be minimized through crop insurance. Crop insurance is a way through which farmers can protect their income in case of crop failure as it ensures social security, dignity and large investment to improve yield and production [2]. Insurance is an agreement between the insured (farmer) and insurer (any institute) which (fully or partially) transfers the risk from insured to insurer and this agreement causes a reduction in the loss otherwise it would only be faced by the farmers. Although insurance cannot reduce the risk and uncertainty related to agriculture but it can make the losses bearable. Crop insurance provided the farmers a protection against different unavoidable natural hazards and risks related to weather. Crop insurance is a risk coping instrument that is designed to even out agricultural risks. Agriculture is always considered as a risky in nature due to inconsistent weather conditions. Due to these vagaries of climate, farmers face variations in agriculture and still they are unable to deal with it. Since time, farmers have been using different mechanisms to limit these climatic risks like diversification, inter-cropping, crop rotation and other socio-cultural mechanisms i.e. distribution of risks within family business and informal financial arrangements. But these strategies are not helpful to fully mitigate risks. The co-variability of these uncertainties minimizes the adequacy of these traditional methods. In this situation insurance can be used as a management tactic which can stabilize farmer's income and security of agriculture [3]. For developing countries, crop insurance is not only working as a risk coping mechanism but it also facilitating farmers with easy access to more credit, encouraging them to produce high value crops and assures a stable agriculture production and income [4].

Insurance sector in Pakistan:

In 1947, at the time of independence, Pakistan had only 5 domestic and 77 foreign insurance companies and now after 67 years of independence, including 5 Islamic insurance operators, there are 47 insurance companies working in Pakistan. One reinsurer (Government owned) is also operating in Pakistan. The life and non-life insurance business comprises the entire insurance sector. At the end of 2011, this sector stood at Rs.21.8 billion paid up capital and Rs. 434.7 billion in terms of assets. In the same year, this industry reported a premium of Rs. 130 billion. As a proportion to GDP, The insurance penetration in Pakistan is only 0.7% which is considered to be very low as compared to other South Asian countries i.e. India and Sri Lanka with a share of insurance premium to GDP by 5.1% and 1.5% respectively [5].

Agriculture in Pakistan and threats faced by it:

Agriculture occupies great importance in Pakistan's economy as this sector contributes 21% to GDP and employees 45% of total labor force of the country. This sector is also a major supplier of input for other industries/sector in the country. During 2012-13, a growth of 3.3% in agriculture sector was observed [6]. In Pakistan, Important crops which include maize, wheat, rice, cotton and sugarcane accounts for 25.2% of the value added in overall agriculture and 5.4% to GDP. Despite the importance of crop sector, this sector has seen a lot of fluctuation in past. The growth fluctuations can be seen in the table below

**Agriculture growth in agriculture Pakistan (shown in percentage)
(Considering 2005-06 as base years)**

Sector/sub sector	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
Agriculture	3.40	1.80	3.50	0.20	2.00	3.50	3.30
Crops	4.40	-1.00	5.20	-4.20	1.00	2.90	3.20
important crops	6.50	-4.10	8.40	-3.70	1.50	7.40	2.30
other crops	2.10	6.00	0.50	-7.20	2.30	-7.70	6.70
cotton ginning	-0.80	-7.00	1.30	7.30	-8.50	13.80	-2.90

(Source: Government of Pakistan 2012-13)

One factor causing fluctuation in the growth rate of agriculture as over and particularly in crop sector is the occurrence of natural hazards like floods and droughts. The shortage of canal water is also a very serious issue in Pakistan agriculture. The performance of agriculture sector, especially the important crop sector is heavily dependent on in time availability of water. From the data provided by Indus river system authority Pakistan, it can be concluded that from 2004-2005 to 2012-2013, crops in Pakistan have faced a severe shortage of water. During 2004-05, the water shortage was recorded 20.6% while a considerable shortage of water was recorded during 2010-2013 as 15%, 13.2% and 13.4% respectively [6]. The worst floods of 2010 and onward destroyed a large area of crops in Pakistan.

Pakistan's vulnerability to natural and human induced disasters is characterized by earthquakes, floods, droughts, cyclones, landslides, sea hazards and a range of complex emergencies [7]. During the worst 2010 flood in Pakistan, 2.1 million hectares land was affected and total losses of Agriculture land & livestock were estimated as 5,045 million USD and irrigation Channels losses were estimated to be 278 million USD. During 2011 floods in Pakistan, 25090 Sq. km area was affected which included 881.03 thousand hectares cropped area. Overall losses of agriculture, livestock and fisheries were estimated to be 1,840 million US dollars [7].

An analysis of the natural disasters during 1987-2011 shows that the major natural disasters faced by Pakistan were floods, earthquake, drought, famine, wind storm and extreme temperature. Up to 2009, the total damages due to the major and minor disasters were recorded 8,016,385 thousand US dollars and only the floods in 2010 caused a loss of 10 billion US dollars total loss [7].

In a country like Pakistan where agricultural production is the major source of income for many poor farmers, the disasters of climatic variation cannot be ignored because in this case, farmers not only bear the crop loss but also become the defaulters of the lending banks. Since the formulation of country, number of committees constituted by government of Pakistan presented their reports on this subject. These reports included Agricultural development bank of Pakistan pilot project with the collaboration of a private insurer, Insurance Association of Pakistan Catastrophe Crop Insurance Scheme proposed to State bank of Pakistan in 1990, Insurance Association of Pakistan Crop Insurance Scheme for flood and Excessive Rain in 1996 and National insurance corporation Comprehensive Crop Insurance Scheme in 1996 [8].

Considering the agricultural situation in Pakistan and the risks and problems faced by the Pakistani farmers and based upon the above mentioned studies, it was concluded by the government of Pakistan that the introduction of crop insurance would be very useful in promoting and adoption of modern techniques in agriculture by small farmers in Pakistan [8]. Despite these conclusions the agricultural experts in Pakistan still remained unable to present a model crop insurance scheme in Pakistan for a long time.

Existing crop insurance schemes in Pakistan:

Currently in Pakistan, there are two crop insurance plans under practice namely State Bank of Pakistan Crop Loan Insurance Scheme and PPAF (Pakistan poverty alleviation fund crop and animal insurance scheme). The details are below:

1-State Bank of Pakistan Crop Loan Insurance Scheme

In Pakistan, Crop loan insurance scheme (CLIS) was launched by State Bank of Pakistan in 2008. The farmers who avail the agricultural loan, they are bound to get assured through this scheme. In Pakistan, currently 3900 agricultural designated branches of 27 commercial, Islamic and micro finance banks are extending agricultural credit to farmers. These institutes are providing loans for the production and development in the agriculture sector i.e. crops production, poultry, livestock, orchards, fisheries, nurseries, apiculture, forestry, etc. [6]. From 2007 to 2012, the total loan extended to farmers was 1249.5 billion Pakistan rupees which were disbursed through different commercial banks, domestic private banks, microfinance banks, Punjab Provincial Cooperative Bank Limited (PPCBL) and ZTBL (Zarai Taraqiati Bank Limited) [6].

All the banks in Pakistan which are extending agricultural credit to farmers are bound to follow the terms and conditions of this scheme while extending loan to farmers having up to 12.5 acres land holdings. Through this scheme the beneficiary of credit (farmers) up to 12.5 acres land holders are insured when they get credit from banks for any of the five important crops. It is a mandatory crop insurance scheme. This scheme of crop insurance is designed to protect the farmers against predefined hazards like excessive rain, frost, hail, flood and diseases of crops. The five pre defined crops on which this scheme is implementable are maize, sugarcane, rice, cotton and wheat. In case of any event of specified natural disaster, the farmers who are accessing the loan are compensated with an amount of three times of their paid premium. The maximum annual premium for this scheme is 2 percent of the loan granted and for small and subsistence farmers the government also provides subsidy. In Pakistan those farmers who don't avail loan from banks are not assured so in case of any natural hazards, as witnessed in recent years, they have to face a lot of financial problems. There is need of any universal crop insurance scheme which can be beneficial to all the farmers whether they avail the loan from financial institutes or not.

2- PPAF (Pakistan poverty alleviation fund crop and animal insurance scheme)

With the strategic partnership and collaboration of Securities and Exchange Commission of Pakistan, International Fund for Agricultural Development (IFAD) and Pakistan Poverty Alleviation Fund (PPAF) have designed and launched a crop and livestock insurance scheme. This insurance scheme is an index-based type of crop insurance which covers certain risks which are associated with weather fluctuations [9]. Swiss Re, an international name of re insurer has agreed to play the role of international reinsurer for this scheme. For the implementation of this scheme, two locations in the arid agricultural zone have been finalized in Punjab province of Pakistan namely Talagang and Soon valley. In these areas the crops are dependent on the rainfall and in case of shortage of rainfall the crops are badly affected so in order to provide the farmers a protection against the fluctuation in rainfall, this scheme is started in this area. The index-based crop insurance scheme is being introduced in Pakistan. For only one crop i.e. wheat was selected and One thousand farmers from both locations were the participants in this scheme [9].

This existing status of crop insurance in Pakistan clearly reveals that in Pakistan, farmers have to face a lot of risks related to their agricultural production while from the government and private sector side; they have been provided very limited options to cope these risks. Keeping this fact in mind, this research was conducted to know the status of awareness among farmers about crop insurance and assess the perception of farmers regarding the crop insurance in Pakistan keeping in mind the following objectives:

Research Objectives:

To identify the awareness level about crop insurance and sources of awareness among the farmers.

To evaluate the perception of farmers towards crop insurance.

To find out the traits of crop insurance which are considered most importance among farmers.

Materials and Methods

For the current study, the population consisted of all the farmers involved in growing food and cash crops in the RajanPur district of Punjab province of Pakistan. According to 1998 census (The latest available census) of Pakistan, this district has a population of 1103618 persons and occupies an area of 12318SqKms. For the administrative purpose, this district has been divided into 3 tehsils and has total 47 union councils [10]. This district was purposely selected because of its exposure to floods and climatic risks in the past. During recent floods, this district was severely affected and crops on an area of 355,984 acres were affected [11]. Among the four tehsils of this district, two tehsils¹ namely Jampur and Rojhan were randomly selected and from each tehsil, 60 respondents were randomly selected for the purpose of collection of the data. A well-structured questionnaire was employed to carry out a comprehensive survey and the information from the respondents was collected about different variables i.e. age, education level, land holdings, awareness with crop insurance, understanding level with the concept of crop insurance, sources of awareness with crop insurance, perception of farmers regarding crop insurance, perceived risks associated with agriculture and traits of crop insurance. Using various statistical tools like arithmetic mean, standard deviation, counting, percentage and analysis of variance, the collected data was analyzed using SPSS for windows 8 to get an inside picture of the collected data. A five-point Likert scale where “5” was declared as the “most important” and “1” as the “least important” was used to measure different variables.

Results and discussion

(1) Demographic profile of the farmers (respondents)

The profile of the respondent farmers containing their demographics like age, education and land holding size has been described in table 1.

The data shows that most of the respondents were young and having less experience of farming. The farmers were having little education and most of the farmers were having less than 4 acres land holdings.

Table 1: Demographic profile of the respondents:

<i>Characteristics</i>	<i>Respondents</i>	<i>Percentage</i>
<i>Age (years)</i>		
20-35	33	27.5%
36-50	32	26.7%
51-75	31	25.8%
Above	24	20%
<i>Education level</i>		
Primary	73	60.8%
Middle	32	26.7%
High	11	9.17%
Above	04	3.33%
<i>Landholdings (acres)</i>		
Less than 5	75	62.5%
5-12	31	25.8%
More than 12	14	11.7%

(2) Awareness level among farmers:

The respondents of the survey were asked whether they were aware with the concept of crop insurance or not. Among the respondents, 77 farmers (64.17% of the total) mentioned that they had awareness about the crop insurance and remaining 43 farmers (35.83% of the total) mentioned that they had no idea about this term. The results shows that majority of the farmers in the study area had awareness about the crop insurance. Findings are shown below in table 2.

Table 2: Awareness of farmers about crop insurance:

Characteristics	No of farmers(counted)	Percentage
Aware	77	64.17
Not aware	43	35.83

Source: survey data, 2013

n=120

(2.1) Understanding level of crop insurance:

Since 77 farmers were of the view that they had awareness about crop insurance so in order to find out their understanding level with crop insurance and its functions, they were given three choices namely “I know a little”, “I understand well”, “I don’t know well” and they were asked to choose the one which best suit over them. According to the results, 27.27 percent farmers ranked them self as having awareness about crop insurance with a little knowledge, 29.87% farmers ranked themselves as having awareness with crop insurance with well understanding of how it works and the remaining 42.86 percent farmers ranked themselves as having awareness with crop insurance but with a view that they don’t know well about how it works. Results show that majority of farmers have not much understanding with crop insurance and its functions. The results are also shown in the table 3.

Table 3: Understanding of farmers towards crop insurance:

Characteristics	No of farmers(counted)	Percentage
I know a little	21	27.27
I understand well	23	29.87
I don’t know well	33	42.86

Source: survey data, 2013

n=77

(2.2) Sources of awareness:

Respondents of the survey were asked about various sources of information regarding crop insurance and were asked to rate those sources on an important scale as “5” the most important and “1” as the least important. According to the results, the sources of awareness for crop insurance perceived by farmers were E-media, print media, friends/ coworkers, financial institutes, insurance agents and extension staff. The five point Likert scale shows that friends/coworkers and financial institutes were the two most important sources of awareness for the farmers (with mean value of 4.30 and 3.74 respectively) while extension staff was the least important source of awareness declared by the farmers with a mean value of 1.86. The detailed findings are also shown in table 4.

Table 4: Perception of farmers towards importance of various sources of awareness:

	E-media	Print-media	friends/co-workers	financial institutes	insurance agents	extension staff
Mean	2.31	2.08	4.30	3.74	2.02	1.86
Standard deviation	1.38	1.19	0.88	1.24	1.17	1.35

Source: survey data, 2013

n=77

(5=most important and 1=least important)

(3) Perception about crop insurance:

The respondents were asked to describe what they perceive about crop insurance. The respondents were recorded and the respondents were asked to rate them on a five point importance scale. According to the results “kind of a tax”, “subsidy from government”, “designed for a specific group”, “given compensation not satisfactory” and “valuable in terms of time and money” were the important points raised by the farmers. The five point Likert scale shows that

majority of the farmers perceived that the crop insurance schemes were not very useful as the given compensation is not satisfactory and it was declared as the most important perception by the farmers while a considerable number of farmers perceived that the crop insurance was designed for a specific group of farmers i.e. designed only for large scale farmers. The findings are also shown in table 5

Table 5: Perception of farmers towards crop insurance:

	kind of tax	Subsidy from Government	Designed for a specific group	Given compensation is not satisfactory	Valuable in terms of time n money
Mean	4.12	2.03	4.16	4.32	1.94
Standard deviation	1.18	1.38	1.27	1.02	1.31

Source: survey data, 2013

5=most important, 1=least important

(4) Traits perceived by farmers:

The respondents of the survey were asked to describe the traits/feature which must be possessed by any future crop insurance scheme in the study area. They were asked to rate the relative importance on a five point Likert scale. The results show that the farmers perceived low premium and maximum compensation as the two most important traits which should be possessed by any future launched crop insurance scheme in the area. The mean values assigned to both of the features were 4.69 and 4.14 respectively. The detailed results are also shown in table 6.

Table 6: Perception of farmers towards importance of various traits of crop insurance:

	Low premium	Easy procedure/ Documentation	Maximum compensation	Easy access to insurance providers
Mean	4.69	3.32	4.14	2.38
Standard deviation	0.59	1.44	1.14	1.42

Source: survey data, 2013

n=77

(5) Perceived risks by the farmers:

The respondents were asked to state the risks faced by their crops in the study area and also were asked to rate perceived risks on a 3 point importance scale with respect to severity of the perceived risk. Climatic risk and crop disease was given most importance by the farmers with a mean value of 2.73 and 2.39 respectively.

Table 7: Perception of farmers towards importance of various risks faced by their crops:

	Climatic risk	Failure of crop	Crop disease
Mean	2.73	1.9	2.39
Standard deviation	0.52	0.88	0.71

Source: survey data, 2013

3=most important, 1= least important

n= 120

(6) Impact of socio economic factors on the level of awareness:

In order to find out the socio economic factors which affect the awareness level of farmers regarding crop insurance, three hypothesis were developed based on the demographic variables which are below

H1: demographic factor of age has a significant impact on the awareness level of the farmers regarding the crop insurance.

H2: demographic factor of education has a significant impact on the awareness level of the farmers regarding the crop insurance.

H3: demographic factor of land holdings has a significant impact on the awareness level of the farmers regarding the crop insurance.

A comparison of farmers' responses about the awareness with crop insurance with respect to demographic factors such as age, education and land holdings was made with the help of analysis of variance to find out any significant differences in the awareness level. ANOVA test was used to analyze the differences between group means and the variation among and between groups using the below equation. The results are shown in table 8.

$$F = MST/MSE$$

MST = mean square of treatment

MSE = mean square of error

Chi- square or χ^2 -distribution with k degrees of freedom which is the distribution of a sum of the squares of k independent standard normal random variables was used for goodness of fit of an observed distribution to a theoretical one. The below equation was used for this purpose.

$$\chi^2 = \sum_{i=1}^n \left(\frac{n \text{Observed}_i - \text{expected}_j}{\text{expected}_i} \right)$$

Observed I = observed frequency in cell i

Expected j = expected frequency in cell i

N = number of cells

Table 8: Results of the analysis of variance:

Variables	ANOVA		Chi Square	
	F value.	Sig.	Chi square value.	Sig.
Awareness level with respect to Age	1.485	.222	4.437	.218
Awareness level with respect to education	2.203	.091**	6.467	.091**
Awareness level with respect to landholding	3.388	.037*	6.6569	.037*

* Significant at 0.05 level

** Significant at 0.10 level

(6.1) Awareness level with respect to Age:

The insignificant results using ANOVA show that there is no difference of awareness among different age groups. Chi square is also insignificant so the results show that there is no difference of awareness among different age groups. It shows that the age of farmers does not affect the awareness level of the farmers in the study area.

(6.2) Awareness level with respect to education:

While finding the impact of education on awareness, the ANOVA test and Chi square tests were used. The ANOVA results showed a significance relationship between education and awareness that means there exist differences in awareness among different education levels. Chi square Result was also significant that mean there is difference in awareness among different education levels. Farmers with less education had less awareness about crop insurance and farmers with higher education had greater awareness with crop insurance. It shows that education plays an important role in awareness among farmers. From here we can conclude that educated farmers can

understand the information provided to them through different sources of communication in a better way. Keeping in mind this finding, the concerned authorities can disseminate the relevant information in such a manner that farmers with less education may understand well. For this purpose, the local or regional language can be used for this purpose rather than the national language.

(6.3) Awareness level with respect to landholdings:

Using ANOVA, The results were significant at 0.05 level of significance which shows that awareness level varies among different land holdings. Chi square results were also significant at 0.05 level of significance which shows that awareness level varies among different land holdings. The counting method using the primary data collected shows that 70% of farmers having less than 5 acres landholdings were aware about the crop insurance and 45% having 5-12 acres landholdings were also aware with the crop insurance while 71% farmers with landholdings of greater than 12 acres were aware with the crop insurance. Hence the awareness level among >12 acres and less than 5 acres was found greater as compare to 5-12 acres of land holdings.

Result of defined hypothesis in a glance.

The results of the test rejected the 1st hypothesis, accepted the 2nd hypothesis and partially accepted the 3rd hypothesis i.e. the demographic factors of age had no impact on the awareness level, the demographic factor of education had impact on the level of awareness while the demographic factor of land holding had a mix impact on the level of awareness; the awareness level among >12 acres and less than 5 acres was found greater as compare to 5-12 acres of land holdings.

Conclusion

The concept of crop insurance is relatively new in Pakistan. The crop loan insurance is under practice in Pakistan since 2008 but it only provides a cover to farmers against any damage of a proportion of the premium paid by the farmers while getting the loan. This type of insurance is being provided for food crops like wheat, rice, sugarcane, cotton and maize in Pakistan. Index based crop insurance is recently implemented by PPAF in rain fed areas of Pakistan in the Punjab province. Keeping in mind all these factors, the present research work was conducted to assess the awareness level of crop insurance in Pakistan. The study revealed that among a total of 120 farmers, 35.83 % farmers were not aware about the crop insurance while remaining 64.17 % farmers were aware with the term crop insurance. The respondents who were aware with the concept of crop insurance i.e. 77 farmers (64.17% of total sample taken), only 29.87 percent declared that they understand well about the concept of crop insurance and how it works. This shows that most of the farmers in the study area don't know the benefits which they can enjoy by utilizing the crop insurance. This lack of awareness can be overcome by joint efforts of government institutes and insurance companies. The farmers who were aware with the crop insurance, they rated friends/coworkers and financial institutes as two most sources of information regarding crop insurance. This shows that the insurance companies are not properly marketing their crop insurance plans using e-media and other sources of communication. The extension agents can be an important source of disseminating information regarding the benefits of crop insurance and government authorities should direct the extension agents to provide information to farmers. The question regarding the general perception of crop insurance revealed that majority of the farmers consider the crop insurance as it has been designed for specific group of farmers i.e. for land lords as well as farmers also consider it a type of a tax which can reduce their disposable income by causing an additional expense. These concepts can be updated by provision of right information about the crop insurance using various communication tools i.e. proper use of e media because the education level of farmers is low so they can utilize print media properly. The FM radio services can also be used for conveying message to farmers.

The farmers also revealed that any proposed scheme of crop insurance must possess the features of low premium, maximum compensation and easy procedure of documentation. The government and private insurance companies can start crop insurance scheme based on micro finance philosophy and the subsidy from government on premium can attract the farmers towards

crop insurance plans in the study area. The one window operation can be used in order to reduce the long documentation fatigue issues. Major risks perceived by the farmers in the study area were climatic risk and crop diseases so keeping in mind the past data about the disasters faced by farmers, the solution provider crop insurance scheme can be introduced by the private or government sector. The analysis of variance revealed that the education and land holdings had significant impact on the awareness level of the farmers while the age of farmers had no significant impact on the awareness level of the farmers in the study area. The awareness level was found to be increasing with respect to an increase in the education level and greater landholders and small landholders had awareness as compare to medium landholders in the study area.

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A Comparison of Interest-Free and Interest-Based Microfinance in Bosnia and Herzegovina

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Abstract

Microfinance has long been used a developmental tool to fight poverty. It has been operational since the 1960s. Recent studies have shown positive impacts of microfinance with respect to generating income and smoothing consumption of its clients. On the other hand, a number of critics argue that microfinance has not been able to achieve its main objective of fighting poverty. This is due to the shift that has taken place in the industry from poverty-focus to profit-oriented business-focus. Above all, microfinance faces other challenges on its way to succeed. One of the major challenges is that the product is not universally applicable or it does not tailor with the belief system of the Muslims despite the fact that one third of the world poor are Muslims. There has been a growing effort to create an 'Islamic' model of microfinance. The Islamic Model of Microfinance represents a new paradigm of social enterprise in which profit and loss sharing replaces interest-based financing. The growth of Islamic microfinance has led organizations such as the Consultative Group to Assist the Poor (CGAP), a multilateral organization distributing knowledge about Islamic microfinance, and the Islamic Development Bank (IDB) to begin understanding this new way of approaching poverty. The objective of this paper is to review the existing Islamic microfinance institutions (IMFIs) in Bosnia and Herzegovina (BH), and to propose a Shariah compliant microfinance product in Islamic microfinance operations particularly in BH.

Keywords: Microcredit; Bosnia and Herzegovina; Microfinance Institutions; Interest-free Financing; Islamic Microfinance Institutions; Loans; Repayment; Poverty; Debt.

Introduction

Evolution of Microfinance

The failure of commercial banking to provide financial services to the poor has brought about interventions in the markets for financial services at the micro level. Consequently, microfinance emerged as an economic development approach intended to address the financial needs of the deprived groups in the society. The term microfinance refers to "the provision of financial services to low-income clients, including self-employed" (Ledgerwood, 1999, p. 1). The emergence of this new paradigm was encouraged by the successful story of microfinance innovations serving the poor throughout 1970s and 1980s. The most quoted examples are Grameen Bank Bangladesh, the *unit desa* system of Bank Rakyat Indonesia, ACCION International in the United States and in Latin

America and PRODEM, BancoSol's predecessor in Bolivia. The microfinance adopts market-oriented and enterprise development approach. It emphasizes institutional programme innovations to reduce costs and risks and has greater potential to expand the financial frontier to the poor in sustainable manner (Littlefield, Morduch, & Hashemi, 2003).

In Bosnia and Herzegovina (BH), the majority of MFIs were established as affiliates of international networks during the post-conflict reconstruction efforts in BH. As such, they received the majority of funding from donations. As MFIs increased in size and became more efficient and profitable, they began to attract more funds from commercial sources. There are 25 microcredit institutions in BH where; 16 in the Federation of Bosnia and Herzegovina (FBH), from which 15 microcredit foundations (MCFs) and one microcredit company (MCC) and; 9 in Republika Srpska (RS) of which 5 microcredit foundations and 4 microcredit companies. BH as a country is comprised of three regional entities, Federation with 10 Cantons, Serbian Republic (Republika Srpska) and Brcko District (BD).

The Association of Microfinance Institutions (AMFI) in BH which was established in 2000 is the primary microfinance network operating in the country. AMFI currently has nine MFIs members which according to the MIX (2008), account for 98 percent of Bosnia's microfinance portfolio. MFIs in BH state that their main purpose is to empower women and assist returnees and IDPs to return to their pre-war houses. Other objectives include reconstructing destroyed houses, starting small businesses, assisting socially disadvantaged persons, improving living conditions of the poor and assisting poor students to afford a good education. Four microcredit foundations from BH were ranked among 50 most successful microcredit institutions worldwide by the most influential finance magazine Forbes in 2007 (<http://amfi.ba/en/>).

