



Analysis of the Factors Affecting the Development of Economic Culture of a Family in the Russian Federation Based on Experience of Developed Countries

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ABSTRACT

The article discusses the issues related to the possibility of using foreign experience in the system of economic culture formation in the family. The author considers factors that can serve a catalyst in the policy formation as pertaining to economic culture of the family, analyzing economic culture formation of the families in developed countries and proposing characteristic of the family economic culture concept. The author discusses the possibility of considering this concept within the framework of a separate category, different from the concepts of economic culture of the individual and economic culture of the society. A multilevel system to form economic culture of the family, involving secondary and higher levels of education into this process, is considered. The author analyzes the basic assumptions developed to create a new avenue in social policy of the state in the field of economic knowledge popularization.

Keywords: Family, Education, Economic Culture, Development

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1. INTRODUCTION

In the course of Russia's transition to market relations, a number of contradictions have emerged in the economic priorities development system, which rather ambiguously influenced the psychology of individual behavior in a new environment. Russia is not the only state, where there have been changes in the priorities of human behavior in the market environment. Though, it should be noted that the epoch of "building communism" existed on the territory of the Russian Federation for a quite long time. This process has touched several generations and accordingly left imprint on the formation of a rational approach to the household management.

During the Soviet period, the approach to economy and self-realization was quite definitive, based on the fact that everything around belongs to the state and the state knows how to dispose of

all this wealth. In those times the economic culture as an element of human general culture was almost not formed. Of course, this left strong enough imprint on the people's behavior in Russia (Vasilchuk, 2007). When in 1990 the leadership of the state took a course on market relations, this was differently perceived by different segments of the population. At this point, the lack of basic knowledge in economics and market-based economy has resulted in the manifestation of unreasonable and economically unjustified behavior. As a result, a certain segment of the population became poorer. Although this process has affected not only by the lack of economic culture, but a number of other factors. The majority of the population due to the economic illiteracy has lost the opportunity to a normal existence (Plaksunova, 2006).

The crisis in society relations, business and power structures was evident in the misunderstandings by all participants of market

relations the very essence of this economic process. In the era of the 90-ies, the ignorance of the basic laws of economic development of society and the state was especially noticeable. On that basis, a social stratum of entrepreneurs has developed in Russia, who established their business based on the lack of civilized relations, which have been already formed in the developed countries of Europe and the United States.

Since all market participants were mainly focused on the generation of excessive profits and conquer the market, no one paid attention on the consumer, which is represented first of all by a family. Because households are one of the main parts ensuring normal functioning of the economy, there should have been a special course in a social policy that would have been responsible exactly for the formation of economic culture of the family in its transition to market relationships together with the state and the newly formed private property (Erofeeva, 2013). It should be noted that the system of the family economic culture formation implies not just knowledge of basic economic laws and concepts. This refers to the human ability not just to analyze the economic situation in the country, region or place of residence, but use the whole economic tools focusing directly on own abilities and opportunities. It is not enough just to know, it is needed to know how to use knowledge and employ the necessary technical means at the right time.

In this context, as early as in the 90-ies of the XX century it was right time to think about the possibility of using the experience on the family economic culture development that already has accumulated in the advanced nations (Gretchenko, 2012). Instead of just translating foreign economic literature into Russian language and massively introduce it into the educational process, it was necessary to make a synthesis of incoming information and form own unified system of knowledge about the rational household management in the transition to a market economy taking into account historical and cultural peculiarities, as well as the mentality of the Russian family. However this does not mean that such a problem does not exist currently. So far there is no unified system that would allow us to give meaningful information about the market behavior in terms, which could be understood by the common man, as well as to explain people the role of the household in establishing a developed and prosperous state.

Most of the material that is aimed at improving economic knowledge contains exactly the knowledge of an economic nature and does not answer the question as how the family should behave in the context of constantly changing external factors of economic, political, and socio-demographic nature. As a result of lack of consumer knowledge about the rational behavior, which should basically be taught early in school, currently in Russia there is a situation, in which people having no idea of what is happening around, are massively buying up household items and food, as well as urgently withdraw deposits and investments (Makhova and Gil, 2011).

