



Savings Group Member Resilience Over the Course of the COVID-19 Pandemic: Evidence From Nigeria and Uganda

Marlous de Milliano, PhD | Thomas de Hoop, PhD | Chinmaya Holla | Kalkidan Lakew Yihun | Tabitha Mulyampiti, PhD | Eve Namisango, PhD | Akinwumi Akinola, PhD | Melch Natukunda | Sam Okello | Irene Khaoya | Tijani Joseph

APRIL 2022

Introduction

The COVID-19 pandemic and some of the associated policy responses (e.g., lockdowns and gradual relaxations) had considerable gendered impacts that reversed some of the recent progress in gender equality. Women and girls experienced larger adverse consequences along health, economic, social, and educational dimensions than men and boys, though mortality rates for COVID-19 are higher for men (Burki, 2020; Copley et al., 2020; O'Donnell et al., 2021; Wenham et al., 2020).

Evidence from studies in diverse African contexts indicates that savings groups have mitigated some of the negative economic effects of COVID-19-induced lockdowns and other restrictions on women and girls (e.g., Adegbite et al., 2021; Namisango et al., 2021; Siwach et al., 2021). Evidence from a longitudinal analysis of data from Women for Women International in Nigeria suggests that women members of Village Savings and Loan Associations (VSLAs) were more likely to maintain profitable activity after the COVID-19 pandemic (Siwach et al., 2021). VSLAs are groups of 15 to 25 people (often women) who save money together and take small, low-interest loans from those savings (CARE, 2021).

In this brief, the Evidence Consortium on Women's Groups (ECWG) and CARE examine the resilience of VSLA members in Nigeria and Uganda. We assess how savings and access to credit of VSLA members were affected by the COVID-19 pandemic and how VSLA functioning and gender correlate with personal savings

Key Findings

- The longer COVID-19-induced lockdown in Uganda likely contributed to a greater need for income or livelihood support in Uganda than in Nigeria. In Uganda, 41% of VSLA members reported income or livelihood needs as their main priority nearly a year after the first COVID-19-induced lockdown was lifted.
- VSLA meetings occurred as they had before the pandemic for 56% of the VSLA members in Nigeria and 14% of the VSLA members in Uganda, whereas 27% of VSLA members in Nigeria and 47% in Uganda reported adjusted meetings. VSLA savings processes remained the same as they had before the pandemic for 23% of survey respondents in Nigeria and 13% of survey respondents in Uganda.
- Regularly functioning VSLAs likely can contribute to VSLA member resilience. Members of VSLAs who continued functioning as they had before the pandemic were less likely to report a priority need for food or nutrition in Nigeria, more likely to have the same or more savings in Nigeria, and more likely to have larger access to credit in Uganda.
- Decreasing savings and limited access to credit may limit VSLAs' ability to mitigate the negative economic consequences of the pandemic. Between 52% and 65% of VSLA members in Nigeria and Uganda, respectively, reported lower personal savings than before the pandemic. Only 20% of VSLA members in Nigeria and 29% in Uganda obtained a loan since mid-March 2020, whereas 21% of members in Nigeria and 28% in Uganda were denied a loan.
- The data show few statistical differences between men and women, but women were more likely than men to be responsible for traditional caregiving activities for children and the elderly (12% in Nigeria and 33% in Uganda).

and credit 1 year after the pandemic started. VSLA membership can contribute to resilience after the pandemic by stimulating members' (a) absorptive capacity to strengthen their ability to cope with shocks; (b) adaptive capacity, which includes learning and making strategic adjustments to mitigate the effects of shocks; and (c) members' transformative capacity, which involves a systemic adjustment to the status quo that reduces vulnerability to shocks (Bene et al., 2015; Tanner et al., 2017; Vaughan & Frankenberger, 2018; Walcott et al., 2021). Evidence suggests that although savings groups contributed to the resilience of their members during the early stages of the pandemic, many savings groups also experienced a depletion in group assets because they catered to basic needs of vulnerable members who had reduced earnings after the COVID-19-induced lockdowns (Adegbite et al., 2021).

This brief examines whether VSLAs were able to contribute to longer term resilience even after experiencing a reduction in group resilience caused by a depletion in group assets. We analyze this question for the full sample of VSLA members while conducting a comparative analysis between Nigeria and Uganda. The latter is important because Uganda experienced a more stringent and long-lasting lockdown than Nigeria.

In particular, we sought to answer five research questions, each of which contributes to addressing the overarching research question (RQ) *What is the contribution of savings groups to supporting the resilience of group members during the COVID-19 pandemic?*

- **RQ 1:** How has the COVID-19 pandemic changed VSLA members' personal lives, individual priority needs, and COVID-19 pandemic responses? How do these responses differ by gender or age? How have the responses changed over time?
- **RQ 2:** How has the COVID-19 pandemic influenced VSLA members' propensity to save and obtain access to credit?
- **RQ 3:** How has the COVID-19 pandemic influenced VSLA functioning?
- **RQ 4:** How are VSLA members' characteristics and VSLA functioning associated with VSLA members' needs in response to the COVID-19 pandemic?
- **RQ 5:** How are VSLA members' characteristics and VSLA functioning associated with savings and access to credit over the course of the COVID-19 pandemic?

To address the research questions, we used data from phone and virtual interviews with members of VSLAs who come from CARE's Women (in VSLA) Respond sub-initiative, an ongoing effort to collect data on the influence of the global pandemic on savings group members. CARE works with more than 12.4 million people in 54 countries, providing support in facilitating access to and participation in VSLAs. VSLAs are central to CARE's strategy for reducing women's vulnerability through deliberate layering of services and interventions as well as creating strong support networks to improve overall well-being.

Background

Although both countries experienced COVID-19 pandemic-induced lockdowns and gradual relaxations after the COVID-19 pandemic started, Nigeria and Uganda responded quite differently to the pandemic. Uganda had a longer, more restrictive response than Nigeria. For example, Uganda prohibited most non-farm business activities for 4 months and had the longest school shutdown in the world, from March 2020 through January

2022 (Anguyo & Storer, 2020; Mahmud & Riley, 2021; Mbonye, 2022). The Nigerian government responded to the COVID-19 pandemic through state-mandated lockdowns and curfews beginning in March/April 2020, restrictions on gatherings of more than 50 people, and school closures. Non-farm business and education activities in Nigeria mostly continued after the first COVID-19-induced lockdowns. Google mobility data support this claim, showing a sharp decline in mobility in December 2020 and in July through August 2021 in Uganda, while mobility in Nigeria was restored over the course of 2021 after initial declines in April 2020 and some smaller declines in July and August 2021.

