Accessibility of Financial Services in the Aspect of the Population Financial Literacy Development on the Example of the Republic of Bashkortostan

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Abstract: The article considers the need to develop the availability of financial services as a condition for improving the quality of the population life. As one of the important aspects of the financial accessibility development in the study, a significant place is occupied by the issues of improving of the population financial literacy. The key components of financial accessibility are presented from the perspective of international financial organizations. The chronology of the adopted legal acts in the field of financial education is considered. The analysis of the conducted sociological research results on the regions of Russia is given. The assessment of the financial literacy level is given on the example of the Republic of Bashkortostan by the quantitative characteristics of credit institutions in the region. Recommendations for improving the availability of financial services to the population are given.

1 INTRODUCTION

Access to financial services is strictly linked to improved financial literacy. This is reflected in the fact that financial literacy at the level of consciousness increases the availability of financial services.

The need to accelerate the development of financial literacy in the country is justified by the fact that a high level of financial literacy contributes to raising the living standard of the population.

For Russia, the problem of access to financial services is complicated by the fact that most of the population has distrust to financial institutions, and also has no understanding of the financial instruments functioning basic principles.

For the most ordinary people, even the simplest financial instruments can seem complex and incomprehensible. This is reflected in current trends of savings. There are about 70% of existing savings in Russia are formed in the form of bank deposits. Since the population is wary of more effective tools for investing money, such as investments in the securities market, because it doesn't understand the essence.

Sociological studies demonstrate that the essence of the implemented pension system is incomprehensible to citizens Russia, the prospects for receiving a decent pension are especially not credible among young people. The next proposals for the transformation of the pension system are irritating.

One of the main problems of the crisis, the growing overdue debt on loans and the declining trend in the banking industry as a whole is the lack of the population awareness about the financial sector of the economy. This is also due to the lack of a significant part of the population rational management money culture, the lack of a financial planning habit, family budgeting, etc.

The high level of lending to the population, the tightening of bank lending conditions and the vast shadow sector of the economy contribute to the rapid development of the microfinance services market in Russia. Potential borrowers either cannot or do not want to contact banks. In this case, banks are replaced

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by microfinance organizations that agree to issue a loan to almost anyone, at a much higher percentage.

Due to the fact that many different financial instruments have recently appeared, the population with negative experience in the past is distrustful of their use. Therefore, the accessibility of financial services is important to consider through the lens of the population financial literacy.

2 METHODOLOGY

The work was carried out on the basis of an analysis of Russian and foreign literature, scientific sources, a review of the regulatory framework, a synthesis of statistical materials from various official documents of government bodies and others that affect the process of improving financial literacy, as well as data from sociological surveys of the National Agency for Financial Research (NAFI), the All-Russian Center for Public Opinion Research (VCIOM), etc.

The data of the Central Bank of the Russian Federation were used and summarized to study the institutional provision of financial services in the region and indicators of the credit and financial system.

3 RESULTS

From the point of view of the development of Russian thought, such Russian economists as: Manakhova I.V., Shevyakov M.Yu., Belekhova G.V., Zelentsova A.V., Bliskavka E.A. and Demidov D.N., Boranukov A.A., Mamuta M.V., Vasyukova L., Masyuk N., Vasyukova O. and a number of others made a great contribution to the development of basic theoretical and methodological provisions on the impact of financial literacy on the Russian economy effective development.

By examining the researchers majority opinion involved in the study of the financial literacy essence, we can formulate the concept of financial literacy as knowledge, skills and attitudes of using financial services to meet basic financial needs.

The interpretation of the concept of "financial literacy" is widely presented in the works of foreign scientists, but there are not many works of Russian authors. Therefore, research in this field is relevant and in demand.

The main problems characterizing the current state of financial literacy include:

1. Lack of long-term financial planning skills;
2. Ignorance of modern financial instruments and, as a result, the ability to make a balanced decision on the choice of certain financial services;
3. The habit of hoping for state help;
4. Difficulties with financial risk assessment;
5. Lack of the legislative framework for consumer protection knowledge;
6. Lack of financial legal aid;
7. Lack of state-implemented pension reforms understanding.

