

Caleb M Fundanga: Equal rights, equal opportunities – progress for all

Opening remarks by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the Official Launch of the Financial Institutions' Exhibition and Workshop in commemoration of International Women's Day 2010, Lusaka, 5 March 2010.

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The Deputy Permanent Secretary, Gender and Women in Development, Ms Christine Kalamwina;

The International Labour Organisation Country Director, Mr Gerry Finnegan;

The Deputy Governor – Administration, Bank of Zambia, Dr Tukiya Kankasa-Mabula;

Chief Executives and Representatives of Exhibiting Institutions;

Heads of Non Governmental Organisations;

Distinguished Invited Guests;

Members of the Press;

Ladies and Gentlemen

It is my honour and privilege to participate in the launch of this important exhibition by financial institutions in commemoration of the International Women's Day for 2010 under the global theme "*Equal Rights, Equal Opportunities: Progress for All.*"

Ladies and Gentlemen, as you may be aware, the International Year for Women was declared by the United Nations in 1975. Since then many countries world over celebrate International Women's Day to recognise the achievements of women without regard to national, ethnic, cultural, economic or political divisions.

International Women's Day is an occasion to look back on past struggles and accomplishments but even more importantly a time to look ahead to untapped potential and opportunities that await future generations of women. Each year on this special day, hundreds of International Women's Day events occur all around the world. The events range from small random informal gatherings to large-scale highly organised events to celebrate women's advancement while highlighting the need for continued vigilance and action.

A good number of Governments around the world, have made commitments to promote gender equality, by among other things, taking initiatives to integrate gender perspectives into national budgets or development plans in order to reflect the differentiated needs of women and men. Zambia is no exception.

In Zambia, it is recognised that the creation of the Ministry of Gender and Women in Development, is a deliberate effort by the Government to ensure that the needs of women are addressed. Through the Ministry we are able to recognise the strides that have been made by women in national development and we look ahead to the challenges that are before us as we strive to achieve our goal of gender equality.

In addition, Zambia is a signatory to the SADC Declaration on Gender and Development. This declaration calls for the equal representation of women and men in the decision making process of member states at all levels. I must concede here that, although we have made significant strides as a country in women representation, more still needs to be done. We are however encouraged that there are a good number of women with potential and ability to rise above any form of challenge. We need to use our national development plans as a platform to achieve our Vision to be a prosperous middle income country by 2030, by equally empowering both women and men. Indeed, without the participation of women, who make up more than 50% of Zambia's population, it will not be possible to achieve our Vision 2030.

Distinguished Participants, as you are well aware, over the last decade, Zambia has recorded positive economic growth averaging 5%–6% per annum. The macroeconomic environment has improved with the achievement of low levels of inflation, a relatively stable

exchange rate as well as reduced interest rates. In addition, we have seen increased investments in the mining, construction and other productive sectors. This improved environment presents great opportunities for our women to realise their economic potential. However, women can only realise their true potential, if they have access to education and play a full role in the decision-making processes at all levels of society.

fact, in the developmental process, women often take centre stage in the running of small and medium-scale enterprises ranging from agriculture, mining and tourism to manufacturing as well as cross border trading. However, in order to grow these businesses, access to affordable financing is pertinent. The role played by the various players in the financial sector can, therefore, not be over-emphasized as businesses depend on a safe place to save money, maintain working capital and also access loan facilities.

Ladies and Gentlemen, the 2005 FinScope Survey conducted under the Financial Sector Development Plan (FSDP) confirmed that levels of access to financial services in Zambia are extremely low. Only one third of Zambia's adult population was reported to have had access to a financial service or product. Further, fewer than 15% of adult Zambians were reported to have access to commercial banks. The Survey further indicated that only 11.6% of women are banked compared to 17.5% of banked men whilst 82% of women have never had a bank account compared to 73% for men.

A follow on update survey was undertaken in 2009 and the results are expected to be launched during the second quarter of 2010. However, preliminary analysis indicates that the levels of access still remain low. This is no doubt an indication that more needs to be done to increase access to financial services.

