

## **“No one left behind: a holistic approach to financial inclusion”**

Speech Nicole Stolk at the Seminar Financial Inclusion integrates the World  
4 October 2019

Twenty-two central banks and other financial supervisors discussed the need for a holistic approach to financial inclusion at the ‘Financial Inclusion Integrates the World’ conference in Amsterdam. On the second day of the programme, DNB Governing Board member Nicole Stolk delivered a speech in which she argued that wide access, good understanding and financial resilience are the basis for turning knowledge into smart behaviour and responsible use of financial products and services. In particular, consumers must be able to cope in an increasingly digital world. While digitisation is an excellent way to connect people, there is always the danger that people with low digital literacy cannot keep up.

## **SDGs: guiding principles for financial inclusion**

Today is already the last day of our seminar on financial inclusion. So now I want to share some observations with you about the progress we have made on this subject. I would like to discuss this from an international perspective. But also with a focus on the Netherlands.

Imagine it's the year 2030: the seventeen UN Sustainable Development Goals have been achieved. All seventeen of them. Imagine how our world would be then. No poverty. Zero hunger. All people equal. No more climate crisis. And the 1.7 billion adults, who in 2017 had no access to financial services. They now all enjoy the benefits of a bank account. They can get microcredit for their businesses. They have peace of mind with insurance. It is a better world for everyone. And a much better world for central banks and other financial authorities. Because supervision and macroeconomic stability should not be our only focus.

We also need to turn our attention to the other major challenges of the day: the digital revolution, safeguarding data privacy, the changing climate. Everything we can do to help make our world a more sustainable place. For central bankers – but for everyone else here too – the SDGs are an excellent blueprint for achieving this sustainable world.

Financial inclusion is featured as a target of eight of the seventeen sustainable development goals. For example, quality education, robust infrastructure and decent work for everyone. Financial inclusion has a big role to play in achieving the SDGs. It helps the poorest of the poor. For example, digital financial inclusion has given many women in remote rural Indian communities access to a bank account and microcredit. It unlocks new sources of income for them. Enabling them to lift themselves and their children out of poverty. I am convinced that over the next decade, we can together take substantial steps towards making these sustainable development goals a reality.

## **Financial authorities contribute to financial inclusion**

Every single organization, whether in the public sector, or the private sector, should look at how it can contribute to these SDGs with their own activities. This is also what central banks do. It is the mission of De Nederlandsche Bank to safeguard a stable financial system, solid financial institutions and smoothly functioning payments. As a result of our mission, we contribute to SDGs such as decent work, economic growth and good infrastructure.

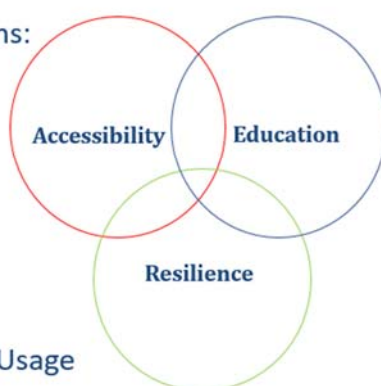
Earlier this year we reviewed our strategy and priorities. We have now set out the way forward for the next five years. I'm sure you do the same at your organisation too. Our new strategy is called DNB2025. In it, we set out how we will fully integrate corporate social responsibility, or CSR, in all areas of our work. And today's subject, financial inclusion, is of course a big part of CSR. Our new strategy means we will systematically consider the CSR impact of all our activities from now on.

## **A holistic approach is needed to effectively stimulate financial inclusion**

We all know how financial inclusion can empower people so they can play a fuller role in society. When we talk about financial inclusion, we apply a broad and internationally-accepted definition. Financial inclusion is not just about having good access to the financial system, it is also about having knowledge of financial products, and improving financial resilience of people and businesses.

## Package approach needed for Financial Inclusion

- Three dimensions:



- From Access to Usage

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We need all three of these dimensions to make the most of financial products and services. Only then can we – can you – make a fairer and more inclusive world. Which also strengthens financial stability on the macroeconomic level. This holistic approach is not one-size-fits-all. It varies depending on the country, culture, regions and target groups. But again, it can only be effective when all three dimensions are covered.

To stress this, I'd like to quote the wise words of two pioneers of financial inclusion:

To begin with, Sri Mulyani Indrawati, Indonesia's Minister of Finance and former head of the World Bank Group:

"Financial inclusion matters not only because it promotes growth. But also because it helps ensure prosperity is widely-shared. Access to financial services plays a critical role in lifting people out of poverty. In empowering women. In helping governments deliver services to their people."

