6. What Refugees Should Know About Consumption: Observations From a Course in Personal Finances

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ABSTRACT This chapter deals with a course in personal finances offered to refugees in Norway examining the course organizers’ perceptions of necessary consumer competence and the main theories underpinning these perceptions. The study shows that the course organizers’ perception of necessary knowledge is based on a mix of neo-liberal ideas and protestant work ethic emphasizing refugees’ individual responsibility to become financially independent and ‘realize dreams’ through labour and free yet frugal consumer choices. Implication for research and policy are discussed.

KEYWORDS: consumer education | refugees | consumer competence | financial literacy

6.1 INTRODUCTION

In the white paper Prop. 1 S (2014–2015), the Norwegian government requires that individual refugees exploit the opportunities they are given to be financially independent. The aim is to increase immigrants’ and their children’s chances of achieving the same opportunities as regards participation and living conditions as other citizens (Regjeringen.no). To achieve this goal, a full time introduction program lasting 2–3 years aiming to prepare refugees for work and education is offered to refugees by regional refugee services. In this program, much emphasis is put on giving refugees basic skills in the Norwegian language and knowledge about the Norwegian society. Out of 59 subjects listed, two, ’will to pay’ and ‘economy’, have a clear reference to consumption-related knowledge. The more specific content of the subjects is up to the regional refugee service to decide on. In this chapter, we analyse a course in personal economy for refugees, delivered as part of the introduction program.
The main purpose of the study is to examine the course organizers’ perceptions of what refugees should know about consumption and the methodological and ideological assumptions underpinning these perceptions. The organizers’ perceptions of why the course is important and their view on the course participants, as well as the refugees’ response to the course, will also be addressed. The authorities’ efforts to enhance the consumer competence of refugees is an unexplored field of study in Norway, meriting the present study. Moreover, we observe that refugees tend to be more in need of consumer education than the rest of the population:

- Immigrants, especially from countries in Africa, Asia, Latin America and countries outside the EU, are more at risk of poverty than natives (Barstad, 2016).
- Minority groups in Norway are overrepresented in the enforcement office due to debt related to an imbalanced relationship between income and debt and the establishment of private businesses with negative profit (Poppe and Lavik, 2013; Poppe and Bøyum, forthcoming.)
- The imbalance between income and debt varies between minority groups. Whereas some minority groups, e.g. people from Sri Lanka, Iran and Pakistan, have higher loans relative to income than the rest of the population, other minority groups, e.g. people from Somalia and Iraq, have lower loans relative to income (Ellingsen, 2011).
- Some refugees in Norway come from countries, in which formal financial service provisions are less developed, and/or in which taking interests are considered Haram according to Islamic teaching (Algaoud and Lewis, 2007).

The chapter starts with a theoretical outlining of ‘consumer competence’ paying special attention to the body of work addressing ‘financial literacy’. Based on a methodological section, we then analyse the research questions, followed by a section analysing the methodological and ideological assumptions underpinning the research results. Implications for research and policy are outlined.

6.2 CONSUMER COMPETENCE

The literature on consumer competence was developed as a response to the increased complexity and individualization of responsibility that took place from the 1970s related to grand socioeconomic changes associated with terms like ‘globalization’, ‘economic liberalization’ and, later, ‘digitalization’. Based on a review of related literature, Lachance and Legault (2007, p. 1) describe the con-
cept of consumer competence as ‘multi-dimensional, composed of cognitive, affective and behavioural aspects to well-advised, prudent and responsible activities’. Most literature addressing consumer competence aims to develop current consumer education and policy in order to (a) protect the interest of consumers, (b) promote knowledge of the system and structures within the marketplace, and (c) contribute to society as a whole by creating more active and informed citizens, and thereby (d) sustain a more even balance of power between the producer and the consumers (Wells and Atherton, 1998).

To date, most research on consumer competence has addressed consumers’ understanding of different kinds of markets, marketing, consumer rights and duties, and ethical and sustainable consumption (Berg, 2005; Grønhøj, 2007). Focus has been on the first phases of the consumption process such as planning, information seeking and motives for consumption (price, quality, accessibility etc.). However, as the importance of ethical and sustainable consumption has increased, more attention has been paid to later phases in the consumption process dealing with consumers’ use and disposal of goods and services. Also, the view on consumers has changed. The consumer is not necessarily seen as an ‘economic man’ optimizing individual needs and wants through consumption, but also, increasingly, as political ‘citizen-consumer’ aiming to foster a more ethical and sustainable society through individually or collectively organized consumption.

