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# The Relationship between Financial Education and Society: A Sociological Perspective

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## **The Relationship between Financial Education and Society: A Sociological Perspective**

*Emanuela E. Rinaldi\**

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*Abstract:* In the last five years, after the financial downturn that hit most Western economies, there has been a flourishing of financial and economic education projects in Italy, aimed mainly at increasing financial literacy and awareness of different targets, from primary school students to the elders. The paper's purpose is to classify a sample of 120 projects targeted at students – collected through a 3years web-monitoring research - according to the functions that these project give to financial education and the representation of the relationship between financial education and society which is underlining them. Moving from classical theories of sociology of education, we describe three interpretative perspectives: functionalist; conflictualist and interactionist perspective. Each of these representations carry value-implications and limits that need to be accounted before projecting new activities in the field.

*Keywords:* financial literacy, financial education, financial socialization, education-society

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### Young generations and financial literacy

A number of studies have shown how the level of financial literacy among young Italians is rather low (Rinaldi, 2010; Milioli, Poletti & Ronchini 2011; Becchetti, Caiazza & Coviello, 2011), and much lower than that of their peers from other countries (OECD 2012; 2014). This has led various public and private institutions to invest resources in financial education projects aimed at supporting the financial literacy of new generations, in order to protect their financial well-being and provide them with better financial competence for their integration in a job market more complex and uncertain than in the past (CYFI, 2012; 2013).

While marketing techniques have become more articulated, precise and invasive, thanks also to the use of social networks, academic research on the relationship between young people and finance does not seem to have brought together sufficient studies regarding financial socialisation or theoretical models with which to interpret the relationship between financial education and institutions, or the effectiveness of the projects themselves (Lusardi & Mitchel, 2014; Aprea et al., 2016).

This paper offers an in-depth examination of the relationship between society and financial education through three different classic sociological models, *linear* (which proposes the concept of a linear, direct relationship between society and financial education), *dialectic* (where the relationship is represented as conflictual) and *negotiation* (where the relationship is one of mutual dependence and in continuous evolution).

Taking cues from the work of Besozzi (2006a, 2006b) in the field of educational sociology, and from a number of studies monitoring financial education projects in Italy (Farsagli, 2011; Farsagli & Traclò, 2013, Rinaldi, 2015), we will use these three interpretive perspectives to reflect on the premises and the explicit and implicit objectives with which the projects are constructed. A sample of 120 projects targeted at students – collected through a 3 years web-monitoring research<sup>1</sup> – were classified

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<sup>1</sup> The web monitoring research (which lasted from 2011 to 2014) was carried out by searching every month projects or news regarding financial education, with 7 key words (“financial education”, “economic education”, “economic citizenship”, “financial literacy”, “tax education”, “pension and education”, “insurance and education”). This was done using the internet search engine GOOGLE. Solely projects dedicated to primary, lower and upper secondary school education, vocational training or projects open to students were selected. More details are available in Rinaldi (2015).

according to the functions that these projects provided for financial education and the representation of the underlying relationship between financial education and society.

### **Linear perspective**

The first perspective, which originates from *functionalism*, proposes a direct understanding of the relationship between society and financial education, and interprets the act of education in an instrumental light with regards to social objectives. Education is considered a means (variable dependent) through which adult generations transmit to new generations a financial culture which is suitable for the market system in which both parties live, emphasising the integrationist aspect of financial education. This is therefore principally represented as an instrument with which to supply information, knowledge and abilities which reduce the inefficiencies of the market and, consequentially, improve the financial well-being of consumers and the functioning of society in general. According to this model, financial education is, for example, necessary in order to help younger consumers (but not only) avoiding making mistakes in financial decisions, like those which contributed to the creation of the 2008 global crisis: the purchasing of high-risk shares without having sufficient understanding, the underwriting of consumer loans without fully understanding the costs and risks, the taking on of too much debt. Thanks to financial education the new generations adjust their own knowledge to the “basic” understanding required by the market, they internalise indications (such as an inclination for saving or regularly checking income and expenditure) which correspond to the expected behaviour promoted by society as good practice. Financial education is a useful instrumental asset both for the correct functioning of the collective and for individuals in order to defend their financial well-being or promote their own social and economic mobility. With regards to this approach, the socialisation of money, which is the framework in which financial education should be placed, originates from the idea of a stable and central cultural reference in society, which, in the form of its principal components, is passed on from one generation to the next, together with the common values, beliefs and feelings of the majority of members of that society.

