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Closing gaps – between reality and outlook

Just as there is an intrinsic link between the degree of financial intermediation and the level of financial literacy, likewise the economic GDP growth and the optimum level of financial intermediation are directly correlated. In Romania's case, the degree of financial intermediation is set at 26% and the level of financial literacy is 22%.

As opposed to 8 years ago, financial intermediation has fallen by one-third. However, the banking system has the availability and resources to accelerate lending.

At the same time, a correlation can be identified between member states competences and the way it is being used in implementing European directives and financial literacy. If the level of financial literacy is below average, then the deployment of European directives with certain deviations from free market financial principles, is easier. This generates a negative impact on the development of the banking system, the level of financial intermediation and financial integration.

Thus, this type of less perfect legislative implementations generates complications and sometimes even obstacles in promoting European fundamental values, such as the free movement of capital, services, etc.

Transposing and deploying these directives into national legislation can be made with errors, should we not take into account the level of financial literacy when legislating.

I believe that there is enough room to lower barriers that fragment national financial markets, thereby increasing financial integration in the European Union so that all states benefit from the same level playing field. Integration is generated by calibrating rules and practices.

Monitoring and sustaining a European program designed to increase financial literacy, is the solution for a better financial integration. As such, the cornerstone of this attuning should be to introduce in school curricula as a mandatory discipline for all European Union citizens, financial education.

Intrinsically, the fine tuning at the level of national competences, is recommended, when transposing and deploying European regulation.

The more affected some EU economies are by regulatory differences and lack of financial integration, the more negative consequences are there for the European family to annihilate: poverty and social exclusion, migration phenomena, etc. By removing these obstacles and the delay in the standardization of regulation, we reduce the risks of a future crisis. European Union countries have to move forward in the same direction and financial intermediation and financial literacy are the solutions to reduce gaps.

By fine tuning individual national competences as regards legislating/ regulating, we can end integration efforts' fragmentation in the financial sector, as well.

In conclusion, it is necessary to adopt measures designed to increase and reduce the financial literacy gap across Europe in order to create a level playing field and strengthen the financial integration policy at European level. ●