In this research, both adult and children’s competence has been explored. The measurement of consumer competence has been based on consumers’ subjective evaluations of own level of competence and through testing of consumers’ knowledge. Research indicates that consumer competence varies among consumer groups, amongst other things depending on the stage in the consumption process, type of market, and consumer group (see e.g. King and Balasubramanian, 1994; Huffman and Houston 1993; de Bont and Shorrman, 1995; Berg and Gornitzka, 2011; Berg and Teigen, 2008: Berg, 2007).

The main sources enabling consumer competence are parents, schools, peers, and the media (Lachance and Legault, 2007). In most European countries, consumer education is not a separately distinct discipline in the formal education system, but a cross-curriculum subject involving many areas of the school curricula (Schuh and Kitson, 2003). This is also the case in Norway.

Since its origin, research on consumer competence has addressed a number of markets—financial markets of bank services, food, clothes, housing, energy and digital media. Since each market tends to be addressed separately, research on consumer competence is hard to identify as a distinctive field of knowledge. That said, particularly one body of research stands out as a distinct field, namely the
research on financial markets. This research in this context is not only interesting because it deals with money—the elixir of capitalist societies enabling consumption of other goods and services, but also because it is the body of literature that so far has been most concerned with immigrants' consumer competence. A closer look at this body of literature is therefore provided.

6.2.1 FINANCIAL LITERACY

In the literature on financial markets, consumer competence is often referred to as ‘financial literacy’, defined as ‘the ability to make informed judgments and to take effective decisions regarding the use and management of money’ (Noctor et al., 1992, p. 4). Financial literacy is often measured by a set of indicators developed by experts based on their understanding of what people should know. The indicators are usually based on surveys testing peoples’ knowledge about the financial market place, key concepts like inflation and compound interest, applied numeracy and ability to read extract information from financial documents and bank accounts (Kempson et al., 2017). Social groups most at risk of failing due to lack of knowledge about financial matters are women, the young and the old, people with low education and income, unemployed, people living in rural areas, people with disabilities, and immigrants (Datta, 2009; Lusardi and Mitchell, 2011). These groups are also found to be at risk of financial exclusion (Atkinson and Messy, 2013). Worldwide, financially excluded people typically lack a bank account and the services that come with it, rely more on alternative forms of credit such as doorstep or internet lenders and pawnbrokers, and lack key products like insurance, saving products and pensions. In consequence, financially excluded people tend to pay too much to manage their money, find it difficult to plan for the future and are more likely to become over-indebted (Kempson, 1999; Transact, 2014; DR.DK, 2018).

Most refugees have very low incomes during the phase of settling, and many face additional barriers making them more prone to financial exclusion, such as limited language proficiencies, low levels of education and cultural and religious perceptions that may run counter to the host societies’ way of doing business. This is especially the case for refugees originating from cultures with different sets of economic norms, values and requirements, such as Sub-Saharan Africa, India, Russian Federation, Brazil, and China; such refugees are most at risk of financial literacy (Atkinson and Messy, 2013). Moreover, refugees often have an urgent need for financial products and compelling and moral obligations to engage in remittances. Many rely on informal channels or pay high fees to make transfers.
through fringe providers, as mainstream remittance products to send and receive money across countries may be difficult to access for refugees or their families. Some refugees borrow money in their host country when their income is unstable, or their local expenses are higher than anticipated (Atkinson and Messy, 2013). As refugees may distrust financial institutions and public authorities, they may use self-exclusion strategies, for example reduce risks by avoiding financial services to keep the money safe from immigrant/welfare authorities (Datta, 2009).

The process whereby consumers increase their access to, and use of, financial goods and services is entitled ‘financial inclusion’. Financial inclusion may include consumer education and other consumer protection measurement. OECD (2005b, p. 4) defines financial education as:

The process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.