The main educational agencies involved in projects attributable to the linear prospective are school and family, as they are in a position to act on the primary and secondary socialisation of individuals in a constant and continuous manner. Starting from the work of Parsons, we can say that the implied model is that of a student who aims for personal success (*achievement*), identifying fulfilment with the objectives of financial success, thanks to the information and ability that they acquire during their growth process. Success can be achieved through entrepreneurial or freelance activity, or as an employee, but the limitations and forms associated with the working collocation are clearly imposed by the model, which defines a system which is considered as substantially “unchangeable”. Following this line of thinking, the various agents of socialisation involved act in a coordinated manner, referring to a single model of market ideally shared by all. Furthermore, diversity (or rather the alternative economies which propose for example the use of local currency or *community currency*, or the *bit-coin*, the system of “time barter”, the economic circuits based on donations, or on-line bartering<sup>2</sup>) are represented as a “deviation” to be controlled, or even at times something which is potentially “dangerous”<sup>3</sup> compared to a mainstream financial model of money movement which is based on capitalist ideas and specific regulatory bodies with sanctioning powers defined by law.

It is therefore clear that it is no longer the figure of the worker or the citizen at the centre of society, as was the case in the last century, with an educational message which focused on values of modernity, but rather it is the consumer: a subject which is in any case called to correspond in a predictable manner to the requirements of a post-modern society both in terms of tastes - even if highly variable and differentiated - purchasing behaviour (type of payment, period of payment, method of payment etc.) and earnings (type of work or source of income), in order to avoid financial exclusion (Bauman, 2004). This latter situation is substantially considered as the inability of a single subject to correctly manage his own finances which can relegate some groups (for example single parents, unemployed

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<sup>2</sup> See for example Airaghi (2014).

<sup>3</sup> In time-exchange systems, for example, the “reciprocity” of the exchanges is not subjected to strict control or to written and legally binding contracts, but to regulations created by members adhering to the initiative (e.g. il Ponte, 2008).

adults, illegal immigrants etc.) to areas of poverty with a high risk of social marginalisation (Orton, 2007; Sherraden, 2013).

The complementarity between behaviour expected by society and the behaviour of citizens-consumers constitutes a founding idea of the model which, aiming at market efficiency, seeks to reinforce social order (and avoid excessively problematic financial circumstances - such as those caused by the Lehman Brothers crisis of 2008 - which have serious political and economic repercussions on the structure of society itself) and avoid abnormal consequences for individuals (homelessness, self-isolation, poverty, depression, right up to extreme cases leading to suicide).

There is therefore a kind of “ideal” financial literacy which citizen-consumers, beginning with the youngest students, need to acquire, whose characteristics vary according to the age of the individuals (as theorised by the *development perspective* - Berti & Bombi, 1981) and their position within their own economic life-cycle.

In this concept, what is also emphasised is formal equality<sup>4</sup> in opportunities of access to financial education which, in theory, being “distributed” by state schools right from primary levels, can guarantee equal opportunities for all students without discriminatory criteria.

#### *Functions of financial education programmes*

Within the linear perspective (table 1), we can include those programmes which are based on the transfer of information to citizen-consumers and on the development of their competence for financial planning and calculation (priority objectives), in order to stimulate efficient market competition thanks to demand from informed and prepared consumers (Visco, 2011). It is equally essential, according to this approach, to maintain social order, avoid financial crises and keep the cost of acquiring information on various financial products low for the consumer,

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<sup>4</sup> Returning to the observations of Coleman (1968) and Besozzi (2006a, 2006b), we can say that if educational equal opportunities are increasingly seen as the equal opportunity to access a determined curriculum, for example one on financial education, there are two contrasting and fundamentally diverse concepts regarding the way to interpret and apply this: while liberal ideology emphasises *equality in access* and a meritocratic concept based on starting points which are considered equal, with a legitimisation of inequality in results (*formal equality*), socialist and Marxist ideology maintains that equal opportunity must involve not only access but also the achievement of positive results, limiting the influence of family's factors (*equality in outcome*).

thus reducing informative asymmetry and above all the inertia of some consumers in the process of collection of data and comparative indications. As the imposition of transparency and regulations regarding the information provided on financial products is generally the result of a top-down institutional design, according to this concept financial education can be seen as a complimentary instrument for reinforcing stability, trust and competition in the market, if combined with the authority of supervision (OECD-INFE 2010; 2012).

