



This paper is taken from

*Creating Communities: Local, National and Global
Selected papers from the fourteenth Conference of the
Children's Identity and Citizenship in Europe
Academic Network*

London: CiCe 2012

**edited by Peter Cunningham and Nathan Fretwell, published in London by CiCe,
ISBN 978-1-907675-19-5**

Without explicit authorisation from CiCe (the copyright holder)

- only a single copy may be made by any individual or institution for the purposes of private study only
- multiple copies may be made only by
 - members of the CiCe Thematic Network Project or CiCe Association, or
 - a official of the European Commission
 - a member of the European parliament

If this paper is quoted or referred to it must always be acknowledged as
Kõiv, K. (2012) 'The double meaning of money among students during the dual currency period in Estonia', in
P. Cunningham & N. Fretwell (eds.) *Creating Communities: Local, National and Global*. London: CiCe, pp.
308 - 315.

© CiCe 2012

CiCe
Institute for Policy Studies in Education
London Metropolitan University
166 – 220 Holloway Road
London N7 8DB
UK

This paper does not necessarily represent the views of the CiCe Network.



Education and Culture DG

Lifelong Learning Programme

This project has been funded with support from the European Commission. This publication reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Acknowledgements:

This is taken from the book that is a selection of papers given at the annual CiCe Conference indicated. The CiCe Steering Group and the editor would like to thank

- All those who contributed to the Conference
- The CiCe administrative team at London Metropolitan University
- London Metropolitan University, for financial and other support for the programme, conference and publication
- The Lifelong Learning Programme and the personnel of the Education and Culture DG of the European Commission for their support and encouragement.

The double meaning of money among students during the dual currency period in Estonia

Kristi Kõiv
University of Tartu (Estonia)

Abstract

The aim of this paper is to compare the meaning of money within a sample of students (grades 5-7) from three different schools during the dual currency period in Estonia. This study examines pupil's attitudes toward the Estonian kroon and the euro, as measured by the three-dimensional meaning of money - affective, behavioural and symbolic - according to Mitchell and Mickel's (1999) classification. Analysis revealed that during the dual currency circulation period the two currencies differed significantly on all three dimensions of the meaning of money: (1) the affective meaning of the kroon was more emotionally positive across all the rating scales when compared with the euro; (2) the behavioural meaning of the euro in terms of saving and investing was more important compared with the kroon; and (3) the symbolic dimensions of the euro in terms of power and status were more highly evaluated when compared with the kroon.

Keywords: *dual currency circulation period, meaning of money, national currency, Euro*

1. Introduction

If children are to be economically literate adults, economics need to become a stronger part of the school curriculum. A well-organized economic curriculum has a positive affect on students' attitudes and knowledge about spending, saving, and investing (Schung and Hagedorn, 2005). Studies have shown that economic understanding is acquired gradually and often goes through recognisable stages, whereby personal experiences mediated by gender, social class, ethical and culture influencing how young people acquire monetary understanding (for an overview see: Furnham, 2002). For example, studies have indicated that cross-culturally children acquire concepts *ownership*, *money*, and *price* in approximately the same order (Cram and Ng, 1999).

One major focus of economic education is young people's understanding of basic economic concepts. When many European countries experience the period of currency change, the area of the curriculum of economic education which is connected with one of the key concepts - money - is especially important. The research problem derived from the fact that there was a unique period in Estonian history where the national currency was exchanged with a monetary union currency and for a short period of time two currencies were in circulation at the same time (Dual circulation period in Estonia, 2011) rising in the present case a research

question - how the change in Estonian national currency from the Estonian kroon to the euro has changed the meaning of money among young peoples.

Although there are regular Eurobarometer surveys in the area of economic literature measuring attitudes toward the euro, less attention is paid on the personal consequences of the single currency attitudes (Kirchler and Hölzl, 2003), and the literature that deal with money attitudes during dual currency period is limited, especially among adolescence. It was found that attitudes towards national single currency before the change of currency were more positive compared with attitudes toward the euro, and attitudes towards the euro became more favorable after its introduction among adolescents and adults (Canova and Manganelli, 2003; Jonas, 2003; Lassarre, 2003; Meier-Pesti, Kirchler and El-Sehity, 2003; Roland-Lévy, 2003, 2007).