Some benefits of financial education for financially excluded people can be improved understanding of risks and benefits of financial services, reduced cost of money transfers, higher household saving levels, and protection against unfair, discriminatory practices, such as predatory lending (Atkinson and Messy, 2013, p. 11). Financial education is most efficient if it is:

- Timely, that is, offered right after new immigrants’ arrival (LIRS, 2006) and in ‘teachable moments’, when the information is most applicable to a person’s life (GAO, 2004);
- Tailored to the individual needs of the refugee (Brimble and Blue, 2013);
- Offered to the whole family and not only the individual refugee (Doi et al., 2014);
- Involving financial practices (Webley and Nyhus, 2013) and increased access to financial policies, instruments and services (Johnson and Sherraden, 2007);
- Combined with consumer protection measurements (Atkinson and Messy, 2013).

Research on consumer competence and financial literacy are for the most part undertaken in other countries than Norway. In this chapter, we will explore to what
extent these understanding of consumer competence and financial literacy also come to expression in a course for refugees in Norway. Before we present the results, a brief description of the methodology is needed.

6.3 METHODOLOGY

As an explorative case, this chapter examines a four-day course entitled Control your money (Kontroll på pengene) conducted by the regional refugee service in a Norwegian town. To the course organizers’ best of knowledge, this is the only course in personal finances directed towards immigrants in Norway.

The course is offered to refugees between the age of 18 to 55 participating in the introduction program. In February 2018, approximately 150 refugees participated in the regional introduction program. Participation in the program entitles the participant to an annual benefit that equals twice the National Insurance basic amount (NOK ca. 15 000 per month). Participants under the age of 25 receive 2/3 of the benefit (NOK ca. 12 000 per month). By way of comparison, the average income for all employees in Norway was NOK 43 300 per month in 2016.

The course was conducted in cooperation with the local branch of the Norwegian Labour and Welfare Administration (NAV) as part of a project aiming to prevent people from assuming unmanageable debt. NAV is present in every Norwegian municipality, its main task being to help provide social and economic security while encouraging a transition to activity and employment.

The course has been organized two or three times per year since 2014. In the aftermath of each course, the organizers evaluate and seek to make improvements to the course. As a result of these adjustments, the course sequences are shorter than they used to be, and the content is more practically oriented and workshop-based. Today, the course runs over four days and is arranged in the premises of the region’s adult education, in weeks where the adult education is closed due to seasonal vacations: in the autumn vacation, in the winter vacation and sometimes in the summer vacation.

The course that we are studying took place in February 2018 and included 25 refugees. Approximately 75% were men. The participants were recruited by the regional refugee service, based on the refugees’ presumed needs to increase their consumer competence. In addition to the 25 participants, three interpreters were present.

The participants were divided into two groups: one group including members from Syria, Sudan and Somalia, and one group including members from Eritrea. As such, all participants came from low-middle income countries (Eritrea and
Somalia) or middle-income countries (Syria and Sudan) with a high proportion of people practicing Islam. The two groups attended the course from 9:30–12:00 and 12:30–15:00, respectively. Although the participants’ level of financial literacy was expected to vary, the same course was run in both groups.

In addition to observations made during the course, we interviewed the leader of the regional NAV, the course’s lecturer (previously employed at NAV) as well as the leader and ‘coordinator’ (responsible for coordinating the refugees’ activities related to the course). The coordinator helped us to recruit ten refugees who had participated in the course for an individual interview three weeks after the course ended. We told the coordinator to recruit ten participants representing different countries, ages and gender. For us to be able to communicate with the participants, it was also necessary that they had a basic command of either English or Norwegian. Eight of the participants showed up for the interview. We interviewed three male participants from Sudan, two females from Somalia, and three men from Eritrea.

The interviews followed a semi-structured interview guide. The leader of the refugee service, the coordinator and the course organizers were asked questions regarding the course’s intentions and results, whereas the main questions to the refugees dealt with the course’s response and effect. All the interviews took approximately 30 minutes and were conducted in the premises of the refugee service. The interviews were recorded and, afterwards, transcribed and analysed.

6.4 RESULTS

The course was initiated by the regional refugee service based on an observed need for consumer competence among the participants in the introduction program. ‘Something may happen when people who are not used to money all of a sudden get NOK 12 000 or 15 000…We have to teach them how to budget, to pay the rent, basic knowledge’, the leader of the refugees’ service explained. Some of those employed at the refugee service knew a person at NAV who had held courses in personal finances targeting financial advisors at NAV. Also, NAV had observed the refugees’ need for financial education. ‘What we are talking about here is knowledge that we have learned since childhood. It is in our backbones. For refugees it is not like that at all’, one of the course organizers said.