Furthermore, according to the linear perspective, financial education - aimed at favouring the integration of citizens into a scheme of earning, saving and investment - should be clearly separated from commercial suggestions or advertising through the objectivity of advice given, also using codes of conduct for professionals who work on financial literacy.

Table 1. Linear perspective of the relationship between financial education and society<sup>5</sup>

Perspective	Relationship between financial education and society	Idea of financial education	Functions
Linear	Education's dependence on society	Complementarity of behaviour expected by society and that demonstrated by consumers  Useful for the integration of citizens into a system of earning/saving/ investing	Maintain social order Avoid crises and unusual behaviour  Promote: -A reduction in informative asymmetry Efficiency of the market Competition between services -Formal equality (in access to information)

*Critical observations*

Criticisms made with regards to this view principally refer to the fact that financial education projects based on the functionalist model are generalist, a “one size fits all” style, and do not take into consideration the differences in social development tied to social factors such as gender, race, education, and social and economic status, which are instead well

<sup>5</sup> Tables 1, 2 and 4 are the result of a re-elaboration of the schemes proposed by Besozzi (2006a, pp. 47, 144; 2006b, p. 25).

documented in empirical research<sup>6</sup>. Furthermore, the projects seem to neglect the analysis of possible elements of conflict, criticality and potential problems in the financial system (there is some mention but only in a superficial and synthetic form). Some examples include materials which illustrate the use of a credit card without highlighting the existence of a cost for the withdrawal of cash, or interest on purchases made, again with a credit card, when these exceed the availability on one's current account, or references to possible legal action for the safeguarding of consumer rights<sup>7</sup>. The correctness of economic-financial regulations is posed as unquestionable in educational programmes, when instead the students themselves sometimes experience ambiguity, uncertainty, ambivalence and "economic and moral dilemmas" in the stories they hear or the experiences they observe. For example, if it is true that stealing is a crime, it becomes more complex for teachers/educators to explain to younger pupils why Robin Hood is depicted as a hero because he "robbed from the rich to give to the poor" and the Sheriff of Nottingham, who collected taxes together with his two vulture-assistants, is represented as a mean and negative character.

Overall, the concept suffers from a certain "static nature" in the outlining of processes for the construction of financial culture and a vision

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<sup>6</sup> For the Italian case, for example, see on gender differences: Berti & Bombi, 1981; Sartori & Ongari, 1999; Dosso & Rosci, 2000; Paliaga & Provenzano, 2001; Rinaldi & Giromini, 2002; Dei, 2006; Rinaldi, 2007; Ruspini, 2008; Rinaldi & Todesco, 2011. On socio-economic status differences see: Sartori & Ongari, 1999; Paliaga & Provenzano, 2001; Dei, 2006; Osservatorio Permanente Giovani-Editori, IntesaSanpaolo & Gfk Eurisko, 2010.

<sup>7</sup> One can consider the controversy surrounding the initiative of MIUR (The Italian Ministry of Education, Universities and Research) to combine the student card *IoStudio - la Carta dello Studente* with a prepaid rechargeable post office Postepay credit card (*IoStudioPostePay*), distributed (on request) to first-year students attending public and officially recognised private grade II secondary institutes in Italy (Source: <http://iostudio.pubblica.istruzione.it/web/guest/la-tua-prepagata>). Personalised and usable for purchases of up to €2,500 per year as well as withdrawals of up to €1,000 per year, as can be read in the information sheet provided with the card, as well as offering "benefits and discounts for your student life and to access the world of culture in Italy and abroad" and offering access to "the world of offers and services dedicated exclusively to students", it allows the holder to "pay in all shops and websites around the world which accept the VISA card" and to "withdraw from the Postamat cash machines and post offices in Italy and VISA cash machines throughout the world". The card, which carries the MIUR logo in the top right-hand corner alongside the VISA logo, provoked a certain amount of criticism from teachers and parents (Angelucci, 2014; Presini, 2014).



which renders “passive” the participants. Finally, according to some authors, this is based on reprehensible assumptions, such as that according to which every individual is responsible for their own financial well-being, independent of their social-economic resources and the context in which they live (CFPB, 2015). Its implicit objectives, such as the promotion of greater participation in the investment market, an increase in the responsibility of individuals in the management of their finances (for pensions or services such as health and education) or the increased access to credit, are criticised because they favour the interests of financial institutes (even if, apparently, within the framework of social responsibility) over those of the individual citizen (Landvogt, 2006; CYFI, 2013).