These differences indicate that savings group members may have faced larger negative economic shocks in Uganda than in Nigeria. The larger restrictions in Uganda may have resulted in particularly strong negative effects for small business owners and parents of young children. Recent evidence indicates, for example, that better-off households in Western Uganda with a business before the COVID-19 pandemic still had one-third lower income and 30% lower wealth 1 year into the pandemic, indicating large, long-term consequences of the lockdown (Mahmud & Riley, 2021). The incomes of households without a business before the pandemic had largely recovered to pre-pandemic levels 1 year into the pandemic (Mahmud & Riley, 2021). In addition, a large-scale, phone-based survey in Uganda indicated that 63% of the children who attended school before the pandemic did not engage in any education or learning activities in the 7 days before the survey was administered (World Bank, 2020).

Both Nigeria and Uganda started new social protection interventions that may have contributed to VSLA members' resilience after the COVID-19-induced lockdowns started, but some of these interventions faced significant financing or implementation constraints, limiting the ability of social protection programs to mitigate some of the gendered effects of the pandemic. For example, the Ugandan government planned to expand jobs under the Urban Cash for Work Program and distributed agricultural inputs in 124 districts (Adegbite et al., 2021), but the planned program did not receive the required approval or financing (Beazley et al., 2021). Starting in April 2020, the Nigerian government distributed cash transfers of \$52 to 2.6 million poor and vulnerable households registered with the National Social Register (Babatunde & Olagunju, 2020; Dixit et al., 2020). The government also created a special public works program to create temporary jobs for 774,000 Nigerians (Special Public Works, 2020). A recent analysis of social protection interventions in response to the COVID-19 pandemic showed, however, that only one in five global social protection measures during the pandemic had addressed gender (e.g., supporting women in informal employment, mitigating risks of violence, confronting the unequal distribution of caretaking), demonstrating that a large majority of the pandemic responses related to social protection overlooked gender considerations (Gavrilovic et al., 2022).

Methodology

We used a combination of descriptive statistical and regression analysis of the quantitative data to address the research questions. For RQs 1 through 3 we used descriptive analyses to estimate the proportion of VSLA members who reported having experienced changes to their individual lives or VSLA group functioning due to the COVID-19 pandemic. We used their self-reported individual needs, responses to the pandemic, and changes in savings and access to credit, as well as the proportion of members who reported changes in VSLA savings processes and procedures, continuation of in-person and/or virtual meetings, and COVID-19-induced changes in loan disbursement and share-out processes. We analyzed the results by gender, age group, country, and data collection round to explore gendered, age-related, context-specific, and timing effects of the

COVID-19-induced lockdowns. Box 1 presents more details on the outcome variables we analyzed descriptively.

To investigate RQs 4 and 5, we compared the main, individual-level outcomes of interest between VSLAs that continued to function as they had before the pandemic and VSLAs that made changes after the pandemic started. These changes refer to changes in savings processes and procedures, changes in in-person meetings, and COVID-19-induced changes in loan disbursement share-out processes. The comparisons enabled us to assess how changes in VSLA functioning correlate with resilience among individual VSLA members. In these analyses, we used self-reported changes to individuals' lives, personal priority needs, and savings and credit as independent variables and controlled for age and gender in a multivariate, pooled ordinary least squares regression analysis.

Box 1: Main Outcomes of Interest



Changes to individual lives: VSLA members were asked about the area of their personal lives that changed the most since mid-March 2020. Possible responses included household's income or livelihood, children's food or nutrition, safety, physical health, access to health care, sanitation and hygiene, mental health, children's education, access to financial services, access to social networks, and community involvement.



Changes to personal needs: VSLA members were asked about their most urgent need at the time of the survey. Possible responses included physical, reproductive, and maternal health care; mental health care; clean water; sanitation and hygiene supplies; livelihood, employment, or income; food or nutrition; and protection or safe shelter. Survey respondents were asked to mention only one priority need.



Individual response to the COVID-19 pandemic: VSLA members were asked about how they had responded to the COVID-19 pandemic. Possible responses included volunteering their skills to provide information about or to prevent COVID-19, leading or supporting continuity in groups and associations, performing caretaking duties for children and other relatives at home, ensuring the household had sufficient supplies, continuing work as a key or essential worker, and earning income in different ways than before the pandemic.



Changes in VSLA meeting procedures: VSLA members were asked about changes in VSLA meeting procedures. Response options included the following: VSLA meetings continued to occur as they had before the pandemic, meetings were held only between leaders, there were no physical or virtual meetings, there were fewer physical meetings, the duration of physical meetings was shorter, and meetings occurred virtually (e.g., through phone calls or WhatsApp).



Process of group savings in VSLAs: VSLA members were asked about changes in the process of group savings in VSLAs. Response options included the following: VSLA members had the option to send money through mobile app/bank; drop off money and leave; savings were suspended; members were unable to save; no changes; or don't know.



Changes in VSLA loan process: Responses captured any changes to the VSLA loan process, whether they continued as usual, loan disbursements were suspended, repayments were deferred, loan amounts were restricted, or payment arrangements were changed (e.g., interest was suspended or changed).



Changes in individual-level savings: VSLA members were asked whether their savings were lower, the same, or higher than before the COVID-19 pandemic.



Changes in ability to obtain a loan: Lastly, VSLA members were asked about whether they had tried to obtain a loan from a bank, cooperative society, savings association, family or friends, etc. since mid-March 2020. Response options included the following: applied for a loan and was accepted or rejected, did not apply for a loan, and had other household members apply for a loan.

We used data from phone and virtual interviews with members of VSLAs as part of the **Women (in VSLA) Respond sub-initiative**, an ongoing effort to collect data on the influence of the COVID-19 pandemic on savings group members. This brief analyzes data from the first two rounds of data collection in Nigeria and Uganda. In Nigeria, data were collected from mid-February until mid-April 2021 and from the end of June until the end of July 2021. In Uganda, data were collected from April until early June 2021 and from mid-August until mid-September 2021. We present the data as a pooled sample across the two rounds. Future briefs will also include analyses of data from the third and fourth rounds of data collection and findings from two rounds of qualitative data collection. We collected qualitative data among a subsample of 36 VSLA members who were included in the quantitative surveys.

