

Towards strengthening the banking saving awareness of household sector in Algeria

Siham Derbali¹, abdelkader zitouni²

¹ Gilizan University (Algeria), project1644@yahoo.fr

² Gilizan University (Algeria), abdelkaderzitouni9@gmail.com

Received:03/15/2020 Accepted:05/25/2020 Published: 06/30/2020

Abstract :

The aim of the research is to propose a set of solutions that enable Algerian banking receptacles to upgrade their contribution to creating and strengthening banking savings awareness in the family sector. The research concluded that the National Fund for Saving and Reserve's failed to be responsible for raising the savings awareness as a specialized institution for saving families. Consequently, it presented a number of solutions to correct the role played by the Fund such as the responsibility of rational consumption and avoid extravagance and attention to the development of income by providing ways for investment, and contribute to the financial education, and a number of other.

Key words: saving; awareness; Banking receptacles; household Sector; National Fund for Saving and Reserve.

JEL classification codes: D01, E21.

ملخص :

هدف البحث اقتراح مجموعة من الحلول التي تمكن الأوعية المصرفية الجزائرية من رفع مستوى مساهمتها في خلق وتعزيز الوعي الادخاري المصرفي لدى القطاع العائلي تحديدا. تضمنت الدراسة عرضاً مبسطاً لمفهوم الادخار وأساسه، ومعنى الوعي الادخاري وأسباب جعله جزءاً من مسؤوليات البنوك، وكذا تشخيصاً شاملاً لمسؤولية الصندوق الوطني للتوفير والاحتياط الجزائري في الترويج للوعي الادخاري لدى قطاع العائلات الجزائرية اعتماداً على عدد من المؤشرات. وخلص البحث إلى أن الصندوق فشل في تحمل مسؤولية زيادة الوعي رغم كونه مؤسسة متخصصة بالادخار الأسري. وبناء على ذلك قدم البحث عدداً من الحلول لتصحيح الدور الذي يلعبه هذا الأخير، مثل مسؤولية الاستهلاك العقلاني وتجنب الإسراف، والاهتمام بتنمية الدخل من خلال توفير طرق ومجالات للاستثمار، والمساهمة في التعليم المالي للأفراد، وعدد من الحلول الأخرى.

الكلمات المفتاحية: الادخار، الوعي، السلوك، البنوك، القطاع العائلي، الصندوق الوطني للتوفير والاحتياط

1. Introduction

The issue of the awareness of Algerian families about banking saving is one of the issues that have never received the attention of the Algerian banking receptacles, a situation that is justified by the financial space that came from state support. Also; because the continuation of the situation as it is impossible, and because the banks are the first institution responsible for ensuring liquidity for the economy with its various entities, and because the Algerian economy suffers today from a dire scarcity of financial resources, the situation now requires urgent intervention by the bank to mitigate at least the severity of the situation.

Despite the banks' recent attempts to mobilize the resources of the family sector, these attempts were merely patchy solutions (abandonment of interest, sale by installments ...), they did not target the basic solution, and we mean by this savings banking awareness because we believe that the Algerian individual is aware the importance of saving behavior. Therefore, it remains for the banking receptacles to make more efforts to encourage the household sector to create more resources and display them in the market, so **what are the possible ways to upgrade the role of the Algerian banking receptacles in supporting and strengthening the banking saving awareness specifically in the household sector?**

1.2. Previous studies:

- Qasri Abdel-Laoui Linda (2014) "The Algerian family's perceptions of the culture of saving in banks - an anthropological study": The researcher aimed in this study to examine Algerian family's perceptions about saving culture, and the reasons behind individuals' failure to deposit their money in banks. She adopted various methods such as the method of observing participation, the interview and questionnaire. She stood after the analysis process on a set of results, the most important of which are that most families work to establish a culture of saving through social education, but they are limited only to the principles of traditional saving, and that there is great resistance among some individuals to all modern means of banking saving as imported and based on exotic western models, meaning that there is a strong refusal to adopt banking saving channels and a great attachment to hoarding and informal investment, as the researcher reached the fact that Algerian banks do not play a tangible role in spreading financial and banking culture within society which it stimulates the banking saving.

- Rahim Hussein (2004) "Towards the Promotion of Personal Banking Saving in Islamic Countries - especially North African Countries-": a study in which the researcher mainly tried to analyze the phenomenon of saving in Islamic countries and to explain the reasons of their weakness, and to suggest the way to upgrade them through the banks. He has linked the problem of the low level of savings in Islamic societies to the low levels of real incomes and the lack of employment, in addition to the problem of high inflation. In order to improve that situation, He suggested the intervention of the banking system by mechanisms and tools, like: providing a rewarding return, geographical spread, diversification and renewal of financial products, in addition to improving the services offered in form and content, and providing non-monetary incentives to savers. The researcher also recommended in the same matter the need to encourage and support the establishment of Islamic banks and financial markets.

Although these studies analyze the issue of family saving, we find that only talk about concepts, advantages, obstacles and the like. Neither did we stand in the studies presented on a clear definition of the meaning of saving behavior and its manifestations nor on an expanded analysis supported by statistics and data on the fact that such behavior exists in Algerian families. Also, we did not find in that previous studies any presentation of solutions that offer the possibility to stimulate and expand that behavior in the Algerian individual. Hence, the call made for the singularity of this subject to study in order to bridge that incision and to prevent this deficiency.