### **Dialectic perspective**

A second way to interpret the relationship between financial education and society is dialectic, of conflictual inspiration. According to this model, the relationship between education and society is of a discontinuous and conflictual nature, like the relationship between individuals, groups and classes. The basic idea is that financial education, like education in general, is an instrument of power and domination exercised by one group over another, based on precise class interests. Therefore, although some official documentation speaks of financial education as an instrument for removing inequality, it is actually “a cover-up operation” for those holding the reins of capitalism, who invest resources in projects aimed at spreading “generalist” information among the population, rather than “privileged” or specialist information that could really reduce a certain amount of informative asymmetry, contributing factors in inequality in the distribution of profits. It is no coincidence that in the past the access to knowledge of an economic nature was always the prerogative of some groups over others (men over women, people of Caucasian origin over those of Negroid origin), thus maintaining increased control over the circulation of money and therefore power (Pahl, 1989).

#### *Functions of financial education programmes: conflictual and proactive*

Therefore, from a “pessimist” point of view, education is an instrument of the dominant class used to favour the social and cultural reproduction of

existing relationships of power and the processes of distribution of power that “filters” access to information and culture (Bourdieu & Passeron, 1970; Bourdieu, 1979). This also applies to the “dialectic” view of financial education. While, for example, it is true that financial education courses are available for all orders, grades or types of school, it is also true that as of today, many actions have been concentrated in grade II secondary schools where the social and economic status of the pupils is on average higher than that in professional educational centres (Rinaldi, 2014). A number of awareness initiatives furthermore may conceal functions which are more related to marketing and to persuasion to consume (and therefore to consumerism) than to a didactic-pedagogical role. The frequent exclusion of references to alternatives to the capitalist use of currency from projects, again according to this concept, would contribute to uncritically leading students towards the expectations of a market which is considered alienating, corrupt and unfair<sup>8</sup>.

Therefore financial education would also, according to this Marxist reading, be a over-structural dimension bound to the prevalent economic structure, which contributes to accentuating the two typical contradictions of modern society: that between forces and relationships of production (and so the contrast of interests and the uneven distribution of work) and that between the increase in the concentration of wealth among a small number of people and the increase in poverty in ever larger segments of the population, especially in the Southern regions of the globe.

In practice, for the conflictual perspective, financial education aims to create amongst the younger generations a false “financial conscience” which would depend on methods of economic production. The status of the subject, imposed from birth, is considered unchangeable. As a confirmation of this, according to the studies of Cummings and Taebel (1978), American children, in their representation of an efficient economic system, place much importance on the concept of private property. Therefore, they see fewer problems, compared to their Mexican counterparts, in a socially unfair public system which penalises those who have fewer available

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<sup>8</sup> Even scholars who adhere to the Post-Crash Economics Society maintain the importance of theoretical pluralism in the teaching of economics in universities and schools, promoting a balanced exposition to various theoretical perspectives which range from the most common neoclassical approach to post-Keynes, institutional, environmental, feminist and Marxist models, to name but a few (Inman, 2013).

financial resources. Similarly, research in New Zealand and India on the concept of wealth and poverty has shown that Indian children (from the ages of 8 to 15) justify in a significantly different manner the existence of these two economic realities compared to their New Zealand or American counterparts (Leahy, 1981; Ng & Jhaveri, 1988). Specifically, the sequence of development of the notion of wealth is similar in the three nations (India, New Zealand and the USA), but the Indians offer more frequent fatalistic explanations for the presence of poverty and wealth, while the New Zealanders are more inclined to justify inequality with reference to criteria of fairness (like “those who deserve more, have more”), similar to North Americans. According to the critical vision, financial education does not depend solely on the class position of the subject being educated, but also to the exposure to various macro-economic cycles. In the recent research *Fiabe e denaro (Fairy-tales and money)* carried out in Italy in 2013 on a group of children who were living in a historical-economic period characterised by a serious occupational crisis, for example, researchers discovered the presence of answers which were more similar to those of Indian children compared to those of the New Zealanders or North Americans, or rather of a “fatalistic” nature (“if you lose your job it’s not your fault”; “if there is a crisis you can lose your job”), independent of the merit of the individual (Fortunato, 2013).