CARE originally planned to sample 1,000 randomly selected survey respondents from VSLAs in Uganda and 1,600 randomly sampled individuals from VSLAs in Nigeria, based on advice from the ECWG and available resources. In Nigeria, CARE further planned to stratify the sample by maturity¹ of the VSLAs to account for differences in responses between members of mature and non-mature VSLAs. In practice, CARE collected data from 971 respondents from 334 VSLAs in Uganda and 1,607 respondents from 273 mature VSLAs and 466 non-mature VSLAs in Nigeria. CARE reached this sample size after repeated attempts to interview people using short message service (SMS) surveys and phone-based surveys. CARE initially tried to contact respondents by SMS, followed by phone calls, in case intended respondents did not respond. CARE replaced intended respondents who were unreachable or who did not pick up the phone after repeated attempts with a randomly ordered list of replacement households created by the ECWG. The second round of data collection in Nigeria included 1,498 VSLA members who were also included during the first round of data collection (attrition of 6.8%), while in Uganda we interviewed 828 VSLA members who were also included during the first round of data collection (attrition of 14.2%). Survey respondents answered two nearly identical surveys on life changes and priority needs since the COVID-19 pandemic started; their response to the pandemic; individual savings and loans; VSLA meeting procedures, processes, and functioning after the pandemic; and changes in the savings, loan disbursements, and share-out schedules of VSLAs after the pandemic.

Study Findings

Description of VSLA Member Sample

The overall sample included a large majority of women in Nigeria and a smaller majority of women in Uganda. The sample consisted primarily of VSLA members between 25 and 49 years old (Exhibit 1). In Nigeria, 81% of the sample were women; in Uganda, 58% of the sample were women. The distribution by age group was largely the same across countries. Of the members in Nigeria, 47% were between 35 and 49 years old, 30% were between 25 and 34 years old, 13% were age 50 and older, and 10% were younger than age 25. Of the VSLA members in Uganda, 39% were between 35 and 49 years old, 35% were between 25 and 34 years old, 13% were age 50 and older, and 13% were younger than age 25.

¹ CARE defines mature VSLAs as those who have completed one VSLA cycle. The VSLA cycle is time-bound, usually an agreed period between 9 and 12 months, when the accumulated savings and service-charge earnings are shared out proportionally to the amount that each member has saved.

Exhibit 1. Descriptive statistics

Variable	Total	Round 1	Round 2
Nigeria			
Total	3,105	1,607	1,498
Female	2,516 (81%)	1,273	1,243
Less than 25 years old	295 (10%)	157	138
25–34 years old	935 (30%)	487	448
35–49 years old	1,460 (47%)	751	709
50 years and older	415 (13%)	212	203
Uganda			
Total	1,799	971	828
Female	1,052 (58%)	571	481
Less than 25 years old	238 (13%)	133	105
25–34 years old	634 (35%)	344	290
35–49 years old	698 (39%)	367	331
50 years and older	229 (13%)	127	102

RQ 1: Changes in personal life, individual needs, and responses to the COVID-19 pandemic

Changes in personal lives

We saw considerable variation in survey respondents' perceptions of how the COVID-19 pandemic affected their lives, with the largest minority of respondents indicating that their income and livelihood were most affected by the pandemic (Exhibits 2 and 3). We observed small differences in responses between male and female VSLA members, with slightly less than one third of respondents in both countries reporting that their income and livelihood were most affected by the pandemic. In Uganda, we did not find statistically significant differences in responses between men and women about how the pandemic affected their lives. Women in Nigeria, however, were statistically significantly less likely than men to report that their income or livelihood were most affected by the pandemic.

In Nigeria, a larger percentage of survey respondents, especially women, reported that food or nutrition were most affected by the COVID-19 pandemic. Data from the phone-based Living Standards Measurement Survey in Nigeria showed considerable increases in food security among savings group members, though increases in food security were greater among households without savings group members (Adegbite et al., 2021). The data showed that among men and women in Nigeria, there was a small but statistically significant difference in reports of food or nutrition changes caused by the pandemic, with 27% of the female respondents reporting that food or nutrition were most affected by the pandemic and 22% of the male respondents reporting that food

or nutrition were most affected.² These percentages were notably larger than in Uganda, where only 8% of respondents reported that the area of their lives most affected by the COVID-19 pandemic was food or nutrition.

The larger perceived impacts on livelihoods and the smaller perceived impacts on food security in Uganda relative to Nigeria were possibly related to the longer lockdown in Uganda, which primarily affected non-farm livelihoods because of the prohibition of non-farm business activities for 4 months, suggesting that among rural households, food security was less affected by the COVID-19 pandemic than non-farm livelihoods.

Exhibit 2. Changes in personal lives in Nigeria

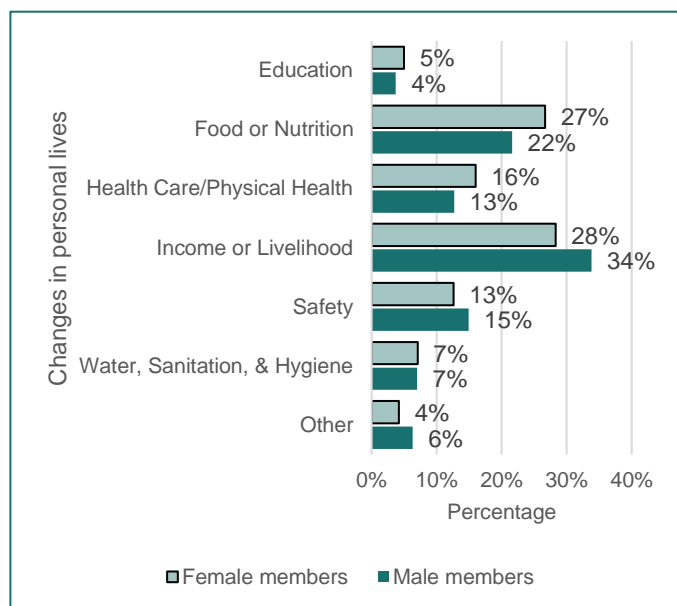
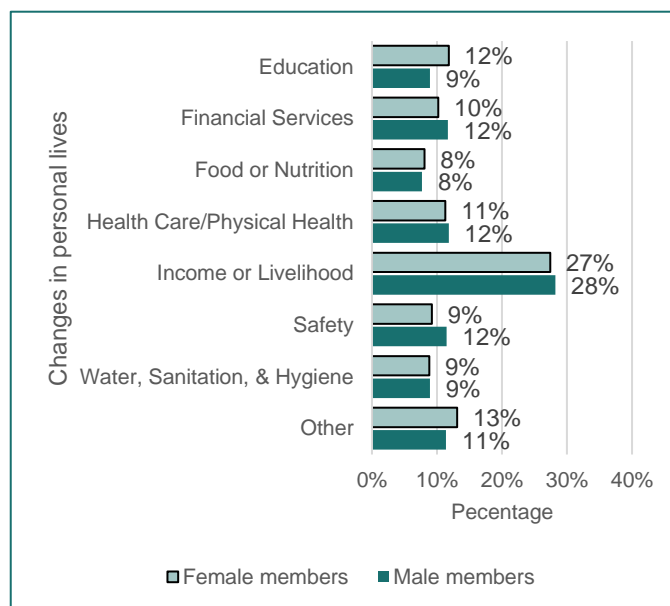