The meaning of money has been defined differently by different scholars depending on their backgrounds and research area in economy, sociology or psychology (Mitchell and Mickel, 1999). In psychology the individual differences approach towards money evoked several studies with developing instruments for measuring the meaning of money (e.g. Furnham, 1984; Tang, Tang and Luna-Arocas, 2005; Wernimont and Fitzpatrick, 1972; Youn and Doyle, 1999). From a functional perspective, money not only represents a medium of exchange, a unit of account, a store of value and a standard of deferred payment, but also has subjective meanings as well in terms of affective, symbolic, and behavioural components (Mitchell and Mickel, 1999).

Social developmental approach explains how children, adolescents and adults acquire an understanding of the meaning of money (Furnham 1984, 2002; Olleson, 2004). Although money as a stimulus that readily arouses evaluative comments in grown-ups and adolescents, children of very young age do not have similar emotional reactions. To children, money is primary functional (Lau, 1998), while for adolescents and adults money connotes diverse meanings, most of which are highly evaluative (e.g. Wernimont and Frizpatrick, 1972; Kõiv, 2007).

The aim of this paper is to compare the multidimensional (affective, symbolic and behavioral) meaning of money among a sample of middle-school age students during the time of dual exchange of currency in Estonia.

It was hypothesised that meaning of the Estonian kroon is primary evaluative in terms of positive affections compared with meaning of the euro during dual currency period among students.

2. Method

2.1 Sample

The sample included students in the fifth, sixth, and seventh grades from three randomly selected comprehensive schools in Estonia. The whole sample consisted of 332 middle-school children of whom 46.4 percent were male and 53.6 percent were female, whereby 5th grade students were 33.1 percent, 6th grade students 28.6 percent, and 7th grade students 38.3 percent.

2.2 Data collection procedure and instrument

Data-gathering took place during the two weeks period of dual currency that lasted from 1st January until 15th January 2011 - during the period of dual currency when the exchange of Estonian national currency kroon to Eurozone currency euro took place.

The meaning of money of two different currencies - Estonian kroon and euro was measured by questionnaire. Subjects were administered a questionnaire consisting 14 rating scales about meaning of money on eight-point Likert scale from Strongly disagree (0) to Strongly agree (7). The scales were grouped to form three dimensions of meaning of money: Symbolic (four items: achievement and recognition; freedom and control; power; status and respect), affective (six items: evil, good, important, shameful, useless, valuable), and behavioural (four items: investing, owning, saving and spending of money) according to Mitchell and Mickel's (1999) classification. Additionally, questionnaire consist open-ended questions asking to give a free explanation about meaning of money. The respondents were asked to evaluate separately the meaning of the Estonian kroon (EEK) and the meaning of the euro (EUR).

3. Results

Students' reports about the meaning of money were collapsed into 13 categories in terms of content (see Table 2, first row) using quantitative content analysis. Percentages were reported along categories of meaning of Estonian kroon and euro, and below mentioned analyze of results consists only statistically significant differences measured by χ^2 test.

Table 1. Categories of meaning of money during dual currency period towards EEK and EUR and χ^2 values

Categories	EEK	EUR	χ^2 value
Money is a standard of payment	6.5	11.2	3.06
Money is a store of value, unit of account, medium of exchange	13.1	5.6	3.83
Money is a store of value with positive evaluation: beautiful, good	13.9	0.0	16.34**
Money is a store of value with neutral evaluation: new, modern	0.0	14.3	26.37**
Earning money	2.0	1.2	0.05
Cause conflicts and inequality between people; create prejudice	1.6	0.1	0.17

Money rate is high and hard to account	0.0	23.6	27.27**
Money means power, success, high status, achievement	2.2	1.9	0.02
Estonian own (past) currency	31.0	0.0	27.77**
Estonian national identity	14.5	0.0	23.21**
European common currency, European identity	0.0	13.7	19.85**
Positive attitudes towards EEK and negative toward EUR	11.8	15.5	0.76
Money means nothing to me	4.3	13.8	5.15*

