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Original Research Article

CAPACITY DEVELOPMENT UNDER NEP IN SCHOOL STUDENTS WITH FINANCIAL LITERACY: A CASE STUDY

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Abstract:

National Education Policy (NEP) focuses on holistic development of learners and that can be achieved through developing curriculum frameworks for ensuring skills and values that are essential in the process of teaching-learning. In the National Curriculum Framework (NCF) it was explained that a curriculum framework must help develop all the diverse curricula in the country, while enabling harmony across the country and providing a basis for quality and equity. NCF brings a full range of capacities, values and dispositions that are aimed to be developed in school education.

NEP aims at multidisciplinary, analytical and creative thinking with greater attention to life aspirations, and greater flexibility. Capacity development is transformations that empower individuals, leaders, organisations and society. It helps everyone (no one left behind) to realize their full potential, plan, put efforts, sustain and learn/upgrade skills and productivity together collectively, in the long run. With financial autonomy, financial decisions will be much more achievable and lead towards a path of growth & prosperity as well as financial wellbeing of individuals and a nation as a whole.

The foundation of developing capacity in school students with an understanding of the fundamentals of financial concepts like savings, borrowing, and interest, time value of money, inflation, SIP, and power of compounding is provided by this case study, which involved a group of middle CBSE co-ed school students completing a pre-test, planned lesson and engaged work, series of executions, and finally a post-test with in a single group design. Students enrolled in financial literacy programs should be able to access stage I guidelines, which will enable individuals to go on to assess, evaluate, and take calculated risks, eventually enhancing their financial independence and well-being.

Keywords: *Capacity Development, NEP, NCF, Financial Literacy.*

Introduction:

Enhancing an individual's or organization's capacity in a more effective, successful, and creative manner is known as capacity development. It can be referred to as "to produce, perform, or deploy" or "capacity strengthening" (OECD terminology). In order to fulfil its objective by 2030, the United National building Programme, or UNDP, promoted capacity building in the sense of "how UNDP works." "The acquisition,

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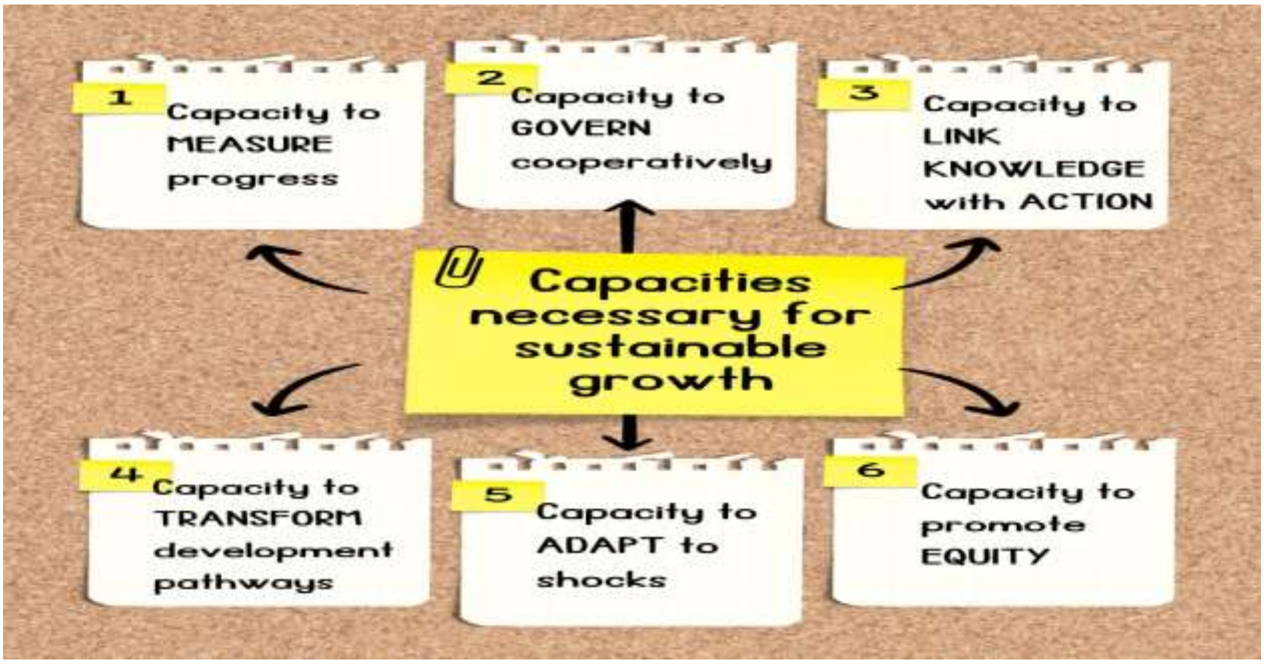
enhancement and preservation of the abilities for individuals, organizations and communities to establish and accomplish their goals throughout time" is what they define as capacity development. They support nations in eradicating poverty and achieving human development and sustainable economic prosperity. They also place a strong emphasis on building local capacity for national success and long-term self-sufficiency.

