



---

## RECOMENDATIONS FOR THE IMPLEMENTATION OF AN ECONOMIC AND FINANCIAL LITERACY STRATEGY FOR THE MINISTRY OF EDUCATION OF PERU

**ROMINA G. KASMAN**

INTERNATIONAL EXPERT IN CITIZENSHIP EDUCATION  
AND ECONOMIC AND FINANCIAL EDUCATION

### INTRODUCTION

Upon request of the Ministry of Education of Peru, the Instituto de Estudios Peruanos prepared the document “Reflections and Recommendations for the Design of an Economic and Financial Education Strategy for the Republic of Peru” as part of Proyecto Capital, funded by the Ford Foundation and the International Center for Research Development (IDRC).

The document\* provides the Ministry of Education of Peru (MINEDU) with policy recommendations in order to co-lead, within the framework of the Multi-Sectorial Commission for Financial Inclusion (Comisión Multisectorial de Inclusión Financiera – CMIF, in Spanish), the development of a national economic and finan-

cial education strategy.<sup>1</sup> This strategy is aligned with the basic education curricula adopted in June 2016, and seeks to guide and enhance the

---

<sup>1</sup> **Financial Education:** The Organization for Economic Co-operation and Development (OECD) defines financial education as “(...) “Financial education is the process by which financial consumers/ investors improve their understanding of financial products and concepts and, through information, instruction and/or objective advice, develop the skills and confidence to become aware of (financial) risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial wellbeing and protection” (Latin American Bank for Development, 2013, 15). **Economic education:** provides an active and experiential learning of economics, not only for knowledge and understanding purposes, but also—and fundamentally—for the development of critical competencies such as critical

---

\* The document was presented officially on July 18<sup>th</sup> 2016 at the Instituto de Estudios Peruanos and on July 19<sup>th</sup> 2016 at MINEDU, in Lima.

articulation of efforts among the different institutions and organizations working in this field.

This policy brief is a summary of the above-mentioned document and it aims at providing the reader with basic knowledge about: a) the main characteristics of economic and financial literacy strategies around the world; and b) the factors that should be considered for the development of an economic and financial literacy strategy in Peru, with a particular emphasis on citizenship education as well as on the implementation of actions that would support/serve the implementation of the economic and financial literacy strategy. Subsequently, this document identifies some policy challenges and proposes a series of ideas to promote the discussion on inter-sectorial and inter-institutional articulation, with an aim to ensure the adoption and implementation of a legitimate, effective and contextualized economic and financial literacy strategy that is sustainable over time. Finally, this document proposes a road map to advance the development of that strategy, considering the guidelines provided in the document “Reflections and Recommendations for the Design of an Economic and Financial Education Strategy for the Republic of Peru”.

---

and complex thinking (to be able to interrelate economic, political, social and cultural variables, both at national and global levels), problem solving, planning and decision making with regards to the allocation of scarce resources available to different spheres—personal, family, business, State, etc.—, and in accordance to personal and collective objectives and goals. Economic education does not teach us to think like an economist. Rather, it helps us understand topics that economists study and are relevant in our everyday life as individuals and members of a society.

## 1. WHAT ARE THE POTENTIAL CONTRIBUTIONS OF AN ECONOMIC AND FINANCIAL LITERACY STRATEGY TO FINANCIAL INCLUSION IN PERU?

Around the world, financial inclusion has become an increasingly well positioned issue in governments’ public policy agenda. Moreover, it has been included among the goals of the 2030 Agenda for Sustainable Development adopted at the United Nations by its member states in September 2015. However, only 31 countries around the world have adopted a national strategy for financial inclusion; nearly 25, such as Peru, are moving forward towards the definition/formulation of a financial education strategy.

Not all countries that have been developing economic and financial education strategies in the past years have adopted financial inclusion strategies, even if in theory the latter is one of the most important tools for the implementation of financial inclusion strategies. Like every other policy, the development of a strategy is a medium-term or long-term process; and they require the implementation of significant and substantial participation and consensus building mechanisms that involve the different actors, who are already participating, or will be doing so, in the future.

On the one hand, the latter could be a result of the fact that economic and financial literacy strategies have been recently considered as a tool or platform to build an inter-sectorial consensus platform around the design and implementation of a financial inclusion strategy. On the other hand, it could be also the result of the growing importance of the topic and the availability of funds for its promotion—even in cases when national financial inclusion strategies do



not exist—which drives different institutions and organizations to develop initiatives, programs, and projects in this field.

