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Original Research

Eco-political Perspective of Financial Literacy in Nepal

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Abstract

The eco-political perspective of financial literacy examines the interplay of finance, economics, and politics in shaping financial literacy's content, methodologies, and objectives. This paper critically analyzes stereotypes in financial education within both educational and financial sectors, highlighting overlooked aspects of financial literacy theories and practices in Nepal. Adopting a descriptive and analytical approach based on the neo-liberal financialization outlook of the 1970s, the study emphasizes how neo-liberalism has profoundly influenced human lives through money, finance, and banking. The paper identifies two key findings: a) Financial literacy initiatives' content, objectives, intentions, policies, priorities, processes, delivery mechanisms, and expected outcomes are heavily influenced by eco-political perspectives, and b) Non-commercialized financial education policies and curricula from the educational sector, along with autonomy-driven financial policy formulation from financial sector, are relatively appropriate. The paper concludes by rejecting stereotyped, commercialized, and uncritical financial literacy policies and initiatives. It advocates for a new discourse on the eco-political perspective of financial literacy initiatives to enable people to become financially literate and critical citizens.

Keywords: *financial literacy, financialization, neo-liberalism*

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Introduction

Financial literacy is a growing priority and research attention of policy makers, service providers and users, practitioners and academicians both in educational and financial sectors. Based on neo-liberalism, contemporary global and domestic financial scenarios are widely affected by globalization followed by financialization, domestic liberalization, rapid innovation of financial technologies, growing concerns of international financial agencies, fascinated personal financial needs and increased consumerism of individuals, increasing easy money-making aspiration of individuals that necessitate the financial literacy to consider as a common personal financial concern. Here, Ayhan (2019) argues that financial literacy is a growing prominence of eco-political changes begun in 2000s around the world which was backed up by neo-liberal global financialized phenomenon.

On the references, this paper is theoretically prepared by criticizing growing number of researches based on instrumental measurement and use of commercialized motives of financial literacy initiatives. Similarly, the paper opens a discourse on financial literacy that is concentrated to forward looking, critical and empowering people in terms of understanding and enabling them to take appropriate decisions on personal financial issues. The paper is basically prepared of desk review and also has mentioned some of the secondary data.

World financial crisis, 2008 is taken as milestone departure of financial literacy studies and initiatives in several countries. However, financial literacy research and studies are prioritized aftermath of the crisis. The crisis around the US and European economy was basically begun with the debt crisis. The crisis was supposed to cause by a massive debt default in US financial market. Here, Rinaldi (2016) argues that the global financial crisis is an outcome of purchasing of high-risk shares without having sufficient understanding, taking heavy amount of loans without fully understanding and assessing the costs and risks of debt. However, Kotz (2009) believes that the crisis is a systemic crisis of neoliberal capitalism. Further, Ayhan (2019) argues that financial capital agenda of neo-liberalism has embraced the agenda of financial literacy as a new project of corporate social responsibility. These ideas help to explore a link between financial literacy and the global financial crisis.

Concept of Financial Literacy

In the later decades, financial sector is being more complex because of growing number of financial institutions and increased interests of stakeholders in the financial market. However, the financial complexities are taken as general phenomenon in liberalized and commercialized financial system, which is generally prevailed by conflicting interests of financial stakeholders. Growing concerns of financial stakeholders such as regulator, service providers and consumers of financial market vis-à-vis innovation in financial services in the market seek more financial architecture. The central focus of the architecture is about selling more financial services to the consumers and making more money and profit of limited investors. Therefore, the market necessitates existing and potential consumers to educate, motivate and habituate the prescribed financial services. Here, the financial literacy is taken as a new tool.

On the ground, some studies focus on financial complexities that give rise to significance of financial literacy. Isomidinova and Singh (2017) argue that the need of financial literacy is increased in a complex financial landscape. The financial complexities are caused by liberalization of financial markets and political reforms (Ergun, 2018), proliferated financial products (Oseifuah & Gyekye, 2018), flooded advanced financial products introduced by financial liberalization and unsophisticated investors (Bedi et al., 2019). Here, Faulkner (2022) agrees that complexities of new financial products and globalization give rise to need of financial literacy around the world. However, growing number of financial literacy initiatives based merely on corporate nature, scripted contents and consumer citizen approach aim to sell short time, cosmetic, window-dressed, fascinating and merely profit motive financial products to the people. These behaviors are connected with corporatization of financial practices that aim to privatize the profit and socialize the losses. Here, Ayhan (2017) argues that financial education can help to create more demand for financial services by which service suppliers can earn and preserve more profits.