Exhibit 3. Changes in personal lives in Uganda



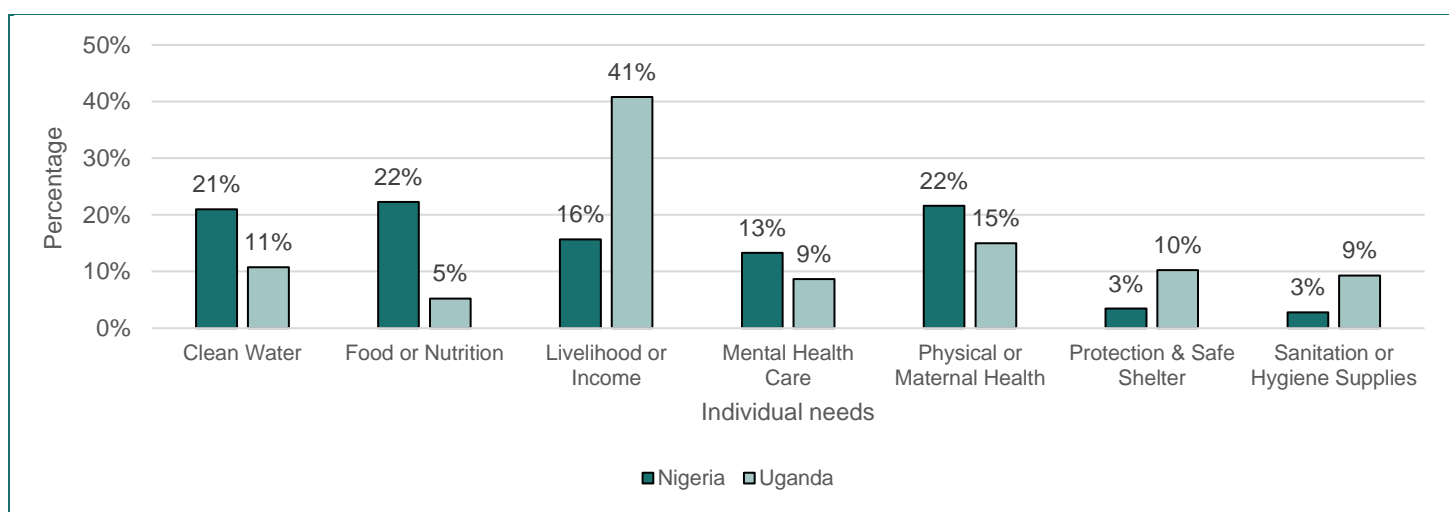
Individual priority needs

Although we cannot establish causality through the available data, **the findings indicate that the longer COVID-19-induced lockdown—especially the prohibition of most non-farm business activities in Uganda—may have contributed to greater needs for income or livelihood support in Uganda than in Nigeria** (Exhibit 4). The findings are consistent with recent evidence from Uganda indicating that better-off households with a business before the pandemic still had one-third lower income and 30% lower wealth 1 year into the pandemic, indicating large, long-term consequences of the lockdown (Mahmud & Riley, 2021). In addition, the prohibition of non-farm business activities likely contributed to considerable differences between Nigeria and Uganda in needs reported by survey respondents, with the largest minority (41%) in Uganda reporting that income or livelihood were their greatest individual needs and the largest minority of respondents in Nigeria reporting a need for clean water (21%), food or nutrition (22%), and physical or mental health care (22%).

² Although the gender differences in Nigeria were slightly larger than those in Uganda, male VSLA members in Nigeria were older on average than female members. Thus, age differences may have contributed to the differences in responses between men and women in Nigeria, if older men had different perceptions than younger men about the importance of income and livelihood relative to the importance of food and nutrition. The average age for male VSLA members in Nigeria was 40; the average age for female VSLA members was 36. The average age in Uganda was 36 for male VSLA members and 36.5 for female members.

The results of the analysis of gender differences in Nigeria indicated that female VSLA members reported “food or nutrition” and “mental health” needs more often than male members (23% and 20%, respectively, for nutrition or food, and 14% and 11%, respectively, for mental health care). Male VSLA members in Nigeria reported higher needs than female members for clean water and income or livelihood. The results of the gender analysis showing that women in Nigeria more often reported food or nutrition needs are aligned with existing evidence indicating that increasing women’s share of income in the household results in greater allocation of resources to food consumption because of differences in spending preferences between men and women (Ruel et al., 2018). In Uganda, male members were statistically significantly more likely to report a need for clean water than female members (a difference of 3 percentage points), whereas female members were more likely to report physical, reproductive, or maternal health needs than male members (a difference of 4 percentage points). This is likely because women were more strongly affected by decreases in access to antenatal health during the COVID-19-induced lockdown in Uganda (Burt et al., 2021). Exhibit 4 depicts these results.

