The Special Advocate often observes that financial inclusion is a universal issue, one that needs to be addressed in every country. The situation in Argentina illustrates her point with great clarity.

Although Argentina is a middle-income country with the third-largest economy in Latin America, around a third of the population lives in poverty. Economic growth remains slow, inflation is persistently high, and the country lags behind its neighbors in terms of savings and credit.

Only half of Argentina’s adults have access to formal financial services—a figure that drops to 44 percent among the poor. But both public and private actors are taking meaningful steps to change that situation, including concerted efforts to increase the use of digital payments, protect customers from inflation, and help financial institutions increase their outreach to excluded populations.

Planning for progress

The Special Advocate and her delegation visited Argentina in October 2016 at the invitation of President Mauricio Macri to lend support to the country’s financial inclusion efforts. In meetings with members of the private and public sectors, the UNSGSA emphasized certain key opportunities that will enable Argentina to increase financial inclusion:

* **National strategy.** As Argentina begins to develop its strategy, the UNSGSA emphasized the need for strong ministerial governance; a data-driven and participatory design process; ongoing coordination; measurement against indicators during the implementation stage; and active private sector participation.

* **Small business finance.** In Argentina small businesses account for at least half of GDP, but the credit they receive represents only 3 percent of GDP. The Special Advocate acknowledged that there is no quick fix for this, but she emphasized the promise of fintech solutions to help open up opportunity by reducing costs and helping assess risks.

* **Technology-enabled financial services.** Argentina has many of the most important building blocks in place for digital financial inclusion, but what is missing is a way for people to use these services in their daily lives. The Special Advocate highlighted the value of regulations to enable the development of banking agent networks.

Since the UNSGSA’s visit, Argentina has actively begun laying the groundwork for its financial inclusion strategy. The Inter-American Development Bank has drafted a diagnostic, with input from AFI, CGAP, the UNSGSA, and the World Bank, and it will guide the strategy’s development once approved by the National Strategy Council.
Small businesses in Argentina have limited access to the finance they need, a complex issue that fintech may be able to help address.