



SPEAKING NOTES
ON THE INTERNATIONAL WOMEN'S DAY
CELEBRATIONS
HOSTED BY THE WOMEN'S UNIVERSITY OF
ZIMBABWE
BY
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Theme: Inspiring Change

8 MARCH 2014

SALUTATIONS

- Professor Hope Sadza, Vice Chancellor of the Women's University of Zimbabwe
- Distinguished Guests
- Ladies and gentlemen

INTRODUCTION

1. It is my singular honour and privilege for me to address you on **key monetary policy issues and the status of women in the corporate world.**
2. This year's International Women's Day Celebrations, guided by the theme, **"Inspiring Change"**, comes at an opportune time after Government enunciated key policy measures in the 2014 National Budget and further amplified in the January 2014 Monetary Policy Statement.
3. Ladies and gentlemen, the celebrations today come against the background of discernible gender inequalities that permeate across all key sectors of the economy. This negative development has undermined the efficacy of macroeconomic policies mainly geared at eradicating poverty among the general populace.

4. Persistent gender imbalances that emerged well before the attainment of independence in 1980 have continued to typify socio economic developments in Zimbabwe. This coupled with inherent patriarchal systems that epitomized norms, values and traditional beliefs of the Zimbabwean societies, widened gender disparities in Zimbabwe.
5. Ladies and Gentlemen, the system conferred unfair advantages to the boy child who was sent to school ahead of the girl child in order to become the future bread winner for the family. Such male biases in the education system, ultimately translated into very low literacy levels for women. It is against this background that Zimbabwe has experienced glaring gender disparities even in the post independence era.
6. This notwithstanding, Government attached great prominence to the integration of women in education and the labour market, soon after independence. Nonetheless, the decline in economic activity experienced in the new millennium, significantly reversed these gains. This coupled with the debilitating effects of the HIV/Aids pandemic, further relegated women to unpaid care work, with increased number of female and child- headed households.

7. In response to these adverse developments, Government espoused numerous economic blue prints and made commitments to integrate gender into economic policies. Nevertheless, the status of women remains low, reflecting limited access and control of production means by women as well as lack of influence in decision making processes. Against this background, the attainment of Millennium Development Goals (MDGs) on poverty alleviation and gender equality targeted for 2015, remains doubtful for Zimbabwe.
8. In view of potential slippages in the attainment of key MDGs, the integration of women in education and mainstream economic activity at large, has assumed high priority on Government's agenda. It is against this background that Gender Responsive Budgeting has continued to guide the allocation of fiscal resources in Zimbabwe. Similarly, from the Reserve Bank standpoint, Monetary Policy Statements have congruently become gender sensitive to inspire change in the plight of men, women, boys and girls.
9. In this regard, in addition to the traditional monetary policy objectives of maintaining price stability, promotion of employment creation and economic growth, key policy measures are now

designed in a manner that goes beyond the female-male dichotomy, to include all socio-economic classes in Zimbabwe.

January 2014 Monetary Policy Statement

10. Ladies and gentlemen, monetary policy, by its nature, largely focuses on the attainment of stability of the financial sector and prices, and broad macroeconomic stability. Notable aggregates that monetary policies influence include interest rates, money supply levels, deposits and the well-being of the banking sector.
11. Typically, scope to enunciate monetary policies that have either direct or trickle down and differential effects on specific groups of men, women, boys and girls, remains constrained.
12. This notwithstanding, the January 2014 Monetary Policy Statement embodied key gender sensitive policy measures that are envisaged to significantly impact on both men and women. Key measures enshrined in the January 2014 Monetary Policy Statement include the following:
 - a. Enhanced Role of the Reserve Bank of Zimbabwe;
 - b. Capitalization of Banks;
 - c. Bank Charges and Interest Rates;

- d. Enhancement of Supervision through Review of Legal Framework;
 - e. Regulation of Payment System;
 - f. Gold Marketing Arrangements;
 - g. Continued Use of Multiple Currencies;
 - h. Introduction of New Currencies;
 - i. Financial Inclusion;
 - j. Opening of Bank Accounts;
 - k. Promotion of SMEs and Community Development;
 - l. Support to Small Scale Gold Miners; and
 - m. Pyramid Schemes.
13. Ladies and gentlemen, the context of my discussion today, however, requires that I place special emphasis on specific measures that are envisaged to directly inspire change in the status of women in Zimbabwe.