Exhibit 4. Individual needs, by country



COVID-19 responses

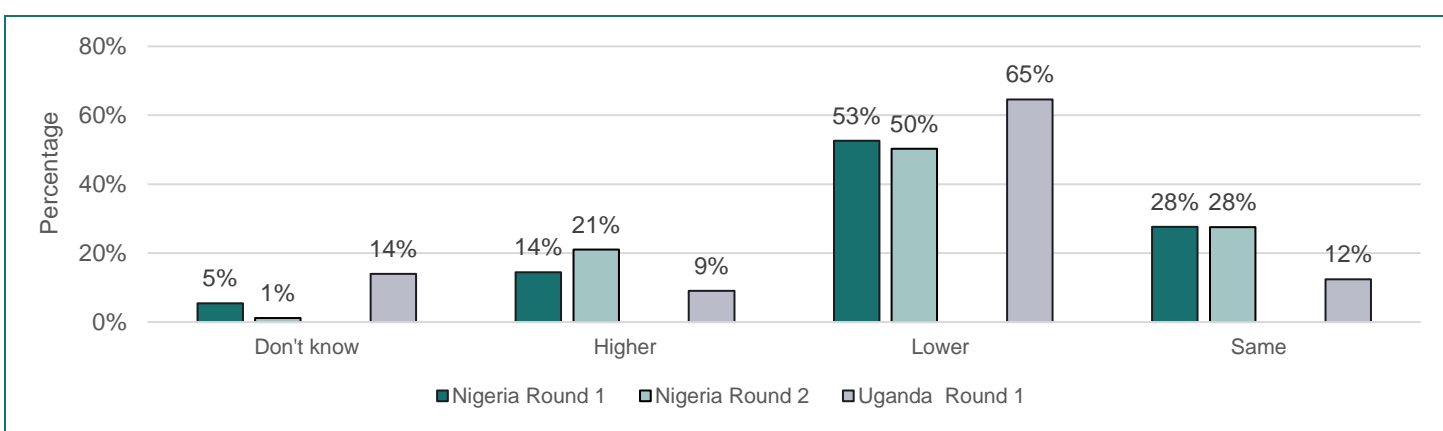
Survey respondents (44% in Nigeria and 26% in Uganda, respectively) frequently volunteered their skills to provide information about COVID-19 or ways to prevent it. Older respondents (those older than age 50) more often reported that they had volunteered their skills. Consistent with traditional caretaking roles, women between 25 and 49 years old were 4 percentage points more likely than Nigerian men of the same age and 5 percentage points more likely than Ugandan men of the same age to perform additional caretaking activities for children or other relatives in the household. During the second round of data collection, VSLA members were more likely to volunteer their skills than in the first round, especially in Uganda (19 percentage points more likely in Uganda and 3 percentage points more likely in Nigeria).

RQ 2: Individual members' ability to save and obtain loans

Personal savings

The COVID-19 pandemic likely had lasting effects on VSLA members' ability to save 1 year after the pandemic started. Between 50% and 65% of VSLA members in Uganda and Nigeria reported lower personal savings than before the pandemic. In Nigeria, 55% of male VSLA members and 51% of female members indicated that they have lower savings. In Nigeria, however, female VSLA members were 6 percentage points more likely than male members to report higher savings after the pandemic. During the second round of data collection in Nigeria, the proportion of VSLA members who reported higher savings increased 7 percentage points (from 14% to 21%), indicating some signs of limited savings recovery over time (Exhibit 5), possibly because Nigeria had a shorter lockdown than Uganda. During the first round of data collection in Uganda, 65% of VSLA members reported lower savings, most likely because of the large losses in income or livelihoods. During the first data collection round, we did not find major gender differences in the ability of VSLA members in Uganda to save. CARE did not collect data on savings during the second round of data collection in Uganda.³

Exhibit 5. Ability to save compared to before the COVID-19 pandemic, by country



Obtaining loans

Whereas a large percentage of the survey respondents reported a reduction in savings and the need for income or livelihoods support, a small minority of the VSLA members in Nigeria and Uganda had access to credit during the COVID-19 pandemic. **Of the VSLA members, 20% in Nigeria and 29% in Uganda obtained a loan during the pandemic** (Exhibits 6 and 7). In Nigeria, 29% of the men and 20% of the women indicated that they tried to obtain a loan but were denied access to credit. In Uganda, 30% of the male VSLA members and 26% of the female VSLA members tried to obtain a loan but were denied. A pairwise correlation analysis shows a small but statistically significant positive relationship between lower savings and successfully obtaining a loan ($r = 0.11$ in Nigeria; $r = 0.11$ in Uganda), indicating that some VSLA members with lower savings during the pandemic were able to compensate for lower savings by obtaining access to credit.

³ CARE decided to eliminate some questions during the second round of data collection because a pilot suggested that doing so would increase the response rate. CARE does plan to collect more data on savings during the third round of data collection in Uganda.

However, a considerable proportion of VSLA members were denied access to credit despite the negative economic shocks they experienced during the pandemic.

The limited access to credit is consistent with previous results suggesting that savings group members have limited access to credit even if their access to credit is slightly larger than for non-savings group members (Adegbite et al., 2021). Indeed, the World Bank (2020) reported that Nigerian households face barriers to obtaining formal loans during the COVID-19 pandemic, and phone-based surveys from the World Bank suggest that access to credit is even lower in Uganda (Adegbite et al., 2021).

The emerging evidence shows that VSLA members face challenges related to reduced savings and limited access to credit, raising concerns about the ability of VSLA members to remain resilient throughout the COVID-19 pandemic and when faced with other shocks. Existing savings and access to credit likely contributed to the resilience of savings group members in the early stages of the pandemic, but reduced savings and limited access to credit may hinder their longer term resilience, especially when households simultaneously face agricultural or income shocks (e.g., conflict, droughts).

Exhibit 6. Loans during the pandemic, Nigeria

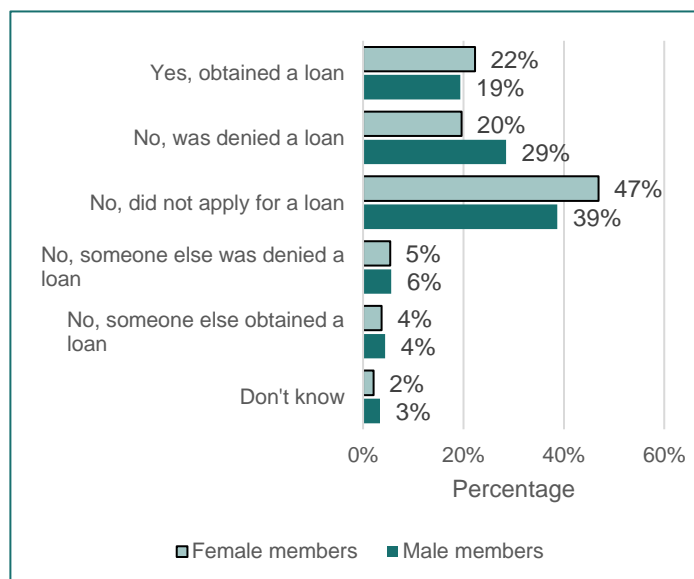
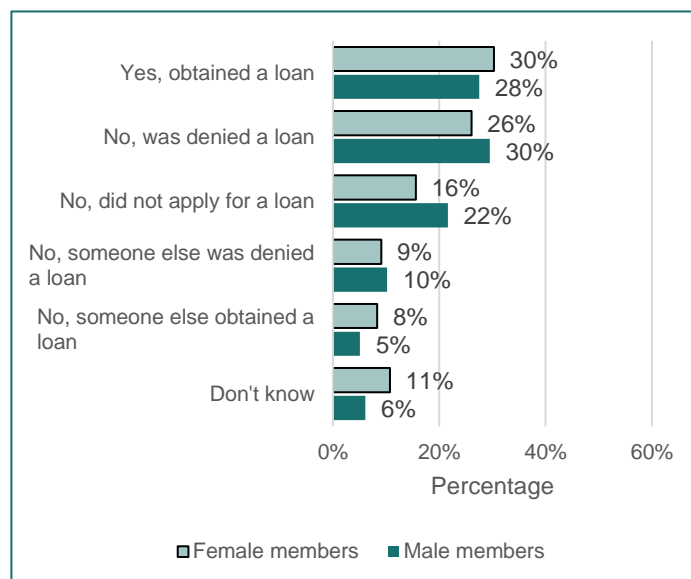