Islamic Banks

The concern over poverty reduction via microfinance initiative is also of relevance to Islamic banks. As business entity established within the ambit of Shari`ah, Islamic banks are expected to be guided by Islamic economic objectives, among others, to ensure that wealth is fairly circulated among as many hands as possible without causing any harm to those who acquire it lawfully (Ibn Ashur, 2006). Indeed, Islamic banking industry is one of the fastest growing industries, having posted double-digit annual growth rates for almost 30 years (Iqbal & Molyneux, 2005). Started as a small rural banking experiment in the remote villages of Egypt in the early 1970s, Islamic Banking has now reached a level where many mega-international banks worldwide offering this kind of products. Unfortunately, the vast majority of Islamic commercial banks do not service the poor nor do they share their technical knowledge and expertise with Islamic MFIs.

In Bosnia and Herzegovina, the Bosnia Bank International (BBI) is the only operating Islamic bank since its establishment in 2000. In comparison with the year 2011, BBI recorded significant growth in all its business lines in 2012. Total assets grew by 27%, total revenues increased by 17% and net profit grew by 27% (<https://www.bbi.ba/en/>). Recognizing the role of microfinance in alleviating poverty and developing the local economy, BBI has launched its microloans in 2012. More details about this line of microloans are presented in methodology and data collection sections of this paper.

Incompatibility with Islamic Principles

According to CGAP (2008) 72 percent of people living in Muslim majority countries do not use formal financial services. Even when financial services are accessible, some Muslims view conventional banking products as incompatible with Islamic principles and laws (Sharia law).

Some microfinance institutions (MFIs) have stepped into servicing poor Muslim clients who demand financial products in accordance with Islamic financial principles leading to the development of Islamic microfinance as a new market niche. This new practice has the potential not only to respond to the unmet demands of the Muslim poor but also to combine Islamic social principles of caring for the less fortunate. This new niche has the prospective to provide millions of poor Muslims, who reject conventional microfinance products, access to Sharia compliant financial products.

Based on Islamic Sharia principles, it is not permissible to charge, pay or receive interest; this ban on interest is derived from two essential Sharia principles. One principle asserts that money has no intrinsic worth. Money is not an asset by itself and can increase in value only if it joins with other resources to undertake productive activity. Therefore, money cannot be bought and sold as a commodity, and it cannot increase in value over time. According to second principle, fund providers (Islamic MFIs) must share the business risk. Providers of funds are not considered creditors (who are typically guaranteed a predetermined rate of return), but rather investors (who share the rewards as well as risks associated with their investment which is based on profit and loss principles). To this end, the system places the responsibility on the financier (Islamic MFI) and the borrower (entrepreneur), as they both share the risks and benefits associated with the financial transaction. Many Islamic microfinance programmes also integrate the zakah principles (act of giving) in their financing model to ensure that the extreme poor are not left out. This is done by providing interest free-loans (Qard-hasan) to the poor by utilizing the funds provided through zakah (See Table 1 below, which compares Islamic MFIs versus conventional MFIs).

Islamic Microfinance

Recognizing that microfinance can be an important channel in poverty alleviation, Islamic microfinance is increasingly seen, especially in Muslim majority countries, as an alternative to conventional microfinance to alleviate the poor out of poverty. Islamic MFIs have been developed with the sole purpose of providing the poor who have little or no access to capital from the commercial banking sector with viable financial services that are in accordance with Islamic principles.

Despite the strong demand for Islamic microfinance products and services, the growth of this sector has been slow. This is mainly due to the fact that Islamic microfinance services are generally provided by non-governmental organizations (NGOs) who may not possess the adequate technical expertise or funding to ensure the proper implementation and sustainability in servicing the very poor. On the contrary, the Islamic commercial banking sector, which provides Islamic products to the non-poor, has seen tremendous growth in the past three decades.

In Bosnia and Herzegovina, Micro First Islamic is the only officially registered interest-free, not for profit micro-credit institution since 2001, while Human Appeal International running its limited microloans program as part of its humanitarian activities in BH. BBI is the third Islamic financial institution that adopted the microloans approach within its financial scheme in BH. More details about these three microcredit programs are provided in the methodology and data collection sections of this paper.

Paper Rationale and Structure

The literature that explores Islamic microfinance in Bosnia and Herzegovina (BH) is very limited and scarce. Therefore, the main aim of the paper is to review the operating interest free microfinance institutions and programs in Bosnia and Herzegovina and to assess the potentials of Islamic financing schemes for micro financing purposes. The paper argues that Islamic finance has an important role for furthering socio-economic development of the poor and small (micro) entrepreneurs without charging interest. Furthermore, Islamic financing schemes have moral and ethical attributes that can effectively motivate micro entrepreneurs to thrive. The paper also argues that there is a nexus between Islamic banking and microfinance as many elements of microfinance could be considered consistent with the broader goals of Islamic banking.

This paper is structured as follows. The previous sections provided a brief review of the evolution of microfinance and Islamic Banking globally and locally in BH. It explained the incompatibility of the interest based microfinance approach to Islamic principles and among Muslim communities as well. The following sections discuss differences and similarities between conventional and Islamic microfinance and the diverse financial instruments that Islamic banking can apply together with other available microfinance mechanisms which can be integrated into microfinance programmes. Comparisons between conventional and Islamic microfinance institutions are backed up with secondary data, which show the differences in performance of

MCOs in the Federation of Bosnia and Herzegovina (FBH) during the period 2008-2012. The final section presents the conclusions that are found in this paper including the fundamental differences between interest free microfinance institutions (IF MFIs) and interest based microfinance institutions (IB MFIs).

Literature review

In 1997, the first Microcredit Summit launched a nine-year campaign to reach 100 million of the world's poorest families, especially the women of those families, with credit for self-employment and other financial and business services by the year 2005. The World Bank has also declared 2005 as the year of microfinance with the aim to expand their poverty eradication campaign. The success of the first phase of the Campaign, during which those with microloans grew from reaching 7.6 million of the world's poorest families in 1997 to more than 100 million in 2007. In November of 2006, the Campaign was re-launched with two new goals. First, reaching 175 million poorest families with microfinance; second, helping 100 million families to lift themselves out of extreme poverty. In addition, the Campaign had four core themes that focused not only on the number of clients reached but also on the quality of the practitioners' work: Reaching the Poorest, Empowering Women, Financial Self-Sustainability, A Positive, Measureable Impact.

Principles of Interest-Based Microfinance

Microfinance grew out of experiments in Latin America and South Asia, but the best known start was in Bangladesh in 1976, following the wide-spread famine in 1974. Advocates argue that the microfinance movement has helped to reduce poverty, improved schooling levels, and generated or expanded millions of small businesses. The idea of microfinance has now spread globally, with replications in Africa, Latin America, Asia, and Eastern Europe, as well as richer economies like Norway, the United States, and England.

Among *the features of microfinance* are disbursements of small size loans to the recipients that are normally micro entrepreneurs. The loans are given for the purpose of new income generation project or business expansion and smoothing consumption. The terms and conditions of the loan are normally easy to understand and flexible. It is provided for short term financing and repayments can be made on a weekly or longer basis. *The procedures and processes* of loan disbursements are normally fast and easy. Additional capital can also be given after the full settlement of the previous loan. Microfinance is an alternative for micro entrepreneurs, which are normally not eligible or bankable to receive loans from commercial banks.

The *basic principle* of microfinance as shortly explained by Dr. Muhamad Yunus, the founder of Grameen Bank Bangladesh, and the recipient of the Nobel Peace Prize in 2006, that credit is a fundamental human right. The *primary mission* of microfinance is, therefore to help poor people in assisting themselves to become economically independent. Credit or loan is given for self employment and for financing additional income generating activities. The assumption of the *Grameen model* is that the expertise of the poor is underutilized. In addition, it is also believed that charity will not be effective in eradicating poverty as it will lead to dependency and lack of initiative among the poor. In the case of Grameen Bank of Bangladesh, women comprised of 95% of the borrowers, and they are more reliable than men in terms of repayments (Gibbons and Kassim, 1990).

In order to facilitate *loan process* for the poor, loan is given without collateral or guarantor, and normally is based on trust, which is not the case in BH, as borrowers should provide guarantor/(s) and other official documents that will be activated and proceeded to the court in case of repayment failure. Microfinance is an alternative for loan because the conventional banking system recognized the poor as not-credit worthy. *Loan facility* is provided based on the belief that "people should not go to the bank but bank should go to the people". In order to obtain the loan, the prospect borrower needs to join the recipient group of microfinance. The group members are given small loans, and the new loans will be given after the previous loans are repaid. The *repayment scheme* is on short term basis on a scale of a week or every two weeks. The loans are also given together *compulsory saving* package (e.g. compulsory saving in the group fund) or

voluntary saving. The loan priority is for establishing social capital through group joint projects established among the loan recipients. In BH, the *individual lending approach* is dominantly applied by most of MFIs other than the group based approach; the installments are mostly done on monthly bases; and MFIs are not allowed to receive deposits from their clients regardless whether they are done voluntarily or compulsorily.

Fruman and Goldberg (1997) explained that good microfinance programs are characterized by the followings:

- Small, usually short-term loans, and secure savings products.
- Streamlined, simplified borrower and investment appraisal.
- Alternative approaches to collateral.
- Quick disbursement of repeat loans after timely repayment.
- Above-market interest rates to cover the high transactions costs inherent in microfinance.
- High repayment rates.
- Convenient location and timing of services.

Principles of Interest-Free Microfinance

The Grameen Bank is an outstanding example of a successful microfinance institution. The award of the Nobel Prize in 2006 to the founder of the Grameen Bank, Muhammad Yunus, brought microfinance to international attention. Although Bangladesh is a predominantly Muslim country, the Grameen Bank is not a *shari'ah* compliant financial institution as it charges interest on loans, and pays interest to depositors.

There are also wider concerns with conventional microfinance from a Muslim perspective. Although the provision of alternatives to exploitative lending is applauded, there is issue of whether these are sustainable if they conflict with the values and beliefs of local Muslim communities. As interestingly pointed out by Wilson (2007), simply extending materialism and consumerism into rural poor communities and urban shanty town settlements could actually undermine social cohesion, by raising false expectations which could not be fulfilled, resulting in long term frustration and possible discontent or even economic crime. Supporters of Islamic alternatives to conventional microfinance have as their aim the enhancement of Islamic society, rather than with the promotion of values that might be contrary to *shari'ah*. Comprehensive Islamic microfinance should involve not only credit through *debt finance*, but the provision of *equity financing* via *mudarabah* and *musharakah*, *savings schemes* via *wadiah* and *mudarabah deposits*, money transfers such as through *zakat* and *sadaqah*, and *insurance* via *takaful* concept.

The below Table 1 summarizes the possible differences in characteristics and objectives between the conventional microfinance and Islamic microfinance.

Table 1: Differences between Conventional and Islamic Microfinance

Items	Conventional MFI	Islamic MFI
Liabilities (Source of Fund)	External Funds, Saving of Client	External Funds, Saving of Clients, Islamic Charitable Sources
Asset (Mode of Financing)	Interest-Based	Islamic Financial Instrument
Financing the Poorest	Poorest are left out	Poorest can be included by integrating with microfinance
Funds Transfer	Cash Given	Goods Transferred
Deduction at Inception of Contract	Part of the Funds Deducted as Inception	No deduction at inception
Target Group	Women	Family
Objective of Targeting Women	Empowerment of Women	Ease of Availability
Liability of the Loan (Which given to Women)	Recipient	Recipient and Spouse
Work Incentive of Employees	Monetary	Monetary and Religious

Dealing with Default	Group/Center pressure and threat	Group / Center Spouse Guarantee, and Islamic Ethic
Social Development Program	Secular (non-Islamic) behavioral, ethical, and social development	Religious (includes behavior, ethics and social)

Source: Ahmed (2002)

Islamic Banking and Microfinance

Currently, there are about 270 Islamic banks worldwide with a market capitalization in excess of US\$13 billion. The assets of Islamic banks worldwide are estimated at more than US\$265 billion and financial investments are above US\$400 billion. Islamic bank deposits are estimated at over US\$202 billion worldwide with an average growth of between 10 and 20%. Furthermore, Islamic bonds are currently estimated at around US\$30 billion and are the 'hot issue' in Islamic finance. In addition, Islamic equity funds are estimated at more than US\$3.3 billion worldwide with a growth of more than 25% over seven years and the global Takaful premium is estimated at around US\$2 billion (Abdul Rahman, 2007).

Due to the massive expansion in Islamic banking activities, some commercial banks started to offer Islamic banking facilities (e.g. state-owned banks in Egypt, National Commercial Bank in Saudi Arabia). Furthermore, the Islamic financial product is also now offered by the European banks (i.e. Kleinwort Benson of London and the Swiss Banking Corporation). Such developments show that the Islamic financial instruments are increasingly being accepted internationally, even in non-Islamic countries and the basic principles are well understood in those countries (Wilson, 2000). Despite the wide acceptance of Islamic banking worldwide, the concept of financing for the poor or microfinance by Islamic banks was not well developed. Most Islamic banks, as in the case of conventional commercial banks, did not provide easy access to financing to the poor.

Concern over credit provision and finance accessibility for the poor via microfinance is also relevant to Islamic banks that should place greater social welfare responsibilities and religious commitments to achieve the Islamic economic objectives, including social justice, equitable distribution of income and wealth and promoting economic development. Many writers such as Al-Harran (1990, 1996, 1999), Akhtar (1996, 1998), Dhumale and Sapcanin (1999), Ahmed (2001), and others, believe in the great potential of Islamic banking to be involved in microfinance programmes to cater for the needs of the poor who usually fall outside the formal banking sector.

In addition to the innovative approaches used by many microfinance institutions, Islamic banking can apply diverse financial instruments together with other available mechanisms such as zakah, charity and waqf which can be integrated into microfinance programmes to promote entrepreneurship amongst the poor and subsequently alleviate poverty (Akhtar, 1996, 1998; S. Al-Harran, 1995, 1996, 1999; S. A. S. Al-Harran, 1990; Al-ZamZami & Grace, 2000; Dhumale & Sapcanin, 1998; Hassan & Alamgir, 2002).

Many elements of microfinance could be considered consistent with the broader goals of Islamic banking. Both systems advocate entrepreneurship and risk sharing and believe the poor should take part in such activities (Dhumale and Sapcanin, 1999). At a very basic level, the disbursement of collateral-free loans in certain instances is an example of how Islamic banking and microfinance share common aims. This close relationship would not only provide obvious benefits for poor entrepreneurs who would otherwise be left out of credit markets, but investing in microenterprises would also give investors in Islamic banks an opportunity to diversify their investments.

Islamic Microfinance and Islamic Banking

Unlocking the potential of Islamic microfinance is the key to providing financial access to millions of Muslim poor and an essential tool to achieve the goal of making poverty history by 2015, as pledged in the United Nations' Millennium Development Goals. To achieve a more balanced world it would require only \$30 billion to provide microfinance facilities to world's

poorest 175 million families. The final outcome will also contribute towards inclusiveness and the integration of Islamic microfinance into the Islamic financial system.

Islamic microfinance is still in its infancy with less than 1% of total global microfinance outreach: a few hundred thousand customers are managed by a couple of hundred institutions (mostly NGOs) operating in not more than 20 countries. Challenges in reaching a sustainable scale are mainly due to the not-for-profit culture of the Islamic microfinance institutions (IMFIs) that feature an over-dependence on grants coupled with a lack of operational efficiency and of proper risk management. This, in turn, obliges the IMFIs to constantly look for injections of funds to keep running, to ration their funds thereby limiting access to financial services by some people or geographical areas and, above all, does not entice them to collect the extra savings necessary to build those permanent local financial institutions that can attract domestic deposits, recycle them into loans, and provide other financial services (Alberto, 2011).

Three basic instruments of Islamic finance could be built into the design of a successful microfinance program: *mudaraba* (trustee financing), *musharaka* (equity participation), and *murabaha* (cost plus markup) (Abdouli, 1991). Comparatively, *qardhul hasan*, *murabahah* and *ijarah* schemes are relatively easy to manage and will ensure; the capital needs (*qardhul hasan*), equipments (*murabahah*) and leased equipments (*ijarah*) for potential micro entrepreneurs and the poor. Participatory schemes such as *mudarabah* and *musharakah*, on the other hand, have great potentials for microfinance purposes as these schemes can satisfy the risk sharing needs of the micro entrepreneurs. These schemes, however, require specialized skills in managing risks inherent in the structure of the contract. In theory, different schemes can be used for different purposes depending on the risk profile of the micro entrepreneurs.

Instruments in Islamic finance

Mudarabah; has the potential to be adapted as Islamic microfinance scheme. *Mudarabah* is where the capital provider or microfinance institution (*rabbul mal*) and the small entrepreneur (*mudarib*) become a partner. The profits from the project are shared between capital provider and entrepreneur, but the financial loss will be borne entirely by the capital provider. Two of the conditions for a *mudaraba*-type venture show the level of partnership implicit in Islamic contracts (Hasanuzzaman, 1994, p. 7);

- “The gross or net return on capital or entrepreneurship should not be predetermined.
- Partners should share not only profits but also losses in proportion to their shares in the enterprise”.

Musharakah; can also be developed as a micro finance scheme where Islamic bank will enter into a partnership with micro entrepreneurs. If there is profit, it will be shared based on pre-agreed ratio, and if there is loss, it will then be shared according to capital contribution ratio. The distinguishing features of this type of contract are the nature of the business activity and the duration of the gestation period for the business. Two or more partners contribute to the capital and expertise of an investment (Dhumale, and Sapcanin, 1999).

Murabahah; using *murabahah* as a mode of microfinance requires Islamic bank to acquire and purchase asset or business equipment then sells the asset to entrepreneur at mark-up. Repayments of the selling price will be paid on installment basis. The Islamic bank will become the owner of the asset until the full settlement (Dhumale, and Sapcanin, 1999).

Ijarah; is a long term contract of rental subject to specified conditions as prescribed by the *shari'ah*. Unlike conventional finance lease, the lessor (Islamic bank) not only owned the asset but takes the responsibility of monitoring the used of asset and discharges its responsibility to maintain and repair the asset in case of mechanical default that are not due to wear and tear. The bank should first purchase the asset prior to execution of an *ijarah* contract. The bank takes possession of the assets and subsequently offers the asset for lease to customer. The bank then is responsible for the risks associated with the asset.

Ijarah Muntahia Bitamleek; is an elaborate concept of *ijarah* where the transfer of ownership will take place at the end of the contract and pre-agreed between the lessor and the lessee. The title of the asset will be transferred to the lessee either by way of gift, token price, pre-determined price at the beginning of the contract or through gradual transfer of ownership. *Ijarah Muntahia Bitamleek* is more suitable for micro finance scheme especially for micro entrepreneurs who are in need of assets or equipments.

Qardhul Hasan; is another simple concept that can be advanced for microfinance purposes is *qardhul hasan* or simply means an interest free loan. Islamic bank can provide this scheme to the entrepreneurs who are in need of small start-up capital and have no business experience. The Islamic bank then will only be allowed to charge a service fee to cover the administrative and transactions costs of these loans so long as such costs are not related to the maturity or amount of the loan (Dhumale, and Sapcanin, 1999). The term of repayment will be on installment basis for an agreed period.

Description of available funds

Interest Based Microcredit Organizations (IB MCOs) in BH

The law on micro-credit organizations (Law on MCOs) regulates the establishment, registration, activities, form of organization, business operations, manner of management, termination of operations and supervision of micro-credit organization performance (MCO), that is micro credit foundation (MCF) and micro-credit companies (MCC) in the Federation of BH. The authorities of the (BA FBH) over these activities are regulated by the Law on the (BA FBH) and internal acts of the Agency. Since 2008, when the MCOs initiated the operations with the registration in the authorized registries, the Agency revoked a total of six licenses for operations, four due to merger with other MCFs, and two due to failure to implement the conditions for operations which lead to termination of operations of these MCFs. In comparison to 2008, the number of issued licenses for operations of MCOs from 20 decreased to 14 currently active licenses for operations, which presents a decline by 30%.

According to the reports of BA FBH and AMFI (2012), covering the period from 1996-2012, total amount of assets in BAM were 499.7 million, gross portfolio in BAM was 417.2 million (83% of total assets). Liabilities on taken loans in BAM were 312.04 million, capital in BAM was 163.5 million (33% of total liabilities). Amount of cash collected in BAM was 25.4 million (5% of total assets). In the report, amount of placements to banks in BAM was 8.3 million (2% of total assets) and profit (Surplus of income over expenses) in BAM was 13.24 million. Portfolio at risk over 30 days (PAR>30 days) was reported to be 1.9%. Also, capital in comparison to total assets ranged from 2% in some MCOs to 76% in others. Fixed assets in comparison to total assets ranged from nil in some MCOs to 21% in others. Total receivables in comparison to gross portfolio ranged from 4% in some MCOs to 115% in others. Number of active loans was 248,000 while number of users (individuals and legal entities) was 191,000. Average usage of loans was 1.3 with an average loan size of 1,682 BAM. Number of employees was 1,554. With the current institutional capacities, MCOs can place 12,000 to 15,000 loans ranging in worth between 36,000,000 BAM to 50,000,000 BAM on a monthly basis. Similarly, MCOs can place 145,000 to 180,000 loans in worth between BAM 415,000,000 to BAM 540,000,000 on a yearly basis.

When we look at the overall performance since 1996 until December 2012, we see that number of loans disbursed were 2,235,000 with an amount of financing in BAM 6,527,000,000. Average loan size in BAM was 2,920. Effective interest rate ranged from 27% to 39%. Repayment rate was 85% during the global financial crises in 2009, 89% in 2010, 93% in 2011 and 95% in 2012. Most of these loans were financially sustainable. About 560,000 persons used micro loans, with one or more loans per person, or more precisely, every person had on average 4.5 loans/individuals. More than 60% of persons those who were not able to meet pre-conditions for commercial banks' loans could use micro loans.

In terms of financing conditions, the required minimum age of applicant was 18 at the time of application and repayment had to be made on monthly installments. The repayment period ranged

from 12 to 36 months without a grace period. Users who regularly paid off the financing would be permitted for new funding, and the amount was gradually increased if conditions were fulfilled.

As far as the types of loans distributed, housing, business, service activities, agriculture, production, trading were the main types of loans. MCOs distributed 139.3 million BAM for individuals in 2011. These loans were mostly distributed for agriculture, service activities, trading, housing and production. Main target groups for the loans were returnees, women, individuals (98% of total users), and legal entities (2% of total users).

Interest Free Microcredit institutions (IF MCIs) in BH

There are three kinds of interest free microcredit institutions in BH. The first one is Micro First Islamic (MFI) that registered as a microcredit foundation and the second one is Bosnia Bank International (BBI) that registered as a Bank since its establishment. The third one is Human Appeal International (HAI) that registered as a NGO.

(Islamic) Bosnia Bank International (BBI)

According to the information obtained through questionnaires and interviewing two persons in charge in BBI, there are two microcredit lines launched by BBI bank with the objective to enhance the repatriation process of the returnees to their pre-war houses and properties; the first one called Trust fund, and it is available to all returnees within the country of BH. While the second one is "Al- Maktoum fund" which is precisely allocated to the returnees in Bratunac town in the Republika Sirpska.

Trust Fund

The objective of the fund is to provide micro-finance for the return of refugees, enabling to start their own business in the field of agricultural activities and livestock breeding, and other similar activities, which adequately match the location of the return. The above stated goal is achieved through the granting of financing to users through a large network of existing and or specially designed products by BBI. These products include construction or reconstruction of stables and associated facilities for cattle, poultry and meat, milk and eggs, the construction of other facilities that are necessary for the agricultural industry and the necessary machinery and equipment (refrigerators, generators, small generators, etc.), providing equipment and livestock (cages, nest, a place for growing and watering, cleaning apparatus, apparatus for maintaining optimal temperature, etc.), buying the main herd / flock for production, purchase of agricultural machinery and equipment, purchase of agricultural tools, the purchase and installation of greenhouses, buying seeds and plants for gardens and fruit growing, financing service in the field of animal husbandry and cultivation of plants (eg. Medicinal plants, etc.), financing farms, other purchases related to agricultural activities.

Gross portfolio of the fund in BAM is 4,088,473.09 and the number of active loans was 3,132. Number of microloans disbursed since the beginning of the program was 4,032. Amount of financing disbursed in BAM since the beginning of the program was 12,294,215.99. Average loan size in BAM was 6,007.00. Percentage of financing fees and service charges was 5.77% while the collection percentage was 94.13%.

According to the fund conditions, the age of the applicant must be minimum 18 and maximum 65 at the time of maturity of funding. The fund will use a method of financing that are consistent with Shari'ah exert little funding preferring individual amounts between 2,000 (two thousand) to 6,000 (six thousand) U.S. dollars, an exception may be granted is outside this framework. Refunds funding are made in monthly installments. The repayment period ranges from 12 to 48 months, including a grace period of three to eight months. Resources returned by the user are kept in the account of the fund in order to use the new funding to increase the total number of users. Users who regularly paid off the financing are permitted new funding, and gradually increase the amount of funding for which conditions have been fulfilled. As means of ensuring the repayment of loans, the fund may take one or more of the following; one or more of eligible guarantors for the bank; the contract for the purchase of agricultural products assigned at BBI;

bills of exchange or promissory notes of the company that buys products marked “no protest”; pledge of movable property (a mortgage); the insurance terms endorsed in favor of the Bank; bills exchange or promissory notes of client indicating “no protest”; firm warranty, company collateral acceptable to the bank from the standpoint of financial policy for legal entities.