The modern definition of financial inclusion has evolved over the past decade.

In 2009, Financial Accessibility Centre (CFI) analysts formulated the main parameters of financial accessibility:

1) Ability of the entire able-bodied population to receive a full range of quality financial services;
2) Availability of financial services;
3) Ability to easily receive financial services;
4) Respect for the human dignity of clients by the financial services provider (Vasyukova, Masyuk and Vasyukova, 2019).

In 2010, World Bank Group analysts identified the following key components of financial accessibility: products (payments, savings, insurance, lending), characteristics (price availability, physical accessibility, convenience, quality (including consumer protection)) and channels (access points, infrastructure, institutions, and customers).

In 2011, Alliance for Financial Inclusion (AFI) identified three components of financial affordability: physical accessibility, demand and quality of financial services (Mamuta, 2016).

In 2012, the Organization for Economic Co-operation and Development (OECD) proposes to consider financial affordability in conjunction with financial literacy, identifying opportunities for innovative ways of delivering financial services as a key characteristic of financial affordability (Atkinson and Messy, 2012).

According to the Bank of Russia, financial accessibility is understood as "full access to the basic set of financial services of the entire country population and small and medium-sized businesses" (Official website of the Central Bank of the Russian Federationю (online)). Among the key indicators of financial accessibility, the regulator includes quantitative indicators of institutional security, the volume of transactions carried out in a cashless manner, the volume of issued bank cards, the volume of loans provided, the number of actively used bank accounts, the quality of financial services provided based on the results of sociological surveys.

According to the World Bank, in 2017, about 1.7 billion people did not have access to banking services.

Such people are called financially unincorporated - they are deprived of the financial system benefits: they have neither a bank account, nor the ability to make money transfers, nor receive cheap loans. They rely on the informal sector, preferring cash, hand-over money and keeping values "under the mattress." These people are not protected from legal or financial risks - their money can be stolen, they can devalue, they can be deceived, they will not be able to protect rights in court. At the same time, we are talking about a rather large amount. According to McKinsey estimates, currently about $4.2 trillion of savings are in the informal sector - this is more than the entire US consumer credit market.

According to the Global Findex Database, in developed countries the level of availability of financial services is several times higher than in the poor. For example, Switzerland, with a financial availability level of 98.4%, has a PPP GDP per capita of $59.3 thousand, and in Turkey, with 68.6% of PPP GDP per capita, it is $25.4 thousand. In poor countries, rates are even lower (Klimenko, 2020).

In developed economies, people are more involved in the financial system and actively use it, for example, they use credit and debit cards and make digital payments.

The high availability of financial services has a positive impact on the country's economy. This is reflected in an increase in the speed of money circulation, a decrease in the shadow economy, an increase in competition between financial institutions, contributing to the development of the financial sector as a whole, and also helps in the fight against corruption. Therefore, improving financial accessibility can be seen in the interests of both society and the State (Klimenko, A., 2020).

From the point of the measures importance view, taken in Russia, we turn to the existing regulatory framework.

As part of the Project of the Ministry of Finance of Russia and the World Bank «Promoting financial literacy and financial education in the Russian Federation», all-Russian awareness-raising events are ongoing.

On September 25, 2017, the Government of the Russian Federation signed Decree No. 2039-r "On Approval of the Strategy for Improving Financial Literacy in the Russian Federation in the 2017-2023"

The Bank of Russia sets itself a set of tasks aimed at creating conditions that contribute to the expansion of financing opportunities for a wide range of business entities (Main directions of the Russian Federation financial market development for the period of 2019 – 2021).

In the «Main directions of development of the Russian Federation financial market for the period 2019-2021», the following are identified as priority areas of development:

1. Ensuring the protection of the financial services consumer's rights and improving the financial literacy of the population;

2. Increasing the population financial services availability, for the small and medium-sized enterprises;

3. Discouraging unfair behavior in the financial market;

4. Increasing investor attractiveness to public equity financing through improved corporate governance;

5. Development of bond market and syndicated lending

6. Improvement of financial market regulation, including application of proportional regulation, optimization of regulatory burden on financial market participants;

7. Professional development of persons whose professional activities are related to the financial market;

8. Promotion of electronic interaction mechanisms in the financial market;

9. International cooperation in the development and implementation of rules governing the global financial market;

10. Improving Financial Market Stability Toolkit (Main directions of the Russian Federation financial market development for the period of 2019 – 2021).