Financial Inclusion

14. Ladies and gentlemen, the availability and accessibility of financial services remains critical in livelihoods of men and women, boys and girls. It is against this background that the need to develop an inclusive financial sector has gathered substantial momentum in

recent years. The development of an inclusive financial sector that serve the financial needs of previously marginalized communities, thus becomes vital in initiatives geared and spurring pro-poor development in Africa.

15. Access to well-designed financial services can also help poor households build assets, engage more effectively in markets, and reduce their vulnerability to crises, especially when access to services is planned as part of household livelihood strategies and sustained over time. The provision of financial services can effectively complement and provide a means of accessing different types of training and other non-financial services.
16. According to the FinScope Consumer Survey of 2012, the majority of both urban and rural communities in Zimbabwe remain financially excluded.
17. Notably, the Survey reveals that, a mere 12% of Zimbabwe's rural populace is banked while as much as 51% of the rural residents remain financially excluded. According to the FinScope Survey, key disablers that hamper financial inclusion in rural communities in Zimbabwe include the following:
 - i. High cost of financial service delivery;

- ii. Maintenance of a small branch network by banks;
- iii. The dilapidated state of rural infrastructure;
- iv. Lack of tailor-made financial products;
- v. Lack of confidence in the financial sector following the freezing of deposits in the transition from the local currency to the multiple currency system in 2009;
- vi. Lack of acceptability of land as collateral by banks;
- vii. Tight liquidity constraints that have resulted in lack of long term funding;
- viii. Women do not own assets especially in rural areas;
- ix. Perceived risk of the rural communities; and
- x. Banks focus on large rather than small customers.

18. Despite the negative effect of these constraints, agricultural finance has largely been provided by the following players in Zimbabwe:

- Contract farming companies targeting cotton, tobacco and sugar production;
- Agri-business units of banks notably, Agribank, CBZ, ZB Bank;
- Other facilitators of financial services namely;
 - Commercial Banks;
 - Insurance Companies;
 - Building Societies;

- Micro-Finance Institutions;
 - Farming Companies;
 - Transaction Service Providers; and
 - Donors.
19. Notwithstanding the low levels of financial inclusion in Zimbabwe, the expansion of mobile network coverage in Zimbabwe has created great scope for mobile network providers to collaborate with banks who have been unable to provide financial services to remote parts of the country.
20. The adoption of mobile banking services has rapidly spread across the country, thereby enabling access to financial services by the previously marginalized rural communities. To leverage on the mobile penetration rate of 87% in Zimbabwe, mobile banking has created multiple opportunities and benefits to the banked and un-banked communities.
21. As at 28 February 2014, seventeen (17) banking institutions had introduced mobile banking products in partnership with mobile network operators. Notable products include the following:
- a. ZIPIT (ZIMSWITCH Based platform)- by FBC, POSB, CABS, Metbank, Stanchart and Metbank ;

- b. Eco-Cash- by Steward Bank, CBZ, Stanbic, Agribank, ZB, NMB, and BancABC;
 - c. E-Mali- By Tetrad;
 - d. E-Tranzact- by CBZ;
 - e. E- Solutions – by ZB
 - f. Telecash- by AfrAsia;
 - g. Nettcash- by Tetrad; and
 - h. One Wallet – by FBC.
22. Additionally, the January 2014 Monetary Policy Statement underscored the need for banking institutions to deploy adequate loanable funds to micro-finance operations in Zimbabwe. This is envisaged to ensure improved access to funding by both men and women in the country’s microfinance institutions.