On its part, the Bank of Zambia has incorporated the promotion of financial inclusion as one of its strategic objectives for the 2008–2011 Strategic Plan. We believe that increased extension of financial services to ordinary citizens and small business enterprises will play a vital role in poverty reduction and economic growth. Further, by maintaining low inflation and promoting a safe and stable financial system, the Bank ensures that people's incomes are safeguarded and prices of goods and services are stable.

Furthermore, in 2009, the Government approved the extension to the initial five-years of the FSDP in order to continue the national strategy of strengthening our financial sector and enhancing financial inclusion. The second phase of the FSDP will focus on three main pillars namely: (i) enhancing market infrastructure; (ii) increasing competition; and (iii) increasing access to finance. Overall, the vision is to have a dynamic and inclusive financial sector that supports all aspects of the economy.

Therefore, the theme for this workshop and exhibition "*Enhancing Financial Access for Women: A Tool for Poverty Reduction*" is timely and appropriate. Our aim is to recognise and heighten awareness of women's issues within this context. More specifically, the main objective of this forum is to showcase a variety of financial services and products available and sensitize the general public on:

- (i) how financial institutions are contributing to increasing gender financing in Zambia;
- (ii) bringing awareness to the women on the opportunities that are available for them to access finance and mitigate related challenges;
- (iii) the role of the Bank of Zambia and other financial institutions in meeting the objective of financial inclusion;
- (iv) how the United Nations as the lead international organisation and other local agencies are supporting women in Zambia; and
- (v) sharing experiences in running businesses, and the opportunities and challenges in accessing finance in order to grow the income base.

The exhibition gives us an opportunity to identify women's potential and encourage them to stand up and be counted and, contribute to the development of this country. The workshop and exhibition also gives us an opportunity to make the "*marginalized woman*" aware of the various financial services and products that are available to them.

Distinguished Participants, I am glad to note that many products on exhibit here include those targeted at the ordinary citizen and more specifically women, as opposed to large corporates and men. This is a very welcome development as one of the challenges to women accessing finance is the stringent requirements, which most women are unable to meet.

Furthermore, despite the recent marked improvements in macroeconomic indicators, alluded to earlier, interest rates and bank charges continue to be unaffordable to the majority of our people especially women. It is for this reason that I reiterate my appeal to all financial service providers especially those who are present here today, to make some meaningful efforts in addressing the high cost of financial services in the country. There is a need for financial service providers to think outside the box and design financial products that are affordable and can easily be accessed by women for various projects at all levels of society including the community. I have in mind here, financing models used in most Asian countries such as the Grameen Bank model in Bangladesh which has demonstrated that women's potential to contribute towards poverty reduction can be unlocked through provision of finance at community level. Indeed the Grameen Bank model has also proved that women have a good habit of paying back their loans.

It is also fitting that women's potential to contribute to development should be acknowledged and their potential to drive change should be recognised. Although women are yet to gain equality, they are helping to move their families and communities out of poverty. With a little more support, so much more could be achieved. It is my hope that access to finance by women will be enhanced through this exhibition.

I am however, pleased to note that, today, more financial institutions are providing financial services to women in Zambia. More women and girls are learning to read and write. We also see throughout the country that women are discovering a new level of economic independence. They're contributing more to their families and communities. They're gaining access to credit and jobs that can give them a decent standing of living. This is desirable and should be encouraged.

As I conclude, let me extend my gratitude to all the participants and resource persons and commend all the institutions that have taken part to organise both the workshop and exhibition. Let me also take this opportunity to appreciate the efforts by our cooperating partners in the financing of activities promoting gender equality. This is evident by the number of agencies and non-governmental organizations looking at women's issues, most of which are represented, here, today.

Ladies and Gentlemen, International Women's Day celebrates the collective power of women past, present and future. I believe the next few days will therefore be very informative and entertaining. I am certain that everyone will find this exhibition and forum beneficial and I wish you all a successful event.

I thank you.