



*INDIA-OECD-WORLD BANK REGIONAL  
CONFERENCE ON FINANCIAL  
EDUCATION*

Dr. Deepali Pant Joshi  
Executive Director  
Reserve Bank of India



- RBI Governor Dr Subbarao set the tone for this conference by providing us the analytical framework.
- He explained how in the wake of the financial crisis our efforts had gathered greater salience .
- He also explained how the equation of financial literacy from the demand side and financial inclusion from the supply side work in tandem He pointed to the numerous challenges, in the Indian context, liberalised Know Your Customer norms with a unique identity number would help spur financial inclusion .Banks however must treat it as a business opportunity and not an obligation thrust on them.



- Dr .K.C. Chakrabarty brought into very sharp focus how financial literacy, financial education and financial stability are inextricably linked and form part of a continuum.
- Mr. Onno Ruhl ,India country director of the World Bank explained the seminal work of the World Bank in addressing issues of building financial capability through financial education and also referred to the work of the RBI in this regard.
- *Ambassador Boucher* expressed how In October 2011, G 20 finance Ministers agreed to new principles on financial consumer protection developed by an OECD led task Force integrated with financial inclusion and financial education policies.



- During the Financial crisis, people who did not know any better borrowed beyond their means ,not in Africa, not in Nigeria ,Papua New Guinea ,Japan ,India but in the USA because appraisers inflated the value of properties that prospective buyers were interested in.
- Borrowers were led to believe that they had undertaken a standard fixed rate mortgage only to learn later that their mortgage was a complicated variable rate contract which with their income streams they could not honour .
- Brokers, mortgage companies etc., took the **financially illiterate** borrower for a ride risky lending practices proliferated.
- There was no CONSUMER PROTECTION different jurisdictions had their own sets of lending policies



- A large part the financial crisis was a result of **financial illiteracy and lack of financial capability**. We are meeting to ensure that this does not happen again this is the first commitment we must make and pledge ourselves to.
- Appropriately our introductory session dwelt on developing National Strategies for Financial education OECD/INFE principles and practical examples from Asia and the Pacific.
- Ms. Flore-Anne of the OECD set the tone. Country experiences were shared by Mr G.P.Garg, Mr. Pungky Purnomo from Indonesia, Ryoko Okazaki from Japan shared the South, South East Asian and Asian experiences and as Dr. KCC explained Helena Kolmanova balanced the picture through the European perspective.



- *It is a truism that whatever gets measured gets done that statistics and empirical experience alone hold certitudes the rest are platitudes* so fittingly Dr. Urjit Patel capably steered the session on developing surveys to measure Financial literacy and Capability. Surveys as a diagnostic tool can inform policy.
- Valeria Perotti, social protection specialist of the World Bank spoke on Measuring Financial Capability in Low and Middle Income settings and Adele Atkinson competently walked us through International Comparative measures of Financial literacy and evidence from the OECD/INFE Measurement pilot.
- Douglas Randall of the World Bank expounded on the FINDEX in which several of our countries have participated.



- The third fascinating session was on financial literacy and financial inclusion Findings and experience from - Asia and the Pacific region.
- Flore Anne Messy OECD capably moderated the session where Ryoko Okazaki, Director head of Promotion of Financial Education Group Central Bank of Japan Ms Rufina Peter, Senior research officer Papua New Guinea made her presentation .
- She explained how difficult it was to run the questionnaire in two languages Tok Pisin and Hirin Motu in Papua New Guinea imagine how in India we manage with 22 official languages and 398 living languages the mind boggles but we need to do this. The last engaging presentation of the day was from Temitayo Adebisi, Principal Statistics officer National Statistics office, Nigeria.
- This morning we have had a series of hands on sessions Richard Hinz and Flore Anne Messy provided us a valuable and insightful Introduction to the program Knowledge products and website of the Financial Literacy and Education Trust fund.