Financial literacy, as a common construct of financial industry and societies, is also synonymously taken as banking and financial education (e.g. Bedi et al., 2019; Wagner, 2019), financial knowledge and capability (e.g. Cera et al., 2020; Tahir, 2021), human capital (Kozina & Ponikvar, 2015) and personal finance (e.g. Thomas & Subhashree, 2020). Thus, personal finance concerns knowledge of money and management skill of personal income, expenditure, saving and investment, borrowing, insurance and transfer of money. Moreover, financial literacy nowadays is also a way of thinking critically about values and culture of money, income, financial service and system, a means of financial communication, an art of living in a financial system autonomously, a way of storing financial knowledge and a means of using necessary medium of exchange.

There are four common dimensions of financial literacy around the world studied and discussed so far, i.e. financial knowledge, skill, attitude and behavior. Here, Chaulagain (2018a) proposes financial education and well-being as backward and forward linkages of the financial literacy dimensions respectively. Further, Rui (2019) and Chavali et al. (2021) find that financial literacy also has well-being implication.

Mireku et al. (2023) find that financial literacy has explanatory power to financial behavior. But, Willis (2017) rejects that financial literacy education is able to prepare individuals retirement planning, reduce indebtedness, and save from financial crisis. Differently, Gerth et al. (2021) find that financial literacy promotes overconfidence. The overconfidence is possible when the financial literacy is more commercialized and that can motivate individuals towards greed-based investments with costlier borrowings. Financial overconfidence is taken as a psychological phenomenon in liberalized financial system where the investors feel that everything goes as their expectation. Overconfidence and financial illiteracy have invited crisis on cooperative sector of Nepal since last two decades. There are some victims of micro financial institutions and some usury issues (meter-interest) of landlords and merchants especially in terai and rural areas of Nepal. Most of them are suffered from poor financial literacy and poverty. Moreover, Yuesti et al. (2020) find that financial literacy, attitudes, behavior and wellbeing are interrelated to each other. However, Chaulagain (2018a) argues that financial literacy helps in developing positive attitude in personal finance and if the attitude is positive, probability of making good financial decision of an individual increases. From the above description, financial literacy revolves around financial knowledge, skill, attitude and behavior with addition to financial education and well-being.

Major international agencies involved in financial literacy studies such as the World Bank, Organization for Economic Cooperation and Development (OECD), Program for International Student Assessment (PISA), etc that advice to developing and underdeveloped economies prioritizing financial literacy for national development. Ayhan (2017) mentions that two of the leading agencies (OECD and World Bank) are working on four key areas: standard setting, policy-related work, financial literacy/capability surveys, and educational tools. Similarly, OECD (2020) and OECD (2022) prescribe financial literacy measurement methodologies based on instrumental financial knowledge, attitude and behavioral contents. Nepal Rastra Bank ([NRB], 2022b) also uses OECD toolkit of financial literacy in a study as it is. On the basis of limited surveys, the agencies try to create a knowledge gap, divide people into literate and illiterate and prescribe certain financial education tips such as buying insurance, debt instruments and investment of financial resources to remove their financial illiteracy, etc. OECD (2023) mentions that there is a significant financial literacy gap in south-east Europe and it offers selected financial literacy contents. However, there is possibility of such prescribed financial education ultimately create chances of generating financial indebtedness, greed and financial addiction.