2. On the meaning of saving awareness and the reasons for its inclusion in the responsibilities social of banks:

2.1. the meaning of saving behavior and the theories explained to it:

We begin here by referring to what is meant by the term behavior, so we point out that human behavior generally means all the actions and activities emanating from the individual, whether they are visible or not. Also, it is an activity emanating from a person, whether it is actions that can be observed and measured, such as physiological and motor activities, or activities that take place in a manner that is not noticeable, such as thinking, remembering, and others. Human behavior is not a constant thing but it changes, and it does not happen in a vacuum but rather takes place in an

environment, governed by a range of factors that include the family environment of the individual, its formation, education, culture and the norms of the society in which it originated. In general, it is in two ways: responsive, meaning that the stimuli that precede it are controlled, and procedural, meaning that it is determined by environmental factors.

Since saving is a behavioral phenomenon, it graduates from the preceding that the saving behavior of the individual is nothing but the actual behavior patterns issued by him when distributing his income between the items of consumption and saving. In other words, what is meant by individual saving behavior is how the individual disposes of his income and distributes it among the aspects of spending over time.

The act of saving money is instilling behavior of the human soul, especially saving money, as it is an economic act practiced by the individual. It builds on perceptive knowledge and skills drawn from past experience and expertise. We can infer it with many behaviors, and briefly bring from it the following:

* Knowing the individual's ranking of different priorities when distributing this income to consumption and saving items.

* If the individual did something to reduce expenses, or if he spent less than the income (from one period to another), or had a saving plan, or saved a certain amount in anticipation of emergency situations, or owned a saving account, or put the money aside to save it as soon as he gained his reward is regularly or progresses towards achieving his saving goals and so on from actions and behaviors.

Regarding the theories that explained the reasons for saving had occupied the attention of many scholars for a long time, as their concerns centered on whether accumulation of wealth is commendable or worthless. In the past two centuries in particular, family saving has undergone extensive theoretical and experimental research, through which researchers have attempted to define a comprehensive illustrative model that explains individual differences in saving. But despite many studies, this issue is still only partially understood, this may be due to the fact that saving-related behavior is complex and can be studied from many perspectives.

As we indicated above, there is a tremendous amount of studies that examined the issue of saving behavior, it emerged from

them a significant number of theories, and the researcher may find it difficult to limit, enumerate and explain its details. However, in general, these theories can be restricted to three models or trends, as follows:

- **Saving as a result of willpower and foresight:** Theories based on this trend emerged during the nineteenth and early twentieth centuries. Although many economists have discussed saving behavior in this sense, both Bohm-Bawerk (1889) and Fisher (1930) are creative founders of the important concepts underlying the theories based on this approach, those concepts are: preference for time, restraint, and shortness consideration, and the ability to delay gratification, they are all psychological concepts. As for economic variables, it was assumed that they have an indirect effect on saving, as they will work through preference to time (Fisher assumed that people coordinate their time preference rate with the market interest rate). The core idea was that individuals may be unable to properly assess their future needs and desires, so that the present is given a lot of weight. Individuals are also expected to differ on their appreciation of the present compared to the future.

- **Saving as a result of ability to save - the income approach:** In the 1930s, a new era of saving theories began, in which income was considered the dominating (and sometimes the only) determinant of saving. Keynes (1936) began the stream of income theories by proposing that saving is a linear function of present income (i.e. there is a proportional relationship between income and saving, but the changes are not completely synchronized). and he was followed by researchers who proposed alternative income definitions (because there was a difference about the nature of income that had an effect on the saving decision, whether it was past, present, future, or relative income). Duesenberry(1949) suggested that previous income and relative income would provide better predictions of saving, with focusing on the importance of social factors in determining the causes of saving behavior through the basic concept of “group reference”, i.e. that saving behavior is related to the financial situation of the individual and group, as well as the proportion of individual income and its relative distribution within the group to which it belongs. for Friedman (1957) and Modigliani & Brumberg (1954) argued that future or lifetime income is the most important

determinant of saving in proposing a theory of permanent income and the life-cycle hypothesis respectively, and they argued that individuals look to the future and allocate their income evenly over the remaining life expectancy. It may be worth noting that while these theories seem to depend on economic variables in their interpretation of a person's saving behavior, the review shows that they also depend on psychological and social assumptions about the reasons for saving (Zitouni Abdelkader, 2010, 45-55).

- **Saving as a result of self-controlling strategies and mental accounting (behavioral saving):** In the last years of the twentieth century, a new stream of research emerged to explain saving behavior, which gave rise to a new explanatory model called the behavioral life cycle hypothesis, proposed by both Shefrin & Thaler (1988). It is a model based to some extent on the life cycle theory but with extensive adjustments based on the behavioral theories chosen by the consumer. It includes the idea of self-control Thaler & Shefrin, 1981. Schilling, 1984), mental accounting (Thaler, 1985), and the effects of framing. The most important assumption of the theory or of this model is that household wealth is nonfungible, which means that households divide their wealth into different mental accounts. Shefrin & Thaler (1988) suggest that there are three mental accounts used in studies of saving: current income, current assets and future income. They argue that the temptation to spend is assumed to be greater for current income and less for future income, and that self-control not allow to spend current savings and future income. Also, that families use mental accounts (psychological ideas about how an individual mentally deals with money) associated with saving rather than income (Bernard Bayot 2014, p89).