The aforementioned evidence suggests how, in order to correct “errors” in terms of financial knowledge or to intervene in order to increase the equality of certain mechanisms of the market (an institution which, ultimately, is made up of human behaviour), it is fundamental to study how the transmission of certain notions takes place over the course of the financial socialisation of the citizens in each nation (socialisation which is strongly related to politics). Furthermore, according to Cummings and Taebel (1978), the indifference of public institutions towards the in-depth study of the methods of learning of economic-financial notions among younger groups (or in the publication of research results) and the adhesion to a “linear” model of the relationship between financial education and society may conceal the desire of the capitalist ruling class to “equate” the acquisition of economic laws (modifiable) to those of a physical-mathematical type (laws considered by most to be unchangeable): a parallelism which would seem aimed at the maintaining of existing relationships of political-economic power in a nation.

We can include in this perspective the authors who point out how financial education programmes promoted by banks propose objectives which are unobtainable, especially when they are destined for groups of the population who live with particularly low incomes, as well as actions which are not effective since the market does not offer financial instruments which would be useful for a certain type of user, because such instruments are not particularly profitable (Field, 2006; Landvogt, 2006). These authors furthermore criticise the fact that mainstream financial education seems to be motivated more by the desire to create an economic system which is efficient, rather than characterised by equal social relations and respect of universal rights.

Nevertheless, the dialectic perspective also offers a more “optimistic” and proactive reading of financial education, according to which production methods can in reality be modified through the actions and the awareness of the consumer. Financial education can therefore become an instrument of emancipation for the classes most excluded from economic-financial dynamics, especially when supported by a collective movement. Emphasis is placed on a “political” awareness of the rights and obligations of citizens-consumers and, consequently of the values to which they intend to adhere (Klein, 2007, 2015). Groups such as those linked to the “Occupy Wall Street” movement can be associated to this type of awareness (Taddio, 2012). The revelation of processes of conditioning/speculation and the abuse of power of the financial market is considered the premise for the possibility of emancipation aimed at affirming pluralism and an increased level of substantial equality in various sectors of social life. What becomes a priority is the combating of that kind of financial education which confirms the positions and ideologies of the ruling class with a critical education, and the promotion of a social education which is fairer, also on a financial level<sup>9</sup>.

Financial education is therefore not only a dependent variable which confirms and reproduces the structure of relations, but in a proactive light it becomes a significant element in the dialectic process of the resolution of conflicts and the fight against inequality (table 2). Emphasis is also placed on the concept of alienation, or rather on the fact that the subject of activity progressively loses control of the object which they have produced (money) and that the product produced therefore gains a power of resistance against

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<sup>9</sup> One thinks of the experience of Fair Trade commerce (Gesualdi 2014).

people, countering them. Consequently, financial education, which helps the consumer to take on an active role as citizen, becomes an instrument to combat alienation itself.

Table 2. Dialectic perspective of the relationship between financial education and society

Perspective	Relationship between financial education and society	Idea of financial education	Functions
Dialectic	Inconsistency between education and society	Conflictual interpretation (A): financial education as an instrument for the reproduction of economic and social inequality	Promote: A1) social order A2) maintenance of the status quo of inequality
		Proactive interpretation (B): financial education as an instrument for the fight against inequality	Promote: B1) Substantial equality B2) Revealing of the occult processes of speculation/exploitation/alienation

Authors who propose a framework of *critical financial capability* can also be connected to the dialectic perspective (Landvogt, 2006). Starting from the pedagogical thoughts of Freire (1979), they propose an action of critical awareness regarding the conditions which influence the financial lives of people, activated in a group of subjects who share this situation (*community-based*) and who are called to compare that which they are taught (the common themes of financial education) and the facts which really occur in their everyday lives (table 3)<sup>10</sup>. The initiatives are aimed in particular at those groups whose experience is not reflected in the “prevailing stories” of financial education projects and who live in conditions of high risk of social exclusion (e.g. people with debts, who are unemployed, elderly people who are unable to obtain sufficient state benefits...).

<sup>10</sup> For a pilot study on the use of the critical approach to mathematical literacy see also Frankenstein 2001.