Exhibit 7. Loans during the pandemic, Uganda



RQ 3: VSLA functioning and continuation

The impacts of COVID-19 pandemic restrictions in Uganda were evident in the functioning of VSLAs. A considerable proportion of survey respondents in Uganda reported that VSLAs suspended savings or that VSLA members were unable to save (23%), meetings were reduced or cancelled (12%), and loan disbursements were suspended.

VSLAs in Nigeria were less severely affected by pandemic-related restrictions, with 56% of survey respondents indicating that meetings occurred in the same way as they had before the COVID-19 pandemic, whereas only 14% of the survey respondents in Uganda reported that meetings occurred in the same way as before the

pandemic (Exhibits 8 and 9). In Uganda, 26% of VSLA members reported that meetings were adjusted (i.e., shorter or less frequent) compared to 45% of VSLA members in Nigeria. The percentage of groups who met virtually was very small in both countries; 1% of the Nigerian respondents and 2% of the Ugandan respondents reported that VSLAs continued to meet virtually (e.g., through phone calls or WhatsApp). This finding suggests that lack of access to technology continues to be a major barrier to the large majority of VSLA members in Nigeria and Uganda. Moreover, in Nigeria we found that a larger percentage of meetings during the second round of data collection (58%) occurred as they had before the pandemic than during the first round of data collection (54%). In Uganda, the percentage of regularly occurring meetings decreased during the second round of data collection (12%) relative to the first round of data collection (16%). In Nigeria, the gradual relaxations in pandemic-related mandates may have contributed to the increase in the number of VSLA meetings, whereas in Uganda, additional COVID-19-induced lockdowns may have contributed to the decrease in the percentage of regularly occurring VSLA meetings.

Additionally, VSLA members were more often unable to save, and VSLAs more frequently suspended savings in Uganda than in Nigeria (23% compared to 13%). Adjusted savings processes (i.e., dropping off money or sending money through a bank or by mobile app) were similar for both countries, at 58% each (Exhibits 10 and 11).

Lastly, loan disbursements continued in a regular fashion for 56% of VSLA members in Nigeria and 42% of the survey respondents in Uganda (Exhibits 12 and 13). The proportion of VSLA members who experienced loan restrictions or disbursement suspensions was higher in Uganda compared to Nigeria (7 percentage points and 2 percentage points, respectively). These findings suggest that VSLAs in Uganda experienced larger challenges than in Nigeria, most likely because of the more restrictive lockdown.