OECD's (Organisation for Economic co-operation and Development) good practice paper Development Assistance Committee (DAC) forum, it was discussed and decided that capacity building is a process whereby people, organization and society as a whole unleash, strengthen, create, adapt and maintain capacity over time and manage their affairs successfully. It is a core function of the UNDS (United Nations Development System) and is critical to implement the 2030 Agenda and sustain progress. No one behind, taking and uplifting everyone together with SDGs by 2030 which includes capacity development of government and relevant stakeholders, including civil society and non-governmental organizations.

With the aid of the diagram below, which illustrates capacities for Sustainable Development, UNDP explains the necessity of capacity for Sustainable Development. To accomplish sustainability, six interconnected capacities are required: The following are some examples of the capacities that are involved in sustainable development: (i) measuring the system's progress toward sustainability; (ii) creating governance structures that enable people to collaborate in using the other capacities; (iii) connecting knowledge with action for sustainability; (iv) changing the system to create more sustainable development pathways; (v) adapting to shocks and surprises and (vi) promoting equity within and between generations. The following are the capacity development requirements for sustainable growth, as per the 2017 UNDAF (United Nations Development Assistance Framework) guidelines:



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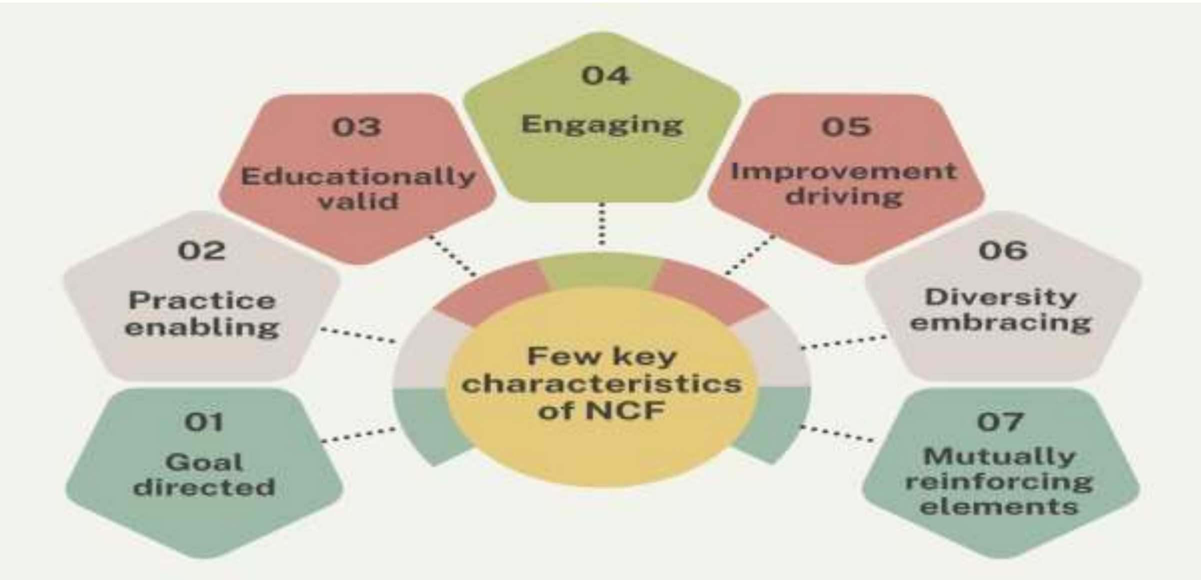
Financial literacy or the ability to better grasp and apply basic financial concepts in everyday situations, is an important part of vital life abilities. It is capable of giving the students the first level of foundational financial management education. They can pursue any job route they desire, however they should always have the financial knowledge necessary to handle their own money. It is crucial for the economy of a country to grow so that the next generation has a solid financial education in order to be able to take measured risks. Young people will get an awareness of the worth and advantages of saving money, the need to avoid taking out unproductive loans that they cannot afford to return, borrowing from official financial institutions, the notion of interest, and the power of compounding, time value of money, inflation, the need to insure, role of major financial sector institutions such as regulators, banks, stock exchanges etc.