To help ensure prosperity! Isn't that exactly what central banks do?

Now I'd like to read the words of Vince Shorb, CEO of the National Financial Educators Council of the United States. He stresses the importance of deploying knowledge to learn skills, and to bring about changes in behaviour:

"It takes more than financial literacy to truly help people work towards a stronger financial situation. Attention must also focus on their behaviors, self-efficacy and help them develop systems to truly make a positive impact."

Again, this is clearly one of the jobs of central banks and other financial authorities!

### Financial and digital inclusion initiatives in the Netherlands

Now I want to consider some of the practical implications. I'd like to take a couple of minutes to show you how we promote financial and digital inclusion here in the Netherlands. In the hope that you, the bright minds gathered here, get some ideas to inspire you in your own good work.

Anyone with access to payment services. Anyone with a bank account. Anyone with access to mobile banking. The way is also open to them to take advantage of other financial products. For example, savings, loans or even more complex products like a mortgage or pension. That is why everyone should be able to open a payment account, preferably at a bank. Nearly all adults in a rich country like the Netherlands have a bank account. But even here it is not a given that everyone knows how to use

this account properly. Or that they will be able to keep using it. That is largely down to the speed with which payment methods and other financial services go digital.

For many people, this is too fast. The Dutch Consumer's Association estimates this is the case for around a quarter of the people living in the Netherlands. 2 million older people and 2 million disabled people. You can pay by card or cash, but payments with smart mobile apps are becoming increasingly popular. Vulnerable groups like the elderly, illiterate people, and people with no internet literacy, run the risk of being excluded..... also in the Netherlands.

Digitisation is an easy way of connecting people, but it can also obstruct financial inclusion. The digitisation we see happening around us requires consumers to have knowledge of digital resources. The Dutch government is also aware of this. That's why it launched a major digital inclusion project at the end of last year. Over two and half million people in the Netherlands have difficulties using digital resources. On top of this, of the 17 million people living in the Netherlands, 1.2 million have still never used the internet. That is why De Nederlandsche Bank also focuses on stimulating digital financial inclusion.

We need to understand that there are two sides to digitisation. On the one hand it is an excellent way of connecting people and giving them access to the financial system. Take something like an app on your mobile that lets you safely and easily transfer money to other countries. But we also have to make sure we don't exclude people with low digital literacy. Of course, I'm not saying we need to slow down digitisation. Just that it's very important for us to guide the digital revolution in a smart way.

### **NFPS is committed to broad financial inclusion**

Now I'd like to give you a few examples of what we are doing at De Nederlandsche Bank to improve digital and financial inclusion. First, We chair the National Forum on the Payment System. This platform brings together users and providers of payment services and products from across a wide range of backgrounds. They meet regularly to discuss how to improve accessibility and availability of these services and products. Because vulnerable groups also need to be able to participate in the payment system. That way, everyone who wants to or needs to, can continue using analogue banking services instead of digital services. And to pay in cash.

#### **National Forum on the Payment System of the Netherlands**

- **Objective:** contributing to an efficient organisation of the Dutch retail payment system from a social point of view
  
- To foster:
  - Efficiency & Reliability
  - Accessibility & reachability
  - Financial Inclusion
  - Digitisation
  - Innovation



Second, Last year the Forum approved several measures to maintain access to financial services for the most vulnerable groups in society. This is particularly important, considering the increasing digitisation of payments, and the decline in the number of bank branches in the Netherlands. The elderly and the disabled must be able to continue carrying out basic financial tasks on their own. Banks have also been asked to put a special accessibility page on their website with an overview of how they

cater to the needs of vulnerable groups. They can also appoint an accessibility coordinator. In all cases, it pays off if representatives of vulnerable groups are involved from the very start when designing new financial products and services.


### **ERPB report to safeguard accessibility to the payment system**

Third: Another example of what we are doing is calling for improving access to payment systems at European level. We know all too well that you can only truly achieve something by working together. In recent years, in cooperation with the Euro Retail Payments Board, together with Age Europe, we led an informal working group with stakeholders to improve accessibility. Payment terminals, ATMs, internet payments, mobile payments and card payments. All these methods of payment have to be accessible for everyone.