Theoretical Premises Used in Financial Literacy Studies

Financial literacy is researched from different theoretical perspectives in previous studies. Lucey and Henning (2022) argue that citizens need to use appropriate ideologies to interpret financial literacy and its relationship. Arthur (2012) uses neoliberal consumer-citizen perspective in explaining financial literacy. He argues that most of the liberal form of financial literacy education insists in producing loyal consumer citizens consuming supplied financial services rather than producing conscious and critical citizens. Nepal Rastra Bank (2022a) desires to educate financial consumers of financial service providers about to their financial products. However, the concept of consumer citizen refers to promote, create and increase loyal consumers of supplied financial services and tax payers.

Ayhan (2017) uses cultural political economic perspective to enable individuals as responsible citizen through financial education. Begich (2017) uses choice theory and social learning theory. The social learning theory focuses the human behavior based on demonstration effects and learning from others without forming any intention to behave. Lajuni et al. (2018) use theory of planned behavior, whereas Chaulagain (2018a) uses both of theory of planned behavior and social learning theory to explain the contribution mechanism of financial literacy to behaviors. The theory of planned behavior asserts that human behaviors are influenced by knowledge, attitude and intention. In this sense, the former perspective seems more rational and judgmental than the later in taking financial decisions.

De Beckker et al. (2020) use financial socialization theory which reveals that the process of acquiring and developing social values, standards, norms and personal knowledge, attitude and behaviors contribute to the financial viability and wellbeing of individuals. Cera et al. (2020) use capability theory and self-efficacy theory in their financial literacy study. May (2023) uses critical race theory and family financial socialization theories. Most of the theories used in financial literacy researches mentioned above show the interconnectedness of finance and individuals. Some theories are positivistic and some are critical in nature. However, in this study, financialization approach, developed in 1970s as an immediate attribute of neo-liberalization is used to analyze eco-political perspective of financial literacy.

New Approaches in Financial Literacy Studies

To some extent, patterns and approaches of financial literacy studies have departed from positivistic thoughts in later decades. Soroko (2021) suggests that a more critical and transformative financial literacy education is relevant that can contribute to curb escalated economic inequality, increased racial wealth gap, increased mass employment, repeated financial crisis, etc. Zokaityte (2017) rejects traditional measurements, which are unable to capture the complexities of knowledge and decision making of the individuals in personal financial matters. He advices to capture people's reasoning process in making financial decision, to search the reasons why people are failing to pay bills and debts in time and find the knowledge and skill gaps why they are unable to make financial plans.

Similarly, Hutten et al. (2018) discard a linear fashion, consumer education and a stereo-typed financial education, which are beyond longitudinal research and discourses. They further oppose the 'mainstream' financial literacy by proposing a critical financial literacy (CFL) program that empowers citizens to question the role of finance in society. In the same line, Parajuli (2021) rejects stereotype of knowledge production epistemology in research and suggests that knowledge should be based on learning, experiencing, critical judgments, equity, justice and kinship. Dhakal (2019) has also critiqued the so-called given knowledge and called for more sociologically situated understanding of any social phenomenon. Therefore, the conventional ways of measuring financial literacy that only help bringing expected and pre-assumed levels, relationships, impacts and determinants are necessary to leave behind.

Some studies are longitudinal that use transcendental phenomenology (Begich, 2017), participatory method (Lubis, 2018), critical theory (Hutten et al., 2018), Meta analysis (Kaiser et al. 2020), bibliometric analysis (Bedi et al., 2019), ethnography (Ayhan, 2017), scientometric approach (e.g. Cespedes et al., 2021), content analysis (e.g. Faulkner, 2022), narrative inquiry (May, 2023). Commonly, the studies explore social, economic and political aspects of knowledge about money management, political aspects of currencies and their exchanges, spirit of producing long-term financial consumers and sometimes increasing inequalities in terms of financial wealth. The longitudinal studies commonly conclude that financial literacy needs to go beyond measuring limited knowledge and narrow descriptions of few personal financial issues.

Interconnections Among Neo-Liberalism and Financialization

Neo-liberalism is taken as a post-liberal era of world politics and finance that stems on the concept of *money rules over the universe* and it desire to set all of the economic orders thereby. Emphasis of the neo-liberalism goes to liberalizing economy, education and thereby prioritizing private investment both in education and finance, among others. However, financialization is stemmed on privatization, deregulation, and non-intervention and self-adjustment principle of financial market. Haiven (2017) opines that financialization can be taken as monetization of finance, insurance, and real estate sector and the broader economic, political, social, and cultural transformations. However, financialization is taken as a process of connecting money in every aspect of human lives, irrespective to humanity, local cosmology, ethics, moral values, environmental sustainability, domestic production and distribution mechanism, equality and equity, etc.