2.2. The concept of the saving process and the sectors practiced it:

Saving is generally the process of deducting part of the income in order to use it when needed (Munir Al-Baalbaki ,1983, 215) or to keep a portion of the income for the future. It also refers to that optional process that the individual undertakes to deduct part of his income, and refrains from spending on consumption in order to dispose of that part at the time of need (Qutb Mustafa Sano, 2001, 18).

Economists distinguish between saving as a process performed by an individual or group of people, and something that that individual or that group saves. They mean the saving process

that is the optional process that leads to the formation of money called "savers" and they want to save as something that money that is formed by the process. Therefore, many economists believe that the saving process is based on three basic pillars, which are summed up (Qutb Mustafa Sano, 2001, 21-22): Income, Achieve a benefit Investment.

We conclude from the above that there are three stages to the saving process, namely: generating savings, then mobilizing installing and assembling them, then directing them to employment channels, or in other words, transferring them to the entities with a deficit and the need to invest them and create added value to the economy. In addition, economic references indicate that saving process is practiced by three sectors, namely: individuals or what is known in economic literature as the household sector, economic institutions or the so-called business sector, and the government sector. The saving of each sector mentioned previously is subject to certain factors and drivers that respond to the specificity of each sector (Zitouni Abdelkader, 2010, 08-10).

2.3. Motives for practice saving activity in the household sector

What is known about the saving process is that it is based on two main pillars, ability and desire. As for saving ability, it means the individual's ability to allocate a portion of his income for the future, determined by the difference between the size of income and the size of spending, which is a relative issue that varies from one individual to another, and changes with the changing circumstances. As for the saving desire (Khaled A. Hussein and A. Thirlwall (1999, 31-52), it is considered an educational psychological issue that is strengthened and weakened according to the motives that encourage saving and the extent of the individual and social classes being affected by these motives.

Basically saving is a process that has factors that drive its practice, and the motives that drive the saver are multiple and varied and can be divided into two parts (Rahim Hussein, 2004. Hussein Omar,1997. Touhami Mohamed El-Tayeb, 2008):

Internal or self-motivated: we mention:

- The individual's desire to create capital that is greater than his income. In the most accurate expression of his ambition to get rich and get a profit.

- The desire to protect the heirs from poverty, and not to leave them dependent on people and provide them with a better life.

- Readiness to face future conditions.

External motives: We mention the following:

- Political stability and security.

- Availability of investment means.

- The large volume of return as a result of the recovery of economic activity and development movement in society. This is because when individuals realize that the more they save the more they get richer, this drives them to save and invest.

2.4. The meaning of saving awareness, its goals and its importance

Awareness means a set of opinions, ideas, and perceptions resulting from individuals' knowledge and awareness of their reality in its various dimensions, which determine their reactions to this reality, it also intended to the individual's awareness of what is around him and his understanding of the reality in which he lives, so it is something gained - depends on elements including the knowledge, experience and the ability to analyze and mental inference, so it is thought and culture - influenced by the culture and conditions of society.

This term has many uses, so we find it in the psychological, social, economic and intellectual fields we even find it has many uses even in the same field as is the case in the economic field, such as financial awareness, banking awareness, and investment awareness. They are uses whose precise meaning is determined according to the context in which they were placed. What is meant by financial awareness, for example, is not like the meaning of banking awareness or investment awareness ... and this despite their participation in the meaning of awareness.

Saving awareness in general means the individual's awareness of the meaning, value and importance of saving - for example, the individual is aware that the economic justification for saving is that the total economy in order to exit from a steady state to growth must be invested and for investment it is necessary to practice saving, or that the individual is aware of the extent of the importance of securing a material future for him and his family ...-. It also means knowing the individual about the basics and principles of the saving process, its methods and theoretical and practical benefits.

It is a phenomenon that can be increased and developed by the intervention of another process called the awareness process or saving education. This process is led by many social institutions, starting with the family first and then graduating according to the age stages of the individual, and it may appear from them specifically banks.

Based on what was previously mentioned, it is clear that there is a slight difference between the term saving awareness and saving Outreach, which is that outreach is considered the fuel of the first. If saving awareness means the individual's perceptions of the saving process, then outreach is a process that broadens and reinforces those perceptions. So saving outreach is the process of providing sufficient information for individuals and educating them about saving in order to make decisions based on sound scientific data through many tools, activities and intensive activities, or it is that process that is concerned with preparing individuals to practice the savings process by introducing them to the basic elements of the latter, its methods and ways to do it.

Depending on the above, it is clear that the goal of creating a saving awareness is to spread the saving culture among the members of society - in addition to its role in stimulating the investment movement -. While recognizing that the spread of saving culture is the ultimate goal of creating and enhancing awareness, there are other goals that can be summarized as follows:

- Increase the knowledge of community members about the importance of saving in the development process.
- Increasing the scientific and cognitive outcome through the ways, means and methods of practicing the saving process.
- Expanding the ability to analyze the main variables affecting the saving decision.
- Motivating individuals to adopt saving activity in their lives as a permanent behavior, not as an emergency process.
- Provide individuals with information and a decision-making mechanism on scientific grounds.
- Correcting common misconceptions on the topic of saving.