The course design was primarily based on the course organizers’ normative understanding of what the refugees should learn or know, and less on experiences from similar courses or research conducted in other countries. During the first day at the course, lessons were given as to what money means, e.g. that money is a
precondition for realizing dreams, and how to spend money on things like food and mobile phone in a rational manner. The difference between fixed and variable expenses, as well as the importance of individual choices and responsibilities, were emphasized. Marketing of financial services and their effort to seduce people to buy things they may not need, was described. For homework, the participants were asked to start making a budget by filling in a ‘pricebook’ in order to keep control over their expenses.

The second day, the participants were instructed in the costs of living and in getting a driving license. As a part of this, the participants were informed of how much they could save by purchasing second-hand furniture. A detailed overview of how debt is created and accumulates if bills are not paid was demonstrated through an online ‘Debt collection calculator’. The importance of contacting the creditor, the debt collection company, Forliksrådet (an out-of-court advisory board aiming to find agreements between producers and consumers in contested, debt-related conflicts), the enforcement officer, or local financial advisers before the debt gets out of control was emphasized. For homework, the refugees were told to finish the pricebook they started the first day.

The third day, the participants were summoned into a computer room and asked to change the budget, by means of a budgeting calculator, of two imagined persons, a man and a woman, who had lost control of their expenditures. They were also asked to make their own budget and try out different budgetary strategies to achieve their economic goals.

The fourth day, the refugees were taught how to apply for jobs, e.g. by reflecting on their personal skills and competences, finding and using information offered online by the local NAV, how to get in touch with potential employers, and how to write good applications. The importance of good Norwegian language skills was emphasized.

As shown here, several markets were considered—food, cell phones, housing/interior, driving license and financial services like credit and loans. The course’s key concept was financial budgeting, which means that most attention was paid to the first phases of the consumption process. The products’ price was focused on, but with less emphasis on assessing product qualities. Marketing was mentioned, and the importance of paying bills before the expenses increase was emphasised. The course gave little emphasis on consumer rights, which might have limited the refugees’ chance to learn how to claim their consumer rights when needed (Borch and Sørebo, 2011).

In line with the recommendations from the literature on consumer competence, the course organizers tended to see the ideal consumer as an economic man opti-
mizing his economic benefits through consumption. The role of consumers as consumer-citizens was, however, not mentioned. Neglecting the consumer-citizen role is understandable due to the course’s intention of improving refugees’ personal finances. That being said, it should be noted that the refugees participating in the course got a very simplistic picture of what it means to be a consumer today—a consumer whose challenge is not necessarily to choose the best product with the lowest price, but to choose between cheap, healthy and green products; own or family members’ needs; or acting like an individually or socially responsible person. The design of future courses could therefore consider informing refugees about alternative consumer responsibilities and typical dilemmas faced by consumers today. However, this message should not be at the expense of the course’s main objective: to teach refugees to become financially independent. Nor should the course’s message be too complicated, the refugees’ low education and language skills considered.

Also, in line with the conceptions prevailing in the literature on financial literacy, the refugees tended to be seen as vulnerable consumers at risk of being financially excluded. As the course was held by NAV employees, they also tended to be seen as ‘potential clients of NAV’. ‘If we don’t teach them how to think personal finances in Norway, we will have them as clients at NAV in few years’, one organizer feared. From this organizer’s point of view, the financial exclusion of refugees was expected to hinder refugees from paying their expenses, increase their need for social assistance, and reduce their chances of getting a job. ‘A broke and sad job seeker is a not the best job seeker’, the other organizer claimed. Since the course was conducted by NAV, consumer competence was connected to labour. A basic message was that labour provides income, which needs to be spent wisely to realize dreams. Unemployment, on the other hand, would not generate the same effect. ‘We want to give them knowledge about the costs of being unemployed as soon as possible, that is, while they are participating in the introduction program’, one of the organizers said.

