ADDRESS AT THE 3RD OECD/GFLEC GLOBAL POLICY RESEARCH SYMPOSIUM TO ADVANCE FINANCIAL LITERACY: HARNESSING FINANCIAL EDUCATION TO SPUR ENTREPRENEURSHIP AND INNOVATION

07 May 2015

Ladies and gentlemen, I am delighted for the opportunity to address you today. I regret not being with you in person in particular because I really share your mission.

The importance of micro, small, and medium-sized enterprises to growth and employment can hardly be overstated. These make up the majority of enterprises in the world. They provide jobs and contribute significantly to national incomes. They therefore play a central role in sustainable, inclusive economic growth and development.

But many business people face real challenges that prevent them from starting a business and making it grow. This comes from an inability to make informed choices or knowing where to get advice. Financial education allows us to address this and thus fulfill their potential.

By improving the financial literacy of business owners through financial education we unlock jobs and growth, two elements so desperately lacking in many of our economies.

Today’s symposium marks the birth of the OECD/INFE work stream on financial education for micro, small, and medium-sized enterprises—an important step that will also identify best practices and policy recommendations. As ever, data and research form the core of any approach, allowing for evidence-based interventions. I, for one, very much look forward to staying abreast of your work and hope to use it in my conversations with policymakers in the future.

Finally, allow me to highlight an example from the Netherlands that I have been involved in. Qredits is an institution that offers loans to small and medium-sized enterprises ranging from €5,000 to €250,000. But the interesting part is that they couple their clients with coaches who help them with their businesses. The results speak for themselves. Five years and 4,500 loans later, 82 percent are still in business, while nationally only 67 percent of businesses are still around after only three years!

We need to address access to financial services, but this must be complemented with the transferal of the necessary skills to actually use these services effectively and to create proper demand. I wish you all the best in your deliberations and I really look forward to your results.

(Speech delivered by video. Click here to watch.)