In any case, the linkage between financial inclusion strategies and economic and financial literacy strategies is critical. Their joint implementation is key to overcome the stagnation of financial literacy, which seems to be a common issue for countries that are not implementing it along with a financial inclusion strategy. It is usual that, in the medium-term and at the national level, the field of financial literacy may present a series of initiatives that, despite of showing the sector's dynamism, they also make visible a certain stagnation when it comes to scaling-up and scaling-out projects. In addition to limiting the potential results and impact of those initiatives, which may be also reflected in the decrease of the funding allocated for their advancement, one of the consequences of such stagnation is the impossibility of attracting new funds to keep the initiatives growing, innovating, and reaching new populations. Therefore, economic and financial education strategies are an excellent instrument for fostering articulation and complementarity between the existing initiatives, so that interventions in the sector may continue to move forward, increase their financing as well as avoid duplicity in the use of available resources. In short, the development curve of economic and financial literacy, which at the same time supports the advancement of financial inclusion, can reclaim its growing potential if, and only if, actors become more articulated and create a new paradigm for relating to each other. The latter entails the possibility of both reaching more people with their initiatives and increasing the quantity of actors with whom they interact (traditional or new in the field). This may imply the consideration of the priorities of those actors', and the review of the

process through which the available resources are allocated for executing innovative actions.

That is why the importance of an economic and financial education strategy that, while involving different stakeholders, it provides mechanisms that ensure their articulation and the cooperation. The question that remains for decision makers is: *What are the most suitable mechanisms for promoting inter-sectorial and interinstitutional collaboration and articulation that are sustainable over time, so that it is possible to show joint results that reinforce individual efforts?*

Vis-à-vis this process, Peru is making history, and economic and financial literacy seems to be the tool for bridging the gap between the availability of an institutionalized framework for promoting financial inclusion and its effective use. While the country is world-renowned as the one with the most favorable context for developing microfinance, it is also the one that presents the lowest levels of financial inclusion, which has, at the same time, direct impact on the levels of knowledge of, and trust in the financial system. Only 29% of Peruvians over the age of 15 have a savings account in a financial entity (well below the Latin American average, which is nearly 51%). Likewise, out of the 39% who saved money between 2013 and 2014, only 12% did it within the financial system. In the case of loans, out of the 28% of the population who claims owing a loan between 2013 and 2014, 11% applied for one at a financial institution (Instituto de Estudios Peruanos, 2015)

Given this context, an economic and financial literacy strategy should be developed to contribute to two objectives that are mutually related. On the one hand, it should raise awareness about people's economic and social rights and strengthen their ability to exercise them, by

learning to set goals, plan, and make responsible decisions that promote their personal, family, and community wellbeing. On the other hand, it should allow people to understand how the economic and financial system may help them achieve their goals, and how they can responsibly contribute, as citizens, to the development of such system, so that all citizens may enjoy that wellbeing.

Peru has all what is needed to achieve this. Over the last years, public policy and institutional frameworks have made as much progress as the implementation of practices of policies, programs and initiatives. The country is internationally renowned for its leadership in this field because of a long-term vision and a joint and committed effort among public institutions, the private sector, academia, civil society and regional and international organizations. An economic and financial education strategy constitutes, therefore, the opportunity to increase articulation between the institutional framework and the practice levels, so that they can move forward together and set the economic and financial agenda towards a common mid-term and long-term horizon. Far from being a “corset”, an economic and financial literacy strategy may represent a platform for scaling-up the efforts that have been carried-out up now.

## 2. FACTORS TO CONSIDER WHEN IMPLEMENTING AN ECONOMIC AND FINANCIAL LITERACY STRATEGY IN PERU

Per the OECD, a financial literacy strategy may be defined as a “nationally coordinated approach to financial education which consists of an adapted framework or program that:

- Recognizes the importance of financial education and defines its meaning and sco-

pe at the national level in relation to identified national needs and gaps;

- Involves the co-operation of different stakeholders as well as the identification of a national leader or coordinating body/council;
- Establishes a roadmap to achieve specific and predetermined objectives within a set period of time; and,
- Provides guidance to be applied by individual programs in order to ensure complementarity and articulation of efforts as well as to avoid duplication. (Grifoni & Messy , 2012, p. 11)

In Peru, one of the factors that should be considered when developing an economic and financial education strategy is incorporating the guidelines contained in the national curriculum for basic education that was recently adopted. Those guidelines link economic and financial literacy to citizenship education and are aligned with the goals established by the 2030 Sustainable Development Agenda regarding “Quality Education” (Goal N.º4), “Decent work and economic growth” (Goal N.º8), and “Reduced of inequality” (Goal N.º10).