The course was for the most part organized as a one-way lecture where the lecturer spoke and sometimes asked questions or gave tasks that the participants solved individually or in groups. Often the answers of the participants were summed up and presented by a translator, which reduced our chance to get an adequate impression of the individual refugee’s level of competence. On the one hand, there were episodes where the refugees seemed to supplement the lecturer’s teaching with own consumer experiences. For instance, at the course, some men told that they reduced their mobile phone and food expenses by using free internet services to communicate with others, and by buying cheaper food in Sweden. In
the interview, a participant from Eritrea told that he took part in an exchange circle where they borrowed money from each other when needed. On the other hand, there were also episodes where the refugees seemed to have lower levels of competence than the lecturer expected. For example, two men from Eritrea had problems solving the tasks given the third day (using an online program to make a budget for a man and a woman) due to low computer skills. These support previous research suggesting that immigrants’ levels of competence vary according to country of origin (cf. Atkinson and Messy, 2013).

The course’s content was standardized, that is, the same for both participants from Syria/Sudan/Somalia (group 1) and Eritrea (group 2). Although the refugees’ levels of competence seemed to vary, and, hence, some refugees learned more from the course than others, all refugees who took part in the interviews reported that they were satisfied with the course. Some told that they had changed their consumer behaviour after the course, for example that they had started to choose food products based on kilo rather than unit price. In line with the lecturer’s intentions, most participants considered budgeting as the course’s most important topic, and several mentioned the debt calculator demonstrating the sudden increase of unpaid debt as an element that had made strong impression. All interviewees said they enjoyed the course, considered it important, and could not think of any potential improvements to the course. Although the positive responses indicate that the refugees confirm the need of a course in personal finances, it may also mirror the course organizers’ view of the refugees as a group at risk of being financially excluded and needing to change. Indeed, it is reasonable to believe that some of the refugees’ prior knowledge was rooted in cash-economy and kinship-networks rather than card- and credit economy and formal financial institutions. However, taking into account that the refugees had gone through a migration process that most likely included high-risk transactions before and during the escape, we do not rule out that the course organizers from to some extent underestimated the refugees’ competences.

6.5 UNDERPINNING ASSUMPTIONS AND THEIR IMPLICATIONS

The analysis indicates that the course organizers’ understanding of necessary consumer competence for refugees is based on the course organizers’ normative understanding about what refugees should know about consumption. The overall observation is nevertheless that that these perceptions for the most part are in line with previous literature on consumer competence and financial literacy. That being said, previous literature on consumer competence and, especially, financial
literacy have been criticized, in short, for being based on contested assumptions of a methodological and ideological kind. As this criticism may provide a deeper insight into the course organizers’ perceptions and the research results’ implications for research and policy, we will in this section describe the criticism and discuss its relevance for this study.

6.5.1 METHODOLOGICAL CRITICISM

One criticism of the literature on financial literacy is that it for the most part is based on quantitative surveys tending to downplay the social surroundings in which financial literacy or illiteracy is observed. According to this criticism, notions of what is considered financially literate vary with history and between cultures, as well as the social setting in which the literacy is exercised (e.g., Bay et al., 2014). Research indicates, for example, that the educational needs of refugees rely on the financial system of their country of origin. Subgroups of refugees may therefore be needing different levels of support to strengthen their financial literacy (Atkinson and Messy, 2013, p. 35). These considerations are in line with observations made in this study. The varying level of competence is also observed in this study, however, not so clearly related to the refugees’ consumer competence or financial literacy as to their computer competence: The observation that two men from Eritrea were not able to solve the course’s tasks the third day due to low computer competence suggests that the design of future courses should take into account that contemporary consumer competence to some extent is closely linked with computer competence. To better adjust the course to the refugees’ needs, the refugees’ levels of competence not only to consumption, but also to information and communication technologies, should be mapped before future courses are designed.

