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**OECD-FSB Conference on Financial Literacy: “Financial Education for All”
27-28 October 2011, Cape Town, South Africa**

Opening speech by Mr. Rintaro Tamaki, OECD Deputy Secretary-General

Thank you very much Mr. Nhlanhla Nene
Distinguished delegates and experts, ladies and gentlemen,

It is a great honour for the OECD to welcome all of you to this important conference co-organised with our partner, the Financial Services Board of South Africa. I would like to thank Mr. Nene for his contribution and leadership, and to the Financial Services Board and South African government for hosting this event. It is a privilege to spend time in this beautiful city, located in such a diverse and dynamic country.

I would also like to acknowledge the support of the World Bank/OECD/Russian Trust Fund as well as FinMark Trust and the National Credit regulator.

I have been told that more than 66 countries are represented. That is impressive so let me thank you all, and especially those who have travelled long distances, for joining us today. Your commitment on the issues to be debated over the two coming days confirms the *timeliness and relevance* of this event globally and in Africa.

Before I give the floor to the many experts ready to share their expertise with you, I would like to spend a few minutes to 1) set the global and policy context of this conference 2) highlight avenues to advance the financial education agenda; and 3) underline that financial education can and should make a difference in people’s lives.

Speaking globally: With unfortunate brutality, the financial crisis has showed the need to rethink the financial regulatory paradigm and put consumers closer to its centre. This new context has rightly prompted the development of three interconnected and complementary policies or *trilogy* aimed at financially empowering consumers: a) broader access to, and use of, a range of financial services b) a better financial consumer protection framework and c) improved financial literacy.

Many recent examples illustrate this new approach. Let me just highlight a few:

1. **G20 Ministers of Finance and Governors** recently approved a set of Principles on Financial Consumer Protection developed by the OECD with the Financial Stability Board and other relevant Standard Setting Bodies and International Organisations. The development of these principles involved a wide consultation process with consumer associations, the industry and the public. These principles promote the trilogy of consumer empowerment. They were preceded in 2010 by G20 Principles for Innovative Financial Inclusion which also mentioned the role of financial consumer protection and education
2. In **South Africa**, the recent adoption of a twin-peak approach to financial prudential regulation highlights the importance of market conduct, financial access and education policies for overall financial stability.
3. In July, the **United States**, created a new Consumer Financial Protection Bureau to tackle these issues
4. At the beginning of this year, the **Russian** government launched an impressive programme to support financial education and consumer protection.

I could go on, but I know that G20 related issues and notably the integration of financial consumer protection and education strategies will be further explored later today. Let me turn now to my **second** point and stress that whilst global policy awareness is a noteworthy improvement, it is not enough. There is no doubt consumer empowerment policies in general and financial education in particular have gained momentum. This momentum should now be channeled towards better design and enforcement of evidence based policies and programmes aimed at further empowering our populations.

In this respect, the work of the OECD and of the 91 economies that are now members of its International Network on Financial Education is instrumental. Since 2002, the OECD has been leading the international development of principles and policy instruments for improved financial literacy. OECD governments approved a first general recommendation in 2005. This was followed by dedicated good practices for the insurance, pension and credit fields. The one on pension will certainly provide a solid ground for the pension experts speaking later this morning.

The OECD network also focuses on the development of tools to assess the efficiency of financial education programmes and monitor financial literacy progress worldwide: this includes principles and guides to evaluate the impact of financial education programmes as well as the first international data collection on financial literacy. You will hear tomorrow morning about the results of the first

cross-country measure of the financial literacy of adults, in which we are happy to count South Africa. The OECD Programme for International Student Assessment (also known as PISA), a worldwide assessment of the levels of literacy and numeracy of 15 year old students, will also include an option on financial literacy in its next round.

Finally, based on the good practices and the experiences of your economies, the OECD network is crafting principles and guidance to establish more coordinated and multi-stakeholder approaches to financial education; or to put it more simply “*national strategies for financial education*”. The advantages of national financial education strategies are numerous: they raise the profile of financial education; avoid the duplication of resources; allow multiple partners to set common and realistic objectives; and ensure that financial education programmes can be sustainable and relevant.

The achievements of this network are your achievements. I cannot emphasize enough the importance of conferences such as this one to share expertise and learn from each other. I am particularly eager to hear later this afternoon from our African colleagues on the development of financial education policies in their countries and the challenges and successes they have experienced. I take this opportunity to commend the significant work developed by our colleagues from the FSB in South Africa on financial education and their much appreciated contribution to the OECD network over the last years.

Finally and this is my **third and last point**, let me remind you of today’s conference title: “financial education for all”. More than a title, this could be the financial education motto. We should keep in mind that financial education is not meant only for sophisticated consumers or investors, but for each and every one of us including the most vulnerable populations. Some of my former G20 colleagues said at a recent seminar in Paris that “financial literacy has become a core skill of the 21st century just like reading, math or sciences” and should be considered as “an investment for the future”. I think we can all agree with this. Indeed financial education is about providing individuals with the essential *skills* to enable them to participate in today’s societies and economies, improve their wellbeing and protect themselves from associated risks.

In order to do so, in countries facing the *financial exclusion* challenge, the first objective of financial education may be to broaden the access, awareness and appropriate use of a range of financial services through tailored financial education programmes. Our Indian, Indonesian and South African colleagues will share their expertise and experience in this field tomorrow.

More generally, in order to have a positive impact on everybody’s lives and the wider community, financial education programmes should focus not only on developing *knowledge of products but on*

building capacities and seeking to reduce inequalities. Schools have thus a critical role to play in financial education. The OECD network has recently finalised guidelines to introduce financial education in the classroom. A workshop will be dedicated to related implementation and evaluation aspects tomorrow. Dedicated and efficient programmes are needed for adults too, especially those in difficulty, providing them with the tools to make savvy financial decisions, in particular relating to borrowing and saving. These will be the subject of the second workshop addressing the implementation challenge tomorrow.

Concluding my remarks, I would like to stress again the importance of your involvement in this conference. The presence of all of you helps to bring to the forefront financial education and policies to strengthen consumer empowerment. We can make real progress by identifying relevant, realistic and innovative policies and on-the-ground solutions.

I would like to thank you all again for your active contribution to this common effort and especially to thank our South African colleagues for co-operating with us to put together this rich agenda.

I look forward to fruitful discussion and exchanges of views and experience and wish you a very successful conference. Thank You.