Experiences throughout the world show that there is no unique model for developing economic and financial literacy. The design and execution of an economic and financial literacy strategy relies on existing contextual conditions, available funding, institutional capacity and existing techniques, experiences, institutional frameworks as well as the political will to continue to prioritize the implementation of public policies in this field, among other variables. **Therefore, it is key to have a diagnostic study that offers up-to-date and systematized information about the situation of economic and financial literacy in the country, that involves both local and national perspec-**



**tives** A study of such nature should take into consideration the efforts already carried-out by different institutions and organizations at the national and international levels.

To strengthen the institutionalization of the strategy, it is key to provide it with **its own legal framework by means of a public policy**— whether it is a ministerial or directorate resolution. In addition to the strategy's objectives, goals, components and actions, this legal framework should include a clear institutional engineering that determines roles, functions, and responsibilities of the institutions and organizations involved in decision making processes that have to do with the strategy, as well as with the legislation that regulates the actions of the institutions and organizations that carry-out initiatives, projects, programs, etc. in the field. Also, this legislation should contemplate the financial resources to be allocated to the strategy as well as the follow-up and evaluation methodologies. The strategy should contain mechanisms that ensure the production of public information and the creation of methods within the public's reach for accessing the strategy, so that citizens not only participate as beneficiaries but also in the accountability of the strategy's implementation.

Even though strategies or plans can be revised and may change over time, political commitments should endure. Therefore, one of the key factors for implementing a strategy is **establishing a foundational political action, such as, a “Pact for Financial Literacy” or a “National Financial Literacy Agenda”**. This foundational pact could encompass a commitment for implementing a roadmap with clear, concrete and contextualized working methodologies to implement each one of the phases of the financial literacy strategy or

policy. It is recommended that the roadmap is designed and executed with a decentralized perspective, that favors a more contextualized and participatory implementation.

One additional factor to consider is that **the strategy should strongly encourage citizens' empowerment: educating subjects of rights rather than (uniquely) consumers of financial products**. The new curriculum design adopted by the Ministry of Education made a vital step forward in this direction: through the competence “Manage Responsible the Economic Resources”, students are expected to learn about how the economic and financial system works and how to make responsible decisions regarding the allocation of their economic resources.

Given that the learning objectives included in the new curriculum for basic education have been adopted by means of law, they constitute a public policy and a legitimate framework that may guide the development of programs or initiatives of economic and financial literacy. Likewise, its evaluation by the Ministry of Education, through the implementation of national assessments or the participation in international tests, could be a very useful tool for the different actors involved in this field to measure the effectiveness of their efforts.

In fact, the use of the new curriculum as a guiding and structuring axis/framework of the current efforts in the field, would allow for articulating the actions carried-out in formal, non-formal, and informal education towards a common objective. This articulated interaction is key to achieve changes that are sustainable over time and owned by families and communities.

As we can see, the fact that economic and financial literacy is integrated in the national

curriculum for basic is a great advantage. The experience shows that when there isn't a mandatory study plan or, when ministries of education do not lead these types of initiatives—putting their technical and institutional capacity at the service of achieving the largest social scope possible, especially among the most vulnerable populations—the actions comprised by those strategies not only become fragmented or dissociated, but they do not reach the populations that need them most. **Therefore, in Peru, it is recommended that the Ministry of Education be the specialized agency within the public sector in charge of coordinating the development of the economic and financial literacy strategy.** The implementation of a strategy that articulates efforts and unifies objectives could have great impact in the democratization of the actors that carry out efforts in this field, in the expansion of the number of beneficiaries, and in the initiatives capacity for creativity and innovation.

Finally, and from a political point of view, if the Ministry of Education were to coordinate the strategy, it could have an important impact in the positioning of the country as a leader in dialogue and cooperation processes regarding education policies that take place at both regional and international levels.

