

Economic adjustment of the youngest generations and its impact on human capital

Krzysztof Gawel

Cracow University of Economics, 27 Rakowicka Street, Cracow, Poland

Author's E-mail: krzysiekgawel96@gmail.com

Abstract

The aim of the article is to indicate connections between human capital and economic socialization. Observation was in this case the first-rate research technique. The economic socialization of an individual is carried out throughout her life and determines the process of her striving to get rich. This phenomenon takes place in the context of cognitive and social development of young people. The focus on economic socialization of young people is crucial because it is during puberty that habits concerning, among others, with consumption, spending planning and saving. In addition, the definitions of human capital were added and an attempt was made to outline the relation that may exist between economic education and investment in human capital.

Keywords: Economic psychology, entrepreneurship, human capital, saving process.

Introduction

Socialization takes place on many levels. Participants of this process are parents, school, peer groups. Problems regarding this period is addressed in philosophy, economics, sociology, psychology and pedagogy. Currently, economic socialization is also an issue analyzed in the framework of behavioral economics (Roszkowska-Hołyś, 2018).

In order to systematize the definition of economic socialization, one must present the definition of socialization itself, formulated within the following scientific disciplines, such as sociology, psychology or behavioral economics. Sociologists define socialization both in a synthetic and extended way. One of the most concise explanations proposed by P. Sztompka (2005), defining socialization as

entering the individual into society, processes through which the individual becomes a full-fledged member of social groups. An approximate term can be found in A. Giddens (2005), who stated that it is a lifelong process of shaping human behavior through social interactions in which children or other members of society learn how to live in this society. It is therefore necessary to point to the continuous process of socialization as its characteristic value.

Sociologists, nevertheless, direct their attention to the two basic stages of socialization: primary (initial), including infancy and early childhood, and secondary (permanent), extending to subsequent years of human functioning. The difference lies primarily in the intensity of the socialization

process, as well as in its institutions, that is, in the circles in which significant socialization cycles take place. Initial socialization is characterized by a higher degree of intensity, and is mainly done in the family. Institutions of socialization, on the other hand, schools, peers, organizations, the media and the workplace are becoming permanent.

In the literature on the subject, we can encounter a multitude of definitions of the term, which are sometimes extremely precise (Szmelter, Harmacińska, 2015), and sometimes describe human capital very broadly. The names most often associated with this concept are certainly: T. Schultz and G.S. Becker (Renkas, 2017). Becker (1975) in one of his publications talked about human capital in the following way: Education, computer training, medical care expenses or lectures about the saving role of punctuality and honesty is also capital in the sense that they improve health, increase income. It is therefore fully justified and in line with the concept of capital to regard expenditure on education, training, etc. as investment in capital. T. W. Schultz (1981) understood human capital as a resource that is a source of future satisfaction, earnings or, in general, services of some value. A distinctive feature of human capital is that it is as if it is a human part, because it is embodied in people. On the other hand, W.I. Hudson (1993) states that the company's intellectual capital is the sum of its individual component components. According to its definition, intellectual capital consists of genetic heritage, education background, factor of experience and the attitude to life and business.

The next stage, which is worth analyzing, will be an attempt to answer the question of developing such defined human capital. According to G.S. Becker's increase in human resources should be called investment in man.

Seven categories of activities can be found in the literature, which can be called human investments, which are: services and amenities that are related to health protection and affect the quality of life, trainings at work, formal school education, study programs for adults, migrations of people, which are caused by the search for a better job, searching for information about the economic situation of companies and professional perspectives, as well as researches.

Materials and methods

The purpose of the article is not to extend the presented structure of the category of activities - investments in human capital, but it should be noted that economic socialization is very good example of human investment at both micro and macro levels.

Asking yourself who plays the responsibility related to the economic education of the youngest should be answered that first and foremost it is a family. Especially parents are people who provide children with first economic knowledge, they also teach them how the economy works and how it should be moved. The earliest experience connected with economic knowledge, gained in the place of residence, in the first years of life, may affect the educational decisions made in the future by children. These directly begin to translate into the value of human capital.

The next elements, such as the media and institutional forms of economic socialization of children, are the entities influencing the investment in the human capital of the macro sphere. Both educational institutions and foundations created at banks offer their educational offer to nationwide groups. There is no distinction here - the recipients, i.e.,: children and teenagers, are treated in the same way. Such a general approach reduces

the chance of access for all people to economic issues, which few are registered as simple and easy to receive. In turn, the function of the media in economic socialization is still not fully noticeable. As the results of the analysis show (The state of financial knowledge of Poles). Report of the Kronenberg Foundation at Citi Handlowy, Maison Research House, September, 2009, (Stan, 2009) currently the most common source of knowledge about the finance and economic knowledge is for Poles television, and secondarily the press, then the Internet and school. When asked how the Poles would like to learn economic knowledge, they most often answer that from television.