Al-Maktoum Fund

The objective of the fund is the same of the previous one while the activities and products that are financed by this fund are assigned only to three category of agriculture; dairy farming and production; poultry; and beekeeping. Gross portfolio of the fund was 300,000 BAM. The number of active loans was 69. The number of microloans disbursed since the beginning of the program was 98 and the amount of financing disbursed in BAM since the beginning of the program was 992,277.15. Average loan size in BAM was 10,125.28. Percentage of financing fees and service charges was nil. Collection percentage is 97.14%. In addition to the conditions that mentioned in the previous “Trust Fund” the size of the loan ranges between 2,000 to 15,000 U.S. dollars, an exception may be granted outside this framework. Refunds funding is made in monthly installments. Repayment period ranged from 12 to 84 months, including a grace period of up to twelve months.

Micro First Islamic (MFI)

This fund is the only interest free, non-profit microcredit foundation operating in BH since 2001. It has two offices in BH; one in the capital city Sarajevo and another one in Tuzla city. It has three loan officers; each of them covers one of the three cantons where it focuses its operation (Tuzla Canton, Sarajevo Canton and Zenica–Doboj Canton). According to the annual report MFI (2012), its main goal is to help households to become sustainable, and to promote the Bosnian economy. But this is not reflected by the types of the distributed loans, since only around 10% of loans were distributed for business manner, while the rest were disbursed for social manners. The types of loans distributed include housing, business, orphans, education, and social loans. In 2012, MFI distributed 1,345 loans, from which 355 (26.4 %) housing loans, 137 (10.2%) business loans, 729 (54.2%) social loans, 83 (6.2%) educational loans and 41 (3.1%) orphan loans. This reflects the tendency of the policy of this institution in focusing on social cases and trying to meet their needs and smoothing their consumption by distributing around 90% to this kind of loans, while only 10% for business purposes. Gross portfolio of the fund was 1.748 million BAM. The amount of assets was 1.665 million BAM. The capital was 1.428 million BAM. Donated capital was 3.488 million BAM. Liabilities taken on loans were 109,000 BAM. Deficit of income over expenses (losses) was 34,000 BAM. Portfolio in risk over 30 days was 9.7%. Capital in comparison to total assets was -1.6%, fixed assets ratio in comparison to total assets were -124%. Total receivables in comparison to gross portfolio were 77% as the number of active loans were 1,345. Average loan size was 1,980 in BAM.

Number of microloans disbursed since the beginning of the program was 13,237 from which 46% are women and 54% are men. Amount of financing disbursed in BAM since the beginning of the program around 26 million. Percentage of financing fees and service charges differed from less than 3% during 2001-2006, up to 5% in 2006/2007 then 7.5% during 2008-2013 and lastly 10% since the beginning of 2014. Repayment rate ranged from about 60% during the global financial crises in 2008/2009 up to 95% in most other years since its establishment in 2001. The financial sustainability was also improving from less than 25% in 2001 up to 100% in 2008/2009, to 80% during 2010-2013, while expected to reach again it full sustainability in 2014 due to the increase in the service charges that applied since 2014.

According to the financing conditions, the age of the applicant must be 18 year at the time of application. Maximum size of loans could be 3,470 U.S. dollars, an exception may be granted outside this framework. Refunds of the funding are made in monthly installments. The repayment period ranged from 12 to 24 months, without a grace period. Users who are regularly paid off the financing will be permitted new funding, and gradually increase the amount of funding for which conditions have been fulfilled. MFI doesn't involve in it service in any of Islamic banking technique

other than Qard-Hasan loans with an annual service charge margin that comes up to 10% from the loan value. Target groups of the fund are returnees, orphans, shehid families, war invalids and veterans, retired, and other vulnerable categories.

Table 2 summarizes 50 borrowers' perspectives about the interest issue and their preference in getting loans from interest free microfinance institutions; 88% of borrowers expressed their readiness to seek loans from interest-free MCFs even if they are more expensive, 52% want to comply with Shariah, 48% preferred to get loans from (IF MFIs) due to cheaper cost, and 68% expressed of feeling more obligation to make their prepayments due to compliance with Shariah.

Table 2: Borrowers' perspectives about interest-free and interest-based loans

Questions	Yes Number (%)	No Number (%)	Other answers Number (%)
1. Were there any other loans available to you when you received the loan from the interest-free MCF?	45 (90%)	1 (2%)	4 no answer (8%)
2. Why did you seek a loan from interest-free rather than any other MCFs?	-	-	26 Compliance with shariah (52%) 24 Low admin costs (48%)
3. Would you seek loans from interest-free MCF even if it is more expensive than interest-based loans?	44(88%)	6 (12%)	
4. Do you feel there is an extra obligation to repay because Interest-free is in compliance with Shariah?	34 (68%)	14(28%)	2 no answer (4%)
Total number of questionnaires	50		

Source; Hamad (2012)

Human Appeal Microcredit Fund

Human Appeal International "HAI" is NGO operating in BH since 1993 in relief and social programs. It has main office in Sarajevo and branch office in Tuzla city, its headquarter office is United Arab Emirates "UAE". It has launched its interest free microcredit program in 2006 with aim to promote the economic status of its clients by providing "Qard-Hasan" loans without charging any admin or service fees, since all these fees are covered by the NGO itself. HAI has two funds running under Qard-Hasan approach; one is precisely for orphans, and another is for the rest of its clients.

According to the information obtained through questionnaires and interviewing two persons in charge in HAI; the main goals of these two funds are smoothing the consumption needs and enhance the financial sustainability by financing the start-up of small businesses of its clients. The fund is provided for breeding sheep and cows, agriculture, beekeeping and sewing. Gross portfolio outstanding in BAM; 210,000 from which 155,000 BAM for orphans fund and 60,000 BAM for other clients fund. The number of active loans was 132 from which 102 for orphans and 30 for other clients. The number of microloans disbursed since the beginning of the program was 936 from which 346 for orphans and 590 for other clients. The amount of financing disbursed in BAM since the beginning of the program was 1,640,870 from which 460,870 BAM for orphan fund, and 1,180,000 BAM for other clients. Average loan size in BAM was 1,500 for orphan fund and 2,000

BAM for other clients. The % of financing fees and service charges are nil for both funds. Repayment rate is 100% for orphan fund, and 95% for other clients' fund. The financial sustainability; all financial and operational costs are covered by HAI itself.

According to the financing conditions, the age of the applicant must be 18 year at the time of application. Maximum size of loans can be 1,500 BAM for orphans fund and 2,000 BAM for other clients' fund. Repayment loans are to be made every two months installments for orphans and on monthly bases for others. The repayment period 24 months for orphans fund and 12 months for other clients fund. Grace period is two months for both funds.

Target groups of this fund include orphans' families who have sponsorship in HAI for the orphans' fund and clients in need for another fund.

Research methodology

This paper uses exploratory research method where a combination of qualitative and quantitative primary and secondary data is used as most appropriate. The Primary data directly obtained from persons in charge of Bosnia Bank International (BBI) and Micro First Islamic (MFI). Questionnaires prepared and sent to persons in charge in both institutions and followed by interviewing them over telephone to obtain more details about the objectives of their funds, financing conditions, target groups and beneficiary category, requirements for ensuring funds, source of funds and donors, lending mechanisms, grace period, gender distribution and sorts of activities and projects funded. The collected information also included some financial indicators like; Gross portfolio, portfolio at risk over 30 days, total liabilities and liabilities taken on loans, bad loans or written off loans, total assets, own capital and donated capital, profit/loss or surplus/deficit over expenses, liquidity and financial sustainability. The financial indicators included some other ratios as well; Capital to total assets, fixed assets to total assets and total receivables to gross portfolio. The interviews and questionnaires included some other performance indicators as; Number of loans disbursed, number of active loans, number of borrowers, number of employees in these institutions, number of loans per loan officer, repayment rate, repayment mode, receivables from written off loans, average size of loans, admin and services charges.

The secondary data included the 2012 annual report that obtained through email from headquarter of MFI in Birmingham. The 2012 annual reports of AMFI and BA FBH and some updates are obtained from the website of AMFI (<http://amfi.ba/en/>), BA FBH (<http://www.fba.ba/en/>) and BBI (<https://www.bbi.ba/en/>).

Data analysis and findings

Table 3 summarizes the differences and similarities between the conventional microfinance and Islamic microfinance in BH. The following are the main findings when comparing the performance of IB MCOs and IF MCOs in BH;

The capacity gap between those two kinds of MCOs is very huge in favors to the interest based ones, as the IB MCOs have 20 time bigger capital, 10 time higher donated capital, 67 time bigger gross portfolio, 25 time better liquidity, 100 time bigger total assets, 50 time higher number of active loans and users, 100 time bigger number of loans and amount of money disbursed, and 100 time bigger number of staff employed than the IF MCOs.

The main reason of this gap is the limitation of IF MCOs to access both international and local funds, due to "Shariah" restrictions that prohibit giving or taking any interest (Riba). Although the Islamic Development Bank (IDB) has taken the initiative by injecting a start-up amount of about 5 million BAM to BBI for the aim to launch a new line product of microcredit with better lending conditions that enable poor people to apply and get small loans from BBI, but the IDB still reluctant to directing such support to other microcredit institutions that do not deal with Interest (Riba) and suffering scarce of funds resources.

This gap seems much wider when it comes to other indicators like profitability, where IB MCOs generated an amount of 13.2 millions BM in 2012, while the interest free MFI suffered a loss of 34,000 BAM; The ratio of capital in comparison to total assets comes to up to 76% in some IB MCOs, while it drops to lesser than -1% in MFI; The ratio of fixed assets in comparison to total assets comes to up to 21% in some IB MCOs, while it drops to -124% in interest free MFI.

Table 3: Comparison between interest-based and interest-free microfinance institutions in BH

Items	Interest Free Microfinance Institutions (IF MFIs)				% IF/IB	Interest Based (IB MFIs) In 2012
	MFI	BBI Two funds	HAI Two funds	Total		
Capital in BAM	1,428,000	2,500,000	1,000,000	7,928,000	5%	163,500,000
Donated capital in BAM	3,488,000	-	1,000,000	4,488,000	9.6%	46,936,000
Gross Portfolio in (BAM)	1,748,000	4,388,473	213,000	6,349,473	1.5%	417,200,000
Liquidity (Cash+ Bank Placements) in BAM	450,000	750,000	250,000	1,450,000	4%	33,700,000
Total assets in BAM	1,665,000	5,500,000	1,000,000	5,890,000	1%	499,700,000
PAR>30 days (%)	9.7%	-	-	9.7%	500%	1.9%
Profit/Loss in BAM	-34,000	-	-	-	-	13,240,000
Total number of disbursed loans since the start of the program	13,237	4130	936	18,303	1%	2,235,000
Total disbursed amount since the start in (BAM)	26,000,000	13,286,492	1,640,871	40,927,363	1%	6,527,000,000
Active loans number	1,500	3201	132	4,832	2%	248,000
Average size of loans in (BAM)	1,980	6,007/10,125	1500/2000	-	Similar BBI out	1,682
Grace period	Non	3-12 months	2 months	-	-	Non
Repayment mode	Monthly	monthly	Monthly	-	-	Monthly
Lending mechanism	individual	Individual	individual	-	-	Individual/ legal entities
Repayment period	1-2 years	1-7 year	1-2 years	-	-	1-3 years
Interest rate/charges	5-10%	5,77% / No	No	-	0-25%	27-39%
Repayment rate	Currently 91.3%	94% - 97%	95-100%	-	Almost same	95%
Financial sustainability	80%	100%	Grants	-	-	11/14 sustainable
Number of employees in MFIs	10	4	2	16	1%	1,554
Number of users	Currently 1,350	3,200	132	4,582	2%	191,000
Gender distribution	46% females 54% males		No evidence			No evidence
Target groups	Orphans, women, poor, Students, war invalids and veterans, retired, returnees				Returnees, women, individuals/ legal entities	
Types of distributed loans	BBI and HAI; 100% business loans MFI; (26.4 %) housing, (10.2%) business, (54.2%) social, (6.2%) education, and (3%) orphan loans				75% business, 14% housing 11% other	

Resource; Questionnaires and 2012 reports of (BA FBH) and (AMFI)

As far as lending mechanism, IB MCOs mixed between the dominated individual lending approach with 98% of total users, and the legal entities approach with only 2% of total users, while IF MCOs adopted only the individual lending approach. Both institutions adopted the monthly repayment mode rather than the weekly one. While two of (IF MCOs) allow grace period of 2-12 months, the (IB MCOs) don't allow.

The repayment rate in both institutions shown a sharp decline during the global financial crises, as it ranged from 85% in 2009 to 89% in 2010, to 93% in 2011 before it comes back to its pre-crisis 95% in 2012 for IB MCOs, while it ranged for IF MCOs from less than 70% in 2009/2010 to 91.3% by the end of 2012. Both institutions are giving attention to business loans more than consumption loans, as BBI and HAI are 100% targeting business loans, since only 10% provided by (MFI) was for business, while 75% of the targeted loans by (IB MFIs) were for business.

Both institutions continue to invest efforts in the collection of the receivables from written off loans, as MCOs collected 10.1 million BAM of the written off principle, that is 1.5 million BAM of written off interest, which is evident from the reported extraordinary income at the end of 2012.

(IB MFIs) seems almost fully sustainable as by end 2012 they generated 13.24 million BAM surplus of income over expenses, while the (IF MFIs) excluding BBI bank, are either depending on grants like HAI, or struggling to reach its financial sustainability as in case of Micro First Islamic (MFI). IF MFIs seem to be more socially and user oriented than the (IB MFIs) ones, as part of them are charging from 4-9 times lesser loan fees that the IB ones, while other IB MFIs charge no fees. Also some of IF MFIs are precisely targeting the returnees, while others paying more attention to marginalized social groups like; retirees, female headed households, orphans, and war invalids and veterans.

The bellow Table 4 summarizes the differences in the performance of MCOs (both interest based and interest free) in the Federation of Bosnia and Herzegovina (FBH) between the years 2008 and 2012.

Reviewing the aggregate balance sheet of (IB MCOs) over the years, the largest amount was reported at the end of 2008, when it was 902 million BAM. Aggregate balance sheet amount as of 31.12.2012 is 499.7 million BAM, which presents a decline of a high 45% in comparison to 2008. In the capital structure the most significant is the surplus of income over expenses which is 104.8 million BAM, and constitutes 64% of total capital of MCFs. The decline in liabilities taken on loans failed by 54% reflects losing the trust of international and local donors. This has led to a decline in portfolio by 50% and in balance sheet by 45%, as well as in surplus of income over expenses by 64%.

The repayment and average effective interest rates kept almost same; about 95% and 32% respectively. Although the write off loans show an improve from 12.13% in 2010 to 5.21% in 2011 to 3.88% by end of 2012, but this reflects big increase in the written off ration by 112% when compared to 1.75% in 2008.

Table 4: Differences in Performance of Microcredit Organizations (MCOs) in (FBH)

Items	Performance Comparison of IBMCOs in BH		Difference %
	2008	2012	
Capital in BAM	193.4 million	163.5 million	-15%
Gross Portfolio in BAM	830.2 million	417.2 million	-50%
Total assets in BAM	901.9 million	499.7 million	-45%
Liabilities taken for loans in BAM	679.5 million	312.2 million	-54%

Cash in BAM	29.24 million (6%) (in 2011)	25.3 million (5%)	
Placements to banks in BAM	14.98 million (3%) (in 2011)	8.3 million (2%)	
Surplus of income over expenses in BAM (11MCOs surplus, 3 MCOs deficit)	37.3 million	13.14 million	-64%
PAR>30 days	2.7%	1.9%	+36%
Repayment rate (the standard of BA is not less than 95%)	95.00%	95.12%	+0,1%
Written off (the standard of BA is not higher than 3%)	1.74%	3.88%	-112%
Average of effective interest rate	32.35	31.99%	+1%
Financial sustainability (11 MCOs sustainable and 3 MCOs unsustainable)	100%	79%	-21%
Number of employees in MCOs	1790	1554	-13%

Resource; 2012 reports of (BA FBH) and (AMFI)

Three of MCOs suffered deficit of income over expenses, while 11 MCOs achieved surplus in income and the number of employees in MCOs declined by 13%. In the asset structure of MCOs, the cash funds are 25.4 million BAM or 5% with a decline rate of 13% in comparison to 31.12.2011., and mainly relate to cash funds of MCF. Placements to banks are 8.3 million BAM or 2% and are lower by 45% in comparison to the end of 2011.

Conclusions

This paper highlights the relevance of microfinance as a globally accepted practice to Islamic banking system that promotes financing activities to the poor. These Shari'ah injunctions interweave Islamic financial transactions with genuine concern for poverty eradication, social justice and equal distribution of wealth at the same time as prohibiting involvement in illegal activities which are detrimental to social and environmental well-being.

There are fundamental differences between (IF MFIs) and (IB MFIs), not only in the way have they practiced their businesses, but above all the values which guide IBMFIs whole operation and outlook. The paper argues that IF MFIs are more socially and poor users oriented than IB MFIs, in regards to the charged cost of loans, approved grace period and grants, flexibility in repayment failure, and targeting the most marginalized groups.

Since (IF MFIs) in BH have a very limited capacity, either in available or allocated funds for their operation in microfinance or in their human resources and outreach, (IF MFIs) is argued as occupying a very small room in microfinance.

The Islamic (interest free) microfinance industry should shift from a charity-based, donor-dependent approach to a market-based, for-profits approach and clearly separate the role of donors' funds from that of private capital. On the one hand, grants should be temporary start-up support, designed to get an institution to the point where it can tap private funding sources (investors with equity/loans and deposits). This for-profit approach will help to address the issues of operational efficiency, transparency, risk management, product diversification

Since Islamic banking in BH has not addressed the needs of financing the interest free microcredit foundations (IF MCFs) nor allocated enough funds for financing the poor and micro entrepreneurs, Islamic microfinance is argued as a missing room in Islamic banking.

The paper also argues that (IF MFIs) are more welcomed than (IB MFIs) and can operate more effectively within the Muslims community in BH, as the majority of the interviewed users

expressed their willingness to adhere to Shariah by not getting loans with interest, and because the loans of IFMFIs are almost 4 times cheaper than those of IBMFIs.

In addition to the innovative approaches used by many microfinance institutions, Islamic banking can apply diverse financial instruments together with other available mechanisms such as zakah, charity and waqf which can be integrated into microfinance programmes to promote entrepreneurship amongst the poor and subsequently alleviate poverty.

The sharp decline in the performance of IBMFIs since 2008 up to date has resulted to loss of confidence of many funders and donors to this sector, as well as damage to its image among many segments of Bosnian society. This opens the floodgates to IFMFIs to bridge this gap, and to impose itself as a strong competitor and more suitable alternative for the development of communities and fighting against poverty.

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Present-Day Challenges for and Postulates of the Regional Policy of the Republic of Kazakhstan

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Abstract. At the current stage of development, Kazakhstan’s regional policy is called on to ensure the formation of favorable conditions and factors for building up the internal and external competitiveness of regions, ensuring the territorial concentration of labor and capital resources in centers of economic growth, and boosting the regional employment rate and the quality of life of the republic’s citizens. This has been reflected in numerous state programs, which this article is going to examine. The author concludes that reducing the differentiation between regions is possible only through the formation of centers of economic growth.

Keywords: Kazakhstan, regional policy; hub populated locality; agglomeration; monocity; social-economic development potential; General Scheme; modernization effect; economic growth point.

Introduction

The most significant objective of modernity amid globalization is full-scale and even national development. The Republic of Kazakhstan is experiencing the situation of uneven regional development, which affects the country’s competitiveness and economic growth [1]. In this regard, there is substantial significance in the role of regional programs and mechanisms for their implementation.

Materials and methods

The article’s information base is made up of laws and regulations and resolutions adopted by the Government of the Republic of Kazakhstan, which set out the major focus areas for the development of regions – in particular, data from the Ministry of Regional Development of the Republic of Kazakhstan. Our input data were obtained from open-access sources – the official websites of the Ministry of Regional Development of the Republic of Kazakhstan, the Kazakh Center for Public-Private Partnership, etc. In writing this article, the author employed systemic analysis and synthesis methods.

Discussion

As one may know, the process of Kazakhstan getting its independence was accompanied by the breakdown of centers that had existed under the planned economy. This concerns monocities, collective farms, state farms, and populated localities. As a result of reforms, the country saw the

emergence of multiple depressiveness zones, which brought about painful social processes in society (migration, degradation of infrastructure, unemployment, and social marginalization). In search of work and a better life, people started leaving villages for cities, which led to the chaotic resettlement of the population. As a result, currently the forming urban agglomerations are concentrating over a third of the country's entire population [2].

In addition to this, there is much tension around the issue of the development of villages due to lack of engineering and social infrastructure in the countryside and mass unemployment. For instance, just 108 populated localities, which accounts for 1.5% of the total number of the country's villages and townships, have sewerage in the rural locality. This is due to the fact that the major portion of sewerage networks is located in cities and rural districts with a high concentration of residents. Note that based on the standard dependable lifespan of 25 years about 66% of the republic's sewerage networks need major repairs or full replacement. The length of water conduits in the Republic of Kazakhstan is 19 459.7 km, out of which 5 499.1 km worth of distance requires replacement and major repairs, while just 708.7 km has been replaced [3]. All in all, there are 60 manufacturer power-plants, 8 of which are of federal importance, 52 are regional power-plants, 22 are regional power-grid companies, out of which nearly 41% of the generating assets have been in operation for over 30 years [4]. In addition to this, many populated localities are experiencing a lack of housing, pre-school facilities, schools, health-care facilities, and potable water.

In this regard, what is topical is the issue of reforms in regional policy. The need for a new impetus to regional development in the republic was also pointed up in the Presidential Message to the people of Kazakhstan, "Let's Build Our Future Together", dated January 28, 2011.

At the current stage of development, Kazakhstan's regional policy is called on to ensure the formation of favorable conditions and factors for building up the internal and external competitiveness of regions, ensuring the territorial concentration of labor and capital resources in centers of economic growth, and boosting the regional employment rate and the quality of life of the republic's citizens [2]. This has been reflected in numerous state programs, such as "The Development of Regions" program (No. 862; dated July 26, 2011) and "The Program for the Development of Monocities for 2012-2020" (No. 683; dated May 25, 2012), both approved by the Resolution of the Government of the Republic of Kazakhstan, "The Strategy for the Territorial Development of the Republic of Kazakhstan through to 2015" (No. 167; dated August 28, 2015) and "The Prognostic Scheme for the Country's Territorial-Spatial Development through to 2020" (No. 118; dated July 21, 2011)", both approved by the Decree of the President of the Republic of Kazakhstan, "The Major Tenets of the General Scheme for the Organization of the Territory of the Republic of Kazakhstan" (No. 1434; dated December 30, 2013) and "The Scheme for the Rational Deployment of Production Assets in the Republic of Kazakhstan" (No. 304; dated April 14, 2010), both approved by the Resolution of the Government of the Republic of Kazakhstan (No. 304; dated April 14, 2010), and others ("Ak Bulak for 2011-2020", "The Business Road Map through to 2020", "Affordable Housing-2020", "The Modernization of the Housing and Utility Sector for 2011-2020"), which this article is going to look into.

"The Prognostic Scheme for the Country's Territorial-Spatial Development" is a crucial tool for the country's development, which defines the state's approaches towards the key focus areas of sectoral and regional development. The primary aim of the Prognostic Scheme is to create conditions that will ensure the growth of the population's well-being based on the development and effective use of the social-economic potential of each of the country's regions and sectors. The major objectives of the Prognostic Scheme are aimed at putting together a rational system of the territorial-spatial organization of the country, which will be oriented towards the territorial concentration of people and capital in promising regions and priority growth points, intensive development of highly urbanized zones, entrepreneurial activity, and ensuring the creation of productive employment opportunities and a benign living environment for the population. In other words, the Prognostic Scheme is aimed at boosting of the population's well-being based on the rational organization and deployment of social-economic potential across the country's territory [5].

As part of the implementation of “The Prognostic Scheme for the Country’s Territorial-Spatial Development through to 2020”, there was developed “The Development of Regions” program, whose aim is to resolve topical social-economic issues to be faced by regions in the long-run. The following objectives have been set to effectuate this goal:

1. Identifying systemic issues and factors constraining the social-economic development of regions and working out an effective mechanism for the actions of executive bodies to remediate them.
2. Forming long-term centers of economic growth integrated with regional and global markets through the priority development of agglomerations centered in Astana, Almaty, Shymkent, Aktobe, and Aktau.
3. Providing financial support to regions with a view to boosting their competitiveness and the rational spatial organization of economic potential and population settlement [2].

One of the other mechanisms for the implementation of “The Prognostic Scheme for the Country’s Territorial-Spatial Development through to 2020” is “The Development of Monocities” program. Its aim is to ensure the sustainable social-economic development of monocities in the mid- and long-run. In this regard, the following objectives have been set:

1. Optimizing monocities depending on the production capacity of stable enterprises.
2. Diversifying the economy and developing small and medium-sized business to ensure the optimum structure of employment for monocities’ population.
3. Boosting the mobility of monocities’ labor resources and stimulating voluntary moving to populated localities with high social-economic development potential and centers of economic growth.
4. Developing monocities’ social and engineering infrastructure with a view to attaining the optimum population size [6].

The remarkable fact is that all of the three above programs are aimed at the development of priority growth points, such as agglomerations, 27 monocities, and promising districts. Due to the way the present-day settlement of Kazakhstan’s population has been shaping out and the fact that the rural locality has a poorly developed territory infrastructure-wise, there is much significance to the concentration of production and the population.

As the world’s practice indicates, the modernization effect is higher at a population density of about 40-50 people per sq. km. In Kazakhstan’s current average population density is 6-8 people per sq. km. Thus, the country is facing the objective of shifting to the polarized development of territories and formation of areals and “concentrated economic space” points in regions with the gradual attainment of desirable “economic population density” in them [5].