In any case, it is key that the Ministry of Education, as an institution, has the resources it needs—institutional, human, and economic—to take a leading role in carrying forward this important initiative.

### 3. CHALLENGES AND IDEAS TO REFLECT OVER

The implementation of a strategy, policy or national plan presents its own challenges or

enabling conditions that involve factors ranging from resource availability—institutional, human, economic, political—to the capacity of foreseeing changes that could affect the strategy's continuity. In the following lines, we review some of the main challenges that may arise during the discussion about the design and implementation of an economic and financial literacy strategy for Peru:

- **Definition of economic and financial literacy: flexible over time and based on a human rights perspective:** As the implementation of the economic and financial literacy strategy progresses, experience shows the importance of revising, adjusting, and updating the definition of economic and financial literacy.
- **From planning to implementation:** The discussion may focus on both the gap between ideas and action, as well as on the type of implementation models to adopt. For example: top-down, bottom-up, or a combination of both, etc. The decision about the models will depend on contextual conditions, available resources, actors' capacities, and the desired scope.
- **Scope, continuity, and sustainability over time:** The development of an economic and financial literacy strategy should propose as one of its objectives the increase in the number of beneficiaries and their ownership of the strategy implementation process. Likewise, if it is sought that the economic and financial literacy strategy can be sustainable over time, it is important to have a legal and political institutionalization that will allow for both going from planning to the implementation of the strategy, as well as for generating a relevant organizational knowledge



(learning) that promotes the review and reform of the assumptions upon which the strategy was based on.

- **Interaction and reinforcement between the formal, non-formal and informal education:** In order to be effective, economic and financial literacy should be taught from an early age and in the formal, non-formal, and informal ambits. If possible, the mutual reinforcement of the learning developed in these different areas should be encouraged. The creation of intergenerational spaces for learning and practicing financial behaviors will only be possible if the implementation of the economic and financial literacy strategy is coordinated at all levels and it encompasses a constructive, inclusive and communitarian-participative perspective.
- **Participation and plurality: consensus building and legitimacy of the strategy.** The participation by beneficiaries and organizations and institutions which were not traditionally involved in decision making processes that set-out the policy principles and guidelines in this field, is key in the design and in every other stage comprised in the development of the strategy. An analysis of the literature on the topic and the practices in the field suggests the lack of spaces and/or mechanisms created for promoting and making this participation effective.
- **Evaluation.** The financial module of the PISA Test (Programme for International Student Assessment) is, without any doubt, an opportunity for learning how to evaluate of policies and practices in this field, as well as provide inputs that enhance the implementation of the economic and financial literacy strategy. In addition to participating

in international tests, it is key to advance in the design of contextualized evaluation models to be applied at the national, local, and school levels, including the classroom. The Ministry of Education could contribute with its technical capacity for designing those models, that could be used both for evaluating the student's academic performance within the framework of the existing curriculum, and for providing feedback to institutions and organizations that develop initiatives in formal, non-formal, and informal education.

- **Practice: opening of interrelated spaces and mechanisms.** According to the new curriculum adopted by the Ministry of Education the objective of economic and financial literacy is to develop citizenship competencies. Citizenship cannot be learned without genuine opportunities for its practice. Therefore, the teaching of economic and financial literacy requires that institutions not only coordinate among them to set the learning objectives but also to produce opportunities for its practice. In this way, the day-to-day practice will not find itself disconnected from the learning of contents, and it would gain the integral character that the exercising of full citizenship requires.

#### 4. ELEMENTS FOR DEVELOPING A ROADMAP

Considering the previous analysis, the development of a roadmap for the implementation of an economic and financial literacy strategy could have two key roles:

- *Provide suggestions or inputs for the elaboration of a plan of action that will allow for the design of the economic and financial li-*



*teracy strategy for Peru, coordinated by the Ministry of Education.*

- *Favor the creation of a framework for reflection and discussion among different actors that will enrich the decision making processes regarding the establishment of the strategy.*

In order to implement the strategy, it is key that the institutions and organizations involved:

