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Life-course management and financial literacy: distributed agency in learning cultures

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Policy and the 'Life-Course'

I want to outline some of the issues that have arisen where new competencies are deemed to be required in the context of the foreseen increasing difficulties in managing the 'life-course' over the first half of twenty-first century.

The Economic and Social Research Council in the UK, in setting out the themes it proposes to support until 2005, echoes in many respects the European Union's Fifth Framework proposals of 1999. In particular citizenship and socio-economic understanding and learning have guaranteed places as do inquiries into the nature of the life-course and the changing character of labour markets. Social exclusion, and its strong correlate financial exclusion, is at the core of concerns.

There are a growing number of occasions where powerful agencies (e.g. the Confederation of British Industry, the OECD) lobby for tying together and promoting citizenship, financial and consumer education. The Fifth Framework proposals contextualise this thrust by calling to mind the very real issues facing Europeans, internally as the character of their labour capacity changes, and externally in competition with the other global trading blocks. The CBI takes a life-long view of developing social, economic and industrial understanding to the extent of proposing that such matters become a permanent feature of the pre-16 curriculum as well as at the centre of post-16 training and career planning (Crick, 1998: #5.5).

Specifically, changes to the following have far-reaching policy implications, and begin to require educational and pedagogical links and interventions.

1. A rapidly ageing population requires different, non-traditional skills, knowledges and approaches to life-planning, especially in connection with savings, personal pensions and long-term care needs.

2. Patterns of living, intimate relations and patterns of residence are changing in response to diversification of life-styles: there are increases in single-parent families, multi-adult households and single owner-occupier housing.

3. There are new relationships between career patterns, employment and training.

The sociological imagination is currently at work debating and arguing about these issues and the character of the connections between them, but nothing has been resolved. The issues enumerated above appear to us as highly contentious and shot through with numerous moral panics (for example, the decline of 'the family'). There is little doubt that emerging forms of intimacy and relationships will impact upon life and financial planning practices, but these have not been adequately mapped through with a rich sense of the interconnections involved. Instead, we still create policy as if economic reality were indeed separate from other areas of social life.

The UK government has attempted to provide for the long-term consequences of ageing populations (Denham, DSS 98/225) and the pensions shortfall by legislating for a variety of modes of savings plans and pension arrangements. However, the government's advisers chose to highlight the commonly acknowledged shortfall in the knowledge and understanding connected with 'social and financial literacy'.

The attempt to develop very imaginative savings vehicles, which aim to be 'adaptive' to social change, have further complicated a very poorly understood field, that of personal finance. This field is largely the domain of higher income families and financial experts such as independent financial advisers (IFAs). Even with trade union involvement and association with IFAs this expertise is under-employed in the management of economic life. Reports commissioned by the Personal Investment Authority (Vass, 1998) have indicated serious gaps in the provision of 'investor education'.

There is now a considerable and growing demand for the development of financial literacy at all levels of education provision and through agencies and institutions other than the traditional providers. Provision is thought to be important to deal with the particular problems of: low-income households (Kempson, 1998a); avoidance of financial services by ethnic minority households (Kempson, 1998b); credit card debt (Rowlingson and Kempson, 1993); 'financial exclusion' (Kempson and Whyley, 1999). In the UK, the latter report finds that there are nearly 1 in 10 households without basic financial identities (e.g. a current account or banking facilities) and that further a 4.4 million households manage on the very margins of the financial services industry.

Interestingly, with the Kempsey and Whyley report, data from the 1996 Family Resources Survey and interview data from the sector defined as 'financially excluded' indicated that most people move in and out of the category as a consequence of the relationship between type of financial product available and current stage in the 'life-course' (or living in a marginalised community) i.e. it is not necessarily a case of lack of access to cash - but the pattern of access to it. This should be alerting us to the complexities of people's life-courses as well as the socially infected character of matters financial. Just how 'infected' will be disclosed later.

The issue now beginning to emerge concerns the mechanisms through which people can connect understandings about finance to what they can make intelligible about the life-course itself, global determinants of it, and how it is becoming structured in their case. From what was said in the introduction about the condition of political cohesion in Europe, together with what has been said about irreversible socio-demographic change, it would seem that the production of 'life-course intelligibility' must be an increasingly difficult but important task. But I would emphasise that it is the question of collective intelligibility and interpretation rather than 'life-course management skills' that should be the primary focus.