* - $p < 0,05$; ** - $p < 0,01$

It was found that among participants the responses were in nature functional: Money was associated with payment, value, account and exchange function of money, but was evaluated during dual currency circulation period differently giving more positive (beautiful, good) evaluation to EEK and neutral (new, modern) or negative evaluation to EUR. Also, there was a significant difference between meaning of EEK and EUR in behavioural terms - the results suggested that EUR was associated more with exchange rates compared with EEK.

Additionally, it was revealed that EEK was something that students consider to be a part of national pride and prestige, and a sign of high status and power as a reflection of symbolic dimension of Estonian kroon during dual currency period. National currency was evaluated as important element of Estonian history and culture during dual currency period, but at the same period the meaning of euro was perceived differently – as a European common currency and a part of European identity.

Table 2 shows the frequency distributions for 14 questionnaire items that measure meaning of money across the three dimensions and statistically significant differences measured by t -test compared meaning of EEK and EUR during dual currency circulation.

Table 2. Basic dimensions of meaning of money among students during dual currency circulation period (mean scores) and t - and p -values

Dimensions: symbolic (S), affectional (A), behavioural (B)	EEK	EUR	t-value	p-value
Achievement and recognition (S)	2.93	3.03	0.90	0.18
Freedom and control (S)	2.54	2.40	1.03	0.13
Power (S)	2.68	3.19	2.83	0.00
Status and respect (S)	2.79	3.14	1.96	0.02
Good (A)	5.50	4.09	8.71	0.00
Evil (A)	0.63	1.64	7.29	0.00
Important (A)	5.55	4.11	6.59	0.00
Shameful (A)	0.40	1.07	6.06	0.00
Useless (A)	0.76	1.17	2.98	0.01
Valuable (A)	5.39	4.89	3.13	0.00
Investing of money (B)	4.50	4.80	1.79	0.03
Owning of money (B)	4.75	4.69	1.05	0.15
Saving of money (B)	4.51	4.83	1.86	0.03
Spending of money (B)	3.07	3.19	0.67	0.25

* - $p < 0,05$

** - $p < 0,01$

Research results indicated that the meaning of Estonian kroon and euro during dual currency period was different among students: (1) affective meaning of Estonian kroon was more emotionally positive (good, important, valuable) across all the rating scales compared with euro (evil, shameful, useless); (2) the behavioural meaning of euro in terms of saving and investing was more important compared with Estonian kroon; and (3) the symbolic dimensions of euro in terms of power and status were more highly evaluated among pupils compared with Estonian kroon.

4. Discussion

The study was conducted during the period of dual currency, when there were two official Estonian currencies - Estonian kroon and euro, and compares the meaning of money between these two different currencies. It was revealed that during this short two-week dual currency period, just one week after the euro was introduced the euro had really started to be the citizens' primary currency (Dual currency period in Estonia, 2011).

Analysis of results of this study showed that the meaning of money was primarily functional, but also evaluative, affectional and symbolic in nature during the dual currency circulation. As previous studies (e.g. Furnham and Argyle, 1998; Mitchell and Mickel, 1999; Rose and Orr, 2007) have indicated next to obvious economic functions, money has symbolic, affectional and behavioral qualities, and our study specified this findings among two circulating currencies during the currency change period.

The meaning of EEK for students was different from EUR in relation to three aspects during dual currency period. At first, the Estonian kroon has attributed a more positive emotional and the euro more negative meaning during dual currency period, supporting the hypothesis of the study. The meaning of money contains dominantly affective components and can be seen as paradoxically good, important, valuable and attractive, or alternatively, evil, shameful, useless and dishonest comparing accordingly EEK versus EUR. Despite this emotional ambivalence, money symbolizes also ambivalence in attitudes - general positive toward EEK, and neutral or negative toward EUR during dual currency circulation period. Previous studies in this area are parallel with these findings – Jones (2003) and Roland-Lévy (2007) measured students' attitudes towards national currency and euro before and after period of currency exchange and found that the attitude towards the national currency were more favourable than towards the euro before exchange, and become more favourable towards euro after the exchange of currency.