Table 3. Comparison between themes of a mainstream argument and criticisms

<i>Themes of mainstream financial literacy</i>	<i>Implicit messages for people living on low incomes</i>	<i>Facts</i>
Planning and budgeting	People living on low incomes do not care about planning ahead and are not good budgeters”	“People living on low incomes are generally good money managers, and also value savings equally with other groups
Saving and investment	“People on low incomes should manage better so they can save and invest”	11% of people do not believe they have enough money to save; sometimes people give up planning ahead because they feel helpless or because appropriate financial products are not available
Credit and debt	“Only people on low incomes get into financial difficulty and financial stress”	Approx 66% of us experience financial stress at some time and about 20% experience financial difficulty, showing there is a problem is the ‘new credit values’ promoted by the financial services industry
Shopping around when choosing financial products	“Its up to everyone to learn how to choose financial products, no matter how complex they are, how often they change, and how little experience you have of financial products”	Better regulation of the financial services industry would be more effective as it will ensure risky choices are not available to people unable to afford them
Consumer rights and responsibilities	“Its up to everyone to know their consumer rights and responsibilities, no matter how few resources they have”	Consumer rights need better protection as there is still major exploitation of peoples’ vulnerability, such as unsolicited marketing of credit card

Source: Landvogt, 2006, p. 6.

### *Critical observations*

Scholars criticise this perspective first of all for its speaking of contradictions in the financial system in a fairly generic and abstract manner, and secondly for its superficial knowledge of the processes which regulate alternative economic models which form part of the hoped-for “economic pluralism” (for example that of ethical finance – CYFP, 2015). In reality, the majority of studies (perhaps also due to a kind of *bias* in the system of allocation for resources for research) refer to the capitalist model and the study of processes of economic-financial socialisation in the contexts supported by this type of economy, to the detriment of a more precise study of other models and of how children, young people and adults relate to these. Finally, the dialectic concept also reveals a kind of “orthodox inflexibility” related to the basic assumptions which, for certain

aspects, excessively simplifies the social context in which finance operates. Consequentially, the creation of projects which can be attributed to this perspective currently concentrate above all on the aspect of denouncement rather than on the construction of models and practices which guarantee more balanced and fair relationships (Landvogt, 2006). With regards to effectiveness, it also appears that there is a lack of clarity regarding the definition of the theoretical models to which the projects refer in order to promote financial education and financial capability. Also, as many projects only target students with a low socio-economic background (rather than those with middle or high ones) they struggle to promote cooperation between different groups of students.

### **Negotiational perspective**

The third perspective, which refers to the interactionist and phenomenological approach (Berger & Luckmann, 1966) is based on the principal characteristics of contemporary society, or rather the complexity, the high level of unpredictability of events, the pre-eminence of intersubjectivity, and of communication in the attribution of sense to social situations. According to this approach, the relationship between society and individuals mediated by socialisation is not linear but complex and it is not possible a priori to establish whether it is society which depends on the individual or the individual on society (Colombo, 2006). The concept of “negotiation” (of meanings, objectives, actions) is shown to be central in a social relationship (Dubar, 1991), and a citizen, even if underage, is attributed with an active role in the promotion of change, not necessarily with opposite methods but also creative methods regarding socialisation with money (the “consumer-actor”).

This perspective sees the citizens as a protagonists in the construction of the economy. Even though they are subject to social conditioning and pressure from external structures, stimulated by a critical approach, subjects would therefore be capable of carrying out autonomous activities and of renegotiating and re-elaborating the meanings of society and its expectations, in such a way as to promote change, even from a financial point of view. For example, a group of students who, in participating in a financial education project on cooperation, promote a project aimed at exploiting the economies of gift or the recycling of products without the

circulation of money, can become agents of cultural change on a much wider scale.

According to this approach, financial education can be an instrument to transform reality in ways which are not completely predicted by the system nor by its very promoters. The unit of analysis is therefore not the behaviour of the individual but negotiation between subjects, and it is clear that the planning of interventions which are attributable to this model more easily use a network approach on a long-term basis: by avoiding “occasional” programming, promoting bodies seek to implement projects which stimulate group work and the interaction between socialising agents (families, local communities, informal groups, territorial associations) who monitor the effects of the project over the long-term (table 4).