Shortly I will turn to the very intellectual and public domain resources to which people have recourse for engagement with their life-courses and personal finance issues. I argue that these are heterogeneous mixes of promotional, advisory and financial product 'texts' rather than 'economically rational objects' that can become part of a coherent curriculum practice. The incoherence of these texts, I have yet to demonstrate, is part of the very incoherence of the life-course of the subject which these 'resources' have been employed, under the authority of regulatory bodies, to dispel.

Life, work and money: people, jobs and training

These are simple enough words to include in a vernacular or managerial conceptualisation of the way they should all connect. However, words like ‘people, jobs and training’ obscure the nature of the social changes that Europeans need to grasp and to include within their curricula as base-line resources against which financial literacies and understanding of their ‘life-courses’ might develop, in such a way that they may creatively influence and construct the same. I will consider work, the work-place and the labour process and then go on to look at the way in which ‘financial pedagogy’ is severely compromised by its ambiguous positioning between commercial, educational and political domains.

Labour

It would appear from recent accounts of the labour process globally (e.g. Castells, 1996) that the effects of ‘informational global capitalism’ are - though not exclusively - labour fragmentation (split between geographic regions), segmentation (organisational out-sourcing), de-collectivisation and diversification. Decentralised networks of power are made possible by the global integration of capital. Yet the knowledge to run business can be globally concentrated in such a way that businesses are increasingly less dependent on specific regional labour requirements but more dependent on access to highly specific skill sets. This suggests, to Taylor (2000: 12),

> *[a] global interdependence of labour with a hierarchical segmentation of workforces, not between countries but across national frontiers. We are witnessing a deep tension between integration of the work process and disintegration of labour. This suggests an optimistic outcome for many workers. Diffusion of advanced technology is demanding a more educated and skilled class of networker capable of learning a wide range of* work sequences*. (ibid.)*

This transformation of work is engendering ‘the *individualisation* of labour in the labour process’ (ibid.: my emphases). The organisation of labour under early to middle industrial capitalism led to the issues discussed by generations of sociologists connected with the adaptive technologising of the worker to fit the production machine. The emphasis will now surely shift to the life-course conceptualising worker: the one whose subjective experience, consumption choices, pattern of education and re-training needs to be (aesthetically?) accommodated to the ‘class of networker’ mapped into ever-changing ranges of ‘work sequences’.

Organisations and businesses are having to respond to re-configurations of the ‘work-place’, increasingly a shaky metaphor in informationally technologised industry, as work sequences are redistributed across networks of production. To suggest that education and training programmes should be linked to ‘the work-place’, a link which currently justifies the curriculum content of educational programmes and increasingly constitutes legitimation for providers, begs the question of any programme’s conceptualisation, or fantasy, about that ‘work-place’ and indeed the ‘worker-learner’.

Economic Understanding

I have argued elsewhere (e.g. Vass 2000; Vass and Davis 1996) that economic understanding in social life is a practice of translation between various media. The following can be thought of as the media of life-course management: money and its regulatory environment, local knowledge of the distribution of social obligation and power, formal contracts between agents, national ideologies represented at local level etc. Each medium will have internal characteristics which can re-distribute or be re-distributed according to the historical choices of situated actors. (What we would call) 'economic exchanges' in, say, Indonesia (see Vass and Davis, 1996) are involved in local identity practices and definitions of , say, 'family' in ways which can be at odds with nationally imposed ideologies of 'family' which filter into the locality through the education system (ibid.). The agent, to be a successful 'life-course manager' needs to be a skilful 'translator' of all these different discursive media.

This may not necessarily imply that the translator is aware of all the characteristics, principles of construction etc. pertaining to any particular discursive domain. Indeed, there is much that is shrouded in vagueness in any translation practice. The agent will be more or less sensitive to the effects of re-distribution. But the coherence, or otherwise, of the practice and the subjectivity of the agent will depend on whether the practice is accountable to others (Vass, 1993b).

Financial literacies and the life-course

I want to claim that when people have recourse to financial services at various points in their life-course they engage with 'heterogenous' mixes of promotional, advisory and financial product 'texts'. In schools in the UK many curriculum materials used are supplied by banks and financial service trade bodies. There are also idiosyncratic initiatives by building societies, and financial learning is a curriculum area for proposals in Family Learning. From what I have been saying about translation it will become apparent that the arena in which 're-distribution' takes place will be the human subject at the centre of the 'life-course' planning activity.