As for the benefits of the spread of saving awareness among members of society, we find:

- The saving awareness increases the effectiveness of the investment activity, and thus the dynamism and vitality of the development movement.
- Contributes to financial literacy among the general public and introduces savers to the benefits and services provided by savings receptacles.
- Maximizing saving behavior, and hence the activity of resource mobilization (capitalist formation) in society.
- In addition, creating, publishing and supporting saving behavior leads to rationalization of spending and combating extravagance. Rationalizing spending and attracting individuals to practice that behavior increases the power and ability of society to achieve the greatest production rates. It also helps put money in its rightful social place as a community servant.

2.5. Reasons for the banking receptacle's interest in creating and spreading saving awareness among household sector

Specialists in the field of behaviors and education mention a number of community institutions that are assigned the task of cultivating and developing the various basic behaviors of the individual. These institutions are confined to family and friends, and the educational, religious, political, and media institutions, as well as other civil society institutions. Moreover, the relative importance of their respective roles varies, and the extent of their success in completing the tasks entrusted to them through the various stages of the individual's development. The family, for example, is the most influential institution in the early stages of development supported by that educational institution, which increases its influence during the middle and late childhood stage, in when friends become more influential during adolescence. As for other institutions, religious, media, political, and others, their impact ranges up and down as a result of multiple factors through those stages and what follows.

Therefore, it should be recognized that banks (as the main component of the financial system, and because of the expansion of its branch network, and through credit operations that often play an important role in activating the underlying savings, and given the nature of their liabilities that are part of the Money supply characterized by high liquidity which is a major attraction Savers) are called upon to assume their responsibility towards creating and

promoting saving awareness among individuals, and we can explain this in several reasons, including:

- Banks need long-term deposits (a source of less volatile funds) that allow them to support their financing activities at a low cost (it is known that individuals' deposits are relatively low cost compared to other sources), which is relatively provided by individuals' savings.
- Creating and offering saving tools is one of the bases of banking activity.
- It is known that providing liquidity to the economy is the responsibility of the banks as it is the heart of it, and individuals can contribute to it in a large way.
- Added to this is the fact that a cash-based economy is highly susceptible to temptation, procrastination, and other behavioral diversions to saving. This latter aspect provides a strong rationale for policy interventions, especially in developing countries, to provide specific institutions that help people overcome willpower deficits and impose their current preferences for saving on their future selves (The World Bank, 2015, 115).
- Some studies in many low-income markets show that individuals prefer to use multiple saving mechanisms. It has been found that they do this to reduce the risks and take advantage of the characteristics that each of the tools provided. There are no regulated institutions that can provide the desired diversification in those instruments more than banks (including incentives), and what supports this more is the fact that most developing countries lack active financial and monetary markets (if they already exist).

3- Diagnosing the reality of the National Fund for Savings and Reserve's interest in spreading saving awareness in the household sector:

The fact that our study mainly deals with the issue of banking saving of household, and in view of the principle of banking specialization adopted by Algeria, it is clear that the main banking receptacle intended for analysis and study here is the National Fund for Savings and Reserve, it is known as a specialized bank and a pioneer in providing savings services, especially as it relates to the household sector.

Before starting the diagnostic process, we point out that our judgment on the extent to which the National Fund for Savings and

Reserve contributes to enhancing saving awareness among the house hold sector will be by showing the extent to which families are saving and how they are adopting them as a permanent behavior, not as an emergency activity. Of course, we will show this through a number of indicators.

Emphasizing what we mentioned in the problem of the study and as a first indication of the Fund's neglect of its social responsibility related to saving awareness specifically - we begin the diagnosis by pointing out to the status of the National Fund in the area of attracting and mobilizing the savings flowed from the household sector. On the basis of the field examination, it appears to us that the efforts exerted by the (NFSR) in the field studied cannot be described at all as important or positive. As it becomes clear to us through **Figure (1)** that the family surplus obtained did not exceed 10% of the total savings of the sector at best, but rather that it did not exceed 4% during most of the study periods - specifically in 16 views of the total views -. Whatever the explanation to justify this reality, what cannot be denied is that the saving fund does not give any consideration to the responsibility of promoting the culture and behavior of saving among individuals. In other words, it does not make efforts to enhance the banking saving awareness of Algerian families - this is of course assuming that there is a saving awareness for them - The ratios recorded in our opinion are considered neglected ratios because we are talking about an institution specially concerned with family saving matters.

Focusing on the goal to be clarified, we will analyze a number of indicators to understand the extent of the bank's contribution to the mission of spreading and promoting banking savings awareness among members of the Algerian community, as it is an institution that is concerned with family saving matters as previously mentioned and many times. The following is a statement of that:

3.1. The size of banking transactions: It is considered one of the most important indicators that may bear a clear indication of the success of the banking receptacle in pushing individuals towards showing awareness and positive behavior towards the saving process in general and the bank in particular. The importance of this indicator stems from the fact that most of the saving energies of

individuals are consumed by consumer spending and non-financial assets, which are unproductive savings.

In addition to the fact that the cash-based economy is often subject to the temptations and procrastination, and other behaviors contrary to the saving behavior, and since possessing tools and accounts for saving and facilitating access to them most likely helps to reduce excessive expenses and ineffective behaviors, and then leads to the practice of saving with a degree of ease and flexibility, then whenever the banking receptacles can attract individuals towards the circle of banking activity and make their most existing transactions on banking transactions (especially in saving devices), we can then judge the efficiency of banks in creating a positive banking saving awareness for individuals.