Analyses related to economic socialization were carried out in different countries, and the results obtained by the researchers differed slightly in terms of the number of stages distinguished and the age of children reaching the given developmental stage (Goszczyńska et al., 2012). Researchers draw similar conclusions about the order of the stages, pointing only to differences in the speed with which children pass from one stage to another. They emphasize the extremely important impact of children's experiences that they acquire during their pursuit economic activities. A. Furnham and P. Thomas (1984) believes that the early implementation of children to participate in daily household tasks causes that they learn more quickly economic concepts and understand complex social phenomena.

The factor influencing the children's development of economic knowledge is also media-related (mainly advertising). Economic socialization in this way can, however, lead to the creation of a falsified image of the world in children's conscience (Sobieraj, 2013).

In the eighties of the last century, research was carried out, including the process of

children's understanding of the principles of banks' functioning (Berti and Bombi, 1988). At that time, several consecutive stages of understanding the operation of banks were identified in the cognitive development of children. It was found that at the beginning, the little ones perceive the bank as an unlimited source of money, by treating the institution as a "super-safe", which is to protect the resources there that are gradually collected. Later, they treat it as an institution from which one can borrow money or put it in it, but also as a place whose primary function is to retain profit. Studies carried out in Poland have documented the view that the youngest acquire knowledge related to banking progressively from pre-school years, moving to a full understanding of the principles of banks' functioning in adulthood (Rudzińska-Wojciechowska et al., 2011; Maison et al., 2018). What is more, it is also worth to say some words about connections between economic life and economic socialization. Internationalization of the activities of enterprises selling their products and services all over the world has contributed to the globalization of financial markets, because from the companies operating on a supranational scale there was a need to access various sources of financing and facilitate international transactions (Kalinowski, 2013).

Results and discussion

In order to summarize the issue of dependence in the areas of economic socialization of children and investing in human capital, it was decided to use information on the economic knowledge of Poles. In 2009, the analysis was carried out, the results of which cannot be considered as promising. Poles assess the state of their economic knowledge very poor. Only 4

percent of Poles think that they have great economic knowledge. Therefore, it is not surprising that people who have higher education, work, money, or so-called people with higher socio-economic status, assess their knowledge in this field better. In reference to these results, it is surprising that almost half of Poles do not externalize the curiosity with the increase of their economic knowledge. The reasons for this phenomenon can be traced in the fact that economic knowledge is perceived by Poles to be more boring than useful. Although the interest in economics (i.e., the occurrence of opinions that knowledge about finance is interesting) depends on education and income (educated and wealthy people consider economics to be more interesting) and gender (men are more interested), there is no connection between the scale of interest in economic knowledge and the age of the person and place of residence. What is more, in the research presented above, you can find the results of the actual economic knowledge of Poles (in contrast to the declared one). For the economic knowledge test consisting of 20 questions, respondents answered an average of 8 questions, less than half. The percentage of "do not know" answers to test questions ranges from 18percent to 53%. One in five people cannot correctly answer more than 4 questions. Poles do not realistically assess the state of their economic knowledge. Nearly one-third of people assessing their economic knowledge as average or good have below-average knowledge in the test. Every fourth person assessing that they have better knowledge than most Poles (relative knowledge assessment) has in fact less than the majority knowledge.

The assessment of knowledge in the field of economics of Poles is frighteningly low. Poles do not have a sense of importance in the

everyday life of this knowledge, they do not see the relationship between such knowledge and its use in life. It can be concluded that the respondents are a generation that in childhood, and in later years, did not experience economic socialization at a sufficient level for them. They also did not experience education in the belief that economics can serve in subsequent stages of their existence, during vocational education or a dilemma related to the choice of a job.

Conclusion

Parents play a key role in conducting economic education among the young generation, ensuring their further development. Through the ideals passed in the place of residence, we increase the likelihood of creating educational and professional paths for young people. Supporting parents through institutional forms of economic education is a factor that can influence the level of knowledge in the field of economics at a high level. Almost everything has been said about investments in education in the general sense, however, there is still little visible economic education. Activities and programs related to this area of education are minimal, what is more, one can get the impression that the scale of their actual reception is small. Investing in educating the perception and economic knowledge of the youngest can result in measurable profits. When teaching economics, from an early age children are accustomed to the position that they are, firstly, an element of the entire economic system and should know the rules of its operation. Secondly, they can and should plan to develop their own careers and invest in themselves. Thirdly, having comprehensive economic knowledge, becoming adults are not lost or defenseless - they make numerous

investments on the market with full consciousness, consciously make purchases as consumers and, above all, deliberately manage their educational and professional success because they consider it not only as an element components of everyday life activities, but also as a strong indicator for your entire life. Economic socialization must be treated as a serious element of the growth of human capital, which in the subsequent stages of development of these young people can help in the global success under which the economic growth of their country is hidden.

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