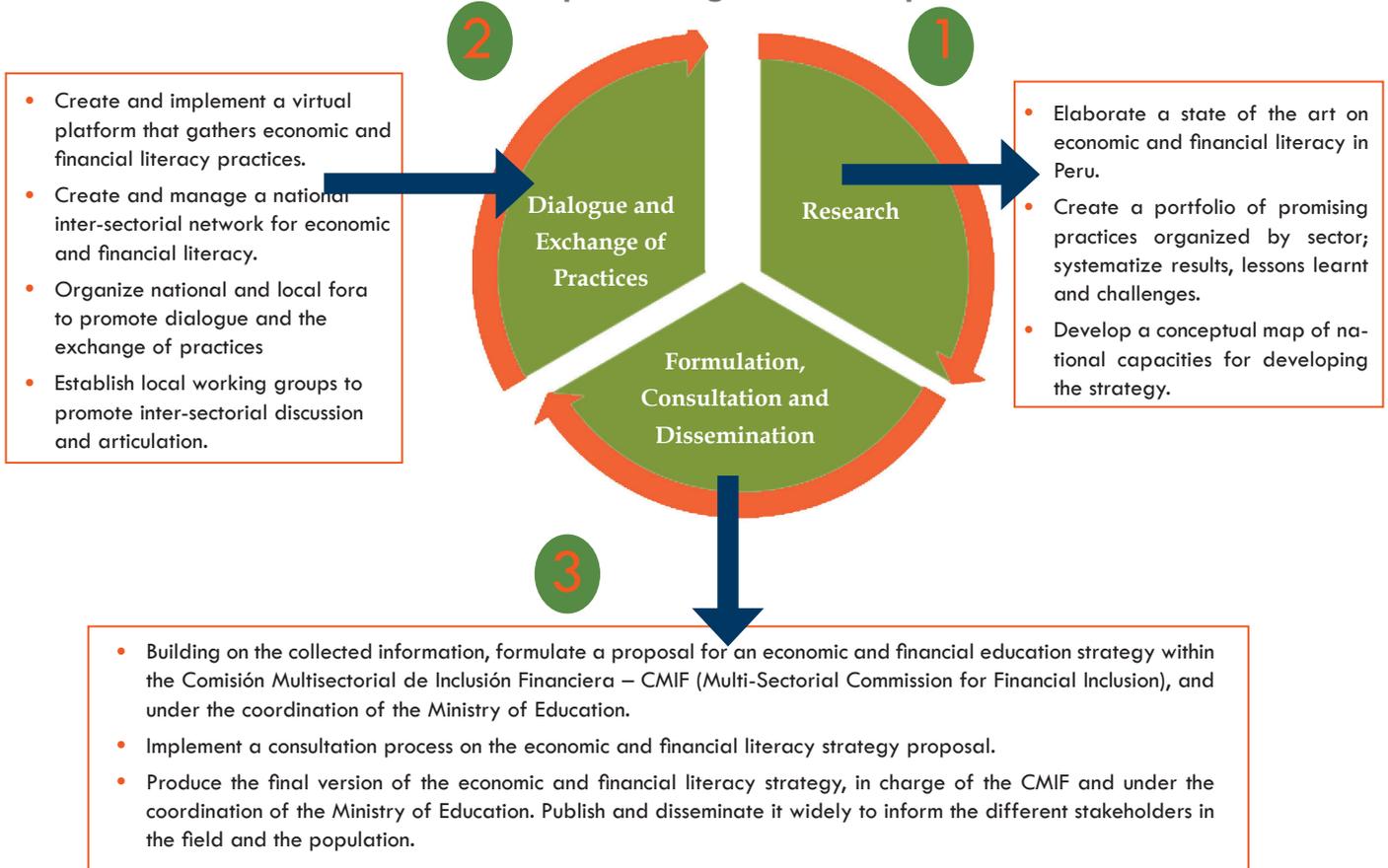
- Keep their institutional, economic, political and social commitment.
- Consider that is critical to augment their articulation, coordination and collaboration.
- Clearly identify the objectives and goals to which the strategy will respond to.
- Establish a new coordination instance in charge of carrying-out this strategy, which include a wide range of local and national actors and sectors from

different geographical areas, and with diverse cultures and practices.

- Recognize that public policies, such as the National Strategy of Financial Inclusion and the Curricular Design for Basic Education serve as frameworks and guidelines for the implementation of their initiatives.
- Create a monitor and evaluation plan to measure the progresses made vis-à-vis the implementation of the strategy, as well as to systematize and share promising practices, their challenges and learned lessons, and to generate knowledge that will be useful for revising and reforming those initiatives that are being carried-out.
- Take advantage of information and communication technologies to share the progress made vis-à-vis the strategy's implementation and the results of its initiatives, as well as to raise awareness of its importance among the population.