In NCF from the NEP explain, **"**A Curriculum Framework must support exactly that - it is a framework to help develop all the diverse Curricula in the country, while enabling consonances and harmony across the country and providing a basis for quality and equity". And it's bring the life a full range of capacities, values and dispositions that are aimed to be developed in school education



Need of the Study:

The National Strategy on Financial Education (NSFE) 2020–25 was introduced by Reserve Bank of India Governor Mr.Shaktikanta Das in December 2020. The focus of the program is on teaching citizens through the National Centre for Financial Education (NCFE) how to manage money more wisely and, in the process, achieve financial wellbeing. India wants to grow its economy to be worth USD 5 trillion and is currently the third largest in the world in terms of purchasing power parity. The financial literacy percentage in India is about 27% whereas literacy rate is around 77%.

This research could highlight the effects of NEP capacity building on financial literacy programs in schools and provide parents, educators, policymakers, and researchers plenty to think about. An introduction to money, including budgeting, savings, needs vs. wants, and spending; power of compounding could be used in lower secondary school with applicable real-world situations.

Literature Review:

A recent worldwide evaluation conducted by the U.S. Financial Literacy and Education Commission (Report 2019) found that 20% of high school students in the country were unable to surpass a basic level of financial literacy. Furthermore, only 16 % of high school students were required to take financial education, according to a recent study of 11,000 high schools. This study provide guidelines to create a culture of continuous improvement by establishing methods, procedures, reporting, and metrics for gauging program effectiveness, as well as to build standards for professional educators, offer on-going support, and assess the impact of their programs.

Using structural equation models, Hahn Jinsoo (2014) and colleagues' study, "Financial Literacy of Korean High School Students," which was presented to Gyeongin National University of Education in South Korea, examined the effects of socioeconomic status, economic attitude, and financial behaviour on financial behaviour and financial literacy. Both common and unique findings from structural model results are employed in both simple regression models and descriptive statistics. Their conclusions are similar to a student's decision to identify economics as the field that has the greatest influence on their financial and economic attitudes. Financial attitude is not as important to financial literacy as economic attitude. Depending on the assumptions, the financial attitude toward financial literacy varies significantly. Descriptive statistics demonstrate that financial attitude positively affects financial literacy, but in the case of the benchmark and basic regression models, its impacts become negligible. Most models show that financial literacy has a beneficial effect on financial behaviour, suggesting that economic or financial education plays a significant role in helping students improve their financial habits, such as saving money for the future and avoiding taking on unnecessary debt.

Shah Kamini's research from 2019 focused on financial behaviour and knowledge in "A study on Women Empowerment through Financial Literacy," which was published in University News 57(10) from March 11–17. She recommended that financial education or money management subjects be taught to primary and secondary school students, citing the need for a re-examination of the crucial element of financial literacy among women because financial knowledge is a prerequisite for responsible financial conduct and financial behaviour is a result of financial knowledge.