Exhibit 8. VSLA meetings in Nigeria

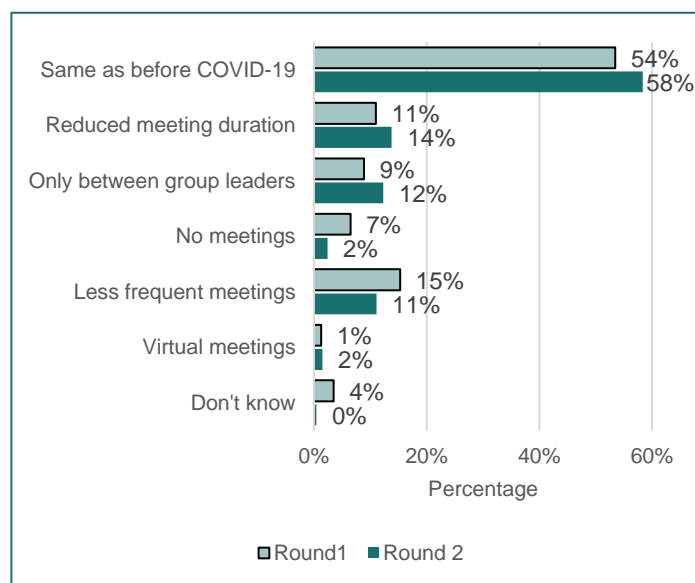


Exhibit 9. VSLA meetings in Uganda

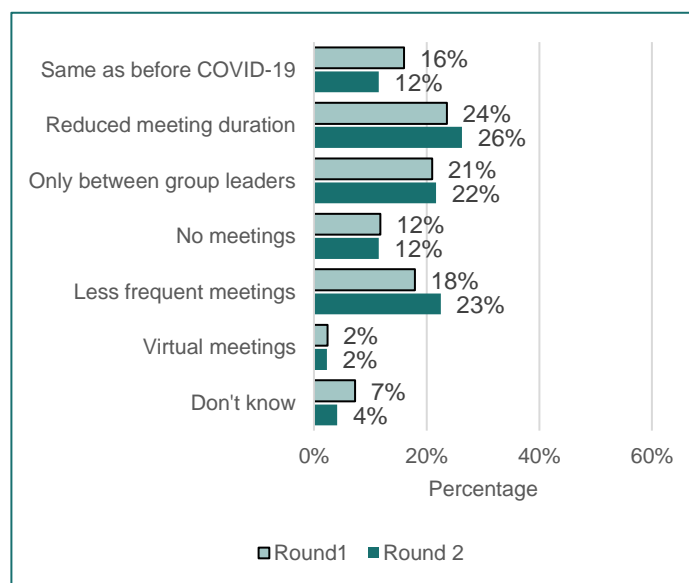


Exhibit 10. VSLA savings processes in Nigeria

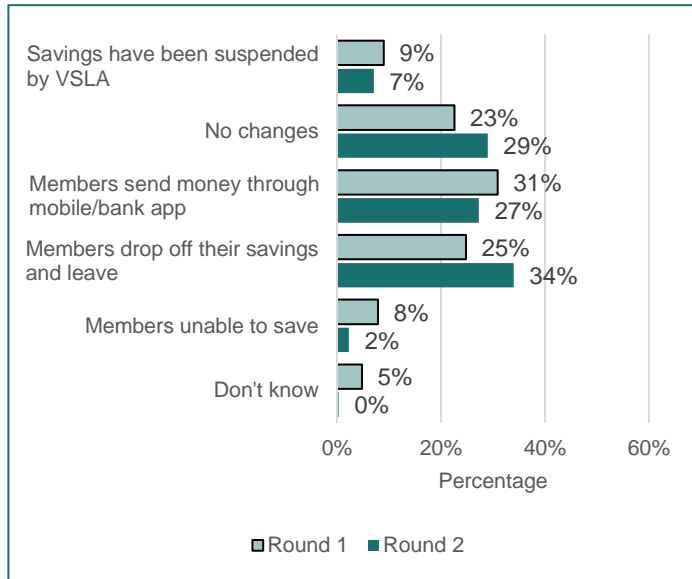


Exhibit 11. VSLA savings processes in Uganda

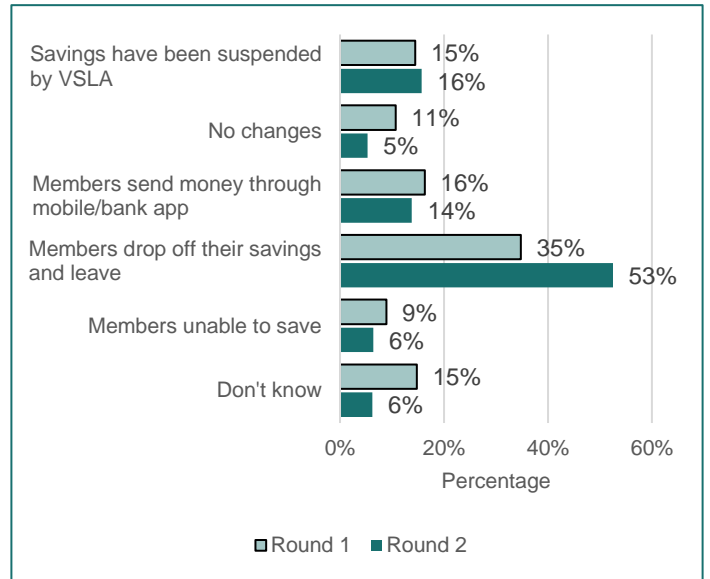


Exhibit 12. VSLA loan disbursements in Nigeria

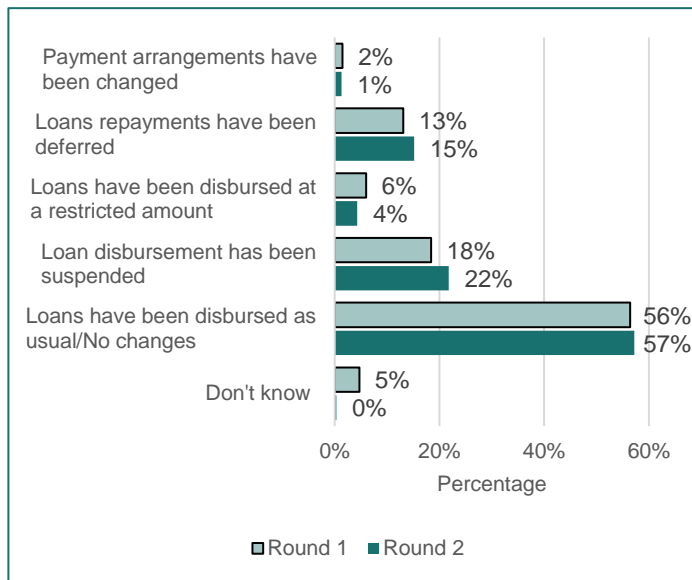
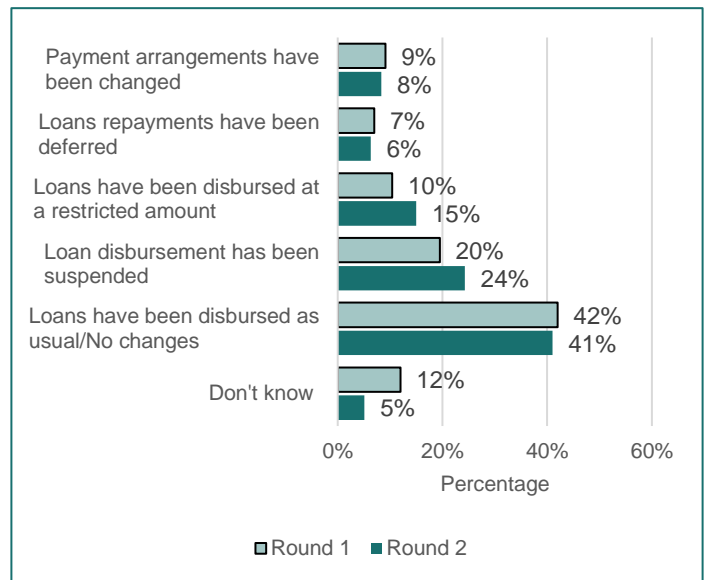


Exhibit 13. VSLA loan disbursements in Uganda



RQ 4: Relationship between VSLA functioning and economic needs

Relationship between individual and VSLA group functioning, and between life changes and needs

Members of VSLAs that continued to meet and disburse loans were statistically significantly less likely to report livelihoods and employment needs. Among Nigerian VSLA members whose VSLAs continued to meet as they had before the COVID-19 pandemic, loan repayments were deferred, or loans were disbursed as usual. As a result, Nigerian VSLA members were statistically significantly less likely to report changes in income or livelihoods. The situation was similar in Uganda, where the continuation of VSLA meetings and loan

disbursement were statistically significantly associated with a lower likelihood of reporting changes in income or livelihoods.

Additionally, Nigerian VSLA members whose group continued to meet as they had before the pandemic reported different needs than VSLA members whose group did not continue to meet as they had before the pandemic. Nigerian survey respondents who were part of VSLAs that continued to meet as they had before the pandemic were 8 percentage points less likely than VSLA members who had no meetings to report food or nutrition needs, whereas VSLA members with adjusted meetings (i.e., virtual, shorter, or fewer) were 21 percentage points more likely than VSLA members who had no meetings to report food or nutrition needs. Further, VSLA members whose group continued to disburse loans were 7 percentage points more likely to have nutrition or food needs (Exhibit 14). We did not find the same associations in Uganda. In that context, very few of the group functioning indicators were statistically significantly associated with reporting particular needs, most likely because the COVID-19-induced lockdown affected income or livelihoods needs for all VSLA members (Exhibit 15).

The findings indicate that when VSLA members were more likely to continue meeting as they had before the pandemic, members' livelihoods were less strongly affected by the pandemic. Alternatively, it is possible that members who reported fewer livelihoods and employment needs had more savings to contribute to VSLAs, therefore increasing the need to continue meeting.