To assess the modern level of the population financial literacy, we will use the data of studies conducted in 2018-2019 by NAFI. As a result, a regional financial literacy rating was compiled, conducted in each of the 85 constituent entities of the Russian Federation (Figure 1).
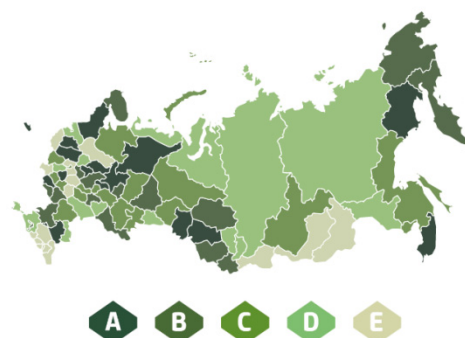

Figure1: Distribution of regions by financial literacy.

The integrated financial literacy index includes three components: knowledge, skills and attitudes in relation to finance.

In general, in Russia from 2018 to 2019, the overall indicator increased slightly from 12.12 to 12.37 points (Rating of financial literacy of the Russia regions, 2018, 2019).

Regions are ordered by Index value - from the largest value to the smallest. Group A (places 1-16), Group B (places 17-33), Group C (places 34-52), Group D (places 53-69), Group E (places 70-85).

Let us consider the level of financial literacy on the example of the Republic of Bashkortostan (RB) and compare the data for 2018-2019 years.

In the Republic of Bashkortostan, the aggregate index is 12.47, which is slightly higher than in Russia. According to knowledge, skills, installations, the region is within group C (34-52 places). And this is better than the indicators of 2018 (in terms of skill level, the Republic of Bashkortostan was in group D (places 53-69)).

Table 1: Comparative analysis of federal (RF) and regional levels (RB) indicators distribution for 2018-2019 years.

№	Indicator name	2018		2019	
		RF	RB	RF	RB
1	Financial sustainability of the family	42 %	40 %	45 %	47 %
2	Savings formation	17 %	24 %	18 %	14 %
3	Savings in the form of deposits	25 %	35 %	20 %	20 %
4	Using bank cards	75 %	77 %	82 %	81 %
5	Cashless payment of purchases	16 %	18 %	29 %	26 %
6	Using mobile and Internet Banking	31 %	36 %	56 %	57 %
7	Financial pyramid recognition	26 %	24 %		
8	Competent signing of contracts	18 %	20 %	15 %	16 %
9	Bank trust level	64 %	64 %		

In addition to the indicators indicated in Table 1, the study also showed the segmentation of the population according to such criteria as age, availability of higher education, sex, residence in the city (in the village), etc.

The analysis provides the following conclusions:

1. According to the indicator "financial stability of the family," expressing a positive response from respondents: "If your family loses its main source of income, how long will you be able to pay all the necessary expenses without borrowing money?," The percentage of respondents "At least a month" is a negative deviation from the federal level (42% of the Russian Federation; 40% RB). This may indicate that it is not possible to form an "airbag" due to the low level of wages, and the savings formation level in the RB is 7% higher than in Russia as a whole (17% of the RF; 24% RB).

2. According to the indicator "recognition of financial pyramids," the level of the region also lags behind the federal level (26% RF; 24% RB).

3. Quite interesting is the alignment of the selected segments. For example, according to the type of settlement, the financial stability of the rural population is higher when the main source of income is lost; rural residents are more inclined to form savings. But urban residents, due to their large technical capabilities, are more likely to pay cashless purchases, use a mobile and Internet bank, have a higher level of knowledge in recognizing financial pyramids; they are more competent in the procedure for signing contracts.

4. Paradoxically, in our opinion, it seems that the population with higher education is less inclined to savings than without it (22% with higher education, 24% without higher education).