Another criticism is that the literature on financial literacy presupposes a linear and causal relationship between the concepts of financial literacy (what is known), financial capability (what is practiced), financial well-being (the outcome of the practice) (e.g., Kempson et al., 2017; Kempson et al., 2013; Robert et al., 2013). Research indicates, for example, that what is known is not always practiced, and what is practiced will not always improve the financial situation of the practitioners. Also, this criticism is relevant for this study. To measure the effect of future courses, research addressing consumer competence should be based on research exploring how consumption is practiced in everyday life. Moreover, research should be conducted before and after the course is held. Finally, to measure the long-term effects of the course, the after-studies should be conducted at least two times, for example one time right after the course is finished, and one later.
A third, related criticism is that the literature presupposed a linear relationship between ‘financial education’ and ‘financial literacy’. As what is learned is not always known or practiced, researchers in the UK have paid more attention to other strategies increasing immigrants’ access to financial markets such as cooperating with the financial industry to develop products that are appropriate to these groups, including promotion of Islam-compliant products. Limited access to financial products is not seen as the result of discrimination, but of business concerns:

It is extremely unlikely that anybody would be refused a product because of their ethnicity, nationality or religion (it would also be illegal to do so). However, it is also very unlikely that people with low incomes will be targeted as potential customers by high street banks, as they are not seen as a low risk, profitable proposition (Atkinson, 2006, p. 6).

As suggested here, developing educational programs should not be done at the expense of other strategies aiming to increase refugees’ consumer competence. The need to combine consumer education with more structurally oriented measures like laws, soft laws or taxes that encourage the financial industry to develop inclusive services (cf. Atkinson and Messy, 2013), is also relevant in Norwegian refugee policy.

6.5.2 IDEOLOGICAL ASSUMPTIONS

A fourth and, to our opinion, more alarming criticism of the concept of financial literacy addresses the neoliberal ideas on which the concept is based. One of them is made by Arthur (2011) exploring financial literacy in Canada. Inspired by Bourdieu, Arthur holds that the concept of financial literacy reinforces a neoliberal consumer habitus (subjectively) at the expense of the critical citizen. This internalization of the neoliberal ethos assists state effort to shift responsibility for socially created economic risk to the individual. More specifically, the concept of financial literacy encourages individuals (1) to link their financial well-being to their performance of the financial capitalist system, and, hence, (2) discourages an understanding of the need to mobilize public resources to collectively combat financial exclusion. From this perspective, courses in personal economy may contribute to socialize refugees into a neoliberal system counteracting their own interest of being included. By pointing at this possibility, we do not mean to imply that courses like these should not be conducted, rather to emphasize, once again, the need to combine consumer education with other political measures. Moreover, the
design of future courses in personal finances may consider not only socializing refugees into ‘economic men’ optimizing their interests through individual consumption in a strict sense, but also to inform them about the possibility of exploiting their social network to foster their interests through collective action.

The neoliberal approach is closely associated with concept of ‘economic growth’. Just as the concept of economic growth has been criticized for giving priority to the aim of increasing financial sustainability in society at the expense of social and environmental concerns, the literature on financial literacy can be accused for giving priority to the aim of increasing people’s access to financial products at the expense of concerns such as the need to reduce people’s access to such products due to a growing level of debt in society, increased mortgage borrowings, inappropriate use of credit cards and predatory lendings, increase in delinquencies, insolvencies and personal bankruptcies (OECD, 2005a). As mentioned in the introduction of this chapter, minority groups in Norway are overrepresented in the enforcement office due to debt related to an unbalanced relationship between income and debt and the establishment (Poppe and Lavik, 2013; Poppe and Bøyum, forthcoming). In this respect, it may be argued that the problem today is not that refugees lack access to and trust in financial products, as, for example, suggested by Datta (2009), but rather the opposite: that they too easily get access and trust them too much. The scepticism toward increasing refugees’ access to financial services has also been identified in this study. Rather than emphasizing the importance of obtaining credits and loans, the course organizers seemed to couple their picture of the literate consumer to notions of frugality, which, beside accumulation of capital, is a key characteristic of the protestant ethics and spirit of capitalism (Weber, 1995[1904]). The notion of frugality has also been observed in other studies. A study conducted by Grønhøj (2007) suggests, for example, that young consumers’ perceptions of what it means to be a literate consumer largely correspond to traditional notions of desirable consumer socialization, but that they also added a fundamental consumer competence to the list, namely, to carefully consider one’s need to make a purchase.