When considering this issue deeper, it can be noted that the lack of exactly economic culture may lead to the weakening of the

economy of the whole state. In the era of information technology, the education of people in all knowledge areas including economic education plays a significant role. Since a considerable amount of information is currently widely available, it becomes a necessity to teach the person to properly use it. Thus, the issues on development and formation of economic culture of the family, which is the basic unit of society and an integral link in the chain of economic interactions between market participants, are extremely important. This issue must be included into the system of state priorities in the development and formation of Russian society.

2. METHODOLOGY

2.1. Background Analysis

Before proceeding to the research methodology used to study the system of economic education formation on the basis of already existing experience of advanced countries, it is necessary to analyze the concerned concept and its interpretation in the Russian context.

There are quite many definitions of the human's economic culture concept. If we make a generalization we reveal that they all come to the use of this concept either with respect to the society or the individual. Let not forget that from the economic viewpoint the family represents the merger of the behavior of two or more individuals, and therefore, the concept of economic culture of individual seems too narrow. If we consider the economic culture of society, we will face with something quite broad and abstract, because it's quite difficult to measure the level of economic culture by the number of people holding diplomas on economic education or other quantitative criteria characterizing the level of public knowledge in this area. The question arises, how to consider the behavior of a family, which in fact is neither the individual nor the whole society. Indeed, from the economy viewpoint the family is the organization, in which factors of production expressed in the form of money, labor, and real estate and so on are merged with each other. It is known that the lack of undivided authority in the organization, as well as clear allocation of responsibilities and rational resource management, leads as a rule, to crisis. In this case, the word bankruptcy or economic failure is quite applicable to the family as an organization, which within the framework of its operation can consume and create various kinds of resources. The behavior of a family man significantly differs from the behavior of non-family individual, and therefore the knowledge in the field of economics, which he has received being outside the family, let say, in the framework of school education or acquiring economic education at higher education institution, becomes useless. In this case, when creating a family, a man has no idea about the scope of its economic opportunities and threats associated with failure to meet financial obligations to third parties.

Based on the human psychology and behavior both in the society and the family, we should note the importance of motifs that can serve a base for the pursuit of learning the material associated with the increase in economic culture (Tsogoeva, 2015). The knowledge acquired at school and higher education institution should contribute to this objective. At that, this education should

include not just the economic knowledge, but the need for and the possibility of their use in later family life.

2.2. The Analysis of Family Policy Development in Terms of Economic Behavior in Some Advanced Countries

In order to form the Russian system, aimed at improving the economic culture of the family, we can use the existing approaches that have developed in the advanced countries of the world. One of the main elements of the rational homemaking is the formation of the family budget. It would seem that there is nothing easier than to evaluate own income and expenses. However, this raises questions that concern the short-term and long-term planning as well as goal setting. If we assume shortcomings when building task system that must be achieved by a family after a certain period of time, then, consequently, fiscal policy will be erroneous either. In this case we will face a decline in the living standard of household. Therefore, the management issues in the household economy system are basic, and all subsequent economic knowledge and the steps should be consistent with the family management system within the framework of economic relations.

Investigating the possibilities of goal-setting and budget formation in various countries, the following can be noted. In Europe, the countries such as Sweden, Germany and France can be identified as a separate category that could help with the issues related to family budget optimization. Based on the analysis of information sources in the system of economic efficiency of family functioning, it can be noted that Swedish nation can safely be called one of the most thrifty nation. Basically, the citizens of this country express their thrift through the creation of the investment package, which is manifested, for example, in an opening of a bank account. Normally, this happens at the birth of a child. The account is refilled every month with a certain amount of money. The amount of invested money depends on the family capabilities. This system allows creating a starting capital for the future citizen and could also be used as a reserve fund in case of unforeseen circumstances. If we talk about the deductions made by Swedish family on taxes and utilities, the proper figure can reach an average of 80% of the total household budget. Therefore, we cannot say that in this case the mentality will play a major role. Under strict and regulated tax system, which must not only function smoothly, but also be seriously monitored, the families can pay more attention to the analysis of their income and the prospects of their investments.