Secondly, the research results showed that the dominant evaluative meaning of money as symbol of power, success and high status in behavioural terms of saving and investing, and also with exchange rates was more characteristic for EUR compared with EEK among students during dual currency circulation. Thus, the meaning of euro during money exchange period for youngsters was more associated with self-aggrandizement – money as a symbol of prestige, power and success, compared with Estonian kroon. Also Isengard and Schneider

(2004) stated that peoples' worries were connected with problems in handling the new money with introduction of euro.

Thirdly, Estonian kroon as national and the euro as European identity was a dominant symbolic marker of money during dual currency period for students. According to Risse (2003) money has always been a symbolic marker in nation-building efforts and is strongly related to collective national identities showing that the introduction of Euro bills and coins affected Euroland citizens' identification with the EU and Europe in general. Together with other national symbols like national flag and a national anthem, a national currency provides a pervasive symbol of national identity (Marten and Kula 2008). The results of the current research show that during dual currency period when Estonian kroon was going to be replaced with a monetary union currency students tended to connect more often the national currency as a symbol of cultural and historical element of national identity and the euro as a symbol of European identity. Previous studies also show the same tendencies that soon after the euro was introduced adults and adolescents perceived it as the symbol of Europe (Canova and Manganelli, 2003; Roland-Lévy, 2003, 2007).

Summarizing results, we may say that money is a multidimensional construct - it is instrumental as well as symbolic, and the symbolic value of money was dominant compared with instrumental during dual currency period differentiating two circulating currencies: EEK was perceived more as a symbol of national identity and EUR as symbol of European identity. There was clearly different meaning of money during dual currency period in a good-bad dimension, a power and prestige dimension, and money-management dimension: (1) objective functions of money had a positive evaluative meaning towards EEK and neutral-oppositional towards EUR; (2) EUR was more evaluated in terms of power and prestige compared with EEK; and (3) EUR was more evaluated in terms of money management compared with EEK whereby recognizing clearly currency exchange rates.

Another perspective of multidimensional construct of money is the rational-affective nature of the construct. The meaning of money appears to include more affective components than rational choice during dual currency period: EEK had positive affective meaning versus EUR had negative affective meaning among students of Estonia.

Economic concepts are traditionally an important part of the citizenship curriculum studies and can motivate youth to participate in the marketplace as active and informed citizen. We need to know more about meaning of these concepts – for example, during the period of currency change in the country economic concepts may be more emotionally-laden and may evoke ambivalent attitudes for future citizen.

References

Canova, L. and Manganelli, A. M. (2003) Psycho-social effects of transition to the Euro, a longitudinal study. *Euro-Workshop (IAREP)*, Vienna, Austria, 3th-5th of July 2003,

[url:http://homepage.univie.ac.at/stephan.muehlbacher/euro/papers/canova&manganelli-proc.pdf](http://homepage.univie.ac.at/stephan.muehlbacher/euro/papers/canova&manganelli-proc.pdf)