## Some Recommendations for Implementing the Roadmap:



## BIBLIOGRAPHY

Almond, G., & Verba, S. (1963). *The Civic Culture: Political attitudes and democracy in five nations*. New Jersey: Princeton University Press.

Banco Mundial (Dirección). (2016). *Mi número favorito (My favourite number)* [Película].

Carpena, F., Cole, S., Shapiro, J., & Zia, B. (2012). *The ABCs of Financial Literacy. Experimental Evidence on Attitudes, Behavior, and Cognitive Biases-*. Thailand. Retrieved April 5, 2016, from [https://www.poverty-action.org/sites/default/files/day\\_3\\_s4\\_zia.pdf](https://www.poverty-action.org/sites/default/files/day_3_s4_zia.pdf)

Child and Youth Finance International. (2012). *A guide to economic citizenship education- Quality Financial, social and Livelihoods Education for Children and Youth*.

Amsterdam: Child and Youth Finance International. Retrieved April 4, 2016, from <http://childfinanceinternational.org/library/cyfi-publications/A-Guide-to-Economic-Citizenship-Education-Quality-Financial-Social-and-Livelihoods-Education-for-Children-and-Youth-CYFI-2013.pdf>

Comisión Multisectorial de Inclusión Financiera. (Julio de 2015). *Estrategia Nacional de Inclusión Financiera del Perú*. Lima, Perú. Retrieved April 4, 2016, from [http://www.midis.gob.pe/dmdocuments/mid\\_estrategia\\_enif\\_2015.pdf](http://www.midis.gob.pe/dmdocuments/mid_estrategia_enif_2015.pdf)

Comisiones de las Comunidades Europeas. (2007). *La Educación Financiera*.

- Council for Economic Education. (2016). Survey of the States 2016. Retrieved from <http://councilforeconed.org/policy-and-advocacy/survey-of-the-states/>
- Griffoni, A. (Junio de 2015). La educación financiera: un proyecto global. II Foro Nacional de Educación e Inclusión Financiera. II Foro Nacional de Educación e Inclusión Financiera. Perú. Retrieved April 5, 2016, from <http://docplayer.es/2073039-La-educacion-financiera-un-proyecto-global.html>
- Grifoni, A., & Messy, F. (2012). Current Status of National Strategies for Financial Education. A Comparative Analysis and Relevant Practices. Francia: Organización para la Cooperación y el Desarrollo Económicos. Retrieved April 5, 2016, from <http://www.oecd-ilibrary>
- Instituto de Estudios Peruanos. (Diciembre de 2015). Diálogos de Política Pública. Qué hacer para que más peruanos accedan al sistema financiero y se desarrollen económicamente. Lima, Perú.
- Latin American Bank for Development. (2013). Financial Inclusion in Latin America and the Caribbean. Current situation and perspectives. (La educación financiera en América Latina y el Caribe. Situación actual y perspectivas.) SERIE POLÍTICAS PÚBLICAS Y TRANSFORMACIÓN PRODUCTIVA N° 12 / 2013. OECD.
- Ministerio de Educación del Perú. (2016). Currículo Nacional de la Educación Básica.
- Ministerio de Hacienda y Crédito Público, Ministerio de Educación Nacional, el Banco de la República, el Banco de la República, la Superintendencia Financiera de Colombia, el Fondo de Garantías de Instituciones Financieras, entre otras. (2010). Estrategia Nacional de Educación Económica y Financiera. Una propuesta para su implementación en Colombia.
- Organización de las Naciones Unidas. (2015). Global Goals. Retrieved April 5, 2016, from [www.globalgoals.org](http://www.globalgoals.org)
- Organization Economic Cooperation and Development. (2013). Current Status of National Strategies for Financial Education. Paris: OECD/INFE Comparative Analysis and relevant practices. Retrieved April 5, 2016, from <https://goo.gl/3YQd74>
- UNESCO. (5 de Abril de 2016). Portal de Educación . Retrieved from <http://www.unesco.org/new/es/education/themes/leading-the-international-agenda/education-for-sustainable-development/sustainable-development/>



This publication is possible thanks to the support of the Ford Foundation and the IDRC - International Development Research Centre