Along with Sweden we can consider the economic regulation of the family budget in Germany. Similarly as in Sweden, thrifty German families make the necessary savings that can be called the reserve fund. One of the possible forms of such a reserve fund is, for example, setting interest-bearing account in a bank, investing in pension fund as well as creating investment portfolio in the form of shares. All of this indicates a sufficiently high economic activity of German families. Though, this is not only a manifestation of German pedantry. Quite many people have loans that are issued on housing and cars. Naturally, in the framework of the tight credit policy of banks in relation to borrowers nothing left to do but to try to optimize family costs.

There are quite many examples of German frugality ranging from the use of household appliances at night to watering the lawn with rain water collected preliminarily in the tank. At that, the state is not involved actively in the formation of economic culture of the population. This process is in a state of self-regulation, though the state creates the necessary message to form optimal and rational family behavior. If the family is acting in a lawful manner and complies with certain rules of economic behavior, it exists normally, if not, then this results in problems of both economic and social nature.

In France the control system over family budget income is somewhat lower than that in the above considered European countries, though in general the French family also may be another example of formation of savings system that can be manifested from the intension of French family to by something in cheaper price through the reduction of their travel expenses by searching for fellow passengers. The range of ways to save in French families is quite broad, assuming that the French nation can be called one of the fashion leaders (Chevalier, 2014).

Moving from Europe to the East we can make emphases on such an advanced state as Japan. As a rule, the family budget in Japan is added by the man, whereas the role of the finance keeper and administrator belongs to the spouse. In this case, there is a clear distribution of roles in the family that allows forming a certain system, which lays the basis for family functioning. In the same way as in the advanced countries of Europe, it is mandatory for Japanese family to form a reserve fund. On average up to a quarter of the family earnings goes to that purpose. However, the Japanese families have essential distinction as compared to the families of the advanced European countries. They carefully keep accounts on income and expenses that can be carried out using special software or just on paper.

And finally, we can analyze households' policy of the families in the United States of America in terms of their proper economic behavior. Here the peculiarity of the economic behavior consists in fact that the vast majority of the American people live on tick. This situation is considered quite normal and therefore monthly allocations for a long enough term don't scare anybody. After all necessary payments, American family forms the budget on a democratic basis, because the income of the man does not always exceed the income of the woman. Basically, regular American relies only on himself and therefore does not trust the state in terms of investment. He invests into not only public funds but to private foundations as well. In American families it is customary also to open a bank account on the born child and subsequently add certain amount of money to this account depending on the level of income. This will allow paying for child's education and some of his living costs in the future. In principle, in the American family it is not customary that all adult family members live together beneath the same roof. Usually, parents suggest their children upon reaching adulthood to run their households independently.

Based on a brief analysis of economic culture formation in the leading countries we can make emphases on the following main aspects.

First, none of the states is imposing on the families a certain economic behavior in any form. The main role of the state is that it creates the conditions necessary to encourage families to choose a certain path of their economic development and increase their welfare.

Secondly, certain models of economic behavior, which have developed over time, are passed from one generation to another. These models include both certain elements of the national traditions that were laid during the historical evolution of the peoples, and the behavioral elements in a market environment that were formed in the era of industrial economy. Also, certain social experience has been accumulated, which is passed also from generation to generation with due account for new technological tools allowing people to simplify some household operations.

Thirdly, the economic cultures of the population in the advanced countries were formed under the conditions of market economy that allowed families to undergo a certain period of evolution and develop their own system of conducting a rational household.

3. THE INFLUENCE OF VARIOUS FACTORS ON THE FORMATION OF ECONOMIC CULTURE OF THE FAMILIES IN RUSSIA

As mentioned above, finally, the prevailing socio-economic conditions allow putting forefront the issues such as rationalization and efficiency. The majority of the population begins to understand that the basis for normal existence should include elements of an effective economic behavior. The today's education system has created many avenues and profiles to teach people in economics and hence the level of economic culture of the population in general must grow. In order to assess the number of graduates of economic specialties in the preceding period, consider statistical data presented in Table 1 ("Federal State Statistics Service").