- Cram, F. and Ng, S. H. (1999) Consumer socialisation. *Applied Psychology: An International Review*. 48, 3, pp. 297 - 312
- Dual circulation period in Estonia. Analytical report (2011) *Eurobarometer. Flash Eurobarometer 308*. The Gallup Organization
- Furnham, A. (1984) Many sides of the coin: The psychology of money usage. *Personality and Individual Differences*. 5, pp. 501 - 509
- Furnham, A. (2002) Young people, socialisation and money, in Hutchings, M., Fülöp, M., and van der Dries A.-M. (eds) *Young people's understanding of economic issues in Europe*. Great Britain: Trentham Books Limited, pp. 31 - 56
- Furnham, A. and Argyle, M. (1998) *The psychology of money*. London: Routledge
- Jonas, E. (2003) Introduction of the Euro – Goodbye to the Deutschmark
Euro-Workshop (IAREP), Vienna, Austria, 3th-5th of July 2003, url:
<http://homepage.univie.ac.at/stephan.muehlbacher/euro/papers/Jonas-proc.pdf>
- Isengard, B., and Schneider, T. (2004) *The attitudes toward euro: An Empirical study based on the German socio-economic Panel*. German Institute for Economic Research
- Kirchler, E. and Hölzl, E. (2003) Economic psychology, in Cooper, R. and Bengt R. (eds.) *International Review of Industrial and Organizational Psychology*, 18, John Wiley & Sons, Ltd, pp. 29 - 80
- Kõiv, K. (2007c) Meaning of money: differences between bullies, victims and control group Students, in Ross A. (ed.) *Citizenship Education in Society: Proceedings of ninth Conference of the Children's Identity and Citizenship in Europe Thematic Network*, London: A CiCe publication, pp. 561 – 569
- Lassarre, D. (2003) The change of currency : An episode of stress. *Euro-Workshop (IAREP)*, Vienna, Austria, 3th-5th of July 2003, url:
<http://homepage.univie.ac.at/stephan.muehlbacher/euro/papers/Lassarre-proc.pdf>
- Lau, S. (1998) Money: What it means to children and adults. *Social Behaviour and Personality*. 26, 3, pp. 297 - 306
- Marten, L., and Kula, N. C. (2008) Meanings of money: national identity and the semantics of currency in Zambia and Tanzania. *Journal of African Cultural Studies*. 20, 2, pp. 183-198
- Meier-Pesti, K., Kirchler E., and El-Sehity, T. (2003) The euro as a source of European identity. Changes of social representations from 1997 to 2002. *Euro-Workshop (IAREP)*, Vienna, Austria, 3th-5th of July 2003, url:
<http://homepage.univie.ac.at/stephan.muehlbacher/euro/papers/meier-pesti-et-al-proc.pdf>

- Mitchell, T. R., and Mickel, A. E. (1999) The meaning of money: An individual-difference perspective. *Academy of Management Review*. 24, 3, pp. 568 - 578
- Olleson, M. (2004) Exploring the relationship between money attitudes, and Maslow's hierarchy of needs. *International Journal of Consumer Studies*. 28, pp. 83 - 92
- Risse, T. (2003) The euro between national and European identity. *Journal of European Public Policy*. 10, 4, pp. 487 - 505
- Roland-Lévy, C. (2003) Genesis and evolution of the representations of the euro. *Euro-Workshop*. IAREP, Vienna, Austria (3-5 July 2003), url: <http://homepage.univie.ac.at/stephan.muehlbacher/euro/papers/Roland-Levy-proc.pdf>
- Roland-Lévy, C. (2007) Before and after: National Identity versus a European One. *Revista Electrónica Iberoamericana sobre Calidad, Eficacia y Cambio en Educación*, 5, 4, pp. 161 - 171
- Rose, G. M. & Orr, L. (2007) Measuring and exploring symbolic money meanings. *and Marketing*. 24, 9, pp. 743 - 761
- Schung, M. C. and Hagedorn, E. A. (2005) The Money Savvy Pig™ goes to the big city: Testing the effectiveness of an economics curriculum for young children. *The Social Studies*. March/April, pp. 68 - 71
- Tang, T. L. P., Tang, D. S. H., and Luna-Arocas, R. (2005) Money profiles: The love of money, attitudes, and needs. *Personnel Review*. 34, 5, pp. 603 - 618.
- Wentworth, D. R., and Schug, M. C. (1993) Fate vs. choice: What economic reasoning can contribute to social studies. *Social Studies*. 84, 1, pp. 23 - 31
- Wernimont, P. F. and Fitzpatrick, S. (1972) The meaning of money. *Journal of Applied Psychology*. 56, 3, pp. 218 - 226
- Youn, S. and Doyle, K. (1999) Toward a cross-disciplinary dialogue about the meanings of money. *Advances in Consumer Research*. 26, pp. 431 - 438