

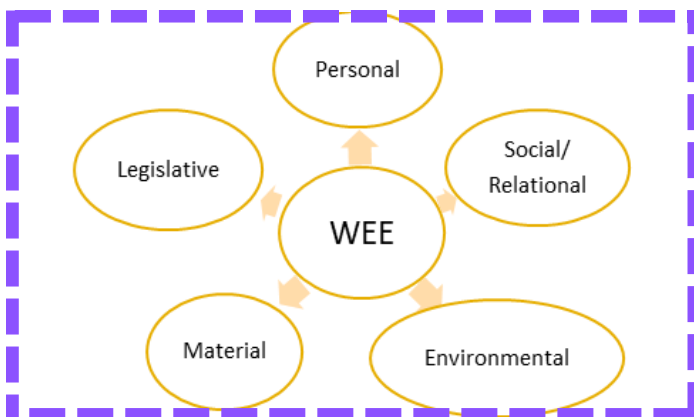


**INVESTING IN WOMEN, INVESTING
IN GROWTH: THE POWER OF
FINANCIAL INCLUSION**



FINANCIAL INCLUSION – KEY TO WOMEN’S ECONOMIC EMPOWERMENT

We Effect works across four countries in southern Africa, Zambia, Zimbabwe, Malawi, and Mozambique. In all programmes, financial inclusion is a key component. Our model of women’s economic empowerment affirms the fact that in order to effectively ensure women’s advancement and empowerment economically, then access to financial services is critical. Our Women’s Economic Empowerment Model works in five spheres, the social, individual, material, environmental and legislative. We Effect believes that in order for change to be effective for women it is critical to provide inputs.



We Effect understands inputs to range from knowledge, access to information, inputs, assets and financial services. We Effect has worked extensively with financial inclusion in the region. We have projects ranging from tailor-made insurance for farmers to establishing and continuing to support village saving and loan associations and SACCOs. Financial services also contribute to social and economic resilience, which is becoming increasingly more important as rural communities become more vulnerable to the negative impacts of climate change.

VILLAGE SAVINGS AND LOANS ASSOCIATIONS

The experience of We Effect confirms that the majority of members of the VSLAs are women. In a report published by We Effect in 2023, the reasons for this continue to be the benefits to women financially, as well as the opportunities to have a collective voice, agency and support. The benefits of VSLA membership are expansive, but the financial benefits remain at the core. One critical area of learning for We Effect is the understanding that access to financial services must form part of a broader series of intervention and support for effective women’s economic empowerment programming.

LUNDAZI DISTRICT WOMEN’S DEVELOPMENT ASSOCIATION – WOMEN REALISING THEIR POTENTIAL



We Effect has been supporting Lundazi District Women’s Development Association (DWDA) since 2019 under the Women’s Economic Empowerment Programme implemented by the Zambia country office. This programme focused specifically on supporting the district women’s development associations as a key entry point to working with women in rural communities.

Lundazi DWDA currently has ten area association members and almost 4000 female farmers and is continuing to grow under the programme. Eighty five VSLAs are supported under the programme with over 1,550 members, a number that number of members and is continuing to grow under the programme. The membership has increased by over 20 percent since Lundazi District Women’s Development Association joined the Women’s Economic Empowerment Programme. According to the Coordinator of Lundazi, Mrs. Banda, the ‘pass on the gift’, and the establishment of the VSLA have been the most important and effective components of the program. VSLA provided women with an opportunity to address financial problems they face. The challenges that women faced included being able to purchase to basic groceries and household goods, but also the lack of financial security, which placed them and family members in a vulnerable position if a family member needed medical attention or there was an emergency. According to women in Lundazi, they best understood the problems they were facing and were therefore, best placed to join a VSLA to manage money and identify how the money should be used. Some women spoke also spoke about how difficult it was to save money at home. The VSLA acted as a savings account and a way of more effectively having control over and managing their money and expenditure. Most women did not have bank accounts so the VSLA enabled women to build up savings to make more substantial purchases, such as fertilizer , agricultural inputs and equipment when needed.