According to research by Holani P (2021), financial liberty is crucial for making financial decisions that guide one's life toward wealth and development. It's always beneficial, especially for women. Since they have an essential effect on the growth of the economy and society, financial freedom can promote autonomy, enhance decision-making confidence, and promote the development of the family and the nation. Therefore, giving them freedom directly advances the nation's economy.

Aiming to support inclusive and resilient multi-stakeholder led growth, the National Strategy for Financial Inclusion (NSFI) 2019 stated that financial services must be made available, accessible, and affordable to all citizens in a safe and transparent manner. This will be accomplished through financial literacy and education,

and these will involve the efforts of all stakeholders and result in easily recognized modules with specific target audience orientation (e.g., children, young adults, women, new workers/entrepreneurs, family person, about to retire, retired, etc.) in the form of audio-video/booklets that will aid in understanding the product and processes involved. Additionally, it is anticipated that these modules will assist the recent arrivals in developing their abilities, participating in productive economic activity, and enhancing their future ability for generating revenue.
In her study "Effect of perception differences in money communication between parent-adolescents on financial autonomy: An experimental study using financial education workshops," Jariwala, H. V. (2020) specified how the workshops had a quantifiable positive influence on financial matters. The respondent showed a strong desire to improve their money management skills, which will help them form sound financial habits and eventually achieve financial independence. Parents are essential to a student's ability to be financially independent.
As part of the Vision of the National Education Policy, the Ministry of Education, Government of India, published the NEP Booklet in 2022. It explains how to bring out each student's unique capabilities through critical thinking (in contrast to root learning), focus on learning (as compared to studying), and integrate the local and the global. The key objective of this is to use broad, flexible, and multidisciplinary methods to transform India into a vibrant knowledge society and global knowledge superpower.

Scope & Delimitation of the Study:

As a pilot project, the study is restricted to a particular set of pupils from CBSE schools and to those schools alone. The topics we are studying and talking about include basic personal financial knowledge, understanding needs and wants, borrowing and saving, understanding banks, insurance, understanding investments, understanding the power of compounding, being cautious when making purchases online, etc.
One significant limitation is time; conducting research of this nature necessitates allotting sufficient time for data collection via online, implementation online and analysis. Only students enrolled in classes VII and VIII will be able to participate in this research project. The scope of the research that will be presented is restricted to middle school students who will be taking part in financial literacy capacity building via NEP. The information that the respondent provides will determine the research findings that are communicated.

Statement of the Problem:

Capacity development under NEP in school students with Financial Literacy.

Objectives of the Study:

The following goals have been aimed for by this study, based on the research questions.

1. To determine school students' pre-test results
2. To execute the financial literacy program
3. To determine school students' post-test results
4. To compare school students' pre-test and post-test results

Hypothesis of Study:

There is no significant difference between pre-test & post-test scores of the Financial Literacy programme of middle school students.

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Methodology of the Study:

Through the use of an experimental research methodology in a single group setting with a pre-test at one of the CBSE schools for standards VII and VIII, followed by lesson planning, online execution and learning using content developed by RBI & NCFE and a post-test. We will determine the mean, median, mode, standard deviation, t-test, P-test, ANOVA and inferences from the test findings.

Research Design & Data Collection: Based on the following score range, the collected data as pre-test and post-test are analysed and categorised in to three levels i.e., High, Average and Low for financial literacy.

Sr. No	Score Range	Levels
1	151 to 180	High
2	91 to 150	Average
3	60 to 90	Low

Findings and Analysis: After pre-test we have planned lesson as per guidance of RBI & NCFE material and systematically implemented it online stepwise over few videos over period of time, then post-test and have listed the finding below:

Table 1: Statistical Analysis of the Pre-Test & Post -Test

	Pre-Test Scores	Post-Test Scores
Mean (Average)	132.6	150.3
Median	136	153.5
Range	98	94
Mode	137, 132 (each appeared 3 times)	161,162,158, 145, 134 (each appeared 2 times)
Geometric Mean	131.08	148.98
Largest	159	176
Smallest	61	82
Sum	3980	4510
Variance, σ^2	334.82	338.4
S.D (σ)	18.29	18.39
Count	30	30