On the whole, in attaining the modernization effect, one can expect improvement in the competitiveness of regions through the formation of a competitive economic specialization of regions in the republican, regional, and international division of labor, which is one of the objectives of “The Prognostic Scheme for the Country’s Territorial-Spatial Development”.

Regions’ competitiveness is defined by the extent and efficacy of the use of regions’ potential (natural, raw materials, labor, and infrastructural) for the formation and operation of production facilities in the region, which would create steady and productive employment for the population.

The state has attempted more than once to determine the potential of regions and populated localities. Thus, “The Prognostic Scheme for the Country’s Territorial-Spatial Development through to 2020” classifies regions by social-economic potential, demographic and labor potential, the degree to which the region’s social infrastructure has been developed, the availability of healthcare facilities in the region to serve the medical needs of its residents, and the state of social and engineering infrastructure in the rural locality. For instance, regions with low development dynamics are the Zhambyl, North Kazakhstan, Akmola, and Kyzylorda regions; regions with lower-than-medium-level development dynamics are the Kostanay, Almaty, and West Kazakhstan regions; regions with medium-level development dynamics are the Aktobe, Pavlodar, South Kazakhstan, East Kazakhstan, and Mangystau regions; regions with high development dynamics

are the city of Astana and Karagandy Region; leader regions are Atyrau Region and the city of Almaty [5].

The Order of the First Deputy Prime Minister of the Republic of Kazakhstan – the Minister of Regional Development of the Republic of Kazakhstan (No. 235/OD; dated September 18, 2013) instituted the criteria for defining rural populated localities (RPL) with low, medium, and high social-economic development potential. Crucial classification factors assessing the potential of RPLs and the degree to which they can be regarded as promising are defined using 4 blocks of criteria: economic, engineering-infrastructure, social, and ecological, which include 22 cumulative indicators [7]. Earlier, the same criteria for identifying RPLs with low and high economic potential were instituted by the joint order of the Minister of Agriculture of the Republic of Kazakhstan (No. 28-2/430; dated July 28, 2011) and the Acting Minister of Economic Development and Trade of the Republic of Kazakhstan (No. 225; dated July 28, 2011). Thus, there are 6 838 RPLs in the Republic of Kazakhstan, which are inhabited by 7.7 million residents or 45.9% of the country's total population. Out of the overall number of villages, 1 080 can be considered as having high, 5 293 medium, and 465 low development potential [8].

Based on populated localities' identified potentials and status, distance from cities or district centers, and population size, the Order of the First Deputy Prime Minister of the Republic of Kazakhstan – the Minister of Regional Development of the Republic of Kazakhstan (No. 234/OD; dated September 18, 2013) instituted the methodology for identifying hub RPLs (HRPL). HRPLs are well-developed populated localities with a developed social-engineering infrastructure, which provides a broad spectrum of state, educational, health care, financial-intermediary, cultural-leisure, and maintenance services to particular groups of RPLs. HRPLs are believed to:

- 1) facilitate access to guaranteed state services (reducing to the optimum one the radius of social infrastructure organizations' catering to RPL residents);
- 2) provide for higher living standards for the population;
- 3) lay the groundwork for the improvement of the demographic situation;
- 4) boost the prestigiousness of living in the rural locality [8].

According to the Ministry of Regional Development, at the beginning of 2014 there were identified 313 hub RPLs in Kazakhstan and worked out integrated plans for their development [8].

Once the mechanism for the territorial-spatial organization of the country's territory was established, to ensure the more hands-on implementation of regional policy there were instituted by the Resolution of the Government of the Republic of Kazakhstan "The Major Tenets of the General Scheme for the Organization of the Territory of the Republic of Kazakhstan" (No. 1434; December 30, 2013). This document contains primary design solutions and suggestions concerning the organization of the territory of the Republic of Kazakhstan. The Major Tenets set out the fundamental principles and focus areas of the development of production forces settlement and deployment systems, development of social, engineering, transport, and recreation infrastructure, environmental protection, development of special urban planning control territories and facilities of federal importance. The aim of the General Scheme is to boost the quality of the population's life activity and ensure the sustainable spatial development of the territory of Kazakhstan amid the integration and globalization of global economic processes. It should be noted that this document is also aimed at the development of territories via centers of growth. The value of "The Major Tenets of the General Scheme for the Organization of the Territory of the Republic of Kazakhstan" lies in that the document addresses the following issues:

- 1) The issue of enhancing the existing settlement system in line with new conditions and requirements in the development of society (the migration of the rural population to cities and suburban areas without taking account of the capacity of the existing labor market and the social and engineering infrastructure of the latter; the issue of the countryside getting abandoned and neglected; the issue of the development of monocities due to high unemployment rates; the unbalancedness of the development as well as the uneven populatedness of central and suburban agglomeration zones; the issue of urbanized zones, which are plagued with environmental, transport-related, and social issues (the Shymkent and Almaty agglomeration).

2) The issue of the rational deployment of production forces (the issue of the production of construction materials; a lack of original national biotechnological medication despite the availability of promising experimental designs).

3) The issue of the development of the social infrastructure sectors (the housing issue; the creation of the cultural sphere for people's life activity).

4) The issue of the present-day state and development of specially protected nature territories, water-protection strips and zones, territories with unique and rare landscapes and historical-cultural heritage sites.

5) The issue of ecological disaster zones (the issue of radioactive pollution across the republic's territory; the issue of managing waste in the Republic of Kazakhstan; the issue of "historical pollutions" inherited from the Soviet Union; the issue of the desertification and degradation of lands across the republic's territory), etc. [10].

A whole array of measures has been suggested to resolve these issues. These include, in addition to measures and solutions set out in "The Major Tenets of the General Scheme for the Organization of the Territory of the Republic of Kazakhstan", such state programs as "Ak Bulak for 2011-2020", "The Business Road Map through to 2020", "Affordable Housing-2020", "The Modernization of the Housing and Utility Sector for 2011-2020", "The Concept of the Industrial-Innovation Development of the Republic of Kazakhstan for 2015-2019", as well as the Law "On the Protection and Use of Historical-Cultural Heritage Sites" and other laws and strategies aimed likewise at resolving the above issues.

Results and inferences

In conclusion, we would like to underscore that the regional policy of the Republic of Kazakhstan is called on to ensure the country's economic development in terms of the territorial-spatial aspect, as well as the rational deployment of production forces and improvement of the population's living standards irrespective of which region it is. The primary objective of regional policy is to iron out the more acute social and economic disproportions between the country's specific regions [11]. Due to the fact that regional development state programs are aimed at the development of economic growth centers, 465 villages with low development potential are being left out of the picture. Our analysis of state programs revealed no activities aimed at their development, although, on the whole, such programs have actually been implemented in the republic: "Ak Bulak for 2011-2020", "The Business Road Map through to 2020", "The Concept of the Industrial-Innovation Development of the Republic of Kazakhstan for 2015-2019", and others. In addition to this, it is known that programs on the development of territories are aimed at attaining the modernization effect through the development of agglomerations and hub villages. However, it should be noted that the urbanization process places a huge load on ecology and people's health and, therefore, works for smaller countries, while Kazakhstan is the world's ninth-largest country and could benefit from the rational use of this advantage. Allocating enough land without the right of sale to every Kazakh citizen for living and developing production and providing everyone with financial support can facilitate even greater economic growth for the country and greater reduction in the differentiation between its regions than using approaches related to the formation of centers of economic growth for attaining the modernization effect. However, this subject requires thorough analysis and will be addressed in detail in our next article.

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Successful Skill Transfer: Military Service Experience and Company Performance

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Abstract

In today's business life, employees from different sectors have the opportunity to work in other industries and can have different positions through the organization. This can be considered from the perspective of skill transfer (transfer of tacit knowledge). The success can be questioned in terms of company performance. If this process can be managed well performance will be higher. This research mainly aims to identify whether veterans with military service experience can contribute to employee motivation, organizational motivation and organizational benefits. In order to test the assumed associations, the research employs a survey study on the veterans who have served for Bosnian army and are currently employees of Bosnian firms. The results provide that military service experience is significantly influential on the motivations of employees and organizations and on company performance. It can be suggested that the adaptation of external knowledge (skill transfer), military service experience, into new organizational environment can be enhanced by the help of knowledge management. This research is valuable in that it is among the few studies in its respective field and in the region.

Keywords: military service experience; skill transfer; motivation; organizational performance; survey.

Introduction

Today's competitive business environment needs better managerial skills and their efficient/effective outcomes. Business leaders with military service experience may have gained the skills required for their managerial decisions and the outcomes of their decisions. Preferring them for the managerial positions within the organization may be beneficial for the organizations. Therefore, it may be interesting to study the performances of managers with military experience.

The complex nature of military service has been given in the literature. According to Morin (2011), military service is hard, challenging and risky. He also mentioned that the life after the service for the armed forces requires different tasks. Morin (2011) reported that most of these people can easily readjust themselves for civilian life, but some of them have difficult time.

Some studies found that there is an important skill transfer from army-provided services to civilian service. Mangum and Ball (1986) reported that most of the surveyed military personnel described that military training helped them find a civilian job, while about one-third of the

respondents admitted that they transferred their military-developed skills to the civilian life. According to Norrblom (1976), the quantity and type of training received in the military are important factors for post-service period. DellaPosta (2013) suggested that military-learned business skills are highly influential on post-service earnings. She also reported that there are opportunities for human capital accumulation in the civilian life for them. Fredland and Little (1980) suggested that military professional training provides earnings for those who use such training on the job.

Skills gained in military service can be considered as the tacit knowledge of army personnel and the new position in a new organizational environment can be evaluated as the transfer of intellectual capital. However, the transfer issue is very complex and every detail should be planned before, during and after the transfer process. The objective of this study is to provide a better understanding of military service experience influence on motivation (employee and organization) and organizational success in order to identify whether the transfer process was successful. Therefore, a survey study is planned to demand feedback from the respondents who have served for Bosnian army for several years and employed by the companies located in Bosnia and Herzegovina. Depending on the results, the suggestions in terms of knowledge management in order to increase the efficiency/effectiveness of transfer process are provided.

Following sections provide the related literature review, the employed research methodology, the results of the analysis and the conclusion of the study.

Literature review

Military Service Experience

The skills to be gained by military personnel need to be evaluated well in order to better structure their training. By employing The Agile Leader Study, Gehler (2005) seeks to find answer for changing the educational system within military in order to develop and prepare mentally agile leaders for the Army's new strategic reality. He examines new strategic reality and professional military education and focuses on education in terms of agility, adaptation, innovation and learning. He suggests that the study is important because the US army needs good and agile leaders who successfully adapt to unfamiliar and irregular warfare.

Military service and training may be very beneficial to achieve multidimensional skills. As a result of employing an empirical study, Lee, Ma, Officer and Zou (2011) suggest for every leader possessing the behaviors which can be gained through the armed services training and education. According to their results, CEO's with military experience were much more involved in organizational acquisitions, their military background is positively associated with the completion rate of announced acquisitions, they are 23% more likely to complete their deals, and military trained CEOs enhances the value of large capital expenditures. Lee et al. (2011) conclude that CEOs with military experience pay higher price for the acquisition of the firms, however they catch higher synergies and their stockholders are rewarded with higher announcement returns which make acquisition stocks attractive to potential stockholders.

Since Army officers regularly face new challenges, Cohen, Thompson, Adelman, Bresnick, Shastri, and Riedel (2000) suggest that they must be adaptable and able to critically think through a problem, instead of applying previously learned solutions and procedures. Therefore, they suggest Critical Thinking Skills (CTS) as a set of cognitive skills that are developed over time in order to gain the appropriate educational experiences and practice. They describe the importance of critical thinking skills and investigated necessary critical thinking skills and suggest the following steps in critical thinking analysis: (1) Seeking a clear problem statement, (2) Recognizing the main point in a message, (3) Visualizing achievable plans, (4) Constructing a plausible story tying all incidents, (5) Recognizing fallibility and bias in their opinion, (6) Generalizing from specific to broader classes, (7) Adopt multiple interpretation perspectives and (8) Determining the time of seeking more information.

Veterans with perfect skills which are gained as a result of military services in the army can be evaluated for different positions in business organizations. Transferring the skills to their environment may increase organizational performance. Chido (2011) believes that the war veterans should be employed for further works in order to reach a more stable state and sustainable economic development. Therefore, companies hire veterans for different positions within their organizations. Chido (2011) reports that retired military officers have historically engaged in coups of many African countries.

Poor management skills may reduce the performance of both employers and the organization. McCausland (2008) presents a framework in order to address the problem of poor leadership in the US army. He supposes that the United States not only requires additional troops for the occupation of Iraq but also enhances civilian leadership and capacity to reconstruct Iraqi society.

Leadership styles are important for better management and gaining the motivation of the employees and the organization. By employing a survey based study with 60 respondents, Van Lieshout and Steurentaler (2006) aim to assess the necessary traits of multi-cultural leaders and managers, and explore the relationship between various management leadership styles and national culture. They find that a good leader must have good communication skills and manage possible conflicts to gain the maximum out of his followers. They also find a link between different cultures and different leadership styles. They suggest that leaders with different cultural background must cooperate with different cultural standards of the society and manage possible conflicts. Therefore, we may assume that managers with army experience can manage possible conflicts well.

Gained leadership behaviors change depending on the type of the organization. According to Benson (1998), the leadership behaviors are various for every profession. He explores the necessary behaviors at the direct, organization and strategic level in the United States Air Force (USAF). By conducting a survey questionnaire on officers, he aims to determine the hierarchical leadership behaviors required at the senior level in the USAF. The survey includes the importance of 11 different behaviors such as informing, consulting and delegating, planning and organizing, problem solving, clarifying roles and objectives, monitoring operations, motivating, recognizing and rewarding, supporting and mentoring, managing conflict and team building, and networking. He identifies that planning, informing and problem solving were the most important behaviors, while least important was networking. He suggests the study in that it provides good information and basis to shift the USAF's focus according to the priorities of its students.

The literature suggests the value of military environment in gaining better management qualifications. Popper (1996) suggests four possible types of processes including (1) transactional processes (rewarding the followers in order to motivate them); (2) projective processes (the leader is a role model to his followers); (3) attributional processes (the leader is at the focus in terms of ordering, direction and a clear path); and (4) symbolic processes (the leader is the symbol of "worthiness" and has high social and moral values to gain the interest and trust of his followers). Popper (1996) also suggests a combat unit as a unique organizational system combining intensive, attributional and projective processes which are very intensive and hard to track by followers, but it is adopted by the followers, the leader becomes a role model and the followers become loyal.

Difficult environments can be useful in gaining qualified skills for further activities. According to Bartone, Barry and Armstrong (2009), since military life is hard and inherently stressful, the outcomes may be serious mental problems. Their study focuses on mental hardiness as an important factor of resilience. They claim that people who show high levels of psychological hardiness can have greater commitment, control, and acceptance of challenge. They aim to analyze the relationship between mental hardiness and stress resilience in organizations as a result of leader actions and policies. According to Bartone et al. (2009), leaders at all levels can contribute to human health and performance.

Because of progressive and sequential series of carefully planned training, educational, and experiential events in military and being trained to hold great responsibility, Kolditz (2009) claims that military leadership produces successful leaders and managers. He defines military leadership as dependent on nurturing honesty, pride and sacrifice and having duty, service, and self-sacrifice. Kolditz (2009) also defines the best leader as the one who loves serving the others, puts the interest of his followers before his own, and holds high moral and ethical values which most officers are taught during their military education. He suggests these as the reasons for successful and effective leadership behaviors of the people with military experience.

Furthermore, Benmelech and Frydman (2014) investigate the attributes of CEOs with military experience, their function within the firm and their managerial type. They identify that CEOs with military experience are less likely involved in false activities and do better in industry downturns due to their hard training and strong ethical beliefs. Their study has shown that CEOs with military experience are fewer than in past but the demand for them is high. Their study recognizes three important factors on CEOs performance: (1) organized, sequential training programs combining both educational and on-the-job experience and designed developing command skills; (2) many CEOs with military experience are officers who are trained to hold high levels of responsibility and decision-making authority even at low levels of command; and (3) military service emphasizes duty, dedication, and even self-sacrifice.

Leadership can be very influential on organizational performance. As a result of their literature review, Benmelech and Frydman (2014) reports the strong influence of personal characteristics of CEOs on corporate outcomes. They aim to analyze the relation between military service of CEOs and their managerial decisions, financial policies, and corporate outcomes. They identify that military service is influenced by conservative corporate policies and ethical behavior. They also found that military CEOs follow lower corporate investment, have no wish to be involved in corporate fraudulent activity, and do better in industry downturns. They finally conclude that military service significantly explains managerial decisions and firm outcomes.

Skill Transfer

People bring their past experience and gained skills to their new environments. Similarly, Veterans with their several years of military service can carry their expertise to their new organizations too. Yellin (2012), by employing a trustworthy survey based on flexible questions which was sent to a sample of business specialists with military experience, searches the important approaches transferred from military service to business sets and identified the influencing factors as length of army service, the served branch in military and continental culture. Yellin (2012) found 19 significant approaches that business professionals are likely to transfer from military service to their business. He also declares that the longer military service enhances transporting more approaches into a corporation as well as higher transmission rates of specific approaches. He proposes that military service experience could be transferred into business settings. He supposes that the transformation can be explained by characteristics related with longer or shorter military experience and changes among many army branches and values, doctrines and training programs. He concludes that his study might enhance the awareness of managers, soldiers, and politicians, in educating and enabling the evolution process for army veterans in order to enter numerous commercial fields.

According to their literature review, Burke and Collins (2004) report the weak support for the efficacy of the learning process and its transfer to the workplace. They accordingly propose a new framework to analyze the mechanisms of skills transfer by considering a decision making chain comprised of three factors (the knowledge base, learning approach and practice setting). The model includes the dimensions (1) outdoor management programs, knowledge in the development of conflict handling skills, (2) knowledge base (procedural and declarative), (3) learning approach (tactical and strategic), (4) practice setting (high and low fidelity experiences) and (5) transfer to workplace. They test the framework on the data collected from ten major providers of outdoor management development (OMD) to stimulate the transfer of skills in handling conflicts. They identify that the model is acceptable in terms of skills development.

The literature suggests the organizational/supervisor support for skill transfer. Bhatti, Battour, Sundram and Othman (2013) want to highlight the importance of selected environmental, situational and individual factors in the training (skill) transfer process by proposing and testing a framework via structural equation modeling which includes supervisor and peer support, instrumentality and learner readiness on 503 Malaysian bank employees. They modify and improve a scale for learner readiness based on their literature review. They find that supervisor and peer support increase the motivation level of the trainee to transfer the learned skills. Their results also suggest a significant relationship between learner readiness and transfer motivation. They suggest the importance of intrinsic rewards and find that intrinsic rewards are useful for trainees in gaining more skills and learned skills are transferred to the work place. They also suggest that their research is expected to be helpful for human resource development professionals to develop effective strategies in order to maximize the training transfer and effectively manage the training program. They conclude that their findings explain the role of stakeholders (trainers, trainees, supervisors, peers and top management) in enhancing the training transfer at the work place.

Skill Transfer and Knowledge Management

While transferring their past experience to new workplace, people can face some difficulties. This process should be managed well. Since the experience gained is the personalized knowledge of the employers, this should be accomplished by an effective knowledge management. According to Goh (2002), knowledge management is one of the major challenges for an organization. Knowledge has been considered as the key for competitive advantage. Goh (2002) aims to explore the key factors (leadership, problem solving/seeking behaviors, support structures, absorptive and retentive capacity, types of knowledge) reported in the literature about the influencing factors of knowledge transfer capability and develop a conceptual model to propose an effective management of this transfer process. The model components include the key factors, higher propensity to share knowledge, support structures (organizational design, reward structure, available time), knowledge recipient (knowledge capacity and close relationships), effective knowledge transfer and, finally, competitive advantage.

In another study, Weldy (2009) aims to identify a relationship between the learning organization and transfer of training as strategies for learning and managing knowledge in order to improve organizational performance in gaining/maintaining a competitive advantage. She reports that the literature provides a relationship between the learning organization and transfer of training including strategies for a competitive advantage, focus on learning and knowledge, taking action to improve performance, link between individual learning and organizational learning, and the focus of previous studies. She furthermore proposes that learning organizations should practice transfer of training.

Moreover, Ioi, Ono, Ishii, and Kato (2012) propose a method for the transfer of knowledge and skills in project management (PM) based on knowledge management (KM) techniques. According to them, there are studies on methods to extract experiential knowledge in PM, but few focuses on methods to convert extracted knowledge into practical knowledge and transfer it to learners. They develop a model of PM skills transfer management including a PM knowledge extraction phase, PM knowledge recognition phase, practical knowledge transfer phase, and practical knowledge evaluation phase, and examine the model. Their results show that expert communities for knowledge extraction can be vitalized through multi-agent simulation (MAS). They suggest that their PM skills transfer management maturity model (PMST3M) is useful for evaluating PM skills transfer management.

Research Model

The fundamental aim of this research is to test the assumed relationships in the developed research model which proposes the influence of Military Service Experience on Employee and Organizational Motivation and on Company Performance in terms of Organizational Benefits (Figure 1).

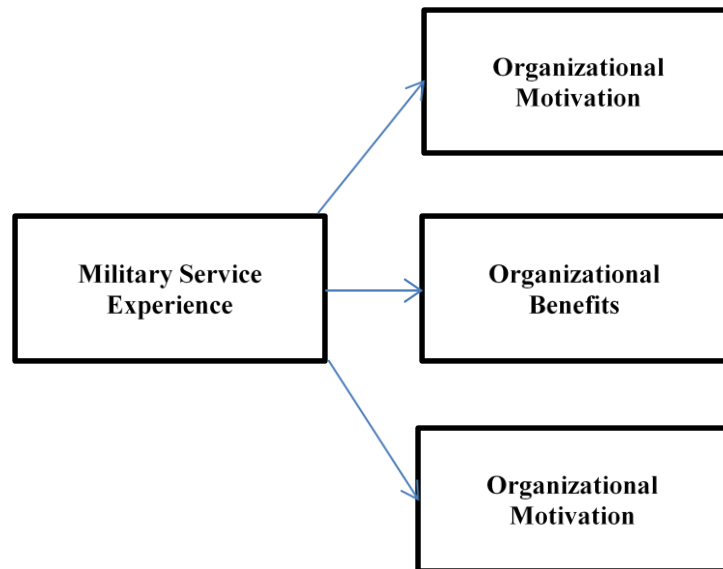


Figure 1: Research Model

Research Methodology

The survey is preferred as the data collection method. As a result of a detailed examination, the survey is conducted individually by visiting some public and private organizations which employ veterans from military (officer, noncommissioned officer (NCO) or soldier). Since there are few companies employing people with military experience, the survey could be conducted only with voluntary people dealing with information about military experience. 200 survey forms are distributed and 149 were filled with the response rate of 74.5% (149/200). Seven point Likert scale is preferred in order to test the agreements of the respondents on six variables through thirty four questions. The collected data is analyzed by employing Principal Component Analysis (PCA) in order to identify the factors and Linear Regression to test the assumed relationships among the components of Research Model.

Results

Factor Analysis, Reliability and Validity

The results of PCA reveal four different factors including (1) Military Service Experience (gained motivating power and managerial power), (2) Organizational Motivation (minimization of knowledge loss and achieving operational efficiency), (3) Organizational Benefits (keeping and sustaining competitive advantage, achieving performance efficiency and effectiveness and being organizationally agile) and (4) Employee Motivation (Competitiveness, Efficiency/Effectiveness, Reduction of Failures) (Table 2). In terms of Convergent validity, the loadings of the items are found to be all high (higher than 0.789 for the item reduction of failures). The table also provides high reliability results for the identified factors. Furthermore for discriminant validity, it is also identified that Communalities of the items are high (higher than 0.675 for performance efficiency/effectiveness).

Table 2: Identified Factors and Their Reliabilities

Factors	Factor Items	Cronbach's Alpha
Employee Motivation	Employee Motivation-Competitiveness	0.871
	Employee Motivation-Efficiency/Effectiveness	
	Employee Motivation-Reduction of Failures	
Organizational Benefits	Competitive Advantage	0.882
	Performance efficient/effective	
	Organizational Agility	
Military Service Experience	Motivating Power	0.945
	Managerial Power	
Organizational Motivation	Motivation for Operational Efficiency	0.849
	Minimization of Knowledge Loss	

Descriptive Results

According to the descriptive analysis results provided in Table 3, employee motivation is identified to be high in terms of enhancing their competitiveness and efficiency/effectiveness. However, they are found to be not motivated for reducing their failures. Organizations are found to be gaining high benefits in terms of achieving competitive advantage, performance efficiency and effectiveness and organizational agility. The respondents claim that they have gained high motivating power but moderate managerial power as a result of their military experience. Moreover, they rate their organizations as motivated to reach operational efficiency and minimize their knowledge loss.

Table 3: Means of Identified Factors

Factors	Factor Items	Mean
Employee Motivation	Competitiveness	5,85
	Efficiency/Effectiveness	5,85
	Reduction of Failures	3,77
Organizational Benefits	Competitive Advantage	5,57
	Performance efficient/effective	5,79
	Organizational Agility	5,61
Military Service Experience	Motivating Power	5,41
	Managerial Power	4,70
Organizational Motivation	Motivation for Operational Efficiency	5,91
	Minimization of Knowledge Loss	5,75

Regression Analysis

As a result of linear regression (Table 3), the developed research model is found to be weakly explaining the relationship between MSE and EM, slightly moderate explanatory power about the relationship between MSE and OM and moderately explaining the relationship between MSE and OB. The impact of MSE on EM, OM and OB are all identified to be significant. MSE is observed to be moderately influencing EM and OM and well influencing OB (Table 4).