Bichler and Nitzan (2012) define financialization as an increasing ratio of financial activities in economy more than non-financial and unproductive activities and a new chronology of imperialism. However, Dumenil and Levy (2011) reveal that financial globalization and financialization are similar to each. Piketty (2014) expresses that globalization developed in 1980s reproduces capital faster than production and employment and thereby effects of financialization increases manifolds. Further, Ayhan

(2019) describes financialization as the set of financial actors, degree of financial transaction, efficiency of financial market, interaction between domestic and foreign financial market, etc.

The world financialization including Nepal has invented ideas of selling financial services to make more money. For this, access and inclusion of more people in the financial market is necessary to expand. Meanwhile, increment of financial debt, some arbitrary financial trades and concentrating financial resources to certain centers are developed as latent solution. Harvey (2005) expresses that neo-liberalization is taken as financialization of everything. However, he further argues that financialization shifts production activities into financial activities.

Financialization is also taken as corporatizing education and finance in which the corporators seek more profit by selling education. Thus, in financialization, corporators need more buyers of their services such as insurance, education counseling institutes, financial debts, etc. and educate them how to buy it. In the financial market mechanism, all of the people are expected to be involved in consuming supplied financial services as aimed 'financial inclusion'. Meanwhile, market imperfection is taken as primary feature of liberal financial market mechanism, whereas Dunn (2023) claims that market imperfection is one of the significant barriers of financial literacy.

Moreover, Kotz (2008) argues that financialization has deeper root of neo-liberalism that mostly depends on financial dominance and exploitation over the people and communities gradually. The connection of financialization with financial literacy prevails when people are targeted as sources of profit by selling tangible and intangible financial assets. In this, Willis (2017) argues that money management concepts embedded in financial education are based on market ideology rather than market reality. Therefore, intense, unsystematic and non-regulated financialization has possibility to promote predatory finance (e.g. Arthur, 2016; Hamilton & Darity, 2017), predatory lending (e.g. Soroko, 2021; May, 2023) and predatory financial market (Pollard, 2016). Therefore, financial literacy should contribute to control legitimizing predatory financial practices in the economy.

Financialization in Nepal

Nepal's financialization process dates back to the beginning of 1980s with currency devaluation and establishment of three joint venture commercial banks. During the decade, the currency devaluation moment invited IMF's and WB's interventions as SAP, ESAP and PRGF with specified clauses of liberalizing Nepali financial sector. With the liberalization process realized in the 1980s, the productive capital was diverted to financial capital and thereby the size of financialization increased in the country. In this, NRB (1996) mentions that it played the role, in the initial phase, to establish more banks and financial institutions based on 'supply leading finance' doctrine.

Meanwhile, the pace of foreign employment was also increased resulting in an increased volume of remittance inflow. As a result, the size of consumer credit, deposit volume and remittance earning have been significantly increased. Increasing number of financial service providers also contributes to increase consumer credits. Nepal is also taken as one of the rapidly financialized countries in the world. However, the country is lagged behind in terms of social development, domestic production spheres, weaker GDP growth and fair distribution of national wealth, etc. This paper uses time series macro-level data with five years interval ranging from 1988 to 2023 by focusing growth of selected six major indicators to highlight speed and direction of financialization in Nepal. The indicators are saving, loan, import, export, national debt and remittance earning (See Appendix).

Critical Pedagogy of Financial Literacy

Critical pedagogy of financial literacy refers to an autonomous teaching learning process in terms of instruction, setting objectives, evaluation and emphasis of the contents of financial knowledge and skill. Critical pedagogy of financial literacy rejects instrumental, scripted and prescribed, and controlled nature of knowledge system in finance. Ayhan (2017) comments that based on the governmentality approach; most of the pedagogy of financial literacy initiatives is controlled by financial institutions, regulators and the government. By rejecting western styles of hegemonic modern schooling and knowledge system, Parajuli (2014) emphasizes on local ways of knowing and valuing the traditional wisdom systems. By prioritizing neo-liberal framing, Soroko (2021) advises to navigate financial literacy education to teach common, critical and transformative orientation of financial literacy to attain pedagogical aims.