*Table 4. Negotiational perspective of the relationship between financial education and society*

<i>Perspective</i>	<i>Relationship between financial education and society</i>	<i>Idea of financial education</i>	<i>Functions</i>
Negotiational	Circularity and interdependence between social structures and educational processes	Negotiation between behaviour expected by society and that proposed by citizens.  Also useful for developing innovative models for the allocation of money and with unexpected impact.	Promote:  The reflectiveness of the subject Critical capacity Pluralism of models Capacity for <i>consumer advocacy</i>

The possibility of different outcomes in socialisation compared to that which is expected by the family, for example, depends on exchanges with significant people that the subject meets during their period of growth, with whom he can renegotiate the definition of a number of aspects of the financial area. According to a father, for example, maximising the financial profitability of one’s own economic capital is an optimal objective. But the child, who has taken part in a financial education project in class, could maintain that the best objective would be to combine a healthy interest in one’s own patrimony with support for the local economy and a fairer distribution of profits (through ethical funds or microcredit projects). In discussing different possibilities and “profits” in terms of cultural, social and economic capital for the family and the community, father and child



could decide together with the other members of the family regarding the financial product to invest in.

If the adult socialising agents express financial behaviour and opinions which are in line with their collocation in the social and economic structure, which could be more or less stable, the youngsters could re-elaborate the various visions through a critical awareness of models which are proposed to them. For example, if on the one hand the environment of the fashion market is represented as fascinating and attractive in a film such as *The Devil wears Prada* (by David Frankel, 2006), the film *Gomorra* (by Matteo Garrone, 2008) offers a very different version, highlighting the dramatic conditions of exploitation of those who actually make the clothes and accessories for the larger brands.

The concept of ties between individuals, society and financial education is therefore interdependent and circular, with a reciprocal influence and structuring between education and society. Financial education is seen as an instrument for the promotion of change, negotiated between the educational subjects, the receivers of the project and the agents of the economic-financial system in general. The model starts with the consideration that relationships are not founded solely on an economic model, as the Marxist reading assumes, but also on other forms of capital (social, cultural, symbolic), whose importance varies from group to group, in relation to the coexistence of diverse and complex economic-financial models. In systems supported by economies of gift such as those studied by Mauss (1985) and Malinowski (1926) for example, it was above all the bonds of trust, honour and respectability which regulated social relationships rather than the material patrimony held<sup>11</sup>.

#### *Functions of financial education programmes*

According to this perspective, one priority objective of the projects is to stimulate in subjects their reflectiveness, or rather a capacity for personal

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<sup>11</sup> See also Godbout, Charbonneau, Lemieux (1996). According to Sevon and Weckstrom (1989), even the economic world of children is based on different logic compared to that of adults, logic which is based on an increased attention towards Others (Altruism), but which is quickly directed - not always consciously - towards the capitalist model of adult social agents.

and creative re-elaboration through language and other expressive forms<sup>12</sup>. This appears particularly indicated in the course of secondary socialisation which, as taught by Berger and Luckmann (1966), constitutes an experience of problematisation, from the point of view of the subject, of the word interiorised during childhood. In this phase, youngsters also use money as a *medium* for the critical construction of their financial reality (one thinks of money used for buying clothes or music, but also of the “distorted” use of pocket money for activities unauthorised by parents, like cigarettes and alcohol, bets and episodes of bullying-abuse of power with peers which involve the exchange of money).

Helping people to become financially aware and critical therefore means beginning with the smallest of competences and the experiences of those who learn and construct a pedagogical relationship where the teachers are considered *co-learners* instead of experts (Landvogt, 2006). One final function of financial educational programmes inspired by the negotiational perspective is that of rendering citizens competent on themes of consumer protection (or in a wider sense of *consumer advocacy*), or rather the rights, responsibilities and instruments for participating in the financial market (for example legal actions, complaints, lobbying activity and raising awareness in public opinion) and for promoting civil justice (Connolly & Hajaj 2001; Tennant, 2006).