One particularly successful European initiative I'd like to mention is Pay-Able, a platform that strives for barrier-free access to payment terminals. Inspired by the European Accessibility Act, implemented in the Spring of 2019, we released a report outlining numerous best practices for accessibility.

## Accessibility Issues & Best Practices ERPB-report 2018

- ATMs
- POS terminals and ticketing machines
- eCommerce payment facilities
- Mobile retail payment facilities
- Cards



Final report  
ERPB informal working  
group on Accessibility



• Issues and best practices are listed in chapter 3 and annex 1 of the report

Many of these practices are of course focused on digitisation. The report outlines two concrete solutions: firstly, various banks have included speech technologies in their various payment apps. Secondly, an increasing number of ATMs and payment terminals use voice assistance and light and sound signals to help disabled users.

And fourth and finally: I also represent DNB on the Steering Committee of the Money Wise platform. This platform was set up by the Dutch Minister of Finance and several other public and private sector organisations. Every year we carry out all sorts of projects to improve Dutch people's knowledge of financial products. And to encourage financially responsible behaviour. Her Royal Highness Queen Máxima is honorary patron of the Money Wise platform.



### About the Money Wise Platform

People with proper financial skills stand more firmly in life. They have a better grip on their personal development, they are better prepared for risks and can better withstand hard times. At the same time, financial affairs and financial products are becoming increasingly more complex and in this digital era money seems to have become virtually intangible. This can put people's financial self-reliance under pressure.

- > About the Money Wise Platform
- > National strategy
- > Programmes and activities
- > Governance
- > Honorary Chair of the platform
- > Projects attended by Honorary Chair
- > Press
- > Pension3Days
- > National Money Week
- > Library



What we have learned is that campaigns for raising public awareness are much more effective when they fulfil two conditions. First, when stakeholders work together. And secondly if events are repeated, ideally internationally. You may already be familiar with Money Week. This is a programme of activities we put on every year to help schoolchildren learn about using cash, making card payments and encouraging them to use money responsibly.

### UNSGSA stimulates global financial inclusion

This is just some of the work that Queen Máxima is involved in. She has also acted as the UN Secretary-General's Special Advocate for Inclusive Finance for Development for over a decade. She focusses on two target groups in particular: entrepreneurs in need of microfinancing, and women who still do not have a payment account or good financial literacy. This is one area where Fintech can play a powerful role.

## United Nations Secretary-General's Special Advocate for Inclusive Finance



### Queen Máxima, World Leaders to Participate in UN General Assembly Financial Inclusion Event

It will be a special celebration of the progress made in financial inclusion over the last decade, and a recognition of financial inclusion's importance to the 2030 Agenda.

It will include the participation of UN Secretary-General Mr. António Guterres, President of the World Bank Group Mr. David Malpass, Co-Chair of the Bill & Melinda Gates Foundation Ms. Melinda Gates, and more leaders, on 25 September at 4:30pm.

[READ MORE](#)



### Public Goods for Financial Inclusion in Focus During Bangladesh Visit

With a growing economy and increasingly digitally connected population, Bangladesh



### UNSGSA Introduces W20 Acceleration Platform for Women's Economic Empowerment

During the recent G20 Summit in Osaka, the Special Advocate introduced the W20



### Regulatory Sandboxes Not Always the Answer for Regulating Inclusive FinTech, Says New Report

Regulatory sandboxes are neither necessary nor sufficient to promote inclusive fintech.



## **Good cooperation is the key to success for financial inclusion**

I think I've already said this a couple of times, but it's so important I'll tell you a third time! The key to success for financial inclusion is good cooperation between all stakeholders. Across the public and private sector. A sophisticated vision and strategy can help create support and unite stakeholders. We have learned that the most successful initiatives are closely in tune with the country's culture. Initiatives need to offer public and private stakeholders the chance to join forces and discuss their vision, strategy and activities. And we can learn from each other in international fora and at seminars like this one in Amsterdam.

## **Conclusion**

I've described how digitisation can be an important driver in taking financial inclusion to the next level. I've said that good access to the payments system and financial services is not something that can be taken for granted. Not even in a developed economy like the Netherlands. Where almost everyone has a bank account. The digital revolution will continue to transform our world. We must not let the most vulnerable groups in our society get left behind. So they can still enjoy access to finance.

I'm sure you'll agree that this is our moral duty. By stimulating good cooperation between all stakeholders, and by doing all of this we move one step closer to a world in which the SDGs have been achieved!

Thank you very much for listening.