As indicated here, the course organizers’ perceptions of necessary knowledge for refugees seemed to be based on a mix of classic neo-liberal ideas and protestant work ethics emphasizing refugees’ individual responsibility to become financially independent and ‘realize dreams’ through labour and free yet frugal consumer choices. The emphasis of the refugees’ individual responsibility and duties can be related to Seltzer’s criticism of social work’s debt counselling. Inspired by Goffman (1952), Seltzer sees social work as a process aimed at ‘cooling out’ of those who have fallen victims to debt. From this perspective, the course organizers can
be seen as specialists in persuading refugees to accept self-blame for their potential failures, whereas the refugees’ acceptance of the organizers’ view can be seen as a tacit acceptance preserving rather than disturbing the order of society—a society that demands from its members unreal expectations and success in all spheres. As previously mentioned, the course organizers tended to see the refugees as a vulnerable group at risk of being financially excluded, and, hence, as potential clients of NAV. The course organizers’ view is understandable taking into account that immigrants have a higher risk of receiving social service than the rest of the population. (In 2016, the percentage of immigrants receiving social services was 8%, against 2% of the rest of the population, according to IMDI, 2018). Immigrants’ higher risk of receiving social services is, however, less likely due to their lower level of competence as consumers than to their lower level of employment. Alternatively, the refugees could be seen as strong(er) consumers with competences that are relevant for other course participants, for example regarding how to use their social network of family and friends to get ends to meet with minimum individual income.

6.6 CONCLUSION

In this chapter, we have explored how consumer knowledge is understood in previous research and in a course on personal finances offered to refugees by a regional refugee service in cooperation with NAV. An important observation made in this study is that the refugee service, NAV and the refugees participating in the course confirm the need for a course addressing consumer competence of refugees. As such, the course explored in this research might serve as a pilot project to be further developed and adapted by other regional refugee services in Norway.

Studies from other countries have indicated that the effect of consumer education increases if it is timely (cf. LIRS, 2006; GAO, 2004), tailor-made (cf. Brimble and Blue, 2013), and includes family members (cf. Doi et al., 2014). Based on observation in this study, we suggest that future courses are based on national research exploring refugees’ varying level of consumer competence and needs. For example, the effect of teaching refugees about online calculators estimating instalments of house loans is limited if the refugees do not know how to use a computer. The research of refugees’ needs should be based on previous research from other countries. However, as the generalizability of these studies is insecure, they should be supplemented by research conducted in Norway.

Previous research also suggests that the effect of consumer education increases if it involves financial practices (Webley and Nyhus, 2013) and increased access
to financial policies, instruments and services (Johnson and Sherraden, 2007). We also suggest that refugees’ consumer competence should be used actively in the course, for example through peer-to-peer techniques or other pedagogical methodologies allowing refugees to respond to the lessons and to share their opinions and experiences.

Most importantly, previous research suggests that the effect of financial education is most effective if it is combined with other consumer protection measurements. Education is a consumer protection measurement tending to individualize consumers’ responsibility. However, many barriers hindering consumers from making desirable choices are beyond their control, such as a strained economy due to unemployment, forcing them to make short-sighted decisions. We thereby suggest that courses in personal finances are combined with other measures not aiming to change refugees’ consumer behaviour but the structural conditions influencing their behaviour, such as laws, soft laws and taxes regulating the market. As many consumer decisions are the result of structural conditions and, hence, are beyond individual control, a multi-actor approach including all stakeholders involved in consumer education and other consumer protection measures needs to be involved, first of all authorities, but also businesses and organizations.

Another important observation made in this course is that the course in personal economy offered to refugees is based on the course organizers’ normative notions about what refugees should know about consumption. The normative approach is for the most in line with corresponding understandings expressed in previous research on consumer competence and financial literacy. For example, in line with previous research, the course organizers’ understanding of necessary consumer competence seemed to be based on a mix of neoliberal ideas and protestant work ethics based on notions of frugality and individual responsibilities, thus promoting the view that financial problems are best solved by encouraging refugees to get a job and spend money wisely. However, both the neoliberal ideas and the protestant work ethics emphasize consumers’ individual responsibilities, thus strengthening the individualization tendency that is embedded in educational programs already. As these individualization tendencies are deeply rooted in Western language and, hence, systems of thought, they are not easily changed (Borch et al., 2015)—particularly not in a course in personal finances, in which the ideas of rational (economic) behaviour inevitably form an important part. However, although courses in personal finances for this reason cannot be the origin of change, we strongly suggest that the unintended consequences of individualization tendencies in society for consumers in general and vulnerable consumers in particular are carefully considered when future courses are designed.
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