By dropping this relationship on the reality of the activity of the National Fund for Savings and Reserves, it appears that the latter was unable to exercise an acceptable level of its responsibility in promoting saving awareness among individuals, as it appears to us through **Figure (2)** That the number of savings operations (from withdrawals and deposits) between the fund and its savers did not total at best 12 million during the whole year (at the level of the Fund's agencies and offices at the Post and Transport Corporation) - specifically during the year 2004-.

It may come to mind that that number, by its magnitude - i.e. 12 million - may reflect a certain amount of importance, but if we calculate the rate of withdrawals and deposits made by each person who was saved with the fund during the year - this is assuming that everyone has a savings book - we will fall On the fact that it eliminates any aspect of the responsibility to nurture and advance the individual's saving awareness.

As the results shown in **Figure (3)** reveal that the number of saving operations (withdraw and deposit) undertaken by each individual did not exceed 1.14 on average with the fund agencies, and one transaction per year on average at the post office level. Even if we exclude passive accounts, it is certain that the number of operations will not exceed of 3 operations per person per year. These are numbers that only indicate the weakness or lack of interest and indifference to that important social responsibility for him - that is, for the fund - and for society.

3.2. The growth of savings accounts compared to the current accounts in (NFSR): Although we cannot make that comparison within the Fund's agencies specifically and extensively due to the lack of data and the difficulty of accessing them, this does not mean that there is no way to make that comparison. Rather, we will make the Postal Corporation the means to achieve the goal. We will compare the growth in the number of saving accounts opened by individuals in the Fund's offices in the Postal Corporation, and the growth in the number of current accounts of the Postal Corporation itself.

We consider this comparison an indication of the prevalence of savings behavior compared to temporary behavior. - Because current accounts cannot be considered as savings according to the accepted economic concept. Rather, they are liquid funds that are dealt with checks to settle transactions and face emergency conditions.

Based on the foregoing, it is clear that the National Fund for Savings and Reserves is not making significant efforts in developing the banking saving awareness among members of the Algerian society, as we note, based on the developments in **Figure 4** that there is an increasing and accelerating growth in the number of current accounts, offset by slow growth and sometimes

decreases in saving accounts for almost the entire study period. This weakness appears greatly if the ratio of the number of current accounts to the number of saving accounts is examined.

Based on the procedure for that process, we find that the tendency of temporary behavior of the Algerian individual exceeds his tendency to save behavior by more than 5 times, especially during the period 2010-2016. If we want to explain can be said that the failure of the (NFSR) to assume the responsibility of developing and stimulating the saving desire of the Algerian individual is one of the reasons.

3.3. The extent to which (NFSR) clients prefer a saving goal over other goals: To find out the motives of individuals saving in the fund, we divided the number of popular saving accounts (as the most important product of the other saving products) into the total number of saving books for housing. By examining **Figure 5**, it becomes clear to us that the saving motive in order to obtain a return did not receive a great deal of attention, because of the total

individuals who are saving at the (NFSR), we only found that 12.2% of the average had employment goals, while the rest was their saving goal housing only. Regardless of whether the reason behind the lack of interest in the return (interest) granted by the (NFSR) is due to its weakness (and the fact that it is negative due to the high rate of inflation) or because it contradicts the teachings of Sharia, the bottom line is that there is no policy on which the (NFSR) relies on promoting bank saving behavior and its strengthening in the household sector, as evidenced by the very slow development in the number of savers with saving goals.

3.4. The rate of return given to the saver compared to alternative opportunity: Return on alternative opportunity means the return on assets that was lost on another similar opportunity as a result of the commitment to use those assets in the current project. It is based on the idea of having a known advance return for investment alternatives. Since the investment opportunities vary according to the return generated by them, the savers tend, by default, to choose higher-return investment opportunities, it is self-evident that the success of the banking receptacle in attracting individuals to behave in a saving manner (which means supporting and enhancing their saving awareness), but it is dependent on the returns that it offers competing with the returns of alternative opportunities.

Based on the previous statement, and based on the developments of the interest rate and the opportunity return (we will rely on calculating this return on the value added achieved by the trade sector. The choice of this sector comes precisely because it is easy to be practiced by the individual. We are convinced that the return exceeds the calculated values, perhaps good evidence of that living reality (reflected in **Figure (6)**) is that the fund's failure to attract individuals towards its saving programs and products, and thus to spread banking saving behavior and increase their awareness of it, is a tangible reality.

Regardless of the inviolability of interest, we notice that there is a big difference between what the fund gives to individuals in exchange for a saving deposit, and what is generated from income from doing business in particular during the period 2001-2016 (even for previous years, the high rate of interest is mainly due

to the bank's attempt to keep up with the rise recorded in the rate of inflation to reduce its negative impact on the real return). It is not reasonable that, with such a difference, individuals should be given their surplus for that receptacle - that is, the savings and reserve fund -. What supports the issue of the bank's failure to spread savings behavior in the household sector through the return on saving, and the presence of other areas - other than trade - attracted individuals with financial surpluses greatly - especially during the last decade - towards investing their savings in order to benefit from the high returns. The areas, including the speculation on real estate and the purchase of durable goods - such as cars - to trade in, and the best evidence for the existence of such a trend is the significant increase recorded in the prices of land and real estate and the remarkable growth in the size of the car park.