Parameter	Value
P-value	2.9866e-13
t	12.5568
Sample size (n)	30
Average ($\bar{x}$)	132.6667
Standard deviation (S)	18.611
Normality p-value	0.0004288
A priori power	0.754
Post hoc power	1
Skewness	-1.9952
Skewness Shape	**Asymmetrical**, left/negative (pval=0)
Excess kurtosis	6.7979
Kurtosis Shape	**Leptokurtic**, long heavy tails (pval=0)
Outliers	61, 105

Parameter	Value
P-value	0
t	17.6615
Sample size (n)	30
Average ($\bar{x}$)	150.3333
Standard deviation (S)	18.7107
Normality p-value	0.002371
A priori power	0.754
Post hoc power	1
Skewness	-1.6851
Skewness Shape	**Asymmetrical**, left/negative (pval=0)
Excess kurtosis	4.8829
Kurtosis Shape	**Leptokurtic**, long heavy tails (pval=0)
Outliers	82

Paired *t* test results:

P value and statistical significance:

The two-tailed P value is 0.0001. By conventional criteria, this difference is considered to be extremely statistically significant.

Confidence interval:

The mean of Pre-Test minus Post-Test equals -17.67. 95% confidence interval of this difference: From -23.77 to -11.57

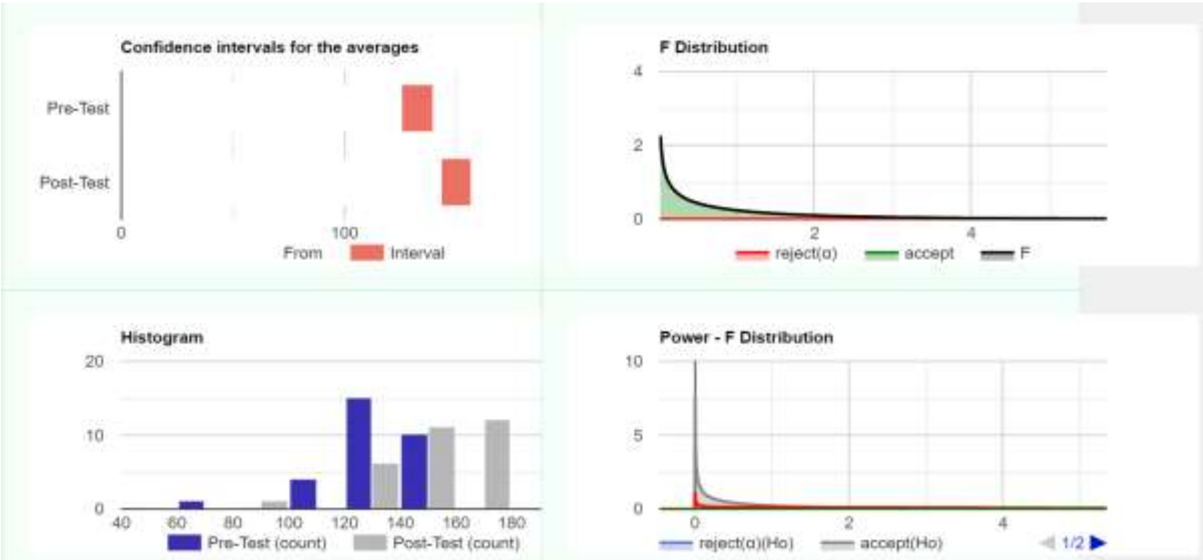
Intermediate values used in calculations:

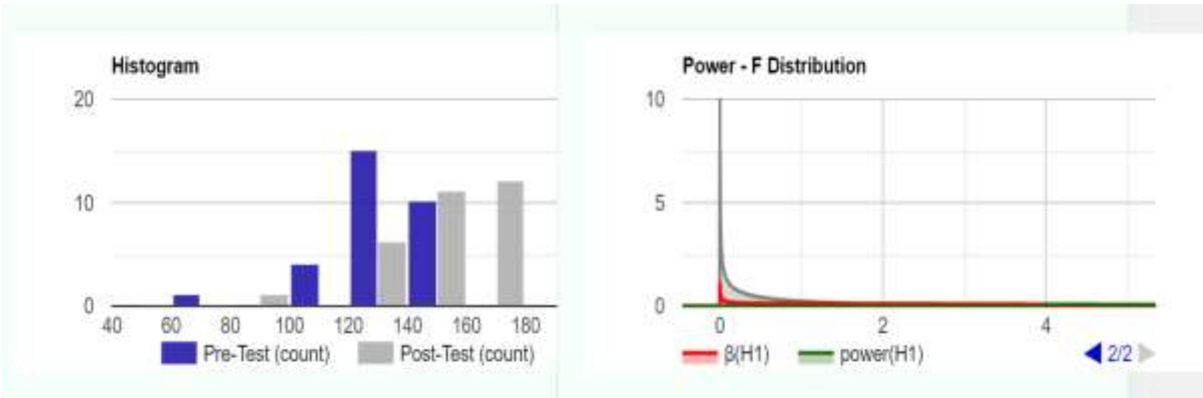
t=5.9228

df=29

standard error of difference=2,983.

One Way ANOVA test, using F distribution df(1,58) (right tailed)





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Interpretation of the Data:

1. H_0 hypothesis

Since p-value<α, H_0 is rejected.

Some of the groups' averages are considered to be not equal.

In other words, the difference between the sample averages of some groups is big enough to be statistically significant.

2. P-value

p-value equals 0.000535015, [p(x ≤ F) = 0.999465]. It means that the chance of type1 error (rejecting a correct H_0) is small: 0.000535 (0.054%)

The smaller the p-value the stronger it support H_1

3. The statistics

The test statistic F equals 13.444183, which is not in the 95% region of acceptance: [0 : 4.0069]

4. Effect size

The observed effect size f is large (0.48). That indicates that the magnitude of the difference between the averages is large.

The η^2 equals 0.19. It means that the group explains 18.8% of the variance from the average (similar to R^2 in the linear regression)

Validation:

- **Test power**

  Although the a priori power is low (0.4779), the H_0 is rejected.

- **Equality of variances**

  The tool used the Levene's test to assess the equality of variances.

  The population's variances are considered to be equal. (p-value = 0.592).

  Levene's test power is considered to be weak (0.48).

The groups' sizes are considered similar. (The ratio between the bigger group and the smaller group is: 1).

The ANOVA test is considered to be robust to the homogeneity of variances assumption when the groups' sizes are similar.

Normality assumption: The assumption was checked based on the Shapiro-Wilk Test. (α=0.05). It is assumed that all the groups distribute normally or have a big sample size, at least 30.

Based on the above results we now consider that the null hypothesis is rejected. Hence there is a significant difference between pre-test & post test scores of School Students. Pre-test mean was 132.6 consider as average, whereas post-test mean was 150.3 considered high and alternative hypothesis is accepted. And it is statistically significant.

Conclusion:

Thus, the researcher came to the conclusion in this experimental study that, given the promising nature of the young economy (such as India), we must emphasize the need for capacity development for financial literacy programs that help students become financially independent. Pre-test mean was 132 i.eaverage whereas post-test mean came as 151 i.e high. Developing life skills such as management, leadership, teamwork, and communication is a crucial component of sustainable educational practices. Each of these is crucial to the growth of students. Being financially literate denotes having the capacity to decipher and comprehend fundamental financial concepts and apply that knowledge to make informed decisions as lifelong learners. Increased innovation through the application of new technology, development, and wealth in society and the economy are only a few benefits of having a financial education. It will be crucial for students to be able to save, manage their pocket money, comprehend compound interest rates, plan for retirement, accumulate wealth, and avoid debt. the ability to understand macroeconomic concerns, choose prudent fiscal and monetary policies, evaluate the opportunities and hazards of new business initiatives, and take calculated risks. It will support more sensible decisions and more proficient decision-making in the future, greater correlation, socioeconomic development etc., require additional investigation and should be given greater freedom to scholars and decision-makers.

Acknowledgement:

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