5. The level of available education practically does not affect the competent signing of contracts (with higher education 20%, without higher education 21%).

6. Indicators such as "financial stability of the family" (men - 45%, women 37%), "formation of savings" (women 26%, men 21%), "savings in the form of deposits" (men 38%, women 32%) stand out the largest differences in the percentage of responses in the "by sex" segment.

7. In the segment of age groups, "financial stability of the family," "savings in the form of deposits" the level decreases after 44 years; The "use of bank cards" is high for almost all age categories except 60-79 years (53%). "The use of mobile and Internet banks" decreases after 44 years. "Recognition of financial pyramids" is more characteristic of the group of 25-34 years old, the level of competent signing of contracts is higher in the age category of 35-44 years (25%). The "level of confidence in banks" is growing from 18 to 44 years old (64-72%), from 45 years old it begins to decline.

Quite interesting are the results of a study conducted in March 2020 by NAFI in the context of crisis events in the Russian economy. The total number of respondents amounted to 1,600 people over 18 years old in 136 settlements in 50 regions of

Russia. The sample is based on official statistics from Rosstat and represents the population of the Russian Federation by sex, age, level of education and type of settlement. Statistical data error does not exceed 3.4% (NAFI, 17.04.2020).

The research was directed to the chosen strategy of population financial behavior identification in crisis.

So, at insufficiency of the money population prefers to borrow each other (49%), to a lesser extent in the form of the bank credits (up to 20%). Quite possible it is connected with big debt load of the population and rather expensive cost of credit.

The greatest number of answers (36%) at problems with finance seeks to cut down costs, 15% of respondents said that they found additional earnings and only 8% used the created savings.

On average in the country more than 30% of Russians for the last year came up against a situation when income isn't enough for a covering of all operating costs.

Regarding formation of the population savings and investments, for the last three years the Russians in the three of rating choose the investments connected about acquisition of the real estate, opening bank deposits, investments in precious metals (NAFI, 17.04.2020).

From the point of view of the region institutional characteristics, we will give statistics on the territorial presence of existing credit institutions and their divisions in the Republic of Bashkortostan for 2019 – 2020 (Bank of Russia. Statistics, 2021).

Table 2: Statistics of existing credit institutions and their division's territorial presence in the RB.

	01/2020	01/2021	changings
Head Office	1	1	0
Branches	12	8	-4
Representative office	5	4	-1
Additional offices	624	624	0
Cash desks outside the cash center	1	0	-1
Credit and cash offices	59	52	-7
Operating offices	129	126	-3
Mobile Cash Checkpoints	27	27	0

Figure 3 shows the dynamics of credit institutions branches number in the RB: there is a tendency to reduce them from 01.01.2017 to 01.01.2021.
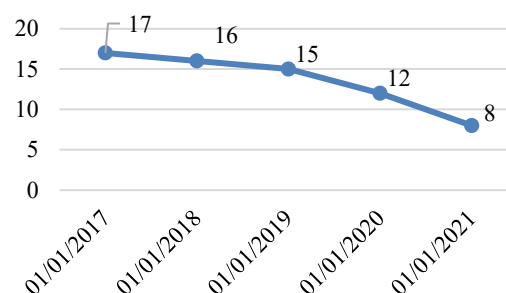

Figure 3: Dynamics of the number of branches of credit institutions in the RB.

Thus, in the RB as of 01.01.2021, compared to 01.01.2020, the largest change was recorded in reducing credit and cash offices - by 7 units, reducing branches - by 4 units, reducing operating offices - by 3 units; the number of head offices, additional offices and mobile cash centers remained unchanged. The increase in the number of existing credit institutions and their divisions in RB for the studied dates has not been recorded.

During the period from 01.01.2017 to 01.01.2019 there is a tendency to decrease the number of credit institutions in the region and a decrease of credit institutions branches number.

Recently, from the point of view of development, it should be noted that the financial services development is moving towards remote technologies. In this regard, the frequency of financial services using and their channels can be considered through the volume of non-cash settlements in the region.