Table 1: The number of graduates of different specialties

Groups	Years				
	2005	2010	2011	2012	2013
Total number of graduated bachelors, specialists and masters	978.4	1177.8	1157.3	1125.3	1060
Including					
According to specialty groups	914.8	1084.7	1052.4	1010.2	1060.0
Physical and mathematical sciences	11.8	9.7	9	8.6	15.7
Natural sciences	13.7	13	12.3	11.6	16.1
Humanities	145.1	178.9	175.7	177.1	177.2
Social sciences	11.2	16.4	16	13.3	15.4
Education and pedagogy	129	116.3	103.8	93.4	102.6
Medical care	28.2	33.3	33.5	34.3	36
Arts and culture	16.4	18.7	18.7	18.3	20.6
Economics and management	292.7	386.7	380.1	359.3	350.5
Information security	1.3	3.6	3.7	3.8	3.4
Service sector	6.3	14.3	15.5	15.9	16.2
Agriculture and fisheries	34.8	35.1	33.3	32.4	35.2
Geodesy and land management	3.4	5.3	5.5	6.2	7

Based on the data presented in the Table 1, it can be noted that the greatest number of graduates received the qualification of economics and managers. Now calculate the relative number of graduates in economics and management with respect to the total number of graduates, and present data in the form of Figure 1.

The data presented in Figure 1 suggest that the majors associated with economics and management are the most popular, and although by 2013 the percentage of graduates in this specialty has decreased, this does not indicate negative trend of this correlation since the total number of graduates has been also decreased. Thus, in the country, more and more people have studied economics and understand basic components of success in functioning of any market entity. Therefore, in general, in the future, the population will be ready to percept information related to the system of economic culture formation. Thus, a factor that is associated with the direct preparation of personnel having knowledge in the field of economics and management contributes to the distribution and development of the economic culture among the population. Besides the factors that are directly related to education, there are many macroeconomic factors, which either contribute to formation of a stable economic culture, or introduce certain destructive behavior into the functioning of households. The elements of such destructive behavior could be observed in the end of 2014 and early 2015, when consumer goods were purchased on a massive scale. What made the population and the households to part with their savings by not constructing any future prospects? Consider one of the macroeconomic indicators, which is directly affecting the household behavior. This indicator is the consumer price index (CPI). The behavior of CPI over time is shown in Figure 2 ("RBC QUOTE").

Based on data presented in Figure 2, we should note a considerable increase in the CPI in 2015 as compared to the same period of 2014. This indicator is one of the main indices, which characterizes

Figure 1: The number of graduates with a degree in economics and management (2005- 2013)

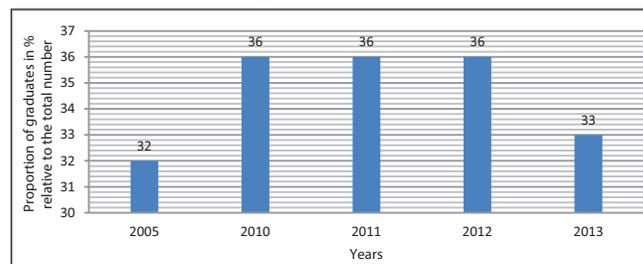
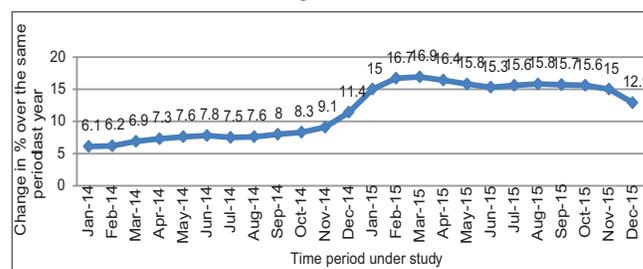


Figure 2: The behavior of consumer price index over time in Russia during 2014-2015



inflation, and according to presented data the level of inflation is quite high. Under such circumstances, there is an urgent need for households to implement a number of measures to reduce their spending. Based on the current situation, some rash acts in terms of finance management can lead the family budget to the deficit.