Table 4: Regression Results for the Proposed Research Model

Relations		Standardized Coefficients	Sig.	Adjusted R Square
Independent	Dependent			
MSE	EM	0.293	0.000	0.079
MSE	OM	0.377	0.000	0.137
MSE	OB	0.482	0.000	0.227

Conclusion

This study is motivated to identify the possible influences of Military Service Experience on Employee Motivation, Organizational Motivation and Organizational Benefits in terms of the selected companies' performance. The findings suggest that the experience gained through Military Service enhances the motivation of employees and the organizations and Organizational Performance. The surveyed veterans rate themselves as they have gained high motivating power as a result of their military service. However, their gained managerial power is found to be moderate (see Table 3). This may be the reason of not reaching strong regression models and strong influence of MSE on the tested dimensions. Moreover, the influence of MSE on EM is found to be weak. The reason for that may be the disagreed item about the motivation to reduce failures (see Table 3).

This research is valuable in that it strengthens its respective field by providing significant scientific results. Furthermore, it can be considered among the few studies about veterans in this regional setting (Bosnia and Herzegovina). On the other hand, this study (with determined survey questions through a literature review) only reflects the situation about the veterans working in some Bosnian companies. However, it can be a good sample for similar studies worldwide. Future studies may employ different aspects of skill transfer by evaluating the outcomes of this study in different settings.

According to the results, it can be assumed that people with military service experience are able to work in hierarchical environments as leaders, supporters and squad members. Most of them have the necessary capabilities to design and implement their tasks. As Benmelech and Frydman (2014) suggest, CEOs with military experience are less likely involved in corporate fraudulent activity and perform better during industry downturns. This may be a result of their rigorous training, strong ethical beliefs, their service in the army and their self-sacrifice.

It is observed that veterans carry their military service experience into new settings successfully (see Table 3: the means of military service experience) and it is beneficial in terms of both employee and organizational motivation and company performance. It may be understood that the skill transfer seems successful. It is also observed that Organizational Motivation to minimize knowledge loss is high. Skill transfer can be enhanced by adopting and employing knowledge management. At this point, the approach of companies and their human resource departments is important. They should define their needs and necessary staff with their past expertise to accomplish the necessary tasks and find the ways of better transfer of their skills into the organization. As Bhatti, Battour, Sundram and Othman (2013) suggest, human resource professionals should develop effective strategies in order to maximize the skill transfer.

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The Recent Trend in a Human Resource Management Journal: A Keyword Analysis

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Abstract

Continuous changes in technology, economic, social and psychological understandings and structures have influence on both Human Resources and their management. Organizations approach their human capital in a more sensitive way in order to win the loyalty and commitment of them, while increasing profit and maximizing the efficiency/effectiveness of its work power. Human Resources Management helps achieving these goals by recruiting, training, developing, motivating and rewarding employees. Therefore, the identification of current research interests is essential to lead them in defining organizational human resources strategies.

The main purpose of this research is to identify top rated factors related to Human Resource Management by analyzing all the abstracts of the published papers in a Human Resource Management journal from the beginning of 2005 till the end of 2012. As a result of analyzing the keywords of all abstracts, the frequencies of the keyword categories are identified. Except the keywords related to Human Resources (17.6%), it is observed that the studies for the period consider the following: Employee rights and their career (18.3%), management (14.6%), contextual issues (10%), organizational strategies (9.5%), performance measurement and training (9.5%), behavioral issues and employee motivation (5.7), organizational culture (5.4%), technical issues (4.1%), etc. It should be noted that the researchers (a) mainly stress on practice more than theory and (b) consider the organization less than the individual. Interestingly, employee motivation is found to be less considered by the researchers. This study is believed to be useful for future studies and the industry by identifying the hot and top rated factors related to Human Resource Management.

Keywords: Human Resource Management; Abstracts; Keywords analysis.

Introduction

Human resource management has been extensively considered as the key element by all top management because of its significance on overall operations and organizational effectiveness/efficiency. It is extremely essential to identify, understand, and assess the key factors and the relationships among them in order to increase the overall performance of the organizations. Moreover, since the understandings and behaviors are changing based on the economic and technological changes, it may be important to discover the latest interests and approaches on human resources. Therefore, this research aims to identify the key points for the researchers and company managers by evaluating the recently published papers in a scientific

journal specific to human resource management through a keyword analysis. Therefore, especially researchers in this field and the organizational decision makers can get benefit by considering the human resource management research trends and the important points in HRM.

The paper starts with this introduction section and continues with the information about the development of Human resource idea. The next section includes the methodology and the results. According to the identified keywords, some works from the literature under the proper headings are reported and discussed. Finally, the paper is summarized in the conclusion section.

Historical Evolution of HRM

Human resources and their management have been important since the beginning of human life. However, the HRM idea, as a discipline, evolves after 20th century. According to Thite and Kavanagh (2009), HRM can be considered as a (1) professional and scientific discipline, (2) aid to management, (3) political and economic conflict between management and employees, and (4) increasing employee involvement as a result of changes in industrial/organizational and social psychology. In their study, they aimed to identify the importance of employees as a key source of sustainable competitive advantage in the 21st-century knowledge economy. They consider the HRM history under five broad phases:

Pre–World War II

According to scientific management philosophy which considers the maximization of employee productivity, the basic function of human resources department is keeping the records of employee information (Thite and Kavanagh, 2009). They report that the average time and motion and accordingly piece-rate pay systems are calculated as the most efficient way to motivate employees, since scientific management considers the most efficient use of human capabilities in the production process. It is also reported that since the influence of government in employment relations was quite weak in that period, firm owners followed employment terms, practices, and conditions.

Post–World War II (1945–1960)

According to Thite and Kavanagh (2009), the mobilization and utilization of labor during the War extremely enhanced the personnel function as a result of realizing the strong tie between the employee productivity and motivation (intrinsic and extrinsic) by social and psychological factors, such as recognition of work achievements and work norms and the profitability of the firm. They state that workers were classified by considering the occupational categories in order to improve recruitment and selection procedures including job description, duties, and responsibilities of employees in order to design appropriate compensation programs, evaluate individual employee performance, and provide a basis for termination. They also report that employees started forming trade unions for bargaining better employment terms and conditions because of the abusive worker practices before the War.

Social Issues Era (1963–1980)

Thite and Kavanagh (2009) state that labor legislation about the management of various employment relationships extremely increased in this period with the additional responsibility of collecting, analyzing, and reporting employee related data to legal authorities. Therefore, Human Resources Departments and the field of human resource management were appeared in the history.

Cost-Effectiveness Era (1980 to the Early 1990s)

According to Thite and Kavanagh (2009), as a result of increasing global competition and the change in the understanding of human resources (from employee administration to employee development and involvement), firms have focused more on cost reduction by automating and improving productivity measures which increases administrative duties and therefore requires fulfilling a growing number of legislative requirements. Hence, HR departments use technology which has become cheaper and more powerful in order to improve effectiveness and efficiency in service delivery, through cost reduction and value-added services (Thite and Kavanagh, 2009).

Technological Advancement Era and Emergence of Strategic HRM (1990 to Present)

Economic changes in 1990s caused increased globalization, technological breakthroughs (particularly Internet-enabled Web services), and hyper competition and accordingly Business process reengineering applications have been increased with some initiatives, such as right employee numbers, reduction in management layers and the bureaucracy of organizational structures, autonomous work teams, and outsourcing (Thite and Kavanagh, 2009). Thite and Kavanagh (2009) suggest innovative and creative employees as the key holder of organizational knowledge in order to reach a sustainable competitive advantage because compared to other resources, competitors cannot imitate intellectual capital. Accordingly, it has become strategically more important to manage human capital and the current understanding of HRM has appeared (Thite and Kavanagh, 2009).

According to the above discussion, it can be understood that HRM has evolved parallel to the changes in global considerations and economy. Since there is a fast changing environment outside, organizations need to adopt new strategies and manage their most valuable capital (human resources) in a most efficient/effective way. Therefore, the identification of most current trends in HRM related issues is necessary. The following section reports the analysis of keywords which are achieved from the last eight years of a HRM journal.

Methodology and Results

This study aims to identify the latest research trend for the last period of a scientific journal specific to Human Resource “Journal of Human Resource” by employing a keyword analysis. While choosing the journal, the scientific indexes are considered and one of the most effective journals is selected for the analysis. The journal had published four issues per year till 2008 and after 2009 it has been publishing six issues per year. The journal’s abstracts from the beginning of 2005 to the end of 2012 (including last eight years) are collected. The keywords of the articles are entered to an excel spreadsheet, ordered and grouped under the categories by considering their similarities. The categories are then named according to human resource terminology. Finally, the frequency distribution of the categories is calculated. The frequencies of the categories can be observed in Table 1.

Table 1: Frequency Distribution of Keyword Categories

Keyword Categories	Frequency	Percent
Employee Rights and Career	235	18.3
Human Resources	226	17.6
Management	187	14.6
Context (Specific Industries, Organizations, etc.)	128	10.0
Organizational Strategies	122	9.5
Performance Measurement and Training	121	9.5
Behavioral Issues and Motivation	73	5.7
Organizational Culture	69	5.4
Technical Issues (Technology, Information Systems, tools, etc.)	53	4.1
Theories	41	3.2
Organizational Performance	28	2.2
Total	1283	100

According to the results, except the keywords related to Human Resources (17.6%), it is observed that the papers for the evaluated period consider the following: Employee rights and their career (18.3%), management (14.6%), contextual issues (10%), organizational strategies (9.5%), performance measurement and training (9.5%), behavioral issues and employee motivation (5.7), organizational culture (5.4%), technical issues (4.1%), etc. It can be also stated that the researchers

(a) mainly stress on practice (96.8%) more than theory (3.2%) and (b) consider the organization (31.7%) less than the individual (33.5%).

Employee Rights and Their Careers

One of the most important duties of HRM is protecting the rights of employees. The analysis identifies that after general human resources (management) considerations, it is observed that the articles in the subject journal for the analyzed period mostly consider employees' rights and their careers. Some human resource studies consider the issue from religions' perspectives by stressing on (1) how religions approach employees and (2) how employees should approach to their organizations. Hashim (2010) evaluates human resources from Islamic perspective and, by considering the principles of Islam, suggests Muslims perform their best within work environment which requires their full commitment. He examines the management of human resources from the Islamic perspective and its effects on organizational commitment among 121 employees with different positions in eight Islamic organizations in Malaysia. He identifies that (1) the selected organizations consider the Islamic principles well in all its human resource management (HRM) functions, (2) the Islamic considerations in HRM is highly and significantly correlated to organizational commitment, and (3) the organizational commitment variance is highly (45%) explained by the Islamic approach in HRM. He suggests the Islamic approach in HRM practices as an initial attempt for managers to enhance the effectiveness of their management and understanding the people they work with.

While improving the careers of human capital, it is necessary to approach human resources in a holistic manner. Khan and Sheikh (2012) emphasize holistic education and human development by suggesting an enhanced role for joint objectives and value in organizational motivation. They suggest that organizations should be more careful on the value of ethical and normative objectives that may involve delayed or reduced fulfillment and by giving more emphasis to ethics and moral goals; organizations and human resources can be more responsible to social responsibilities. Furthermore, Vancouver (2008) aims to develop a dynamic process theory for the underlying cognitive subsystems to explain relationships among long used constructs like goals, expectancies, and valence.

Another study by Cheruiyot and Maru (2014) identifies the role and influence of corporate human rights social responsibility (CHRSR) on employee job outcomes by employing an exploratory and explanatory survey on 450 employees of three leading horticultural exporters in Naivasha, Kenya. They analyzed the data by using descriptive statistics, principal component analysis (PCA) and multiple regression analyses and identified that the selected firms have largely satisfied both HR and moral expectations, CHRSR has significant impact on employee job outcomes such as employee retention, satisfaction, commitment and pride. They suggest that adoption of HR-related corporate social responsibility (CSR) enhances employee job outcomes and overall organization performance if complied with the law.

As a summary, it can be suggested that organizations should consider employees' rights and their career while running their human resources management.

Management and HRM

As a result of fast changes in organizational concepts, organizations are adopting new understandings in their management considerations which in turn influences everything related to the organization as well as HRM. Pollitt (2005) suggests the importance of leadership skills and managing diversity to meet the company mission of delivering accurate and timely services. Therefore, the relationship between HRM and characteristics of new management considerations is also important. In her study, Geren (2010) aims to study Motivation from Chinese theoretical perspectives and identifies that the Chinese organizations are adopting Western management styles because of the growth in their economy and open door policy. She also explores various motivation theories in the historical context of Chinese workforce and observes that motivational models rely on both individual needs (micro level) and the organizational context and culture (macro level).

Organizational Strategies and HRM

Understanding organizational structure, work environment, human resource shortages and the links among them is necessary for the organizations in order to improve strategies and solutions to maintain the quality in their operations and services. Brunoro-Kadash and Kadash (2013) describe the processes and results of implementing and evaluating the Releasing Time to Caree (RTCe) model in a tertiary care hospital in Canada. They identify that improved patient safety, staff engagement, leadership opportunities and an affirmative shift in organizational culture and a reduction in falls and decreased medication errors enhance patient safety. They suggest including the clinical nurse in organizational and system change in order to improve patient-centered quality care.

HRM is expected to be in line with organizational strategies. Androniceanu (2011) aims to study new possibilities for increasing the degree of motivation of the Human Resources for a Sustainable Organizational Development. According to Androniceanu (2011), it is necessary that the new system should include bonuses and incentives to motivate the human resources to get their significant contribution for a sustainable organizational development.

Performance Measurement, Training and HRM

Organizations need to continuously check the performance of their work power and employ necessary training for them by the help of HRM. In his study, Beal (2004) examines Hilton hotels' performance measurement. Hilton hotels wants to streamline their fast-track "Elevator" program designed to recruit high-potential graduates as their hotel general managers and they want to check that all applicants could meet the basic requirements of attitude and ability according to Hilton's standards and values. Therefore, Beal (2004) searches psychological aspects of the managers in Hilton hotels by employing face-to-face meetings and scoring a series of psychometric assessments. He concludes that managers can concentrate on more value-adding work by getting rid of manual processes.

Motivation and HRM

Motivational aspects of human resources have considerably taken the attention of researchers and have been studied a lot. From the analyses, it can be concluded that it has lost the popularity. The reason for that may be the issues related to motivation have become clearer and therefore, there may not be need for extra effort. Some of the works related to motivation are reported under this heading. Deci and Ryan (2008) aims to explore Self-Determination Theory as a Macro theory of Human Motivation, Development, and Health. They focus on the types of motivation particularly autonomous motivation, controlled motivation and the motivation as predictors of performance. They consider Self-determination theory (SDT) as an empirical theory of human motivation, development, and wellness. Deci and Ryan (2008) also address the social conditions that have positive and negative impacts on these types of motivation.

Duke (2010) searches practical challenges of the Expectancy Theory of Motivation in understanding and managing workers' behavior in organizational settings. He recommends building long-term/strategic incentive plans, the right work atmosphere that recognizes and rewards high performance, analyzing the situation for congruity of expectancies, and ensuring a clear, visible and unambiguous link between performance and outcomes.

Organizations need to transfer talent, satisfy their needs and employ them effectively by the help of HRM. Pollitt (2005) suggests that companies need many talent sources to ensure their future success. He also reports that when companies transfer talent, an inclusive environment needs to be developed to achieve better business results by getting people do their best.

Organizational Culture and HRM

There are also some studies considering different aspects of HRM such as employee motivation, career development and their relations with organizational culture. Pollitt (2005) identifies that cultural factors can explain 26 percent of the differences in effectiveness between offices.

Vancouver (2008) reports that formal elements of computational models of human actors, thinkers, and learners have been presented in organizational contexts. He reports that Dynamic process models both provide deeper understanding and also potentially leads to applications to motivational problems by explaining dynamic interactions between persons and environments.

Khan and Sheikh (2012) report the need for a broader philosophical framework for human resource development (HRD) within management practice and the popularity of workplace spirituality in this context. Therefore, they discuss the role of Islam in filling this need for a spiritual philosophical framework, focus on the lessons derived from Islamic principles and suggest revisiting some major motivation theories (such as expectancy theory of motivation) of HRD after discussing relevant philosophical, spiritual and HRD literature. They emphasize holistic education and human development in HRD by suggesting an enhanced role for joint objectives and value in organizational motivation. They also suggest that organizations should be more careful on ethical and normative objectives and organizations and human resources can be more responsible to social responsibilities by giving more emphasis to ethics and moral goals.

Moreover, Harvey and James (2005) aim to develop a model of utility for overall satisfaction by employing cognitive evaluation theory to explain motivation. He observes that greater satisfaction is not achieved by intrinsic motivation. They suggest that rewards are controlled by two conditions: (1) intrinsic motivation is also the source of extrinsic compensation and (2) offered large incentives. Harvey and James (2005) found that two factors (the object on which intrinsic motivation is tied and the size of the incentive and fixed compensation) are influential on motivation.

Jabbour (2011) analyzes the level of greening HRM practices, organizational culture, learning, and teamwork in 94 Brazilian companies which are certified by ISO 14001. He suggests two important conclusions: (1) human resource practices should be systematically aligned in order to environmentally manage workers and (2) environmental issues are little formalized in traditional human resource practices. He furthermore suggests greening HRM, organizational culture, learning and teamwork as an emerging topic for scholars and consultants.

Patil and Kant (2012) explore certain aspects of organizational culture as an influencing factor on knowledge management (KM) and organizational performance by employing a case study to illustrate HR strategies related with organizational culture that influence the KM process and organizational performance. They collect data mainly by observations and face-to-face interviews with top-level management, team leaders and general employees and archival data in the form of annual reports. Their case study results suggest that various aspects of organizational culture (organization structure, education and training, reward and incentives, open communication, worker involvement and workforce flexibility) increase the ability to defeat KM barriers and achieve competitive advantage.

HRM and (Organizational and Employee) Performance

It is identified that the evaluated studies fairly consider both employee and organizational performance. Prowse and Prowse (2010) critically review the literature and explore the possible impact of human resource management (HRM) on organizational and individual performance. They examine the historical development of HRM and conclude that HRM appeared as the product of some different traditions including employee welfare to the development of workplace relationships. They define human performance and its influence on organizational effectiveness. They suggest more contemporary criteria to evaluate the contribution of people on organizational performance in private, public and the emerging non-profit organizations.

Estes and Polnick (2012) study Motivation Theory in Higher Education in terms of Tenured Faculty research Productivity by considering Expectancy Theory Analysis. They analyzed the applicability of Vroom's Expectancy Theory as a predictor of post-tenure faculty productivity by evaluating research productivity for three years "pre-tenure" and three years "post-tenure" for each eligible faculty member. They found that the results support expectancy theory that productivity of tenured faculty significantly decreases compared to scholarship performance of subjects in the pre-

tenure years. They recommend conducting analysis with both pre- and post-tenure faculty productivity and reviewing their existing policies and practices regarding performance assessments of faculty for effectiveness in providing sustained professional growth, recruiting and retaining quality faculty.

According to Adhikari (2010), company competitiveness is related to its ability to manage performance and enhance the skills and competencies of employees by developing a learning environment. Therefore, they aim to analyze the influence of failure to address human resource development (HRD) and poor performance management (PM) practices on company competitive advantage for the Nepalese economy which has embraced an open market policy and attempts to join the global market. By reviewing Anglo-Saxon and Nepalese literature, they analyzed (1) the concept of PM and its relationship with HRD, (2) the PM and HRD context and the associated issues in Nepalese organizations and (3) the effect of new structure and roles on HRD for PM. They suggest establishing a clear link between organizational objectives and outcomes by developing a human capital base in organizations in order to manage PM in organizations and improving HRD professionals support to integrate HRD functions and organizational objectives by developing a learning environment.

Ferguson and Reio (2010) test a model where human resource inputs (e.g. motivation, employee skill) and human resource processes/practices (e.g. training and development; profit sharing) have influence on organizational outputs, i.e. job performance and firm performance by employing a cross-sectional study on 350 business professionals (91% managers; 9% consultants) from a Midwestern US professional organization. According to their results, both the human resource inputs and process/practice variables are found to have significant impact on the performance. They suggest involvement of human resource managers to increase employee motivation by implementing and supporting organizational policies and procedures (e.g. incentives and rewards, caring employee problems, and performance management), and learning and development activities to enhance optimal task and contextual job performance.

Amin, Ismail, Rasid, and Selemani (2014) examine the impact of human resource management (HRM) practices on organizational performance by surveying 300 employees from a public university including both academicians and support staff. They identify that human resource practices: recruitment, training, performance appraisal, career planning, employee participation, job definition and compensation significantly affect university performance. They suggest emphasizing on job definition, training and employee participation to increase university performance. They also suggest improving other HRM practices-recruitment, performance appraisal, career planning and compensation in order to increase their effectiveness on the university performance.

Pollitt (2005) studies and finds a link between employee satisfaction and organizational performance in the US National Weather Service (NWS). Since talent does not come in uniform packages, Pollitt (2005) concludes that companies need many talent sources to ensure their future success. He also reports that when companies transfer talent, an inclusive environment needs to be developed to achieve better business results by getting people do their best.

Conclusion

As a result of constant and rapid increase in technology and education, the development of multinational corporations and frequent changes in economic status and structures, the competition is getting tougher and harder. Therefore, Human Resources have become the most efficient and the most reliable management department within the organizations. This change in practice leads to the change in HRM research. Detecting the current research considerations becomes important for both practice and research. Hence, this study has been motivated to identify the most current trends in HRM research by focusing on one of the leading journals "Journal of Human Resource" in the field of human resources management by employing a keyword analysis.

According to the results, except the keywords related to Human Resources (17.6%), it is observed that the studies for the period consider the following: Employee rights and their career (18.3%), management (14.6%), contextual issues (10%), organizational strategies (9.5%), performance measurement and training (9.5%), behavioral issues and employee motivation (5.7), organizational culture (5.4%), technical issues (4.1%), etc. It should be noted that the researchers (a) mainly stress on practice more than theory and (b) consider the organization less than the individual. By doing so, organizational success may be guaranteed. Interestingly, employee motivation is found to be less considered by the researchers. Since human resources management research has studied motivational aspects well, the current demand focuses on other aspects.

This study is useful for future studies and the industry by identifying the hot and top rated factors related to Human Resource Management. According to the results, in the analyzed period, the focus points of the articles are identified and reviewed in the related literature. Therefore, the research provides beneficial information for every manager to enhance HR efficiency, realization of the importance of Employee rights and Training/education and HR strategies, including information technologies in their human resource management, etc.

This study has limitations in that it only considers a specific time interval and one specific journal. Future studies may involve longer time intervals in order to see the evolution of human resource idea through the timeline. Additionally, including more journals into analyses may be much representative. However, this research is useful in that future research may employ the appeared factors in their studies and empirically test them. The industry can also consider the results of this study and adopt new competitive strategies in their human resource management. We finally suggest that the organizations should consider the benefits of both organizations and individuals before and after hiring their employees.

We finally assume that the selected keywords for published articles fairly represent the studies and most of them are too generic. Researchers should consider more while determining the keywords for their papers.

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The Influence of Global Macroeconomic Factors on Stock Values: A Sector Level Analysis

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Abstract

Investors and policy makers should carefully analyze stock returns and their possible relationships with microeconomic and macroeconomic factors in both local and global arena. Since the markets are increasingly becoming global, the outcomes may be more important for international factors. Therefore, this study aims to identify the relationship between selected international macroeconomic variables (FTSE-100 England market index, GDAX Germany market index, NYSE Composite market index, Gold prices and Crude Oil prices) and 48 companies in 11 different sectors (electric, food, communication, paper, chemistry, metal-main, metal-product, stone, textile, commerce and transportation) in Istanbul Stock Exchange Market. ARDL is employed on the data for the period between the second month of 2005 and the second month of 2012 including 85 monthly observations. The research provides mix results for the selected sectors. **Crude oil** is found to be significantly effective on almost all the companies in the selected sectors. The extensive influence of gold prices on the sectors except electric and communication sectors is also observed. **Global market indices** (American, English and German) are found to have influence in various degrees through the sectors. This research is expected to be useful in that it provides results for different sectors operating in Turkish Stock Exchange Market.

Keywords: Global macroeconomic factors; Sector level analyses; ARDL; ISE.

Introduction

Fluctuations in macroeconomic variables influence business therefore stock values by changing the tendency of the trade smoothness. Therefore, the predictions of stock market determinants become important. Since the role of macroeconomic variables in asset pricing theories is important, many researches are empirically performed in order to identify the link between macroeconomic variables and stock market volatility. Moreover, investors also want to learn the link between macroeconomic variables and business-cycle fluctuations in order to forecast stock market volatility by improving different theories of pricing, to generate more accurate solutions for optimal portfolio selection problems, and to efficiently observe and manage financial risks. The answer may also help policy makers to better understand potential macroeconomic determinants of systematic financial-sector risk.

The scholars have searched extensively the relationships among stock returns, market risk and firm-specific factors in both developed and emerging markets in order to identify whether beta, measurement for market (or systematic) risk, is the only factor in explaining stock returns variations or the other possible influencing factors in returns.

Modern Portfolio Theory (MPT) argues that market risk is the key influencing factor of the equity prices. It is hard to avoid market risk although an investment is well diversified. MPT asserts that an efficient set of portfolios can be constructed in order to offer the maximum possible expected return for a given level of risk (Markowitz, 1952). As an extension of MPT, Sharpe (1964), Lintner (1965) and Black (1972) try this by developing capital asset pricing model (CAPM) which uses market return in order to explain the behavior of stock returns. However, Ross' (1976) arbitrage pricing theory becomes popular in developing multifactor models in order to explain stock returns.

Capital asset pricing model (CAPM) is basically used to determine risk and return related to a particular security. Capital Asset Pricing Model (CAPM) assumes a constant mean vector and covariance matrix (and therefore a constant beta) (e.g., Black et al., 1972; Fama and MacBeth, 1973). Because of the restrictions of CAPM, unconditional betas cannot explain the cross-sectional variation in average returns (e.g., Gibbons, 1982; Shanken, 1985; Hansen and Jagannathan, 1997).