Jan Pahl (1999) in a study on family finances in 'the electronic economy' claims that:

> *New forms of money [are] altering the ways in which couples control[] and manage[] their finances. In particular, the balance between 'our' money and 'my' money seem[s] to be changing, diminishing collective imperatives and allowing individuals to pursue their own financial goals without consulting their partners.*

Examples are given in Pahl's work of enthusiastic on-line bankers who find they can now control their wives' spending and wives who can control their husbands' debt repayments. Pooling accounts is leading to different patterns of interpersonal obligation and responsibility. Some of the findings are reminiscent of Lave's (1988) work where, incidental to her main thesis perhaps, she discusses data that indicate that new, transient, spontaneously and locally invented categories of money help create new social-familial roles and positions (Vass and Davis, 1996). Banking is clearly becoming, as Pahl suggests a 'biographical' resource. But it is one among many others.

The common assumption about consumers here is that they understand their own life-course and the part that specific products would play in it. Inserting specific products into the life-course is simply a case of making a 'rational' decision. However, applying the discourse translation model here we are encouraged to re-describe the situation, as I have already suggested, into one where the learning subject becomes an arena, a 'zone of social making' (Vass, 1998), that has to contain the re-distributive effects of a multiplicity of texts each having their own characteristics. The texts produced by Micropal are meant to help the client 'evaluate' and make decisions about savings funds; however, the performance related criteria serve to create an 'awards system' that becomes part of the promotional text of the fund management groups themselves and is incorporated into their 'branding'.

To remind ourselves of the issue from the client's point of view: in order to be effective as a translator moving between different discourse types (IFA talk, product description, evaluative data, case studies of other consumers, the financial press etc.) the person needs to be aware of and sensitive to the effects of 'redistribution' - these translation moves are carefully built into the IFA's conversation with the client and are marked by securing the client's agreement that they understand the re-distribution. For example, in the 'promotion' of certain commission-based products the IFA may locate themselves impartially in relation to the product, saying that as 'salaried' practitioners they have no especial interest in the recommendation. Nevertheless they, or their firm are beneficiaries of annual renewal commission. The 'risk' factors may be part of a pedagogy where 'teaching examples' are brought into relation to a regulation-bound description of the client's 'own circumstances'.

Leyshon et al (1998) became concerned with the 'textual mediation' of the provider-client relationship, particularly in the distal textualisation of the client through the client information databases of providers. In a promotional culture, Leyshon et al argue consumers have been forced to forge new 'relations of trust'. In a domain characterised by risk this trust is achieved through identification with brands.

Branding is an increasingly important feature of social life in the absence of the securities offered by the now evaporated unified *demos* mentioned in the introduction. Brands serve as rallying points of coherence and recontextualisable 'quality' in social orders characterised and ordered by consumption. Brands are local and global, and therefore have characteristics which make them less limited than national governments. Branding is set to become a very pertinent resource for life-course planning. Rowlinson reports (2000) from a study looking at the problems of life-course planning, having interviewed a cross-section from different age and socio-economic groups. She finds that there is a huge shift of emphasis from state planning to individual planning which makes unfounded assumptions about people's ability to plan ahead. The move moralises the domain in that planners are sensible and good, those that do not plan are 'irresponsible free-loaders'. Respondents found planning a depressing experience because little certainty and coherence could be constructed from the known. Those most able to make plans were those least needing to. The future, as a place, was 'multi-dimensional': it could be structured into personal, familial, one's children's future or a general future. Similarly risk could be located at individual, local, national or global levels. Awareness of risk in this latter sense shows the penetration of messages about the global or local circumstances in people who feel themselves powerless to introduce life-course coherence to their planning.

In these conditions corporate branding provides a securer symbolic focus than governments. After all, Kellogg's Cornflakes and Coca-Cola survive substantial political and social change - and texts of nostalgia in relation to brands sensitise us to these facts.

Conclusion

The necessity for financial literacy emerges from very real changes to our social and economic environments which are very difficult to conceptualise but vital to the political consensus and dialogue we need to achieve to sustain democratic principles in Europe. The material resources of, and curricula for, these literacies are highly problematic because they emerge from managed links between learners, industry and education providers which depend on common-place conceptualisations of work, money and people. We are still waiting for the 'reflexive modernisation' of those investigations into the over-managed links between labour, learning and economy that currently compromise the material from which we make sense of our life courses.

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