#### *Critical observations*

Overall, the negotiational concept gives an active role to the subject, even before they are of legal age, in the construction of the financial world through practices of interaction and reciprocal exchange (between educators and receivers of the projects) of information, proposals and experiences. However, such an approach today appears not only not very widespread but still “utopian” inasmuch as the role of underage pupils or certain categories (parents and territorial associations) in the planning of financial education is fairly limited, as it is in long-term programming (also due to problems of cost). Consequently, an excess of emphasis on the theme of intersubjectivity and negotiation could “lower the guard” on the

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<sup>12</sup> Reflective thought stimulates an “internal conversation” (Archer, 2003) with which the subject produces *agency*, abandoning the paradigm of conditioning and developing a critical knowledge aimed at organisational change based on experience or reflective knowledge (Schön, 1983).

subject of regulations, safeguards and the unveiling of forms of fraud which continuously appear on the markets. Furthermore, as Italian school systems are mainly rigidly structured by bureaucratic *routines* in didactic activities (Colombo, 2005), the role of teachers as *co-learners* with regards to the target groups for interventions still appears distant from that of “reflective practitioner” hoped for in the negotiational model. Finally, most of these projects (mainly due to a lack of resources) do not have specific activities of evaluation, either through control groups or pre- and post-intervention. This reduces their “persuasive” power and their validity, in comparison with competing projects, as well as their chances of being re-financed in the future.

### **Conclusive notes**

In conclusion, the theme of financial education sits between two areas - education and finance - which channel very strong interests from very diverse subjects (banks, the state, school, families...). It is therefore fundamental from a sociological point of view to monitor the potential contradictions which can be generated in this scenario. In fact, the objective of “seeking the financial well-being of the participants”, common in many projects, is not sufficient in order to guarantee a real uniformity of intents. Furthermore, not all educational programmes are based on a clear explanation of what financial well-being is (CFPB, 2015) and at times a problem is experienced by financial operators (including bank clerks) in ethical terms, in the “fair” conciliation between the interests of their promoting institution and that of the citizen-consumer. There are also a number of critical points in the planning and carrying out of financial education on which it is worth focusing.

The first is the question of the identification of who should supply financial education and how. On this front, there are a large number of projects promoted by private institutes (banks, banking foundations, credit institutions), which propose a principally linear model of relationship between society and financial education, one of a functionalist model, where the main objective is still that of reducing the informative asymmetries of the financial market and improving its efficiency. But such an approach, as seen, risks being perceived as “boring” by pupils, therefore losing efficiency.

On the other hand, the introduction of financial education in scholastic curricula as obligatory, in our opinion, risks accentuating this tendency for flattening, whereas many projects in Italy maintain their own originality, innovative nature and capacity to adapt to the characteristics of the participants thanks to their non-obligatory and informal nature. Avoiding such a risk would be possible through an increased openness of private organisations (banks above all) towards the shared planning with other “financial mediators”, such as social workers, independent financial consultants, social animators, university researchers as well as teachers and the families themselves. This should be done both for the exploitation of the potential of educational polycentrism, which has always characterised economic, financial and consumer education in Italy, but also in order to respond to criticisms of “scholastic marketing” or “manipulation of young consumers” which some still make regarding improvised initiatives of financial education promoted by banks.

Furthermore, even if as of today the culture of evaluation in Italy is still fairly scarce, we believe that a financial education must always be accompanied by rigorous scientific research which monitors its strengths, weaknesses and efficiency. As already underlined by the OECD (2013) “understanding whether financial education works, how it works and the most appropriate methods for evaluating financial education programmes are key components of a successful national strategy for financial education. Good programme evaluation allows to demonstrate whether objectives are being met, to identify elements that can be scaled-up or replicated. It also helps policy makers to test different approaches to see which are the most cost efficient, and to assess whether different methodologies have differential impact on various population subgroups”. Thirdly, another crucial question in the debate on financial education remains: “Who should the initiatives be targeted to?”. “To all students” is the most common reply in the leaflets or web pages of project presentations. But, in reality, the diffusion of activity is still patchy within Italy, with professional education centres and the most disadvantaged schools, particularly in the south of Italy, resulting less involved. The theme is closely associated to that of equity in the access to various opportunities: investing little in effectively reaching the weakest categories of underage children (who live in the suburbs or in areas where levels of child labour or school dropping-out are high) means accentuating the risks of financial and social exclusion of individuals or their families.

In conclusion, supporting financial education means supporting civil education and education for citizenship, in the social conception of which the theme of reciprocity is fundamental (Colombo, 2009). Alongside reflections on certain and acquired rights (as consumers of financial products and services) and the defence of the same, it is therefore necessary to also promote those regarding obligations related to the enjoying of rights, i.e. “duties” (paying taxes or tickets for public transport, voting etc.). Only by emphasising both aspects of citizenship is it really possible to promote democratic participation in the financial and political life of society in new generations.

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