We will conduct a comparative analysis of the RB with the regions of the Volga Federal District. Table 3 shows the distribution of the leading regions of the Volga Federal District by the number of cashless settlements for 2014-2019 (Bank of Russia. Statistics, 2021).

Table 3: Distribution of the Volga Federal District leading regions by the number of cashless settlements for 2014-2019.

Year	Thousands of units
2014	1) Republic of Bashkortostan - 11024,8 2) Samara region - 9798,5 3) Perm Krai - 9381,8
2015	1) Perm Krai - 137560,2 2) Republic of Bashkortostan - 123073,1 3) Samara region - 117639,3
2016	1) Republic of Bashkortostan - 206679,9 2) Samara region - 195902, 2 3) Republic of Tatarstan - 193746,5
2017	1) Republic of Bashkortostan - 60278,7 2) Samara region - 57852,4 3) Republic of Tatarstan - 54186,5
2018	1) Republic of Bashkortostan - 580607,4 2) Republic of Tatarstan - 566654,6 3) Samara region - 535896,7
2019	1) Republic of Tatarstan - 796550,4 2) Republic of Bashkortostan - 780859,7 3) Samara region - 687235,7

Thus, for 2019, the regions-leaders of the Volga Federal District in the number of cashless settlements are the Republic of Tatarstan, the Republic of Bashkortostan and the Samara Region. During 2014-2019 RB is one of the top three leaders in the study indicator, takes first place in the ranking except for 2015 and 2019 (Bank of Russia. Statistics, 2021).

Dynamics of cashless transactions not related to payment of goods and services by regions of the Volga Federal District from 2017-2019 is characterized by a sharp increase. Non-cash settlements, not related to payment of goods and services, prevail among physical persons, and since 2015 there has been a significant increase in the number of non-cash transactions among legal persons.

4 DISCUSSION RESULTS

This indicates that there is an intense movement towards remote digital technologies.

From the point of view of developing financial literacy programs, it is important to take into account the following:

1. Take into account the values of the region financial literacy level indicators (financial stability of the family, a tendency to save, etc.).

2. Match deviations of values from the federal level.

3. Assess the role and capacity of regional authorities as well as institutions involved in financial education.

4. To form groups of students depending on such parameters as "type of settlement," "age category," since they show different behavioral attitudes. Accordingly, the proposed themes should focus on problem areas.

5. Apply more interactive forms of training.

6. Young people are more likely to learn technical innovation in the financial sector, and the older generation will need more quantity of time.

7. Focus on topics that cause more problems in understanding and skills: "risk assessment in the financial services market," "consumer knowledge," "financial fraud," "pension".

8. Disclose more information on how to invest funds that are unconventional for the Russian Federation.

9. Carry out advisory activities on the practical use of ATMs, terminals, Internet banking, mobile banking, etc.

10. Mandatory inclusion of financial literacy occupation in all educational institutions.

11. To provide the widest possible information campaign on events activities to the population.

12. To increase the Internet coverage of remote areas.

5 CONCLUSION

Thus, from the point of view of the increasing financial services availability, it is important to develop three directions:

1. Developing a national strategy to improve access to financial services

2. Developing regional programs to improve financial literacy taking into account the specifics of the region, as well as identified problem areas of financial education

3. Modernization payment systems with the possibility of universal coverage of digital financial services.

So, for example, McKinsey & Company considered that increasing the availability of financial services using digital finance could lead to an increase in global GDP by $3.7 trillion by 2025. Therefore, digital infrastructure is so necessary: mobile communications, the Internet, and the availability of mobile phones (Klimenko, A., 2020).

In general, we should noting that the effect of increasing financial literacy is very significant, as it can be attributed to:

1. Improving the investment behavior of the population, improving the economic efficiency of households.

2. Stimulating the inflow of funds into the pension system.

3. Increased investment in financial institutions for collective investment.

4. Development of brokerage activities by increasing the volume of investments in the securities market.

In conclusion, the Republic of Bashkortostan has been actively working for a long time to increase the population financial literacy level. During this time, rich experience has been accumulated in introducing school students and teachers to the study of financial disciplines.

Positive experience of this region is possible for adoption by other regions from the Russian Federation positive economic growth position formation.

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