Opening of Bank Accounts

23. There has been growing volume of transactions taking place outside the banking sector. In this regard, the intermediary role of banks has been undermined. Against this background the January

2014 Monetary Policy Statement urged banks to simplify account opening procedures in order to attract deposits.

24. This policy measure is envisaged to promote use of the banking system by both men and women mostly in informal business activities.

Promotion of SMEs and Community Development

25. Ladies and gentlemen, SMEs mostly in agriculture, manufacturing, and mining sectors, have grown to be engines of rapid economic development and the effective eradication of poverty, the world over. This notwithstanding, African women in both Sub-Saharan Africa and North Africa experience a disproportionate lack of access to financial services relative to African men and relative to women worldwide.
26. In Zimbabwe, the agricultural sector provides livelihoods mostly to women, accounting for 70% of the country's population. Regrettably, small holder farmers, mostly women, have remained trapped in poverty on account of lack of access to agricultural finance. This has been compounded by lack of acceptable

collateral and limited access to means of production to borrow against.

27. It is against this background that the January 2014 Monetary Policy Statement placed great emphasis on the need for development partners and financial institutions to facilitate the provision of affordable credit to SMEs. In this regard, SMEs in all sectors are encouraged to form clusters, pool risks together and stand a better chance to access funding from financial institutions.
28. The ability of SMEs to form clusters essentially allows banks to develop an efficient mechanism to track such borrowers, a feature that enhances accountability and requisite follow-ups. Importantly, such group lending activities have exhibited lower defaults compared to individual credit facilities.

Support to Small Scale Gold Miners

29. Ladies and gentlemen, the country has seen the increased participation in the traditionally male-dominated mining sector. Within this context, a growing number of women has secured mining rights and taken up small scale mining activities in the country. Despite these bold initiatives taken by women financial

constraints have affected their productivity on account of the highly mechanized operations in the mining sector.

30. Essentially, critical mining equipment namely, compressors, ball-mills, excavators, water pumps and generators require substantial capital outlays. It is against this background that women miners have resorted to renting equipment at high costs, thereby eroding their profit margins.
31. In view of this drawback, banks have also been encouraged to increase their lending to small scale miners in the gold sub-sector. Importantly, Fidelity Printers and Refiners (FPR) is expected to equip small scale miners by acquiring all the gold that they produce at competitive prices.
32. In this regard, all small scale gold miners including women are expected to immensely benefit from this initiative. This initiative will further benefit from the resumption of the sole gold mining status by Fidelity, a wholly owned subsidiary of the Reserve Bank.

Pyramid Schemes

33. Ladies and gentlemen, in their bid to nurture a culture of saving, women traditionally formed various savings clubs. Over the recent past, this has, however, exposed them to non-deposit taking institutions that are not approved by the Reserve Bank of Zimbabwe.
34. In view of the losses incurred in these illegal deposit taking institutions by both men and women, the Reserve Bank of Zimbabwe, in its January 2014 Monetary Policy Statement urged the general public to resort to registered deposit taking institutions for the safety of their deposits.

CONCLUSION

35. Ladies and gentlemen, the attainment of broader and inclusive socio-economic development entails the evening out of imbalances that exist between men and women. In this regard, bold and significant development strides can be attained through ensuring women's active participation in the economy to ensure the

attainment of higher levels of productive investment and asset accumulation at household level.

36. From a household standpoint, women are the primary financial managers in most families, saving to invest in and protect their families and their children's future, stretching meager and irregular incomes to meet daily needs and to budget over the long-term for life's unexpected occurrences.
37. It is against this background that the Reserve Bank of Zimbabwe is committed to the promulgation of monetary policy measures with a gender lens. The crafting of monetary policies with a gender lens remains critical in ensuring that policy measures integrate the peculiar needs of women, create economic opportunities and effectively extricate men and women from poverty.

I THANK YOU

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