BUSINESS DEVELOPMENT AND ENTREPRENEURSHIP

Women are engaged in businesses, ranging from farming to livestock to selling. The critical success of the VSLA s, particularly for women, is that it has enabled women to challenge barriers that they face in accessing and benefiting from financial services. Women are often denied access to financial services, and this is exacerbated by the fact that women often don’t have any collateral to offer as guarantee, are unable to open bank accounts, or have access to mobile money. Through VSLAs women in Lundazi had been able to significantly scale up their businesses or diversify their sources of income. During interviews with women, they talked about the fact that the VSLA had enabled them to scale up their business, and to realize opportunities for themselves as entrepreneurs. For women in Lundazi investment was essential and access to financial capital as means to grow and develop their businesses.



"I belong to the Kalingwata Village Loans and Savings Association. This is an initiative by the Lundazi Women District Development Association. We have been supported by We Effect and trained too on the VLSA. In my group, we save twice a month. This has been very helpful as it helps me secure education for my children, run my Poultry business. As we speak I have 250 birds which are on week 3 and will be ready for sale in the next 3 weeks. I managed to buy seed, fertilizer for the planting season and grocery for my family. I am happy that this VLSA has given me a chance to be self-sustainable and has earned me respect from my husband who is supportive of the idea as it balances roles at home instead of throwing every burden to him". - Mrs Sibande || Kalingwata Savings Group || Lundazi District Women Development Association Zambia.

Women commented that it didn't need to be a substantial amount of investment, but often there was a need for an injection of cash for them to take their business to the next level and be able to scale up. VSLAs were critical for women to realise their potential as business owners, entrepreneurs and innovators. Women spoke of joining the village, saving and loans associations as a key step in their business development.

The VSLAs are intended to be inclusive and work with the existing assets that members have. One of the unique and sustainable features of the VSLAs is that they do not require external assets or resources. In interviews, many women highlighted the accessibility of the VSLA as well as the sustainability. The economic benefits extended beyond the annual share outs, and also included access to trainings and access to other inputs to enable women to develop their income generating activities. The VSLA was also identified as a platform to encourage women's entrepreneurship. Women used the VSLAs to share and exchange ideas as well as

LEADERSHIP AND AGENCY



Jester Nyirenda

Lundazi District Women Development Association Member

"I am from Changoli Savings Group, I am the Chairlady of the Club. I joined the Savings Group as it helps improve our living conditions at home. I have gotten a loan before and I invested in my fuel business, I sell fuel for motorbikes. I have used my profits to pay school fees for my kids and also buy household items. We meet every Friday as a group, as women, this also gives us a chance to discuss issues that affect us."- Jester Nyirenda || Changoli Savings Group || Lundazi || Zambia

In the agriculture sector, gendered norms limit women's freedom of movement and deny them the opportunity to manage and control financial and material assets and resources. The high burden of care on women often makes it difficult for women to leave household duties and obligations to participate in activities outside the household. This in turn prevents women from taking and holding leadership positions which impacts on the extent to which women can participate in and benefit from economic empowerment programmes, technical trainings and skills development, financial services etc. In Lundazi, the VSLA had created opportunities for women to take up leadership positions. Being a member of the VSLA meant women could take up leadership positions that they had not been able to hold in the community. Women mentioned having mixed groups, and that it was important as well to include men in the VSLA. However, they highlighted the fact that women still wanted to have the leadership positions because this meant the VSLA would be successful.

REDUCING BURDEN OF CARE

Women shoulder a disproportionate share of unpaid work around the world, and gender imbalances in the distribution of care work constitute a root cause of women's economic and social disempowerment. Some women in Lundazi had been able to employ other members of the community to help with their farming and agriculture work. This had provided women with more opportunities to engage in other income generating activities.

SOCIAL PROTECTION AND RESILIENCE BUILDING

For women in Lundazi, VSLAs also offer some level of social protection and security. Women spoke of the changes in climate, and how much this is impacting their farming, and making it unpredictable and unsustainable as a livelihood. The VLSA offered them a level of security that enable them to plan for their families and their businesses. In reducing the financial insecurity of farming, women spoke about being able to take up other opportunities, such as training and value additional activities. However, many women also spoke about the fact that the VSLA also provided security in case of emergencies and provided examples of how the VLSA has been able to support women in case of medical emergency, or with school fees, if women are unable to pay.

COLLECTIVE SUPPORT

Finally, the VSLAs promoted collective voice, agency and support. Women spoke about taking collective action in the community to address challenges such as access to water. Women also very importantly, took pride in being members of the VSLAs. They proudly identified as members of VSLAs. They talked about saving money as a group so that they could buy uniforms to identify themselves as members of the VSLA. This affirmation of the dignity and integrity of women is also a critical aspect of empowerment.



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