By rejecting commercialized financial literacy, Arthur (2012) argues that ongoing financial literacy policy and pedagogy is focused merely on individualization of financial risks and autonomy as consumer-citizen. He further comments that too often financial and economic contents in curriculum of financial literacy can promote depoliticized issues that are beyond neutrality and impartiality. In this, Pollard (2016) argues that a critical pedagogical approach of financial literacy education helps to protect people from neo-liberal market mechanism of financial literacy. Rinaldi (2016) argues that critical vision of financial education does not only depend upon class position of subjects taught but also captures fairer social education and macro-economic cycles.

Further, Willis (2017) opines that pedagogy of financial literacy should assist poor and marginalized people to acquire knowledge and skill in managing personal finance according to the current economic order. Hutten et al. (2018) propose critical financial literacy pedagogy that empowers citizens questioning finance in society and its interconnectedness with citizens and society. Khalil (2021) suggests focusing on financial literacy education that can produce critical, proactive justice-oriented citizens in financial system that are able to find root causes of economic inequality and eco-political system that can contribute in economic transformation. NRB (2022a) proposes a core competency framework developed by OECD. Therefore, critical financial literacy is a way of knowing and applying personal finance that only can better understand, explore and solve financial issues of individuals rather than commercialized, prescribed, instrumental and partialized financial literacy.

Eco-Political Perspective of Financial Literacy

Eco-political perspective of financial literacy, which is widely used, focuses identifying eco-political intentions, socio-economic policies and initiatives, financial rights and responsibilities of citizens, contents and long-term impacts of financial literacy concepts and initiatives. The eco-political perspective of conventional studies and some of the international institutions has bounded financial literacy as merely enabling people to consume the financial services. Further, Nepal Law Commission (2015) mentions political economy of Nepal on the ground of thematic premises of the constitution is to assure equal and equitable access and inclusion of citizens in health, education, finance, business, and politics.

The conventional political intention of financial literacy revolves around a general knowledge on finance and producing neo-liberal financial consumer citizen (Arthur,

2012) and producing resilient debtors (Pollard, 2016) by following traditional financial instruments supplied by mainstream financial settings. In this, Tahir (2021) argues that indebtedness can bring anxiety, depression, mental health, drug addition, heart problems, migraine headache and even sometimes suicide. Therefore, the contemporary financial literacy should aim to release people from financial addiction of indebtedness.

Moreover, Pollard (2016) suggests applying a critical pedagogical approach of financial literacy education to the learners that can protect them from neo-liberal market mechanism of financial literacy. Neo-liberal financial literacy focuses on educating people how to borrow from the formal financial settings than how to earn. Thus, the settings target more people to motivate and bring them into the debt circle. Again, Pollard (2016) highlights developing financial literacy skill to control such debt priority that could lead the people debt addiction. However, Tahir (2021) finds that financial literacy has debt-control implication. Therefore, debt literacy in the name of financial literacy may push the people in debt trap too.

Contemporary eco-political perspective of financial literacy in Nepal can be taken as producing financial-consumer-citizens, uncritical and focused on commercialized contents. Therefore, political intentions of Nepali financial literacy education can be seen as over-rooted by liberalization, privatization, and market mechanism of finance. In such, the literacy policies and initiatives are unable to develop justice-oriented community and participative financial model. Zokaityte (2017) argues that eco-political structures and institutional arrangements are primarily responsible in determining individual’s financial choices.

Moreover, concept of financial literacy as an apolitical agenda both in education and finance is an obsolete idea. By rejecting consumer-education nature of financial literacy, Hutten et al. (2018) assert that financial literacy education should not be apolitical. Here, political refers to the existing state policies and principles with latent power relations. Therefore, Soroko (2021) argues that financial literacy education is ultimately a political project. Browning and Kilmister (2006) opine that the concept of political economy stands on the economic linkages among economic, political and social developments.