Now consider the labor market dynamics based on the unemployment rate. This factor should also be considered by families, because at high risk of job loss, the formation of family reserve fund in the form of savings will help the family not to encounter problems related to basic physiological requirements at least in the immediate future. The dynamics of unemployment rate is presented in Figure 3 (“RBC QUOTE”).

Based on the data presented in Figure 3 one can note a slight increase in the unemployment rate in 2015 compared to the same period of 2014. This situation is quite typical for the labor market under the conditions when the state is in a challenging political and economic situation.

Since the process of the economy restructuring, which began in late 2013, could be very long and has no clear boundaries in terms of its completion, therefore such a situation is also a good indicator for the families to use new approach to their budget formation.

The next factor affecting the behavior of households, which will be considered further, is the rate of inflation. The time behavior of this index is presented in Figure 4 (“The Inflation Rate in the Russian Federation”).

Based on the analysis of statistical data, one can note a rather high level of inflation, and therefore the families may lose the real value of their savings that also has a negative effect on the economic stability of the family.

Based on the analysis of some macroeconomic indicators, as well as the level of the graduates’ contingent, who have received higher

education in economics and management, we can say that at this development stage of the economic component of the family there is a situation, in which the optimizing economic behavior of family members becomes extremely urgent. Exactly the above noted factors may affect motivation of the families to obtain in certain cases the necessary informational support concerning household management, and therefore to improve in general their economic culture.

4. RESEARCH OUTCOMES

On the basis of the conducted research we can draw the following conclusions:

1. The concept of economic culture of the family includes many aspects and differs from the concept of economic culture of a person or society as a whole. In the first case we deal with a too narrow approach. The features of economic behavior of a person living outside the family differ considerably, because capital formation and its use depends on just single person and consequently the level of forecasting of economic benefits from the invested funds is greatly simplified. We can say also that the amount of risk associated with the occurrence of the bankruptcy of a person living outside the family is significantly lower than the risk associated with a family man. Therefore, we cannot combine the notions of economic culture of an individual and economic culture of the family. When talking about the economic culture of society, this concept is generally characterized by certain indicators applicable to society as a whole. These can include, for example, the economic level of education, amount of savings, and the average per capita income. But this approach is quite broad and does not reflect the specific economic behavior of individual households. Average rates do not give objectivity, since some families may have one member with the household management skills and knowledge in economics, while other families may have two such members or none of them. This raises the need for a new approach to the formation of economic culture, which should be focused not on the individual or society, but on the family as the basis of strong household, consuming goods and services in the long view.
2. The education system needs to become not just an element, providing economic knowledge, but also catalyst in the development of new economic thinking, which will be used to form basic components of the family’s economic culture. Considering secondary schools, it is necessary to make emphases on the formation of family housekeeping principles based on the fact that pupils themselves are family members and can actively participate in their family economic management, the more especially as the pupils are basically just consumers and it is important to teach them new approaches to the family resource saving instead of their exclusively consumer attitudes. Later at high school it is necessary to implement disciplines regarding the household economy in the framework of developed programs. This will allow transforming the acquired economic knowledge into concrete practical experience related to functioning of families in accordance with existing socio-economic conditions. Moreover, the

Figure 3: The dynamics of unemployment rate for 2014-2015 by months.

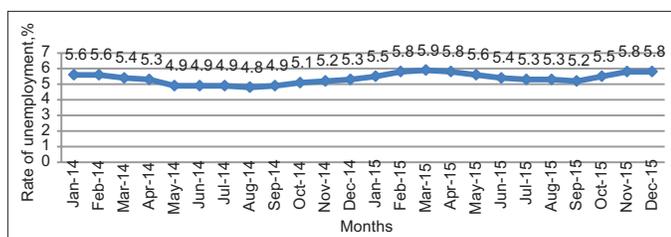
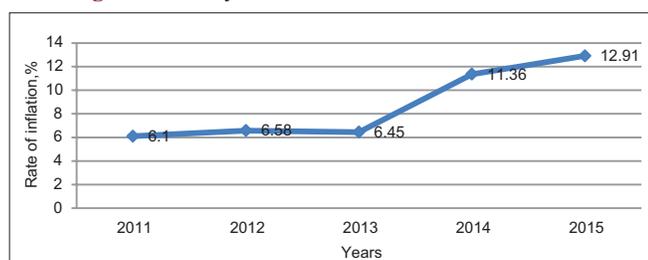


Figure 4: The dynamics of inflation rate in 2011-2015



set of these disciplines should be implemented not only in the economic faculties, but also in all other departments of the higher education institution, since maintaining rational household management does not always require in-depth knowledge in the field of economics.