3.5. The extent of the contribution of the National Fund for Savings and Reserves to reducing the phenomenon of hoarding:

The phenomenon of hoarding is undoubtedly one of the most widespread phenomena in developing societies, including Algeria. It is a phenomenon that often creates turmoil in the economic cycle and hinders development because it causes a decrease in the supply of money that can be funded through the mediation system, and prevents cash from performing its economic mission. If the last percentage constitutes a greater part of the total savings (allocated) from individuals, this indicates that the latter succeeded in reducing hoarding, and hence practice of a positive role regarding its responsibility in spreading saving behavior among individuals. In the event that the ratio of liquid reserve funds constitutes the largest part of the total savings, this indicates the spread of the negative saving phenomenon (hoarding), also indicates the weak role of the bank in take its responsibility towards enhancing the banking saving awareness in that sector. Based on the observation of **Figure (8)**, it appears that bank receptacles have failed to limit the spread of the phenomenon of hoarding within society, as more than 78% - on average - of people's savings are held in the form of liquid reserve funds, and there is only less of the 22% - on average - household savings are incorporated into the circular flow or economic cycle (via banking receptacles). The situation becomes more difficult if we exclude the rest of the banking receptacles and we focused only on

the saving (NFSR), where the proportion of liquid reserves will increase from 78% to reach 96%, which means that only 4% on average of the total savings of Algerian families is what flows in the economic cycle through the fund. Of course, the failure of these receptacles to limit the spread of the hoarding phenomenon means their failure to play an acceptable role in promoting the banking saving behavior among the household sector.

4- Ways to upgrade the contribution of the banking receptacles in establishing and developing the banking saving awareness among individuals:

4.1. Aspects of saving awareness among individuals:

- **The high volume of individuals' banking transactions:** it is the most important indicator which indicates the extent of the existence of banking savings awareness of the individual. Because the latter's possession of saving tools and accounts, his constant demand for saving services, and the transfer of the largest portion of his saving portfolio to banks, all this undoubtedly indicates a high level of banking savings awareness in addition to having a savings culture.

- **Prefer saving behavior over consumer behavior:** this is especially evident when the level of income increases, as individuals tend to allocate the greater part of the high income to the saving products and programs offered by banking receptacles, which is a clear indication of the awareness and of those individuals about the phenomenon of saving and that it is a behavior that has a status like other economic behaviors practiced in their daily lives.

- **Limited hoarding phenomenon:** The shift of individuals from a preference for maintaining their cash surpluses in the form of liquid reserve assets - outside the formal sector - and non-financial assets (which are often taken by the phenomenon of hoarding) to saving in the form of financial assets (offered by banks), and this bears an explicit indication that these individuals possess saving awareness.

- **The ability of individuals to evaluate, efficient use of resources, and the ability to plan well:** Whereas, a conscious individual is often able to balance his income and requirements, whether in the present or in the future, and he is always ready for changes in the material conditions by managing and saving for his surplus money needs. Also, the conscious person tends to think carefully enough about his

decisions, because he has a sound and far-sighted thinking about future things.

- Willingness to contribute to financing development projects - industrial or agricultural - that are offered by the state or even by private sector. In other words, the dominance of the individual's investment tendency (participation in the acquisition and ownership of productive assets).

4.2. The areas of the banking receptacle's contribution to creating and promoting saving awareness in the household sector

We mentioned previously that saving awareness is a phenomenon that can be grown and developed through a process called the Outreach process, and we said at the same time that this process is supervised by a number of community institutions, and we mentioned from that - in the face of extreme importance - banking receptacles, due to many considerations reflected in the conversion the results of the storage and hoarding process that individuals conduct into commercial channels and investment practices in light of favorable conditions, of course, and that saving as a behavior and direction for individuals can be affected by the saving programs and mechanisms adopted by the financing and investment institutions.

Accordingly, and since saving awareness is an issue that has links to many variables, and is often affected by Procedures that affect it directly or indirectly, there are many areas in which our banking receptacles can contribute to creating, supporting and enhancing the saving awareness of the Algerian individual in a way that makes it an inherent culture, and even brings it closer to the habit than to the need. This is especially evident in assuming the following responsibilities:

-Take part of the responsibility to rationalize consumption and avoid wastefulness in all areas of spending, including investment and spending on others. Talking about this requirement comes especially after several studies interested in the subject of the tendency to save in developing countries in particular - including Algeria as well - have noticed that the groups that have the incomes are constantly going to search for models of high consumption, which affects negatively - clearly and direct - on its tendency to save - including the banking one -. The contribution of banks in remedying such a situation is evident through their playing a

positive role in supporting and strengthening the government's role in preventing the import of certain types of luxury goods by banning financing their importers - as the source of liquidity and the main party in the export and import operations -.

Banks can also act towards this reality by limiting consumer credit - this is related to the middle class - especially for unnecessary goods. In the context of social responsibility, banks should not focus solely on marketing lending, but rather seek to promote the concept of saving among these groups, by establishing a culture of responsible spending. Also, banks should not borrow beyond financial capacity, and inform individuals about the meaning of spending and its areas, and they must correct misunderstanding about the consumption process, and develop the ability to organize private budgets. Thus increasing rationalization opportunities to cope with many manifestations of extravagance.

