

Caleb M Fundanga: The Bank of Zambia – placing a high premium on education

Speech by Dr Caleb M Fundanga, Governor of the Bank of Zambia, at the signing ceremony of the Memorandum of Understanding between the Bank of Zambia and the University of Zambia, Lusaka, 23 November 2007.

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The Vice Chancellor
The Deputy Vice Chancellor
The Registrar
The Deans of various schools
Heads of Departments present
Faculty Members
Invited Guests
Ladies and Gentlemen

I feel greatly honoured to once again participate in the signing of the Memorandum of Understanding (MoU) between the Bank of Zambia (BOZ) and the University of Zambia (UNZA). The Bank of Zambia and UNZA have a long standing relationship which is intertwined in more ways than one. I am sure that the majority of employees in the Bank that possess a first degree have this University to thank for that achievement. It therefore gives me pleasure to stand here and undertake this function of signing the MOU between our two institutions.

Vice Chancellor, the Bank places a very high premium on education. It is for this very reason that it has this day decided to renew its financial support to the University of Zambia's Department of Economics. Under the new agreement, the Bank has increased the level of support to UNZA to include setting aside a special fund specifically for research purposes and procurement of personal computers (PCs) and software for the same purpose. We in the Bank consider research as very important because it forms the basis upon which we formulate our policies and execute our operations. To underscore this point, the Bank of Zambia launched the BOZ Reader series a few years ago as a means of having articles of economic interest being published for the benefit of the Zambian public. The three publications of the BOZ Reader that have been published so far have largely contained articles prepared by BOZ members of staff. However, our intention has always been to have a wider network of contributors.

With the signing of this agreement, we hope to see more economics related research being undertaken by faculty members in the Department of Economics on behalf of the Bank. We further urge the University of Zambia to be a key and keen contributor to the publications. The University of Zambia Economics Department should coordinate with our Economics Department on this matter.

In addition to the research fund, the monthly salary supplementation for faculty members in the Economics Department has been adjusted up by 64%. Meanwhile, the Bank has continued to recognize academic excellence among economics students at UNZA. For this reason, the bank has been providing fully funded scholarships to five outstanding economics students at third and fourth year levels. This support is also expected to shift to post-graduate economics programmes as soon as the modalities are agreed between the two institutions.

Vice Chancellor, we are aware that the supplementary funds provided by BOZ cannot meet all your requisite needs with regard to enhancing your research capacity. I therefore urge you to forge other linkages that promote research. I have in mind the African Economic Research Consortium (AERC) whose principle objective is to strengthen local capacity for conducting

independent, rigorous inquiry into problems pertinent to the management of economies in Sub-Saharan Africa. AERC was established in 1988 as a public not-for-profit organization devoted to advanced policy research and training in economics. However, it is rare to find Zambians utilizing the facilities which are offered by this organization. Our hope is that with this information, we will see more papers by UNZA academicians on the AERC website in the near future.

In order to encourage research on local issues by our own researchers, I am contributing a book to the UNZA library by Professor Paul Collier, the Director for the Study of African Economies at Oxford University. The book, "The Bottom Billion" provides an example of the sort of issues which we expect our own authors to be able to elucidate on more clearly from their own experiences. In the book, Collier analyses the causes of failure by fifty failed states, pointing to a set of traps that snare these countries. These traps include civil war, a dependence on extraction and export of natural resources, being land-locked, and bad governance. Surely our experience with some of these "traps" should make us better experienced to explain the issues. This is what we expect of UNZA.

Vice Chancellor, on our part, we will continue to assist UNZA as guided by the MOU. We are very confident that the support that UNZA is receiving from partners such as BOZ will go a long way in furthering academic excellence and uplifting the levels of morale among faculty members.

I thank you!