3. Based on the experience of the advanced countries, we can note that in general there is no system, which would direct the formation of economic culture among the population of these countries. The approaches to rational behavior of a family were formed through historical evolution and the evolution that occurred in the area of market and state machinery development. The framework of the formed economic systems, which characterize the economic culture of advanced countries, is based mainly on traditions, which under the influence of the state policy, turned into certain philosophy and social experience. Currently this knowledge is not generated in special educational institutions but is passed on from generation to generation. Therefore, while Russia is on the path to becoming the state with highly civilized market, it is necessary to lay those traditions and foundations, which in the long term will help to build up a portfolio of knowledge in the field of economic culture that will run in the family. This will eventually allow society to become economically literate in general. At present, Russia has all the prerequisites necessary to be engaged in the formation of economic thinking and economic culture of the family at professional level. The deterioration of the main macroeconomic indicators relating to consumer market and economy in general forces people to take a new approach to the formation of their perspectives on family budgeting and economic development. All this gives impetus to the fact that most families will be more active in searching for the necessary economic knowledge for survival, normal existence and possible prosperity in a challenging economic environment. Appearing motives may well turn into needs and at this point it is necessary to deploy full-scale activities in the field of formation of economic culture of the family.

5. DISCUSSION

The conducted analysis is mostly based on basic information about the state of the macro environment, expressed through statistical knowledge. Therefore, it is possible to conduct a more detailed analysis on the impact of certain factors on the irrational behavior of households in the system of economic relations. This may allow identifying more significant factors, as well as the degree of their influence on the formation of economic culture of the family. It is also possible to conduct further research in the field of educational programs already developed at higher education institutions and schools. This will allow us to trace in more detail the possibility of introducing information into the educational process directed on formation of economic culture of the family, which should manifest itself in the rationality of economic behavior.

The present study can be continued in terms of deeper analysis of the regulatory framework, which aims at supporting families. This will allow us to determine comprehensively the level of existing trends in the system of economic culture formation of the family. Also, it would be possible to form the elements of the strategy

for the coming period to achieve objectives such as information support in the field of management of family financial means and the possibilities for their right investments.

During the research it was established that the economic culture formation in other nations was based on the traditional elements that were formed in society and evolving along with technological progress. Therefore, it is possible to conduct research in the field of analysis of housekeeping traditions in Russia after serfdom's abolition and during pre-revolutionary period with the purpose to form elements, which could be taken as a framework constructed on the mentality and historical features of the nation's development.

6. CONCLUSION

In the context of current socio-economic conditions of the Russian economy it is necessary to pay attention to the economic aspect of households. Family is a very important component in economic relations between market actors, and therefore, in order to avoid serious social stratification, it is necessary to form economic culture of the family.

This should be carried out primarily by the state, because it has the ability to operate the necessary resources. Exactly the state should be interested in the further development of its own nation. The supporting framework of economic culture formation can be laid on historical peculiarities of Russian families in terms of their economic aspects, as well as the accumulated international experience of the advanced countries.

Since the economy and the market formation period in the Russian Federation is very short, the lack of experience in household management is explained by objective reasons. But in recent years the Russian Federation is increasingly asserting itself as a state able to develop rapidly in all areas, including the sustainable economic development. Therefore, it is important that the comprehension of all economic processes occurring in the era of accelerated reform would be perceived by the whole society quite clearly and definitely. This will allow forming an element of the framework, which could be used further to build a mechanism of the state's market economy functioning. Exactly the family and its ability to properly assess the economic situation and to make rational decisions can serve such a foundation.

In the course of the study, the basic prerequisites were formulated, which evidence the necessity to build the system of family economic culture formation with the aim of creating a base of social experience, which could be used to build in the future social policy of the state's development.

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