Discussion

Increasing financialization, rapid change in financial technologies, change in socio-economic paradigms, increase in un/fair competition in financial markets, landscape of unprotected financial consumers, increase in un(wanted) consumerism, increase in financial concentration and financial exclusion demand a new discourse on financial literacy. By rejecting the existing knowledge and practices on financial literacy initiatives, Willis (2017) suggests that people should be enabled, empowered and inspired in terms of participating eco-political decision making on personal finance and economic system as well. He recommends developing finance-informed citizens, who can build citizen-informed finance.

As a cross-cutting issue, financial literacy is connected with education and educational system vis-à-vis finance and financial system. Chong et al. (2021) emphasize that financial literacy must also be introduced in school curriculum. Therefore, the responsibility of the government and the central bank is to provide the environment of learning the financial systems so as the people can take appropriate financial decisions autonomously. The educational system is necessary to improve in terms of institutions, curriculums, contents, pedagogy, environment and policy frameworks that help enabling people engage in independent and need based personal and family finance dynamics (Khadka, 2023). Financial sector, including regulators and service providers, is necessary to create a conducive environment with enriched financial awareness, safety, flexibility and access to all.

The eco-political perspective of financial literacy of days to come should aim to develop aware, conscious, active, transformed, capable and critical financial service users. The concept of people-for-finance is required to reshape as finance-for-people. The former is an outcome of financialized and commercialized approach, whereas the latter is a need-based concept. However, Zokaityte (2017) concludes that more financial education does not necessarily create a safer environment for individuals to consume financial products and services. Dunn (2023) also claims that financial literacy is an illusion. Here, Parajuli (2021) argues that contents and processes of education determine its objectives and rationale.

In terms of prevailing motive of financial literacy initiatives, Stieger and Jekel (2019) argue that financial literacy cannot be neutral, apolitical and individualist and thereby suggest to take it as financial emancipator and transformative. Hutten et al. (2018) also claim that literacy cannot be universal or neutral. Similarly, Kumar and Hill (2009) also claim that education is not ideology-free. They further argue that contemporary educational policies are guided by neo-liberal capitalism. It means that a political and ideological intentions are embedded on education. Therefore, it is better to have a political intention of financial literacy as promoting autonomous, rational, ethical and critical financial citizens. In terms of political intention, Khalil (2021) stresses on financial citizenship of people in which people are able to understand both of local and global economies to make the best financial decisions concerning their regular lives.

Political intention is nothing new but only the education system to making people following existing state policies and principles. Here, Ayhan (2017) presents a concept of governmentality of finance in which the state intends to control people and desires to produce the loyal and follower of existing policies and initiatives. Similarly, Stieger and Jekel (2019) argue that economics and financial literacy are embedded in neoliberal ideology. In case of financial literacy in a liberalized country, the state desires privatized and liberalized financial system and its agendas to follow by citizens accordingly.

In line with Paulo Freire's critical pedagogical concept of education, Luitel et al. (2022) argue that education should be contextual, dynamic, creative, problem solving and transformative. Therefore, agenda of financial literacy for next decades is necessary to go beyond the supply-sided injections of financial knowledge and skill that the structures provide. In the reference, Hutten et al. (2018) propose a framework of critical financial literacy for empowering and enabling financial consumers so as making questions on the roles of mainstream financialization in societies. Lubis (2018) emphasizes to increase financial capability, alternatively known as financial literacy, of individuals rather merely educating them financial awareness and skills. Financial capability of individual is possible to improve when s/he deals with personal finance properly, timely and adequately.

In the context of digitalization as an emerging agenda of financial literacy, Karkkainen (2021) concludes that financially literate people have less possibility of owning crypto-currencies due to its price volatility and potential financial risk. "The digitalization of financial products and services and the consequent need to strengthen digital financial literacy has become an important component of the global policy-making agenda" (OECD, 2018). Similarly, OECD (2020) mentions that identify and use of digital device is necessary to enhance financial knowledge. In this, digital literacy is a part of financial literacy. However, increasing financial digitalization has facilitating people in many ways. Financial literacy studies in days to come should dig out the long-term dependency of people on it and political economy of the financial digitalization.