- There is currently limited evidence and little consensus on the types of programs which are effective in raising the capacity for and level of financial capability.
- Effective impact evaluation is essential but often serves as a forgotten half in this context the presentations made by Richard Hinz, Trust Fund Program Manager ,World Bank OECD High level Principles for evaluation of financial education programs were particularly valuable.
- Adele Atkinson Policy analyst of the OECD presented the OECD High Level Principles for the evaluation of financial education programs and Joanne Yoong from the National University of Singapore presented a toolkit for evaluation of financial capability Programs in Middle and Low Income countries.
- This was followed by the session on Youth Developing financial skills and Competencies OECD /INFE guidelines on Financial Education in schools and PISA financial literacy.





- Financial education in schools, innovative tools, examples and evaluation findings was presented by Ms Amara Sriphayak ,Bank of Thailand, Ms. Luciana, Consultant ,World Bank gave us extremely valuable insights.
- The session on Women empowerment through Financial Education, especially close to the heart was moderated by Mr. Prashant Saran, whole time member, SEBI and there was valuable experience sharing through presentations by Ms.Chicara, Consultant, OECD and Ms.Sushma Kapoor of the UNWOMEN.
- The session on Innovative methods for financial capability enhancement ,in which Doorstep banking and financial education in India were presented by Mr.Leopold Sarr of World Bank was very useful. We all enjoyed Prof. Billy Jack, Associate Professor, Georgetown University presentation on Comic Books.



- We thank Florentina Mulaj of the World Bank for the serial melodrama to improve debt management of South Africa and Martin Kanz of the Economic Development Research Group of the World Bank for sharing the experience on Lotteries and Savings in Nigeria.
- We thank all the speakers for acquainting us with the range of evaluation of new methods and tools to enhance financial awareness and capability evidence suggests that innovative methods can bring positive outcomes on the target audience .The hardcore and asset less poor who are hard to reach due to low literacy levels and Geographical Locations . In sum, through the cross country experience sharing of the conference we have learnt a lot.



- Some of you may also have visited our stalls and picked up some comics to take back .
- We have covered a lot of ground but with distance still to go. Building financial capability through financial literacy is a key component of the financial Inclusion process. On this we are all agreed Every country has to tread its own path to financial inclusion and literacy depending on its particular situation literacy levels, per capita income, levels of financialization of the economy.
- We have all reached consensus on the need for financial literacy and on National strategies engaging all stakeholders including Central and State Governments, financial regulators civil society public private partnerships etc.,
- We have agreed that financial literacy, financial education lead to customer protection which leads to financial stability.



- You have come to India to the mystic East so I will give you a mantra, Our collective global goal is higher growth leading to inclusive and sustainable development. Our Finance Minister terms this the 'mool mantra' of Growth.
- Economic growth is essential but growth with equity is an imperative.
- Ladies and gentlemen, We must unhesitatingly embrace the need to build financial capability which leads to growth as the highest goal. It is growth that will lead to inclusive development without growth there will be neither development nor inclusiveness.
- The finance minister, presenting the Indian Budget quoted Stiglitz said "There is a compelling moral case for equity but it is also necessary if there is to be sustained growth. A country's most important resource are its people". You will all agree it is financially literate, financially educated and financially included people.



- At the end of the day ,there will be no dissent that it has been a great conference .We have indeed covered a lot of ground but several challenges remain, with distance still to go.
- Our first Prime minister Jawaharlal Nehru often recalled the words of Robert Frost  
“The woods are lovely dark and deep  
but I have promises to keep  
and miles to go before I sleep  
and miles to go before I sleep”.
- As Dr. Subbarao explained “A part, indeed an important part ,of the mandate of Central Banks is financial stability and an essential prerequisite for financial stability is financial literacy and the central bank has unique leverage in providing financial literacy”.
- We all agree on the need to build financial capability of our people. We need to empower people. Now it is the time to get down to do it and together we know we can.



THANK YOU

[deepalipantjoshi@rbi.org.in](mailto:deepalipantjoshi@rbi.org.in)