- It was evident from the above that the savings process is the result of two elements, spending on one side and income on the other side and for the success of this process, attention should be paid to both sides, i.e. rationalizing spending and developing income. Banks must assume their responsibility towards this by inviting individuals to develop their incomes, which leads them to think about saving. Among its tasks also include providing investment methods and opportunities to own productive assets, and accordingly, the income of individuals increases. Because the goal of the final investment is to obtain a return or profit that increases the size of the capital.

On the other hand, banks can encourage individuals to invest by allowing their participation in high-risk projects, because most people prefer safety and no risk. Or at least, providing sufficient returns on the money that they give it, so that we can finally reach an effective banking sector therefore develop saving awareness and enhance its motivations among individuals.

- Carry out campaigns to raise awareness (through publications, brochures and other means) to educate individuals about their social responsibility, which is in fact a reflection of Responsibility for building the Earth. This means motivating them to allocate a portion of their income to contribute to financing development projects, industrial or agricultural, because this has an interest for them and their children after them (Abdel Rahman Yousry Ahmed, 1981, 74).

Also, we should not forget that income is not a single factor in determining the ability to save, as it cannot be recognized that high income always leads to saving, just as low income does not mean that there are no savers and savings. What he lost from the lack of income, and therefore the individual should be convinced that the amount of spending is also a key factor that shares with the income in determining the saving capacity, and it is a factor that the individual can control in various ways to reverse the income.

Rather, a decrease in income may lead individuals to save to compensate for lost income. Therefore, one should be persuaded that the amount of spending is also an important factor that is shared with income in determining savings capacity, and raising its awareness about the ability to control its spending in various ways contrary to income.

- Supporting previous tasks with financial education for different groups of society - whether in terms of age or in terms of different income levels - as financially educated people tend to save more than individuals who are below it. This task includes confirm that the need to practice saving behavior through:

For young people: providing the basic tools for saving and budgeting, and then controlling expenditures and debt.

For families: provide them with the skills and information needed to save. Also guide them to Also guide them to spend their income in the way that benefits them and their society.

For veterans: enhancing their ability to provide sufficient savings to ensure that they have a comfortable retirement and to qualify them to make investment decisions related to their savings.

For low-income people: maximizing the use of their limited resources and helping them to avoid high costs, thus saving some income even slightly.

There are many studies that explicitly indicated the importance of education, we may choose from them a study of: **Martin and Finky** (2014), **Hudson and Palmer** (2014), **Smith and Grisdon** (2014) **Cho et al** (2012).....etc (Jeremy Burke, Angela A. Hung, 2015).

- Marketing saving products that would support saving behavior and increase an individual's awareness, by developing marketing tools that include the following: Marketing materials such as posters flyers, flyers, banners, etc., motivational and promotional materials

programs that display the experiences of acquaintances and friends the mass media - that is, advertisements radio, television and newspapers. This may be done in stages that we mention as follows:

The first stage: the attention of potential customers is attracted to the banking institution as well as the product. The second stage: potential customers get to know the saving products and study their properties. The third stage: This is the activation stage, during which the clients decide to open the account. The fourth stage: It is called the repeat and loyalty stage, during which the customers decide to continue using the product. And in the last stage of influence on others, customers recommend other people to use the product.

It should be noted here that the Algerian banking receptacles should make greater efforts - through market studies - to provide suitable tools for saving that suit the needs and level of education, (i.e. easy to understand) and the habits for different segments of society including the low-income people, who are also concerned with this as they constitute a significant proportion of Algerian society. For this purpose, the formal procedures for banking operations must be simplified and the security needs of depositors taken into account. The provision of saving tools - improved, diversified and more long-term - should be accompanied by higher qualifications for bank employees, and should also be accompanied by special incentive systems for the sale of newly created banking services and products.

-Take interventions that help individuals achieve their saving goals and increase their level of savings: by using reminders - via mobile phone, emails, and other ways of communicating - make the goals more prominent. In addition to offering incentives to comply, it includes consumers willingly to withdraw from their savings until savings reach the target level.

Talking about such procedures comes because there are psychological and social factors that hinder financial decision-making, and interventions that target these factors can help individuals achieve their financial goals. It remains to point out that the methods of recall should be carefully tailored to suit the purpose because messages that include specific reasons for saving are more effective compared to general messages.

- We do not forget here to point out to the responsibility of banks towards the youth category, as it is one of the institutions of society

as it has the task of accustoming and training this group in the use of savings behavior, using in that whatever it deems appropriate from the means that lead to this behavior being authentic and repetitive in their lives. We may mention in this regard, for example, the method of school saving (Ahmad Muhammad al-Najjar and others, 1981 61), the Plato program, the child trust fund, the school bank program, etc. The preference for one method over another depends on several factors, including the available capabilities, school conditions, and the selection of the easiest and most appropriate method...etc. It is worth noting before the conclusion that the behavior developed and if it does not result in savings, but it remains a method of education and social and economic culture that must be learned by young people.

- Broadening the network of banking receptacles: According to what some studies agree, strong support for the level of financial depth often creates a very positive impact on the saving awareness of individuals. This depth may occur as a result of the wide variety of financial assets available, and that depth may be related to the breadth of the network of banking receptacles serving the needs of savers, in addition to their proximity and diversity. While some studies point to the importance of the first factor as a way to deepen saving behavior among individuals, others go to confirm the fact that the amount of individual saving depends largely on the extent of banking institutions, and that the presence of the latter often creates high marginal trends for saving. The reference to this aspect is due to the weakness of the National Fund for Savings and Reserves network (about 223 agencies only at the national soil level), whose average annual network growth does not exceed more than two agencies, and one agency bears the burden of services for more than 40 thousand individuals with savings capacity (powers Worker).