Nicolini and Haupt (2019) suggest developing local and contextual studies on financial literacy based on national and cultural financial avenues. It means financial literacy should focus on local, contextual and traditional ways of knowing from cultural perspectives of finance in society. Similarly, Rinaldi (2016) argues that mainstream financial education desires to create an economic system which is efficient, rather than characterized by equal social relations and respect of universal financial rights of many people. However, Hamilton and Darity (2017) argue that existing tradition financial system is only focusing on the financial literacy of wealthier, elites, richer peoples who are able to collect more wealth as bequests and inheritance for spending in luxuries and investing in profitable areas. Willis (2017) also remarks that only the richer people have access to high quality financial services in the market. In this, Piketty (2014) asserts that wealth is a major determinant of life-chances of people around the world as well as cause of social inequality and poverty. It creates a debate that financial literacy contributes to collect wealth and thereby the wealth affects financial literacy again. Here, there is a third avenue of financial literacy that is necessary to focus on distribution rather than collecting the wealth.

It is also to note that the state should be clear that financial literacy initiatives of financial service providers are means of profit making through promotional activities rather they should take it as a part of corporate social responsibility (CSR). In this, NRB (2023) has issued a regulation to banks and financial institutions to spend at least five percent of their CSR in financial literacy training by focusing women and marginalized people. Here, NRB (2022a) has set mission to increase access and enabling people to make financial decision regarding financial product and services. However, enabling people in terms of financial product and services motivates them as merely the buyers, not as conscious citizens.

Swiecka et al. (2020) conclude that the level of financial literacy of certain people and country is low and of certain people and country is high by measuring limited information. OECD (2020) also concludes that financial literacy level around the countries is low. Here, the conventional studies based on measurement of limited financial knowledge, the studies divide the literacy in terms of grades and suggest learning the prescribed commercialized financial literacy education. Sometimes, such evaluation of the levels and measurement of knowledge may be biased and may further create classes among the people. Chaulagain (2018b) argues that the linearity and golden standard of financial literacy to behavior are fictitious.

Conclusion

Most of the financial literacy contents, objectives, intentions, policies and priorities, process and delivery mechanism around the world are significantly influenced by current eco-political perspectives of the states. The ongoing eco-political perspective of financial literacy is widely based on neo-liberal economic phenomenon and degree of financialization. The financialization aims to control over the world's financial resources that has a clear vision and objective of commercialization and centralization of profit in limited hands. Scripted financial literacy as the contents designed by limited external institutions is required to change by individuals and communities. Moreover, policy based on governmentality and some of the international institutions determine the contents and methodology of financial literacy. Therefore, the eco-political perspective of a particular state policy helps sidelining the financial literacy as public or private good.

Non-commercialized financial educational policies and curriculum from educational sector and autonomy driven financial policy formulation from financial sectors are necessary that enable and empower people in personal financial management. New studies on transformative financial literacy should focus on sociological and eco-political aspects from critical perspectives. Such studies are necessary to explore how to emancipate people from financial debt burdens, stresses, greed of becoming wealthier without altering their personal financial sovereignty. Moreover, the objective of the financial literacy should be reframed as rescuing individuals from chronic financial dependency, addiction and exploitation around the world.

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Appendix

Table 1

Impacts of Financialization in Nepal (NPR, in billions)

S.N.	Period (July)	Nominal GDP	Saving	Loan	Remittance	Import	Export	National Debt*
1	2023	5381	5771	4878	1221	1612	157	2219
2	2018	3456	2837	2423	755	1245	81	917
3	2013	1949	1250	956	435	557	77	540
4	2008	816	152	307	143	222	59	361
5	2003	492	75	121	54	124	50	303
6	1998	301	47	NA	NA	89	28	200
7	1993	171	21	NA	NA	39	17	113
8	1988	77	8	NA	NA	14	4	32

Source: Compiled by author (Economic Surveys of Ministry of Finance, NRB publications) / NA= not available

* National debt includes sum of domestic and foreign debt