As an alternative theory to the CAPM, Ross (1976) introduces the Arbitrage Pricing Theory (APT) that links stock returns to some variables by suggesting that the expected return is explained by some macro-economic factors or market indices, where beta coefficients for the factors represent the sensitivity to changes in those factors. While CAPM is allowing only one given factor, the APT enables choosing the investor's own factors.

In the earlier tests of the APT, the model is assumed under closed economic environment. So, Solnik (1983) extends the APT by applying on the international arena without changing. It is observed that the extension substantially changes the APT formulated by Ross (1976).

The research about the effect of macroeconomic variables on stock market indices mostly focus on developed economies but not on less developed countries. Developed countries' financial markets are observed to be more explained compared to the other financial markets. Therefore, the research is essential in order to improve investment decisions by maximizing the expected value of stock returns in developing countries. This research aims to identify the link between international macroeconomic variables including FTSE-100 England market index, GDAX Germany market index, NYSE Composite market index, Gold prices and Crude Oil prices and 48 companies in 11 different sectors (electric, food, communication, paper, chemistry, metal-main, metal-product, stone, textile, commerce and transportation) of Istanbul Stock Exchange Market.

The following sections provide the related literature review, the obtained data and used methodology, the results of the analyses, and the conclusion of the study.

Literature Review

This section introduces the studies related to the relationship between international macro-variables and stock indices.

Increases in **oil prices** may influence transportation, production and heating costs, which may have negative impact on corporate earnings. Furthermore, it also influence inflation and diminish consumers' discretionary spending. Consequently, oil price fluctuations also influence the financial risk of investments.

The literature is full of studies examining the influence of **oil prices** on stock market index. Sadorsky (2001) and Park and Ratti (2008) find that oil price directly influences the return to Canadian oil and gas stock sector prices. However, Cong et al. (2008) can not identify that oil prices significantly affect the real stock returns of most Chinese stock market indices, except some

manufacturing indices and indices of some oil companies. Nandha and Faff (2008) identify the negative influence of oil price on stock returns for most sectors except mining and some related industries such as oil and gas industries. Sadorsky (2008) find that firm size or oil prices negatively affect stock market price returns and increases in oil prices affect more than decreases in oil prices on stock market returns.

Gold is the most popular and recognized metal in every segments of the society (Bali and Cinel, 2011). Gold prices are also one of the most considered macroeconomic factors in the literature.

Chen, Roll and Ross (1986) observe a reliable long term correlation between oil prices and equity prices in United States (US).

Pethe and Karnik (2000) consider Sensex and Nifty indices as the macroeconomic variables by applying unit root test, co-integration and error-correction models and identifies no longrun stable relationship between the stock prices and the considered global variables.

Ibrahim and Abdul Rahman (2003), by using cointegration and VAR modeling, evaluates the long term relationship and dynamic interactions among Malaysian Equity Market and United States and Japan equity markets. According to the results for monthly data from January 1977 to August 1998, there are positive, short- and long-term relationships between the stock prices and two macroeconomic variables.

Chaudhuri and Smiles (2004) search the relationship between stock prices and real oil price in the Australian stock market from 1960 to 1998 for long-term. They find that the American and New Zealand foreign stock markets significantly influence the Australian stock return movement.

Since, the oil exports are largely effective on foreign earnings and governments' budget revenues and expenditures, Hammoudeh and Aleisa (2004) examine the relationships among Gulf Cooperation Council (GCC) stock markets and New York Mercantile Exchange (NYMEX) oil prices from 1994 to 2001. They identify that the UAE stock market index are highly linked with the Saudi Arabia market and Bahrain market.

Gan, Lee, Yong and Zhang (2006) searches the association between the New Zealand Stock Index (NZSE40) and retail oil price for the period between January 1990 and January 2003 by applying Johansen Multivariate Co-integration test and Granger-Causality test, Impulse Response and Error Variance Decomposition analyses. No evidence is found that the New Zealand Stock Index causes changes in retail oil price but co-integrated in the long and short run.

Sari and Soytaş (2006) study the relationship between oil prices and Turkish macroeconomic variables and identify no significant effect on real stock returns in the Istanbul Stock Exchange Market.

Chancharat and Valadkhani (2007) works on the Stock market volatility between January, 1988 and December, 2004 by using Auto regressive Conditional Heteroscedasticity (ARCH) model and the Generalized Autoregressive Conditional Heteroscedasticity (GARCH) model on Thailand Stock Index and the indices of Argentina, Australia, Brazil, Germany, Hong Kong, Indonesia, Japan, Korea, Malaysia, the Philippines, Russia, Singapore, Taiwan, the United Kingdom and the United States. Thailand Stock Index is found to be positively affected by neighbor countries' stock markets but not by the others and negatively by oil price changes.

Kandir (2008), on monthly data from July 1997 to June 2005 by using multiple regression model and Augmented Dickey Fuller (ADF) and Phillip Perron (PP) stationary tests, identifies that oil prices (OP) don't have significant influence on stock returns.

Gay and Nova (2008) uses Augmented Dickey-Fuller (ADF) test in order to identify the relationship between oil price and stock market indices of Brazil, Russia, India, and China (BRIC) on the monthly data between 1999 and 2006. The relationship between oil price and the stock market index prices for the countries is not significant. The study suggests a weak-form of market efficiency for the markets of Brazil, Russia, India, and China.

Türsoy, Günsel, and Rjoub (2008) test the Arbitrage Pricing Theory (APT) in Istanbul Stock Exchange (ISE) on monthly basis from February 2001 to September 2005. Their macroeconomic variables include money supply (M2), industrial production, crude oil price, consumer price index, import rate, export rate, gold price, exchange rate, interest rate, gross domestic product, foreign reserve, unemployment rate and market pressure index. Their results reveal no significant impact on stock returns in Istanbul Stock Exchange (ISE).

Eryiğit (2009) employs an extended market model (market return, oil prices and exchange rate) to identify the effects of the oil price changes on market indices in Istanbul Stock Exchange (ISE) from 2000.01.04 to 2008.01.11 by using daily data for the analysis. The significant results reveal that oil price changes positively related to Electricity, Wholesale and Retail Trade, Insurance, Holding, Investment, Wood, paper, printing, Metal-Main, Metal-Product, Machinery and Non-Metal, Electricity and Mineral Products indices.

From June 1998 to June 2008, Hasan and Nasir (2009) search the relationship between oil prices and equity prices by using cumulative sum (CUSUM), cumulative sum of squares (CUSUMSQ) tests, unit root by lag range multiplier (LM) test, Augmented Dickey Fuller (ADF) test and Phillips-Perron (PP) test, VAR models, error correction model, and autoregressive distributed lag (ARDL) test. It is identified that oil prices (OP) are not significant in the long run.

Büyükşalvarcı (2010) aims to analyze the impact of macroeconomic variables including consumer price index, money market interest rate, gold price, industrial production index, oil price, foreign exchange rate and money supply on the Turkish Stock Exchange Market by employing Arbitrage Pricing Theory. Their monthly data covers the period from the January, 2003 to the March, 2010. The results show that interest rate, industrial production index, oil price, foreign exchange rate have negative impacts on ISE-100 Index returns, however, money supply has positive effect on ISE-100 Index returns. Furthermore, it is observed that inflation rate and gold price do not significantly influence ISE-100 Index returns.

Iscan (2010) studies the long-term relationship between oil-prices and stock prices by using daily Istanbul Stock Exchange IMKB100 Index data. The results reveal that there is no relationship between oil prices and stock prices.

Butt, ur Rehman, Khan, and Safwan (2010) study the stock returns variation to specific economic variables by using a multi-factor model on the companies from banking and textile sectors by considering data availability, profitability and performance on the Karachi Stock Exchange for 10 years period. Moreover, GARCH model is used to analyze risk and returns relationship on company stock returns and on the entire industry data to generalize the results. It is observed that market return mainly affects stock returns variation and including other macroeconomic and industry related variables enhance describing ability of the stock returns variation. Furthermore, economic exposure is found to be higher at industry level than firm level stock returns.

Toraman, Başarır and Bayramoğlu (2011) study the influence of oil on four different indices (composite index, services index, industrial index and technology index) of Istanbul Stock Exchange (ISE) by employing Cointegration tests for long-run relationships and Vector Error Correction Model (VECM) for short-run relationships. They find that crude oil prices have positive and negative influence (16.40 % on the ISE 100, 32.71 % on the industrial index, 11.82 % on financial index, 12.60 on services index and 5.38 % on the technology index).

Sayilgan and Süslü (2011) analyze the influence of macroeconomic factors on stock returns in emerging market economies using panel data from 1996 to 2006 and identify the significant influence of the S&P 500 Index. However, the impact of oil prices is not observed.

Hosseini, Ahmad and Lai (2011) study and find the relationships between stock market indices and crude oil price (COP) in China and India for the period between January 1999 and January 2009. Similarly, Oskenbayev, Yilmaz and Chagirov (2011) search and identify the causal relationship between oil price and Kazakhstan stock exchange (KASE) index.

Bali and Cinel (2011) employ the panel data analysis in order to investigate the effects of gold prices on the ISE 100 Index and the direction and magnitude of the effect for the data between August 1995 and March 2011. It is identified that gold prices do not have a direct influence on the ISE 100 Index.

Akar (2011) searches the associations between the Istanbul Stock Exchange (ISE), gold, and foreign exchange returns in Turkey by using monthly data from 1990 to 2010 and applying the dynamic conditional correlations GARCH (DCC-GARCH) model. It is identified that the ISE100-Dollar and ISE100-Gold relationship is clearly negative after the 2001 crisis.

Ozcan (2012) tries to identify a significant relationship between ISE industry index and selected macroeconomic variables which include interest rates, consumer price index, money supply, exchange rate, gold prices, oil prices, current account deficit and export volume. He uses the Johansen's cointegration test in order to find out the relationship and observes that macroeconomic variables show long run equilibrium relationships with the ISE industry index according to the Johansen's cointegration test.

Research Methodology

The Data

This study selects 48 companies in 11 different sectors (electric, food, communication, paper, chemistry, metal-main, metal-product, stone, textile, commerce and transportation) of Istanbul Stock Exchange for the analyses. FORTUNE 500 list for Turkey is considered while selecting the companies. The companies are also selected by considering their data availability, profitability and performance in Istanbul Stock Exchange Market as the representatives of their sectors. This study also employs FTSE-100 England market index, GDAX Germany market index, NYSE Composite market index, Gold prices and Crude Oil prices as the international macroeconomic variables.

The data for international market indices is achieved through the official sites of chosen stock exchange markets. The data of Gold prices and Crude Oil prices are obtained from the websites of Turkish Central Bank and Turkish Statistical Institute. The data covers the period between June, 2004 and May, 2012 including 95 monthly observations.

Autoregressive Distributed Lag (ARDL)

This research employs the autoregressive distributed lag (ARDL) approach in order to identify the relationships between stock returns and international macroeconomic variables. ARDL approach can provide the robust long-run results while working on small sample sizes and it can be applied if the primary variables are entirely I (1) or I (0) or mutually integrated. The formula of the ARDL analysis for the relationship between the stock returns and international macroeconomic variables is given as follows:

$$\begin{aligned}
\Delta \text{Ln}(\text{SR})_t &= \Psi_0 \\
&+ \sum_{i=1}^n \Psi_i \Delta \text{Ln}(\text{SR})_{t-i} + \sum_{i=1}^n \Psi_i \Delta \text{Ln}(\text{FTSE})_{t-i} + \sum_{i=1}^n \Psi_i \Delta \text{Ln}(\text{GDAX})_{t-i} \\
&+ \sum_{i=1}^n \Psi_i \Delta \text{Ln}(\text{NYSE})_{t-i} + \sum_{i=1}^n \Psi_i \Delta \text{Ln}(\text{Gold})_{t-i} + \sum_{i=1}^n \Psi_i \Delta \text{Ln}(\text{Oil})_{t-i} + \alpha_1 \Delta \text{Ln}(\text{SR})_{t-1} \\
&+ \alpha_2 \Delta \text{Ln}(\text{FTSE})_{t-1} + \alpha_3 \Delta \text{Ln}(\text{GDAX})_{t-1} + \alpha_3 \Delta \text{Ln}(\text{NYSE})_{t-1} + \alpha_4 \Delta \text{Ln}(\text{Gold})_{t-1} \\
&+ \alpha_5 \Delta \text{Ln}(\text{Oil})_{t-1} + \zeta_{t-1}
\end{aligned}$$

Where SR, FTSE, GDAX, NYSE, Gold, Oil denote stock returns, FTSE-100 England market index, GDAX Germany market index, NYSE Composite market index, Gold prices and Crude Oil prices respectively.

Before employing ARDL method, unit root is applied for all macroeconomic data in order to identify if the data are stationary through level and 1st difference Akaike-Information Criterion and it is identified that the data include both stationary and non-stationary information. Therefore, the data are found to be proper for ARDL approach and ARDL is applied through four lags.

Empirical Results

According to results, the impacts of international macroeconomic factors on the stock returns are identified by classifying them with respect to their sectors. The results are reported by considering Table 1.

In **Electric Sector**, Crude oil factor is significant for most of the companies. Both NYSE Composite and FTSE-100 England factors have few relationships with the stock returns, while GDAX Germany and gold are not significantly associated with the companies in **Electric Sector**. It may be interesting to note that Aker is not significantly influenced by any of the considered variables.

Gold, FTSE-100 England and GDAX Germany factors are measured to be effective through **Food Sector**. The other factors are not very much influential on the stock returns in **Food Sector**. On the other hand, it can be seen that both Aefes and Ulker are not significantly associated with the analyzed factors.

About **Communication Sector**, it can be clearly reported that all factors are identified to be significant through this sector.

For **Paper Sector**, crude oil is found to be significant on much of the selected companies. FTSE-100 England, NYSE Composite and gold are not very much influential, while GDAX Germany is not effective within that sector.

According to the results for **Chemistry Sector**, no significant effect of gold is observed on the evaluated companies. The remaining factors have few relationships through **Chemistry Sector**.

Both FTSE-100 England and gold impacted some of the stock returns in **Metal-Main Sector**. However, the other factors do not have much influence on that sector.

When **Metal-Product Sector** is evaluated, the results presented few significant associations with the stock returns. FTSE-100 England, gold and oil are observed to have significant relationships with the company stock returns. However, NYSE Composite has impact on only one company in the sector and GDAX Germany has no influence on any of the companies.

According to the results, **Stone Sector** is impacted mainly by NYSE Composite. It is followed by both FTSE-100 England and gold factors with significant effect on some of the companies within the sector. On the other hand, the remaining factors do not have much influence on this sector.

Textile Sector is found to be mainly effected by gold factor. But, its influence is on three of the companies out of five. The other factors are influential on various stock returns through the sector.

In **Commerce Sector**, 60% (3/5) of the companies are significantly influenced by gold. It may not be worthy to report the influence of other factors on the stock returns. However, NYSE Composite index is observed to have no significant influence on the companies. Furthermore, Doas is not influenced by any of the mentioned variables.

The companies are affected by the considered variables variously in **Transportation Sector**. While Thyao is significantly influenced by all the variables, Clebi is influenced by none of the variables.

Table 1: The Results for International Macroeconomic Factors

Sector	Company	FTSE-100 England	GDAX Germany	NYSE Composite	Gold	Crude Oil
Electric	Akenr					
	Aksue					Significant
	Ayen			Significant		Significant
	Zoren	Significant		Significant		Significant
Food	Aefes					
	Banvt	Significant	Significant	Significant	Significant	Significant
	Skplc	Significant	Significant		Significant	Significant
	Tatks	Significant	Significant	Significant	Significant	
	Ulker					
Communication	Tcell	Significant	Significant	Significant	Significant	Significant
Paper	Hurgz					
	Ipeke					Significant
	Kartn	Significant			Significant	
	Kozaa					Significant
	Tire	Significant		Significant	Significant	Significant
Chemistry	Aksa		Significant			
	Aygaz	Significant				
	Petkm			Significant		
	Trcas			Significant		Significant
	Tuprs	Significant				Significant
Metal-Main	Brsan	Significant		Significant	Significant	
	Cemts	Significant	Significant		Significant	Significant
	Eregl	Significant			Significant	
	Izmdc					
	Krdmd			Significant		
Metal-Product	Arclk					Significant
	Toaso	Significant		Significant	Significant	

Tttrak						
	Vestl	Significant			Significant	Significant
Stone	Adana	Significant		Significant		Significant
	Afyon	Significant	Significant	Significant	Significant	Significant
	Anacm					
	Golts	Significant	Significant	Significant	Significant	
	Konya					Significant
	Trkcm				Significant	
Textile	Altun		Significant			
	Bossa	Significant	Significant	Significant	Significant	Significant
	Mndrs					Significant
	Sktas					Significant
	Yunsa	Significant				
Commerce	Boynr					Significant
	Doas					
	Kipa					Significant
	Mgros			Significant		
	Sanko	Significant	Significant			Significant
Transportation	Clebi					
	Thyao	Significant	Significant	Significant	Significant	Significant
	Ucak		Significant			Significant

Note: The significance level is 0.05

Conclusion

The study aims to find the possible relationships between the stock returns and selected international macroeconomic factors. As a conclusion, the considered variables in this section present mix results through the sectors. None of the variables has impact on all the evaluated sectors. Their impacts vary across the companies within the sectors.

Crude oil is found to be significantly effective on almost all the companies in the selected sectors. The results for crude oil are not surprising, since the literature reports mixed results about the influence of crude oil on the companies in Istanbul Stock Exchange.

The literature suggests generally negative influence of **gold** on the stock prices in ISE. The extensive influence of gold prices through the sectors except electric and communication sectors are identified as a result of employed analyses.

Global market indices including American, English and German indices are found to have influence in various degrees through the sectors. The reason for this may be the companies' varying degree of relationships with the companies in the considered markets.

Since ISE is a relatively young market and the analyses are performed in monthly basis, the study has reached a small amount of data as the main limitation of the study. After some period of time, the same analyses can be performed with the same sectors and same macro-variables.

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Peoples Perception About Ethnocentrism in BiH

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Abstract

Consumer ethnocentrism comes up as tendency to purchase domestic products instead of foreign once. This kind of behavior can be directly linked to every country's prosperity. Ethnocentric consumers, purchasing domestic products, see as their own contribution to economic, social and political development. Purpose of this study is to analyze consumer perceptions about local products consumption and its effects on community-building in BiH. It also explored the potential to expand local markets for local food and products. Sources of local food products include (but may not be limited to) farmers markets, and grocers who carry local foods. A descriptive research methodology was used for this study. As the survey instrument questionnaire is used to collect data from local community. 320 responses were further analyzed with SPSS program, using descriptive statistics. Final outcome give detailed picture of local products consumption by learning about the expectations of consumers and understanding the kinds of contributions that local products make to the community. Results showed that consumers in BiH are showing ethnocentric behavior while purchasing products, respondents generally perceive domestic products to be of good quality but while purchasing they are putting quality in front of domestically produced products.

Keywords: Peoples; Ethnocentrism; BiH.

Introduction

The idea of direct proportional relation between consumption of domestic products and economic prosperity of one nation is not new in BiH and in rest of the world. In very nature of this bond lays a fact that perceiving products as domestic or foreign plays an important role in behavior of one part of consumers.

This behavior can be defined with a relatively new term, and a new concept, linked to the beginnings of the twentieth century known as consumer ethnocentrism. In marketing, ethnocentrism comes up as tendency to purchase domestic products instead of foreign once. Ethnocentric consumers, purchasing domestic products, see as their own contribution to economic, social and political development. Scale for measuring consumer ethnocentrism is called CETSCALE and has been shown to be reliable in many nations.

There are a lot of factors influencing consumer ethnocentrism.

There fore, any further analysis of this concept in BiH must begin with identifying current situation we have in our market. Are the domestic products available to our consumers?

According to study of nongovernmental organizations, the percentage of domestic products on the shelves of some prominent BH shopping centers is between 25 and 27 percent i.e. BH companies are left to cope alone with a large competition without any governmental protection and support.

Adding to this, in our country we are faced with regularly product offerings from the Croatia, Serbia and Slovenia than from our own country. The presence of regional shopping centers with the support they have from their countries leads to increasing foreign market share at the harm of our manufacturers.

Furthermore it is important to analyze how BiH consumers perceive domestic brands?

There is wide distributed fact that BH consumers consider domestic products to be of poor quality and would rather not buy them, although, somewhat paradoxically, they are perceived to offer the best price-quality ratio on the market.

If we consider the list of leading brands, we can see that, in addition to international stars, some brands from the region have a very high position in the perception of BiH consumers.

Thus, for example, the Slovenian paté Argeta unquestionably occupies a high position regardless from which part of the BiH consumer is coming.

Together with Argeta in leading position is also Croatian Cedevita which developed largely with its innovative position and won not only the domestic market, but is largely dominant within the BiH market.

As one of the few domestic brands that has prevailed ethnocentrism of domestic consumers is Violeta which is highly placed on market. Its key for success is primarily in precisely selected category, the trade-off between price and quality and in very good distribution.

Although not many, there are several local brands with potential in BiH and even further.

Sarajevo Tobacco Factory (FDS) is a leading company in the tobacco industry in BiH. Its image is based on the long tradition of 130 years and the quality of the basic raw material - tobacco. FDS well predicted its trends in the tobacco industry and successfully launched its brands, such as Aura in the premium segment and code segment for the young and her strongest brand remains the Drina – jedina (the only one).

In addition to these facts there is negative factor that further influenced consumer decisions. This is market turmoil from last year. It left traces in all countries of the region as well as in Bosnia and Herzegovina.

Therefore, the question arises whether today there is a change in perception when it comes to domestic origin of products? What is the meaning of domestic brand in Bosnia and Herzegovina?

Is it about a lack of consumer ethnocentrism or it eventually appeared due to recession crisis...?

Following methodology section this study will concentrate on answering these questions and finding place of ethnocentrism in BiH society.

Literature review

1. Nature of ethnocentrism

1.1. Definition

In the last two decades, consumer ethnocentrism represents one of the leading trends in the research world, putting it high on the scale of factors that lead to global business economy.

The concept of ethnocentrism involves attitudes of putting own way of life and national culture in dominant position relative to others. When we consider the behavior of consumers, ethnocentrism appears as a tendency to buy local products rather than foreign. From the perception of the citizens who are the more ethnocentric, buying foreign products is wrong, because, in their opinion, it harms the domestic economy, causing unemployment and represents unpatriotic behavior; high ethnocentric people feel contempt regarding foreign products, while the products of domestic origin are assessed as better and more valuable precisely because of domestic origins. For those who are not ethnocentric foreign products are objects that need to evaluate according to their values, without considering their origin of production. (Shimp and Sharma, 1987).

There are several factors that determine consumer ethnocentrism or are in close contact with it, and, as such, they can be classified into four categories: socio-psychological, economic, political and demographic.

Some of the socio-psychological factors are cultural openness. Group members who spend several years in contact with other cultures, according to some studies show high ethnocentric or even nationalistic tendencies. This can be explained by the fact that in contact with other cultures people are trying to preserve their own identity.

Patriotism is defined as love for or loyalty to a particular country and is positively associated with consumer ethnocentrism. Conservative people tend to cherish traditions and social institutions that took place over time and accept change only occasionally. Research has found a positive association between conservatism and consumer ethnocentrism.

Different economic status of the country creates different preferences to foreign products. In transition countries, Western products will be preferred for quality and innovation. However, as the economies are developing, nationalist motives become more dominant and ethnocentrism emerges.

Among the factors that affect ethnocentrism are political propaganda. Political leaders can increase the ethnocentrism of one nation by raising awareness about the threats to external groups (eg the U.S. during the Bush regime). (Rosenblat, 1964.)

Although the research results are not consistent, it seems that more empirical support is on the hypothesis that younger people have lower levels of consumer ethnocentrism than older people (Klein and Ettenson, 1999). Studies also show that women have greater ethnocentric tendencies than men. The explanation probably lies in the fact that women are more conservative, more prone to conforming and feel compelled to maintain social harmony and have positive feelings within the group. Apart from a few exceptions, the results indicate a negative relationship between consumer ethnocentrism and education. The explanation could be found in the fact that educated people have less ethnic bias and are less conservative.

1.2. Differences in regions

Results of previous studies show that the level of consumer ethnocentrism is different in different countries and even regions of the country, and it varies over time due to varying factors that determine ethnocentrism (economic, political, demographic, socio-psychological).

In the region of Central and Eastern Europe the lowest level of consumer ethnocentrism was recorded in Hungary (Veljkovic, 2005). Results on a scale of consumer ethnocentrism differ not only between countries but also between regions of the same country (O'Cass and Lim, 2002nd, by Marinkovic et al., 2010) in the U.S. is significantly higher levels of consumer ethnocentrism measured in Detroit rather than Los Angeles.

According to studies made by association "Kupujmo i koristimo domaće" the term "domestic product" has a different meaning for different regions within BiH. Therefore ethnocentric perception is not the same in the Republic of Serbian, Western Herzegovina and Sarajevo.

Arguably the strongest impact on consumers from various BiH regions have brands from Croatia or Serbia.

Complexity of consumer ethnocentrism in BiH best can be illustrated by raising a question: "Is Vispak's coffee "Zlatna džezva" more domestic brand (with traditional image of coffee brewing pot on the package and very oriental topography) or it is Grand coffee (the strongest Serbian brand of coffee whose company merged with the Slovenian company Droga Kolinska, which in 2010th buys Croatian Atlantic Group, while still is produced in BiH)?" To make the matter even more complicated it is enough to ask this question a consumer from the Republic of Serbia.

