

## Scenario 1: Low Understanding and Appreciation of Importance of Financial Inclusion

*Please let us hear your feedback - contact us at [Ewa@mfc.org.pl](mailto:Ewa@mfc.org.pl):*

- *How crucial is this topic in your country?*
- *What messages and actions are most relevant to promote this topic?*
- *Who works on this topic in your country?*

### Background

In most cases, high unmet need for financial services may be a rare occurrence in the context of EU countries because financial markets are well although they may be selectively inclusive. This well-functioning financial infrastructure may give politicians and policy makers a false image that there is no financial exclusion or that the use of financial services is optimal. Political leaders often do not understand that financial inclusion is a strong complement to other efforts to spur social and economic development.

### Key Issues

Thus, financial system does not devote sufficient resources or capacity to include certain individuals or groups, and political leaders do not make public pronouncements that give government officials and lower level politicians the space they need to implement FI programs.

### Advocacy Goal

An important advocacy goal is to ensure that financial inclusion is a significant part of the country's growth and development strategy, and the benefits of financial inclusion are well understood by the policy makers and regulators.

### Example

For example, the financial inclusion strategy should include a reference to both policy and programmatic elements. Effective advocacy in this regard may include messages such as the benefits of savings and creating emergency funds by families and the cost savings from borrowing at lower interest rates than from shadow financial sector.

### Strategy

A key element of financial inclusion is ensuring that policy makers are aware of the breadth and depth of issues related to and caused by financial exclusion. Effective advocacy should work toward obtaining policy commitments from the government to enhance financial inclusion.

## **Messages**

In settings where greater political and policy commitment for financial inclusion is needed, advocacy messages should focus on the following points:

- ✓ Financial exclusion is paramount to discrimination and social isolation, and has many negative consequences.
- ✓ Financial inclusion contributes to national economic growth, local development, and poverty reduction.
- ✓ Financial inclusion is a sound economic policy that supports market development and does not contradict financial stability strategies.