- Paying more attention to creating and developing information systems in banking receptacles and seeking to provide information about savers' behavior, their real needs, actual capabilities and intellectual trends, and supporting this with integrated studies - through special departments located at the workplace level - that enables the preparation of programs and design of new saving tools and the improvement of the old ones. For example, the most liquid savings account in the Indonesian bank called "**Sampid**" was an instant success because extensive research was done on the features

that customers wanted in a liquid instrument and why they wanted them. This information was then used both in the design of the tool and in advertisements. The bank also conducted market research to determine the type of notebooks customers wanted and the type of effective advertising, and the results were excellent.

- Participate in state-initiated initiatives that aim to create saving awareness among individuals in the first place.
- The use of the limited field office system (that is, it works in facilities and main employees).
- One way that might potentially have an impact on an individual's saving trend is to help individuals frame their future assumptions (by banks, of course). In this method known as “Save More for Tomorrow (SMarT),” employees perceive an increase in the amount of savings from the assumed future wage increase. This experience has achieved tangible success, as it led the participants to increase their savings without sacrificing the current available income, just as it is shown in **Figure (9)**.

5- Conclusion:

The study ended with a set of results, we limit its features in the following points:

- Saving awareness is a phenomenon with multiple dimensions, and it is capable of growth and development. It bears many benefits and is extremely important to the economy of society.
- Creating and enhancing banking saving awareness is a responsibility for which banks are part due to many reasons.
- It became clear to us through the field diagnosis of the activity of the National Fund for Saving and Reserves based on a number of indicators that this receptacle did not really succeed in exercising an important role in creating, and enhancing the saving awareness of the Algerian families in a way that befits them as a specialized institution mainly concerned with family saving affairs.
- There are many forms of saving awareness for individuals including: the high volume of individuals 'banking transactions individuals' preference for saving behavior over consumer behavior limited hoarding phenomenon, individuals having the qualities of thinking, evaluation and efficiency in the use of resources, in addition to the spread of economic awareness.

- Banking receptacles should bear the responsibility of tasks: rationalizing consumption and avoiding extravagance, paying attention to the issue of income and developing it, by providing methods and areas for investment, providing initiatives to educate individuals, supervising financial education and marketing of saving products, and taking interventions that help individuals achieve their saving goals, and train young people to practice savings behavior and expand its networks. Success in performing these tasks creates and enhances saving awareness among families.

Finally, if we should conclude the study with recommendations, we can say that the solutions that were mentioned can be considered recommendations that can increase the contribution of Algerian saving receptacles in supporting and spreading the saving awareness, and what we hope for is activation and implementation.

Bibliography List.

Books.

- **Munir Al-Baalbaki**, (1983), Al-Mawred Encyclopedia, Dar Al-Alam for Millions, Beirut, First Edition, p. 215.
- **Qutb Mustafa Sano**, (2001), Savings: Their Rulings, Methods of Formation and Investment in Islamic Jurisprudence, Dar Al-Nafees Jordan First Edition, p. 18.
- **Qutb Mustafa Sano**, "Savings: Their Rulings and Methods of Forming and Investing in Islamic Jurisprudence," aforementioned reference, pp. 21-22.
- **Hussein Omar**, (1997), Economy for every reader. Dar Al-Fikr Al-Arabi Cairo, First Edition.
- **Abdel Rahman Yousry Ahmed**, (1981), Economic and Social Development in Islam, University Youth Foundation, Alexandria, p.74.
- **Ahmad Muhammad al-Najjar and others**, (1981), 100 questions and 100 answers on Islamic banks, The International Union of Islamic Banks Cairo, p. 61.
- **Bernard Bayot**, (2014), L'épargne en jeu : L'épargne pour tous est-elle possible ?, Reseau Financite, Belgique, p.89.
- **The World Bank**, (2015). Mind, Society, And Behavior, world development report, p.115.

Journal article.

- **Khaled A. Hussein and A. Thirlwall**, (1999). Explaining Differences in The Domestic Savings Ratio Across: Countries A Panel Data Study. the journal of development studies, 36, p31-52.

- **Rahim Hussein**, (2004), Towards Promotion of Personal Banking Savings in Islamic Countries' Special Reference to North African Countries, North African Economics Journal, 1 (1), pp 67-87.

Thesis.

- **Zitouni Abdelkader**, (2010), Determinants of Family Sector Savings in Algeria, Standard Study for the period 1970-2008, Unpublished Master Thesis, University of Chlef, pp. 08-10, pp.45-55.

- **Amira Touhami Mohamed El-Tayeb**, (2008), The Role of Saving receptacles in Developing Family Savings in Egypt, Master Thesis Department of Economics, Faculty of Commerce, Zagazig University Egypt.

Internet websites.

- **Jeremy Burke, Angela A. Hung**, (2015). Do Financial Advisers Influence Saving Behavior?, Research paper published by the RAND Corporation. [http:// www.rand.org/t/RR1289](http://www.rand.org/t/RR1289) .