Furthermore, the degree of consumer ethnocentrism may be different between different nations within the same state: In Bosnia and Herzegovina, of Bosniaks was measured ethnocentrism strongest, followed by Croats, while Serbs showed the lowest level of consumer ethnocentrism (Čutura, 2006). It is assumed that this relationship is largely associated with experiencing Bosnia and Herzegovina as their country

According to the 2013 China customers' loyalty study conducted by marketing research firm Epsilon, six out of the 10 Chinese respondents endorsed foreign brands. However, there is a growing preference to buy products that are made in China. Local-brand supporters have grown to 43 percent from 31 percent in 2011, the report said. Such trends are already visible in the Chinese fashion industry. In March, China's first lady Peng Liyuan sparked off a craze for Chinese brands after dressing up in Chinese-made apparel for diplomatic visits.

Theoretically speaking, for all producers, regardless from which neighboring country they are coming, the most important fact is to know the target market and to have a clear picture of consumer ethnocentrism. In the case of Bosnia and Herzegovina this means that different regions require different marketing strategies.

1.3. Differences in category of buying a domestic products

Recent studies, on the impact of consumer ethnocentrism, came to the general conclusion that preference to domestic products varies considerably within category of product that is taken into consideration.

In American consumers automotive industry is considered one of the most important pillars of the local economy, while domestic cars are connected with feelings of identity and pride. Studies in the U.S. have confirmed multiple correlations of consumer ethnocentrism and intentions to purchase car brand with domestic origin.

On the other hand, while investigating consumer ethnocentrism related to some other product categories did not have such consistent results.

Many studies in Bosnia and Herzegovina reveals that consumers find foreign products to be higher quality with generally low commitment to domestic products.

However, the study, that measured the frequency of purchasing some certain product categories, shows a somewhat different picture of BiH consumers.

A study has been conducted in 1000 households in the Federation. Respondents were asked to identify brands of milk, carbonated water and refrigerator they possess in their household, According to the results of study 70% respondents purchasing domestic brands of milk and 78% was purchasing aerated waters (78%).

In case of refrigerators great number of respondents was possessing refrigerators originating in Slovenia and Turkey. Given the long-standing presence and excellent availability of Slovenian brand "Gorenje" on the Bosnian market, this result was completely expected.

Looking at purchasing difference between ethnocentric and no ethnocentric consumers, it is clear that ethnocentric consumers in average buy more domestic brands in all three categories that are considered.

Great difference occurred in purchasing milk and water, while there were no statistically significant differences in the frequency of owning a domestic brand refrigerator between ethnocentric and no ethnocentric consumers.

Thus we can conclude that in category of milk and carbonated water consumers with ethnocentric tendencies in greater extent really do buy products of domestic origins.

Research in Serbia also show that ethnocentrism affects purchasing and selection of products, especially in the case of certain categories (Veljkovic, 2009.). These categories are everyday food products (milk, soups, mayonnaise), alcoholic beverages (beer, wine), soft drinks (non-carbonated soft drinks, water). On the other hand, the product categories in which the Serbian consumers show a greater preferences in choosing alternatives include personal care, cosmetics and household products.

Thus, consumer ethnocentrism may prove to be a universal characteristic of the consumer, but its effects cannot be analyzed outside the context of the characteristics of the product. The product characteristics can significantly moderate the impact to consumer ethnocentrism. In fact ethnocentric consumers are more buying certain categories of domestic products, especially food products of domestic origin.

1.4. The consequences of consumer ethnocentrism

The main issue of discussion on consumer ethnocentrism is: Does consumer ethnocentrism lead to purchasing local products and thus nation's prosperity?

The study of consumer ethnocentrism began with studies that have been done on the territory of Western Europe during the 70s and 80s of the twentieth century, showing as desirable behavior, for both consumers and society, the one in which consumers when purchasing products prefer domestic rather than foreign products. (Supphellen and Rittenburg, 2001).

In the study of Sharma and Sur. (1995) are mentioned two moderator variables between consumer behavior and attitudes towards imported products: the perceived necessity of the product and the perceived economic threat. Necessity products is mentioned in the sense that consumers consider a particular imported product as absolutely necessary for the possession, while the economic threat is considered a product that is absolutely unnecessary in the domestic market. Accordingly, absolutely necessary items are not included in the sphere of consumer ethnocentrism.

The consequences of consumer ethnocentrism are therefore evident on the behavioral level. Because understanding of some future research, it is important to note that foreign products are those made by foreigners. What is meant by foreigners only depends on the opinion of the citizens of one state.

2. Promotion of domestic products

2.1. Availability of domestic products

Business portal "eKapija" lead a survey in order to find out to which extend Serbian consumers are purchasing domestic products.

Only 19% of respondents believe that domestic products are clearly marked, and 72% of participants in the survey said that domestic products should be singled out in shopping malls.

In this survey participated 2,000 respondents, which in 72% of cases belonged to middle and senior management.

Average presence of domestic product in BiH stores is around 26%. The large presence of shopping centers from neighboring countries influence that citizens have greater opportunity to buy products from Slovenia, Croatian and Serbian, than from BiH.

Since 2005th in Valicon research on the perception of strength and brand image (PGM) follow the perception of the country of origin (COO - Country Of Origin). Bosnia-Herzegovina consumers are positioning domestic products in the group with the Serbian, Macedonian and Bulgarian and consider them to be of poor quality products, and prefer not to buy them, even though they see the affordable and best value for money and quality.

Politics has no major activities in this regard. The laws are bad; constitutional order of BiH is not solving the problem. Lobbies are present and have a big impact, but they are not a problem as the problem of the absence of BH lobby.

2.2. Associations promoting domestic products

Some supporting associations works on opening stores with domestic items. Association "Buy and use a homemade" existed for eight years, and currently has over 450 companies members from various industrial fields, and 86 of them owns a mark of bh quality. The objectives of the Association are to promote our companies and their products, as well as the impact on the consciousness of our citizens to buy domestic products. The results that are achieved are quite good, but the whole concept is a process that takes a long time for generations to get used to all what does BiH possesses

It may be a good magnet for the media and raise the story about this problem; but support from local authorities is still required.

3. Hypotheses

In this research, we developed 4 hypotheses which are going to be tested.

H₁ Consumers in BiH are showing ethnocentric behavior

H₂ Consumers in BiH are more appreciating products from neighboring countries than BiH

H₃ Domestic products are not properly available in prominent shopping centers

H₄ Quality is important factor that can influence purchase of foreign product instead of domestic one

Methodology

Methodology for collecting data for verifying study, were obtained through online questionnaire.

Testing was conducted in the period from 27 December 2013 until 31 January 2014 in the territory of BiH. The survey was carried out in city, as well as in rural areas.

A total of 320 responses were collected from people who live in different cities in Bosnia and Herzegovina.

The questionnaire consisted of 21 item divided in two parts.

First part of the questionnaire has been designed with the intention of determining the general information about consumers offering them multiple questions about age, place of residence, education.

Second part was conceived in form of 16 statements measured by level of agreement. These statements helped to analyze general consumer perceptions about ethnocentrism and general view

respondents regarding the purchase of domestic and foreign products, as well as examine the consumer's choice between domestic and foreign products in the purchasing process.

When analyzing the collected data, the measures of descriptive statistics used the arithmetic mean and standard deviation.

All questions have been mandatory to answer in order to obtain clear and correct data for survey. Results of the survey will be presented in following sections.

Results

Some of the answers gathered from questionnaire were analyzed in SPSS, by using descriptive statistics. Also, graphs are used to better describe the data and results. The following table provides demographic characteristics of total of 320 respondents: age, gender and education.

Table 1: Demographic Characteristics of Respondents

<i>Demographic Factors</i>	<i>Details</i>	<i>Percentage %</i>
Age	15-20	91
	21-29	119
	30-49	64
	50-59	30
	60 and more	16
	Total	100 %
Gender	Male	114
	Female	179
	Total	100 %
Education	Highschool	127
	Undergraduate	100
	Graduate	52
	Postgraduate	28
	Phd	13
	Total	100 %

From the previous table that contains information about the age-group of respondents, it is found that the majority of respondents is in 21-29 age group (37.19%), what is logically, if we take into consideration that questionnaires are mainly distributed to the students.

It is also presented that the majority of respondents has high school education (39.69%) and undergraduate (31.25%) what is in compliance with analysis of table 2.

H₁ Consumers in BiH are showing ethnocentric behavior

Table 2: Taking care for purchasing domestic products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	27	8.4	8.4	8.4
	Disagree	46	14.4	14.4	22.8
	Neutral	75	23.4	23.4	46.3
	Agree	98	30.6	30.6	76.9
	Strongly agree	74	23.1	23.1	100.0
	Total	320	100.0	100.0	

When analysing table above we can conclude that majority of respondents (53,76%) take care to purchase domestic products while shopping, and only 22,83% don't show this behavior.

Table 3: AlternativeLocalProduct

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	27	8.4	8.4	8.4
	Disagree	49	15.3	15.3	23.8
	Neutral	82	25.6	25.6	49.4
	Agree	97	30.3	30.3	79.7
	Strongly agree	65	20.3	20.3	100.0
	Total	320	100.0	100.0	

Table 3 shows that majority of respondents are trying to find alternative among domestic products for their favorite foreign product, with 50,62% of respondents displaying their agreement with the statement, and only 23,75% are opposing the statement.

Table 4: Support Action Promote

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	3	.9	.9	.9
	Disagree	18	5.6	5.6	6.6
	Neutral	32	10.0	10.0	16.6
	Agree	85	26.6	26.6	43.1
	Strongly agree	182	56.9	56.9	100.0
	Total	320	100.0	100.0	

Results of table 4 show that great majority of people would support actions that promote the purchase of domestic products, even 83,44% respondents responding they agree with the statement, with only 5,63% who don't agree,

Table 5: ForeignProductsHarmBiH

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	13	4.1	4.1	4.1
	Disagree	33	10.3	10.3	14.4
	Neutral	53	16.6	16.6	30.9
	Agree	100	31.3	31.3	62.2
	Strongly agree	121	37.8	37.8	100.0
	Total	320	100.0	100.0	

Results in table 5 show that consumers in BiH are aware of negative effects that purchase of foreign products can bring to BiH economy. Great majority of respondents marked they agree with statement (69,06%) and only 14,37% don't agree.

Table 6: Imported Products Limited

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	12	3.8	3.8	3.8
	Disagree	19	5.9	5.9	9.7
	Neutral	57	17.8	17.8	27.5
	Agree	86	26.9	26.9	54.4
	Strongly agree	146	45.6	45.6	100.0
	Total	320	100.0	100.0	

Table 6 is also related to table 8 showing consumer's ethnocentric awareness, and negative effects of purchasing foreign products, even 72,51% of respondents would limit amount of import of foreign products.

CONCLUSION: According to results of a questionnaire H1 is confirmed. Majority of respondents are taking care to purchase domestic products while going shopping, majority is even ready to find alternative for their favorite foreign product and all this is based on their awareness that purchase of foreign products can harm BiH business and have negative effects on economy. All these are obvious results of ethnocentric behavior.

H₂ Consumers in BiH are more appreciating products from neighboring countries than BiH products

Table 7: CroatiaSerbiaBetterQuality

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	63	19.7	19.7	19.7
	Disagree	94	29.4	29.4	49.1
	Neutral	98	30.6	30.6	79.7
	Agree	51	15.9	15.9	95.6
	Strongly agree	14	4.4	4.4	100.0
	Total	320	100.0	100.0	

Graph above shows majority of respondents not agreeing with the statement that products from neighboring countries have better quality. 60,01 % of respondents don't agree with statement and smaller number of respondents 20,32% are perceiving neighboring products to be of better quality.

Table 8: CroatiaSerbiaLowerPrices

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	63	19.7	19.7	19.7
	Disagree	87	27.2	27.2	46.9
	Neutral	117	36.6	36.6	83.4
	Agree	38	11.9	11.9	95.3
	Strongly agree	15	4.7	4.7	100.0
	Total	320	100.0	100.0	

As well as previous table, table 8 also shows high level of disagreement (46,19) among respondents regarding statement that neighboring products have lower prices than domestic ones.

CONCLUSION: H2 is rejected, since majority of respondents don't perceive neighboring products being advanced regarding quality and price when comparing with domestic products.

H3 Domestic products are not properly available in prominent shopping centers

Table 9: ClearlyLabeled

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	91	28.4	28.4	28.4
	Disagree	102	31.9	31.9	60.3
	Neutral	65	20.3	20.3	80.6
	Agree	41	12.8	12.8	93.4
	Strongly agree	21	6.6	6.6	100.0
	Total	320	100.0	100.0	

In table we can see that majority (60,32%) respondents don't agree that domestic products are clearly labeled in supermarkets.

Table 10: ShouldBeSingledOut

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	1.9	1.9	1.9
	Disagree	16	5.0	5.0	6.9
	Neutral	36	11.3	11.3	18.1
	Agree	73	22.8	22.8	40.9
	Strongly agree	189	59.1	59.1	100.0
	Total	320	100.0	100.0	

As addition to previous table table 10 shows that majority respondents 81,87 respondents are supporting idea and think that domestic products should be specially singled out in shopping malls.

CONCLUSION: H3 is confirmed since majority of respondents don't think domestic product's are clearly labeled in supermarkets, as well great majority thinks that domestic products should be specially singled out.

H4 Quality is important factor that can influence purchase of foreign product instead of domestic one

Table 11: Most important factors for purchasing food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Quality	165	51.6	51.6	51.6
	Price	85	26.6	26.6	78.1
	Brand Image	12	3.8	3.8	81.9
	Domestically produced	50	15.6	15.6	97.5
	Package	8	2.5	2.5	100.0
	Total	320	100.0	100.0	

As we can see from table above majority of respondents (51,56%) marked quality to be most important factor for purchasing products.

Table 12: LocalGoodQuality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	18	5.6	5.6	5.6
Disagree	40	12.5	12.5	18.1
Neutral	90	28.1	28.1	46.3
Agree	122	38.1	38.1	84.4
Strongly agree	50	15.6	15.6	100.0
Total	320	100.0	100.0	

According to table 12 majority of respondents 38,13% perceive BiH products to be of good quality, and 15,63% strongly agree with this statement.

Table 13: LocalBetterQThanForeign

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	40	12.5	12.5	12.5
Disagree	91	28.4	28.4	40.9
Neutral	111	34.7	34.7	75.6
Agree	52	16.3	16.3	91.9
Strongly agree	26	8.1	8.1	100.0
Total	320	100.0	100.0	

However, results in table 13 show that majority of respondents don't agree that foreign products have better quality than foreign products, where 40,94% of respondents doesn't agree with statement.

Table 14: Higher Price Same Quality

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly disagree	47	14.7	14.7	14.7
Disagree	64	20.0	20.0	34.7
Neutral	50	15.6	15.6	50.3
Agree	79	24.7	24.7	75.0
Strongly agree	80	25.0	25.0	100.0
Total	320	100.0	100.0	

Results in table 14 show that consumers in BiH are ready to pay higher price for domestic products if they will get same quality as they are expecting from some other product, where 49,69% of respondents agree with the statement.

Table 15: Lower Quality Same Price

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	70	21.9	21.9	21.9
	Disagree	77	24.1	24.1	45.9
	Neutral	80	25.0	25.0	70.9
	Agree	57	17.8	17.8	88.8
	Strongly agree	36	11.3	11.3	100.0
Total		320	100.0	100.0	

The table 15, where 45,94% respondents don't agree with statement, show that respondents are not ready to accept lower quality of products made in BiH even though they will pay the same price for it as they would for foreign product

CONCLUSION: H3 is confirmed. Quality appeared to be very important factor for purchasing among respondents. Even though they perceive BiH products as having good quality they are not ready to accept lower quality at the same price as foreign ones, but they are ready to pay more for higher quality of BiH products.

Here we have some interesting results showing respondents perception about promotion of domestic products and enhancing domestic production. 80,32% respondents think that state should subsidize marketing production, only 5% are opposing.

Also 79,06 % respondents think that manufacturers should allocate more funds for promoting their products, whit only 19,38% opposing this statement.

CONCLUSION: According to these results we can conclude that consumers in BiH are perceiving state responsible for promoting domestic production, as well as they are perceiving that domestic manufacturers don't allocate enough funds for promotion of their products.

Limitations and future recommandations

The problem with all researches based on a questionnaire, including this one, is reflected in the fact that some respondents express their views based on the last realized purchases, not on the basis of the overall experience. In this sense, it would be desirable to continuously conduct surveys in successive intervals in order to light up more realistic situation in a market.

Another limitation is the fact that the survey was conducted during the time when economic crisis in BiH is still ongoing. This situation affects the increase of consumer ethnocentrism. It would be useful to carry out this type of research in the period after the crisis, and see whether there is a changes in the degree of ethnocentricity in the consumption of the population of BiH. The study could show whether the tendency to increase the level of ethnocentricity is long-term sustainable or not.

When it comes to future research, it is important to examine the relationship between consumer ethnocentrism and other social phenomena such as patriotism, national identity, the image of the nation, political factors etc. For the purpose of conducting this research it is useful to create a specific research model. By establishing a causal relationships between the observed variable model, an insight into the openness of one society towards foreign cultures and values can be made. In addition, it is desirable to implement a detailed analysis by segments. In this context, if we look place of residence as a criterion for segmentation, it would be interesting to examine whether there are significant differences in the level of consumer ethnocentrism among respondents who live in countryside, in the suburbs and in the central city municipalities.

Conclusion

Consumer ethnocentrism is a social phenomenon that would help to light up certain characteristics of a nation at some point in time, especially regarding attitudes about the products that are imported from abroad.

This investigation indicates that the level of consumer ethnocentrism in BiH is at the significant level. The reason for this might be the emergence of the economic crisis in which ethnocentric behavior affirms as socially acceptable and desirable.

Conclusion that consumers in BiH are displaying ethnocentric behavior, we can derive from fact that even 53,76% of respondents are taking care to purchase domestically products while purchasing, 50,62% are trying to find alternative for their favorite foreign product.

Also in frames of ethnocentric behavior consumers display awareness about benefits of buying domestically produced and recognize possible negative effects of purchasing foreign. 69,06% of respondents are aware that purchasing foreign products can lead to inferior position of domestic products, thus harming BiH economy, 72,51% of respondents think that amount of import should be limited.

After we concluded that consumers in BiH display ethnocentric behavior, and that they are willing to buy domestic products, we can stress another issue regarding availability of products.

According to results 60,32% of respondents think that domestic products are not properly available in shopping centers and 81,87% think that BiH products should be specially singled out.

Also consumers in BiH are perceiving state responsible for promoting domestic production and it should subsidize it 80,32%, as well as they are perceiving that domestic manufacturers don't allocate enough funds for promotion of their products 79,06%.

Consumers are not perceiving neighboring products better quality and price than domestic products, with 60,01% opposing this statement.

However quality appeared to be very important factor for purchasing among respondents. 51,56% of respondents marked quality to be most important factor while purchasing and only 15,63% marked domestically produced. Even though they perceive BiH products as having good quality 38,13% (opposing 15,63%), they are not ready to accept lower quality at the same price as foreign ones, but they are ready to pay more for higher quality of BiH products.

At the end we can say that this research helped as to conclude that consumers in BiH are ethnocentric aware and that they display ethnocentric behavior while purchasing. However domestically producers should more take care about quality of their products since quality has advantage rather than domestically produced products. Also state and marketers should give more effort in order to promote domestic products since general perception of respondents was that domestic products are not properly available.

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Cultural studies

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An Examination of Common Worship and Ceremonies among the Abrahamic Faiths: Implication for Religious Tolerance in Nigeria

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Abstract

Abrahamic faiths refer to the three most popular religions that traced their origin to Abraham. These religions are Judaism (the earliest of the three), Christianity and Islam (Islam is commonly adjudged as the most recent). This paper examined the common worship, customs and other religious ceremonies prevalent among the Abrahamic faiths. It also identified the common areas of agreement between the Abrahamic faiths with regards to the common religious related customs. It is on this strength that the paper argued that the Abrahamic faiths should emphasize on areas of unity rather than widen the gulf of disagreement. The paper employed the historical and sociological methods of investigation. It is recommended that the Abrahamic faiths should explore areas of unity in order to strengthen the cord of tolerance and peace in the world in general and Nigeria in particular.

Keywords: Abrahamic faiths; Ceremonies; Religious tolerance; Worship.

Introduction

Abrahamic faith, Abrahamic religions or Abrahamism refers to the three most popular religions, monotheistic in nature and tracing their origin to Abraham. They are noted to have the highest estimates that are about 54% of the world's population (that is, about 3.8 billion people) belong to Judaism, Christianity and Islam. These three most popular religions are referred to as Abrahamic faith or Abrahamic religion. About 30% of the world's population belongs to other religions, while 16% are said to belong to no religion at all. The three Abrahamic religions are commonly adjudged to have originated from the Middle East. It is also stated that the Abrahamic religions in order of founding can be arranged chronologically as: Judaism, Christianity and Islam.

The three Abrahamic religions carry out different practices, customs, and ceremonies that indicate their distinctives. It is important to note that they all claim that the attempt in pursuing their different customs, religious practices and ceremonies, is to establish a closer relationship with God. Apart from this act of worship, they are also challenged to earn piety and spiritual advancement. These goals notwithstanding, it is common knowledge that the three Abrahamic

religions, though pursuing the same essence, differ greatly in their expressions of custom, worship and ceremonies. Are there glaring benefits accruable from this seemingly differences? This forms a great part of the focus of this paper.

The writer will attempt to discuss the different worship, customs and ceremonies among the different Abrahamic faith. Suffice it to state unequivocally that they all differ in their practices and expressions with respect to the issue at stake. It will definitely be outside the scope of this paper to capture all the customs, ceremonies and worship among the Abrahamic faiths. The following will be considered:

Judaism Rites, Ceremonies and Worship:

Judaism is believed to be the earliest of the three common Abrahamic faith. It is commonly argued that the rites and ceremonies observed in Judaism cannot easily be divorced from the general way of life of the Jews. These practices, directly or indirectly reflect the major core of the Jewish culture and custom.

The writer will state in an orderly manner, some common customs, ceremonies and other practices in Judaism. They include the followings:

1. The Rite of Circumcision: According to Nadler (2012), the most important, primal and very first rite of Judaism both in terms of its historical origins and occasion in life is the circumcision of all baby boys at the age of eight days. It is believed that God initiated this rite when He instructed Abraham to circumcise himself, all the males in his households and his descendants. This was a sign of the divine covenant between God and Abraham's progeny, who were the "chosen people". Nadler (2012), further explained that, in the Rabbinic tradition, any male who is not circumcised is "cut off" from the community of Israel, both in this life and from enjoying his "portion in the world to come". The uncircumcised is believed to have his soul perish with his body. It is also believed that he will not experience the anticipated resurrection of the dead at the end of days that will accompany the messianic era. He further narrated that a specially trained ritual surgeon referred to as **mohel** performs the circumcision rite. This is followed by a ceremony, where the child is given his Hebrew name. In Jewish culture like in Judaism, girls are not circumcised. However, they are named within thirty days of their birth and this is commonly done in a synagogue ceremony on a Sabbath morning.

2. Shabbat: This is a very important observance in Judaism. It is said to play a pivotal role in Jewish practice and governed by a large corpus of religious law (Jewish Identity, 2012). It is the weekly day of rest in Judaism. It lasts from shortly before sundown on Friday night to nightfall Saturday night. The Sabbath is believed to be a commemoration of God's day of rest after six days of creation. During the commencement of the Sabbath at Sundown on Friday, the women of the house welcome the shabbat by lighting two or more candles and reciting a blessing. The evening meal begins with a blessing recited aloud (this is Kiddush) over a cup of wine. The blessing is also recited (Mohtzi) over the bread. The two braided loaves of bread on the table are referred to as challah. During the Sabbath, it is forbidden to be engaged in any activity referred to as work. There are thirty nine categories of such activities referred to as Melakhah ("work"). It includes lighting of fire, writing, using money etc. The sabbat is obeyed with strict adherence in Judaism.

3. Prayers in Judaism: In Judaism, prayers are recited three times daily. These are Shacharit, Mincha and Ma'ariv. There is however, the fourth one, Mussaf. This is added on Sabbath and holidays. An important aspect in most services is the declaration of faith. This is referred to as the Shema. This is a recitation of a verse from the Torah (Deuteronomy 6:4): "Hear, Israel ! The Lord is our God! The Lord is one". Prayers in Judaism can be recited in solitary prayer, but communal prayer is preferred. In communal prayer, the quorum is ten adults. This is referred to as minyan. In Orthodox Judaism only males are counted towards this communal prayer.

4. Marriage in Judaism: In Judaism it involves a double ceremony. In ancient times, this was separated by one year. The first year is the betrothal, referred to as erusin. This involves the reading of the marriage contract, known as Ketubba, and the giving of the ring with a declaration: "Behold you are consecrated to me by this ring according to the Law of Moses and

Israel”(www.Britannica.com,2012). These are all accompanied by benedictions. At the close of the one year, the marriage proper (referred to as nissu in) is done. It consists of reciting of the seven marriage benedictions. The marriage ceremony is performed under a huppa, a canopy which symbolizes the bridal bower. This is regarded as very sacred in Judaism.

5. **Laws to maintain ritual purity:**

In Judaism there are elaborate laws intended to maintain ritual purity especially in relationship with worship in the Jerusalem temple. However, with the destruction of the temple, most of the laws concerning personal purity became less emphasized. It is argued by Nadler (2012) that in spite of this, two vital aspects of the laws of purity derived from the “code of holiness in the biblical book of Leviticus, have remained in full force to this day. According to him, they include the dietary laws (or Kashurt). This prohibits the consumption of any of the species of animals, birds and fish classified by the scripture as unclean. The second law is the laws of family purity (referred to as taharat ha-mishpacha). It requires menstruating women to avoid intimate contact with their husbands until a week after the end of their immersion in a ritual bath known as mikvah. Apart from this use, the ritual bath is also observed by Jewish men on the eve of sabbat and Jewish holidays. Apart from this, men and women also observe the ritual bath on the eve of the Day of Atonement. This is to purify themselves before the holidays. The converts to Judaism are also immersed in the ritual birth as a symbol of their rebirth into Judaism.

6. **Holy days in Judaism:**

These are some of the holy days in Judaism. According to Jewish identity (2012), they include:

- **Passover (Pesach):** This is a week-long holiday. It begins in the evening of the 14th day of Nisan (this is the first month in the Hebrew calendar). It commemorates the Exodus from Egypt. It centres on home service. All leavened products are removed from the house before the holiday and are not consumed throughout the week.

- **“Pentecost” or “Feast of Week”:** This is the celebration of the revelation of the Torah to the Israelites on Mount Sinai. It coincides, in the biblical times, with the wheat harvest. During this time, there is all-night study marathons, eating of dairy foods (for example cheese-cake), reading the book of Ruth, decorating homes and synagogue with greenery and wearing white clothing as a symbol of purity.

- **“The Festival of Booths” or Tabernacles:** It commemorates the Israelites forty years of wandering in the desert on their way to the Promised Land. During the celebration, temporary booths known as Sukkot are constructed. They represent temporary shelters of the Israelites during their wanderings. This festival coincides with the “fruit harvest” and marks the end of the agricultural cycle. The Jews eat in the temporary booths for seven days and nights, as the festival is concluded with prayer for rain. It is celebrated with singing and dancing with the Torah scrolls.

The three festivals considered above are the major Jewish Holy days. They are referred to as “regalim” in the Hebrew, meaning “regel” or foot. It was customary in Judaism to make pilgrimages to Jerusalem and offer sacrifices in the Temple during these special Holy days.

The other Holy days in Judaism include the following:

- **Day of Remembrance” or “Day of the Sounding of the Sholar”.**

This is the Jewish New Year. It is referred to literarily as the “head of the year”. It falls on the first day of the seventh month of the Hebrew calendar. This period “marks the beginning of the 10days period of atonement leading to the Day of Atonement. The period involves blowing the Shofar or ram’s horn in the Synagogue, eating apples and honey and pronouncing blessings over some symbolic foods like pomegranates

▪ **The Day of Atonement:**

This is the holiest day of the Jewish year, kept in Judaism. It involves communal fasting and prayer for forgiveness of one's sins. The entire day is spent in the synagogues, with short break in the afternoon, with reciting of prayers from a prayer book known as "Machzor"

▪ **Purim or "lots":**

This is a joyous holiday which commemorates the deliverance of the Persian Jews from the hand of the evil plot by Haman. He sought to exterminate the Jews as recorded in the Book of Esther. Its features include the public recitation of the Book of Esther, mutual gifts of food, drink, charity to the poor and a celebratory meal (Esther 9:22). Other activities include drinking of wine, eating of special pastries, dressing up in masks and costumes and organizing parties and carnivals.

▪ **Festival of lights or "Dedication"**

It is an eight day holiday which starts on the 25th day of the Hebrew calendar. It is observed by kindling lights in homes on each of the festival's eight nights

▪ **"The Ninth of AV":**

This is a holiday of mourning and fasting to commemorate the destruction of the first and second temples and the expulsion of the Jewish people from Spain.

▪ **"The Holocaust Remembrance Day" and Israeli Independence Day:**

This is to commemorate the horrors of the Holocaust and the achievement of Independence.

▪ **Synagogues and Religious building:**

This is the house of prayer and study in Judaism. It consists of a separate room for prayer (the main sanctuary), smaller rooms for study and an area for educational use. The synagogue consist of the followings: the ark (where the Torah, scrolls are kept). The elevated reader's platform, where the Torah is read and services conducted. The eternal light, this is a continually lit lamp or lantern. It serves as a reminder of the lit menorah of the Temple in Jerusalem. There is also the pulpit, this is a lectern facing the Ark where the prayer leader stands while praying.

7. **Dietary Laws:** In Judaism only mammals that have split hooves and chew the cud are eaten. The pig is not eaten, though it chews the cud. For sea foods, the ones considered to be eaten should have fins and scales. For birds, the list is given in the Torah.

8. **Professional clergy in a Synagogue:** They include the Rabbi. This is a Jewish scholar who is charged with answering the legal questions of a congregation. We also have the Hazzan, who is a trained vocalist. The choice of the Hazzan depends on: a good voice, knowledge of the traditional tunes, understanding of the meaning of the prayers and sincerity in reciting them.

9. **Bar Mitzvah and Bat Mitzvah:** This ceremony is celebrated by the boy on reaching the age of 12years (he is a Bar Mitzvah) and the girl at the age of 13years (Bat Mitzvah). According to the Barmitz.htm (2012), "the Bar Mitzvah ceremony formally, publicly marks the assumption of that obligation of adulthood along with the corresponding right to take part in leading religious services, to count in a Minyan (the minimum number of people needed to perform certain parts of religious courts) and to marry. It further stated that during the Sabbath service, after celebrating the Bar Mitzvah, he is called upon to the Torah to recite a blessing over the weekly reading. He is required to also do this during the Monday or Thursday weekday services.

This is the age when a person is accountable for his actions and minimally qualifies to marry. However, Ronaldrivas.tripod.com (2012), argued that, the only difference between the orthodox way of celebrating it and the unorthodox way, is that the women are not called up to read the Torah, and lead the service. It also submitted that reformed Judaism has, in the late nineteenth century, replaced this with a confirmation ceremony for both boys and girls in their late teens.

10. Burial service in Judaism: The service is adjudged as very simple. The body is prepared by the “Holy society”, dressed/clad in simple shroud. No coffin is used. The body is interred as soon as possible after death. The mourning period of thirty days is observed; out of this the first seven days are the most rigorous. Eleven months after death, the bereaved is expected to recite a particular form of synagogal doxology (referred to as Kaddish) during the public service as an act of memorial. This doxology is devoid of any mention of death and it is expected to express praise to God and pronouncement of prayer for the establishment of the coming kingdom. This doxology is also recited annually during the anniversary of the death (www.Britannica.com, 2012).

There are several customs, ceremonies and religious rites in Judaism. It is commonly argued that most of the ceremonies in Judaism are closely related to the Jewish culture. This is succinctly put by Jacobs (2012) when he opined that the Jews are ethno-religious group and includes those born Jewish and converts to Judaism. He further opined that, “orthodox Judaism maintains that the Torah and Jewish Laws are divine in origin, eternal and unalterable, and that they should be strictly followed.

The general aspect of the Customs, Ceremonies and Culture in Judaism can be captured in the thirteen principles of faith as highlighted in the core tenets. This is outlined by Jacobs (2012) as:

- I believe with perfect faith that the Creator, Blessed be His Name, is the Creator and Guide of everything that has been created; He alone has made. Does make, and will make all things.
- I believe with perfect faith that the creator, Blessed be His Name, is One, and there is no unity in any manner like His, and that He alone is our God, who was, and is, and will be.
- I believe with perfect faith that the Creator, Blessed be His Name, has no body, and that He is free from all the properties of matter, and that there can be no (physical) comparison to Him whatsoever.
- I believe with perfect faith that the Creator, Blessed be His Name, is the first and the last.
- I believe with perfect faith that the Creator, Blessed be His Name, and to Him alone, it is right to pray, and that it is not right to pray to any being besides Him
- I believe with perfect faith that all the words of the prophets are true.
- I believe with perfect faith that the prophecy of Moses our teacher, peace be upon him, was true, and that he was the Chief of the prophets, both those who preceded him and those who followed him.
- I believe with perfect faith that the entire Torah that s now in our possession is the same that was given to Moses our teacher, peace be upon him.
- I believe with perfect faith that the entire Torah will not be exchanged, and that there will never be any other Torah from the Creator, Blessed be His Name.
- I believe with perfect faith that the Creator, Blessed be His Name, knows all the deeds of human, beings and all their thought, as it is written, ‘Who fashioned the hearts of them all, Who comprehends all their actions’ (Psalm 33:15).
- I believe with perfect faith that the creator, Blessed be His Name, rewards those who keep His commandments and punishes those that transgress them.
- I believe with perfect faith in coming of the Messiah: and even though he may tarry, nonetheless, I wait every day for his coming
- I believe with perfect faith that there will be a revival of the dead at the time when it shall please the Creator, Blessed be His Name, and His mention shall be exalted forever and ever.

The author will also consider customs, ceremonies and worship in Christianity, which is the second Abrahamic faith, chronologically.

Christianity Rites, Ceremonies and Worship:

On the basis of chronological founding, Christianity is commonly believed to be the second among the three Abrahamic faiths. It is important to note that there is also marked level of variation in the Christian faith on the basis of the proliferation of denominations. Although, in Judaism, we have the orthodox and the reformed, such marked variation as in Christian worship is not as prominent. However, in spite of the obvious variation in Christian worship (Wikipedia, the free encyclopedia, 2012), we still find the following forms of worship, religious rites and ceremonies are prominent:

1. Worship: Most Christian denominations have set aside Sunday, the first day of the week, as a day of worship. However, the order of worship varies from denomination to denomination. In the catholic worship, it is guided by the Roman Missal and other documents. For others, the form of liturgy is determined by the denomination concerned. However, it is worth noting that some forms of liturgy that will guarantee the right worship is followed. It is worth mentioning that the Seventh –day Adventist Church (SDA), which embraces most Old Testament rules and regulations, observes the Sabbath (Saturday) as a day of worship (Wikipedia, the free encyclopedia, 2012).

The Christian worship is guided commonly by a time of prayer, reading of the scriptures, singing of hymns/choruses, sermon/preaching, offertory and others. There is actually no strict adherence to this order, but the necessary constituents of full worship as viewed by the denomination concerned, are often embedded in worship.

2. Baptism: This is one of the most important Christian rites. In the catholic denomination, this rite is referred to as Sacrament, while in most protestant denominations; it is referred to as an ordinance. According to Davies – Stofka, (2012), the early Christians saw baptism as a sign of moral purification, the beginning of new and eternal life and an indication of the Christian’s readiness for the coming Kingdom of God. He further averred that, the first Christians carried out baptism by the process of total immersion in water. Although this is still the practice among many Christian groups, but others practice the sprinkling of the head with water, he further submitted. It is also noticed that some denominations baptize infants, while mostly the Protestants, teach that only adults should be baptized.

3. The Holy Communion or the Lord’s Supper:

It is the belief of Christians that Jesus Christ instituted the practice of the Passover meal that He shared with His disciples before His arrest and death. To commemorate His death and resurrection, Christians meet to observe the Lord’s Supper. This is in accordance with 1 Corinthians 11:23-26.

In most denominations, the frequency of observing the Lord’s Supper varies. For the Roman Catholic Church, the Lord’s Supper will often be observed in their weekly services and on holy days throughout the year, while other denominations may likely observe this on a monthly basis. The elements used during the Lord’s Supper by most denominations include bread or small wafers, wine or grape wine. According to Davies-Stofka (2012), the Roman Catholic Church believes that upon blessing of the bread and wine in the ritual of the Eucharist, these food items literally become the body and blood of Jesus or embody his presence in a special way. This is referred to as transubstantiation. However, other denominations see this as merely symbolic, and intended to memorialize the action of Christ in this regards. Most Christians, however, agree that the Lord’s Supper is held to remember the first coming of Christ, anticipate his second coming and create a unity of believers.

4. Marriage: This is seen as a union between a man and woman. In Christianity, it is often emphasized that monogamy is the biblical prescription (Genesis 2:25), the man is to “cleave to his wife”. Marriage is seen as a divine worship and not only as a civil contract. It is carried out by the couple in the presence of God, while the minister and the congregation act as witnesses. It is emphasized that only death can separate such a union.

5. Death in Christianity: This is viewed as a passage to the eternal life promised by Christ. The funeral emphasizes the need for joy and confidence with regards to the promise of the resurrection. The funeral also calls attention to the brevity of life and the destiny of the soul. To most Christian denominations, you do not need to pray for the dead (Hebrews 9:27).

However, the Roman Catholic Church, see praying for the Christian close to death or dead as a sacrament that prepares such a person for God’s mercy. It is important to note that Christians generally do not have a prescribed time of mourning for the dead.

6. Circumcision in Christianity:

As earlier on considered in Judaism, circumcision is seen as a matter of religious obligation. However, this view is different in Christianity. The 'early church is said to have decided that circumcision is not required for Gentile Christians' (Acts 15- the Council of Jerusalem). According to the Ecumenical Council of Florence (2012) this was also prohibited by the council of Florence in the 15th century. Supporting the prohibition of circumcision, the Catholic Catechism (2012), calls it an immoral act (Dietzen, 2012). They argued that "non-medical amputation or mutilation is immoral. It is also on record that many countries that have majority of Christian adherents are said to have low rate of circumcisions (Ray 2012). However, Coptic Christianity and Ethiopian Orthodoxy is said to still observe circumcision rite (Wikipedia, the free encyclopedia, 2012).

7. Food Restrictions and Christianity

The aspect of strict food laws as indicated in some portions of the Old Testament are not considered as relevant by the contemporary church. There are however minor exceptions (Schuhmann, 2012). It is further submitted that the Roman Catholic Church believes in observing abstinence and penance. For example, all Fridays through the year and the time of lent are penitential days. The law of abstinence requires a catholic from 14years of age until death to abstain from eating meat on Fridays in honour of the passion of Jesus on Good Friday.

It is also worth noting that the Seventh - day Adventist Church (SDA) embraces several Old Testament rules and regulations. This includes Jewish food laws. They do not eat pork, shell fish or other food which are referred to as unclean in the Old Testament law. It is stated in their "Fundamental Belief" (2012) that their members are to adopt the most healthful diet possible and abstain from the unclean foods identified in the scriptures (Leviticus 11:1-47). It is often argued by some that in the Bible, the consumption of strangled animals and of blood was forbidden by Apostolic Decree (Acts 15:19-21). It is common knowledge that the Jehovah's Witnesses, on the strength of the scriptures above, abstain from eating blood and even allowing blood transmission.

8. Conversion in Christianity: Christianity, especially among the protestant churches, embrace and encourage evangelism as exemplified in the scriptures (The Great Commission-Matthew 28:18-20). They send missionaries to other non- Christian world. Christianity condemns forced conversion. However, non-Christians have made some allegations towards Christian forced conversions. They cite examples like the conversion of pagans during the time of Constantine, the crusaders, the Spanish Inquisition and the Aztecs, (Wikipedia, the free encyclopedia, 2012). The church condemns forced conversion as sinful. The position of Pope Paul VI puts the stand of the church concerning forced conversion aptly: Thus it is stated: it is one of the major tenets of Catholic doctrine that man's response to God in faith must be free: no one therefore is to be forced to embraced the Christian faith against his own will (Pope Paul VI, 1965).

9. Christian worship Building

The type of architecture employed often depends on the denomination concerned. Most "orthodox denominations" lay emphasis on the acquisition of different materials littering the church walls and others. While the Protestants are satisfied with the presence of the pew and pulpit, with little or no complex internal materials. In all, the essence of the church building is to generate a sense of spiritual awe and worship.

There are other ceremonies, rites and customs observed in Christianity. Suffice it to say that some of them differ on the basis of the denomination practicing it. It is important to note that the similarities among the Christian groups with regards to the slight difference, has made the Christian faith to be adjudged as still sharing the same rites, customs, ceremonies and worship.

The most recent of the Abrahamic faiths is Islam. Some of her customs worship and ceremonies will also be considered.

Islam Religious Rites, Ceremonies and Worship:

The word Islam is an Arabic word which means “surrender” or “submission”. According to Hamza (2012), the historical origins of Islam dates back to the seventh century Arabia. The prophet Muhammad, an aristocratic Arabian, born and raised an orphan in the sanctuary city of Mecca, experienced a revelation in his fortieth year. Yuhe stated that after thirteen years of suffering with patience and endurance, he migrated to the nearby city of Medina. The prophet is said to have orally transmitted the Quran (Koran), which Muslims believed was revealed from archangel Gabriel, (Hamza, 2012).

Islam is believed to be the youngest of the Abrahamic faiths. It builds its theology and others on the Koran, Hadith and the basic beliefs, referred to as five “pillars”. It is on these that everything else is built, Hamza (2012), averred.

Five basic beliefs in Islam:

a. “Testimony” or “Witnessing”: This is referred to as Shahadah, and it is observed by declaring to two witnesses the foundational creed of Islam. This is the first pillar that makes one a Muslim. The full declaration is: “I witness that there is nothing worthy of worship except God and that Muhammad is God’s messenger”.

b. The Pillar of Prayer: This is the second pillar in Islam. In Islam, every adult, male and female are expected to perform prayers five times daily. These times are determined by the perceived movement of the sun and each day is seen as representing the life of man. According to Hamza (2012), the dawn prayer as one’s coming into the world, the midday prayer as the end of the youth, the afternoon prayer as old age, the sunset prayer as death, and the evening prayer as the beginning of the descent into the darkness of the grave. This second pillar is considered to be most important after the first pillar –testimony of faith.

c. Paying Zakah: This is the third pillar. This is obligatory alms that is given once every lunar year. It is paid from the standing capital of each adult. Although some people erroneously believe that Zakah is the same as income tax. But this is wrong, since Islam prohibits income tax. This is actually capital tax on wealth that has been stagnant for a year. It represents one-fortieth of a Muslim’s liquid assets. The Koran orders that eight categories of people should benefit from Zakah distribution, with the poor and needy as the greatest recipients.

d. Fasting: This is the forth pillar in Islam. It means fasting the entire lunar month of Ramadan. This commences with the sighting of the new crescent (moon) for that month. Fasting is obligatory on adults who are healthy enough to do so. They are to abstain from food, drink and sexual relations from dawn to sunset.

e. Pilgrimage to Mecca or Hajj: Mecca holds a lot to the Muslim and the religion of Islam. They believe Mecca to be the site of the first house of worship built by the prophet Adam and his wife Eve and then restored millennia later by the prophet Abraham and his son, the prophet Ishmeal. At the end of his mission, the prophet Mohammad restored its monotheistic purpose by destroying the 365 idols in it that the Arabs had been worshipping prior to Islam (Hamza, 2012). The period of pilgrimage to Mecca gives the Muslims an opportunity to perform rituals that follow the footsteps of Abraham and his second wife Hagar. It is also symbolic as it prepares them for standing before God on the Day of Judgment.

Apart from the five pillars of Islam, Davies-Stofka (2012) outlined other Muslim rites and ceremonies:

1. **Male circumcision:** This is an important religious duty and believers are expected to perform this on their newborn sons. He argued that it may have been adopted from Jewish practice, while some people argue that it is intended to imitate Mohammad who was also circumcised.

2. **Marriage in Islam:** In Islam, marriage is seen as a civil contract as well as a religiously public and joyous ceremony. During marriage, passages of the Koran are read, and there is a feast. It is permissible for men and women to initiate a divorce and there is a “mechanism for annulling a marriage. Marriage in Islam is referred to as nikah, it is revocable.

3. **Death in Islam:** The dying person is surrounded by family members and friends. The Muslim sees death as the most important event in a person’s path. Passages of the Koran are read to the dying person. It is an opportunity for him/her to repent of his/her sins, and may perform rituals of purification if possible. The body of the deceased is buried as soon as possible, preferably by sunset. The family of the deceased is responsible for preparing the body for burial and saying the funeral prayers. The body is buried in white shroud, but if the person went on pilgrimage to Mecca he is buried in the pilgrimage garments.

4. **Dressing in Islam:** Muslims are expected to wear modest clothes, both for the men and women. However, the women are expected to cover their hair and entire body with the exception of their hands and face when they are in the presence of unrelated males.

There are also other common Islamic customs, traditions and culture. These are highlighted by Amjad (2012) as follows:

i. **Pronouncing God’s name before eating or drinking:** This serves as recognition of God’s blessings and asking for its continuation.

ii. **Using the Right Hand to Eat and drink:** It reminds them that on the day of Judgment they should strive to get their Judgment in their right hands.

iii. **Muslim greeting and its Response:** It is a supplication for peace and blessing for the addressee.

iv. **Blessing after sneezing and its Responses:** It is to thank God for the relief after sneezing while the response is asking for mercy for the person.

v. **Reciting of ‘Adhaan in the Right Ear of a Newly Born:** The words are said to be fixed, indicative of the transmission of the parents’ spiritual beings into the child.

vi. **Trimming moustaches, removing Hair from the pubic Area and from under the Armpits, Clipping Nails:** They are a part of our physical cleansing and purification and were part of the teachings by the prophet.

vii. **Keeping the Nose, the Mouth and the Teeth Clean:** It is a form of cleanliness among others. The prophet also commanded it.

viii. **Washing after urination and Defecation:** This is referred to as “Istinjaa”. It means cleansing the related organs after urination and defecation. It can be performed with water, with pebbles of dry earth or with any other suitable things”.

ix. **Refraining from sexual contact during a woman’s menstruation and her puerperal discharge:** This does not mean that the woman is untouchable at such time, but it refers to only conjugal relationship with her.

x. **Bathing after menstrual and puerperal discharge and after sexual uncleanness:** This is said to be important also after sexual contact, especially “before offering Salah”.

xi. **Day of Special Prayer:** Islam does not see the seventh day as a day of rest. They argued that creation does not make God tired; hence He did not need rest. They hold Friday as a special day of prayer.

xii. **Prohibited foods:** There are some foods that are prohibited in Islam. Chiefly amongst them is pork.

An examination of the different Abrahamic faith shows that they differ considerably in their rites, customs and ceremonies. What could be responsible for this striking differences?. The writer will attempt to examine this.

Why are there differences in the rites and ceremonies among Abrahamic faiths?

There are some glaring differences among the Abrahamic faiths and some reasons can be adduced for these variations in their rites, ceremonies and customs. The followings are some of the reasons that could be adduced by the writer:

1. **The Culture of the different areas where the religions took “strong roots”:** This does not necessarily refer to where the religion actually started. It is generally agreed that we cannot extricate religion from culture. For example; Islam is more prominent in the Arab world. No wonder some of the customs and ceremonies in Islam have close resemblance with the Arabian culture. The gestures, greetings and other practices in Islam can actually be said to agree with some of the Arabian culture. The same goes for Judaism. It is said to have influenced the Jews in their way of life. While their culture has also found expression in their religious world view. For Christianity, though it originated from Palestine, its spread was actually through the West (Europe and others). On the strength of this, the culture of the Europeans has also influenced, to some extent, the Christian ceremonies and others. For example, marriages and other popular Christian customs

2. **The position canvassed by those who founded the religions:** This, to some extent will affect the theology of that religious group. Islam accepts Mohammed as the founder, thus the revelations he claimed to have received guides their religious practices and expressions. For Christianity, Jesus Christ is seen as the founder, thus, the Christian theology is built around Him. In Judaism, Abraham, Moses and other prophets are held in high spiritual esteem. Hence, most practices are guided by the positions they expressed.

3. **The different scriptures and other materials:** The Christians are guided by the Holy Bible. The Muslims are guided by the Koran and the Hadith. While Judaism is guided by the Torah (this is basically the law and the prophets). They all contain revelations as claimed by the different groups. On the strength of this, since these revelations differ among the different religious faiths, there is bound to be differences in theology and practice

4. **Occasional expression of intolerance:** The different groups, even though they claim their descent to Abraham, sometimes express great level of intolerance. This further widens the gulf of spiritual separation amongst them.

5. **Spiritual arrogance and pride among the different faiths:** It could also be incriminated as one of the reasons for the differences among the Abrahamic faiths. Each of them claims superiority over the other. This has built rivalry and bitterness.

6. **The leaders of the different faiths have also participated in widening the gulf of separation:** Each leader claims to be the true harbinger of the customs of the different faith. They believe that they can best interpret the customs and rites of the different faiths they belong to.

Building a consonance among the Abrahamic faiths

Are there areas of agreement among the Abrahamic faiths? The writer believes that there are some areas of agreement among the Abrahamic faiths. Some of these are outlined below:

- a. They all claim to have divine scriptures that guide their actions and beliefs.
- b. The different Abrahamic faiths emphasize the value of right moral living.
- c. They all believe in life here-after and the sacredness of the soul.
- d. The different Abrahamic faiths subsist in some regions and they have mostly indirectly embraced the culture and customs of such localities
- e. They all emphasize the value of modesty in lifestyle and world view.

f. All the Abrahamic faiths claim to emphasize on the sanctity of life

The above considerations could be said to be outstanding bridges that could enhance lasting consonance if well galvanized. This should be well articulated by the different religions in Nigeria in order to achieve lasting religious tolerance.

g. Most importantly, the Abrahamic faith, that is Judaism, Christianity and Islam, claim to have originated from Abraham. Put in another way, they all accept that they have unflinching relationship with Abraham.

Conclusion

The Abrahamic faiths, it is commonly agreed, took root from Abraham. It is the view of the writer that they should emphasize on the areas of agreement, thus weaken the cord of disagreement. It is also important to stress that their customs, ceremonies and religious rites would continue to remain different in some situations. However, these distinctive, should be explored for the entrenchment of peace and unity, not acrimony, unwholesome division, intolerance and hatred that presently pervades their relationship.

Recommendations

The different Abrahamic faiths should appreciate the fact that they are from the same root-Abraham. Therefore they should eschew acrimony and embrace peace.

- Their similarities should be explored as tools for enduring dialogue.

- Although “unity” is not synonymous with uniformity”, they should appreciate each other's distinctive.

- Appreciating their different customs, ceremonies and religious rites will build the spirit of tolerance among them.

- The different adherents should appreciate that the claims of the different Abrahamic faith is to build their moral “fibre”, thus, leading them to a secured life hereafter. Their various beliefs tend to converge here.

The study, examined the various ceremonies and rites observed by the Abrahamic faiths. The writer is of the opinion that even though they differ in some of their practices, they all claim to converge at leading their adherents to God. This point of agreement is a wholesome locus on which to build the cord of unity and tolerance. This can then be emulated by the different religions in Nigeria. Consequently enhancing religious tolerance and peace.

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