Exhibit 14. VSLA functioning and needs in Nigeria

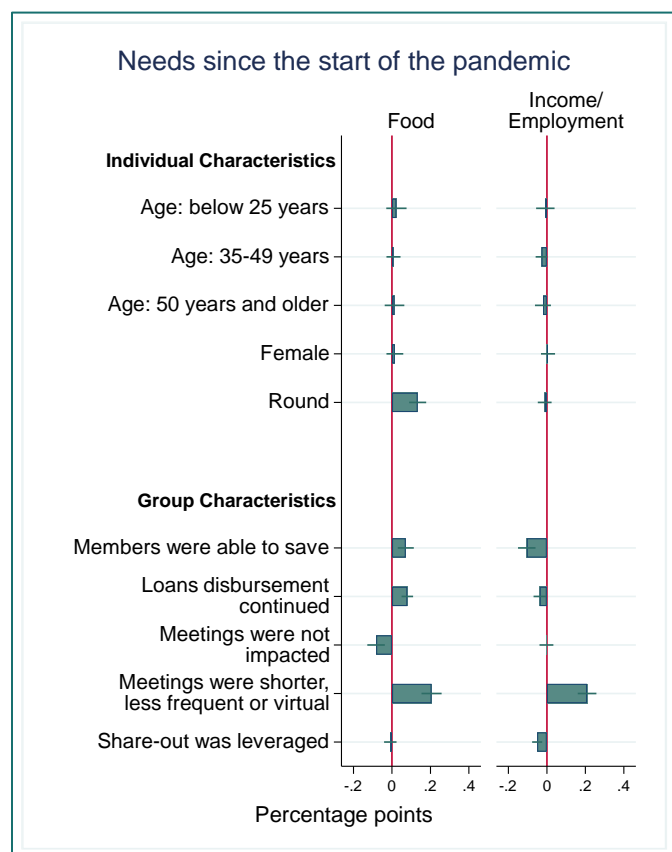
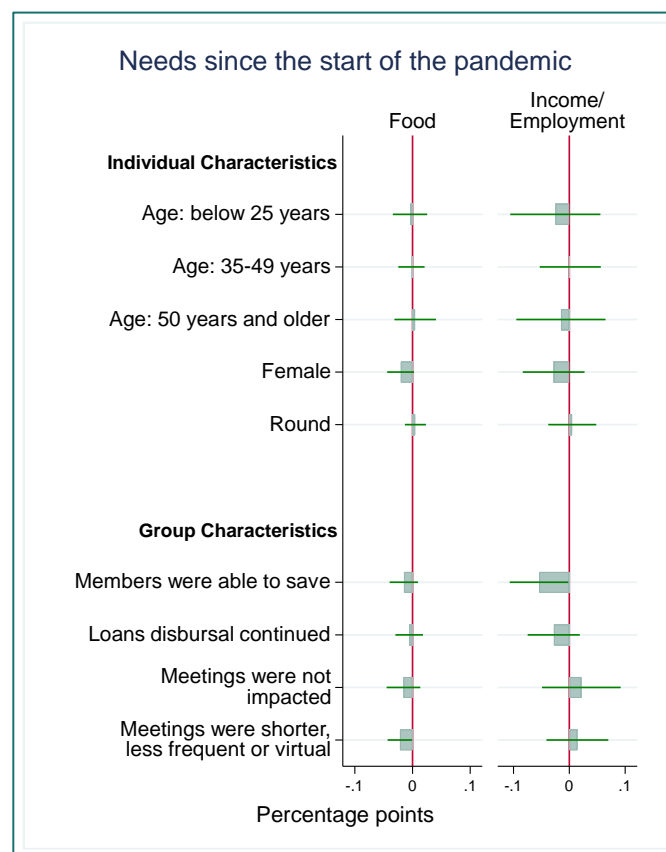


Exhibit 15. VSLA functioning and needs in Uganda



RQ5: Relationship between VSLA functioning and individual savings and loans

We found positive and statistically significant associations between regular VSLA functioning and individual savings in Nigeria, but we found very few statistically significant associations between VSLA functioning and savings in Uganda. VSLA members who had the ability to save were 6 percentage points more likely to report higher savings in Nigeria, and Nigerian VSLA members who reported that VSLA meetings continued as before the pandemic were 9 percentage points more likely to report higher savings. Further, VSLA members who reported no changes in the meeting procedures, group savings processes, and share-out schedules were statistically significantly less likely to report lower savings than VSLA members who reported changes in these processes. In Uganda, we found a statistically significant association between individual saving rates and VSLA members' reporting of regular continuation of VSLA loan practices, but not with other indicators that examine VSLA functioning. Exhibits 16 and 17 depict these results.

Exhibit 16. VSLA functioning and savings in Nigeria

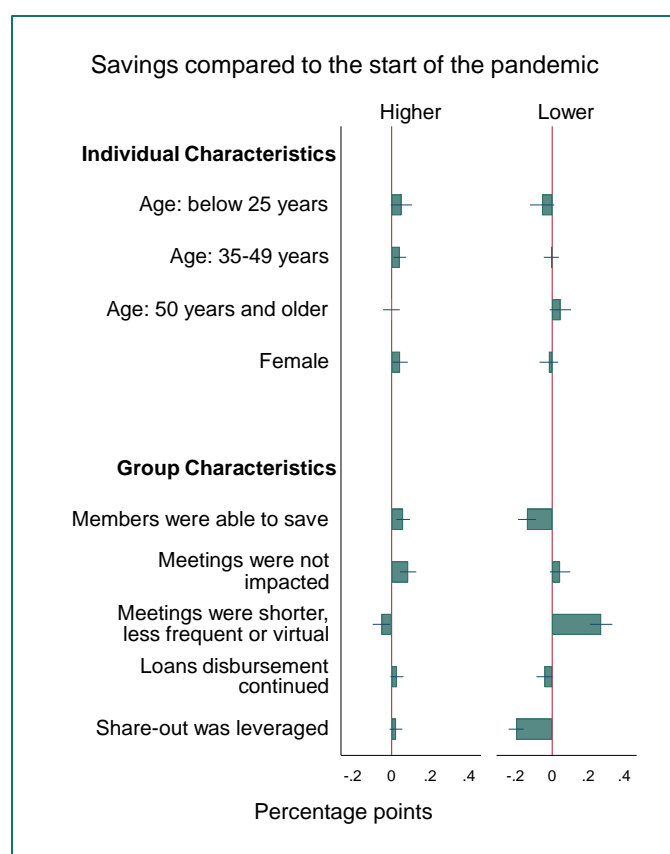
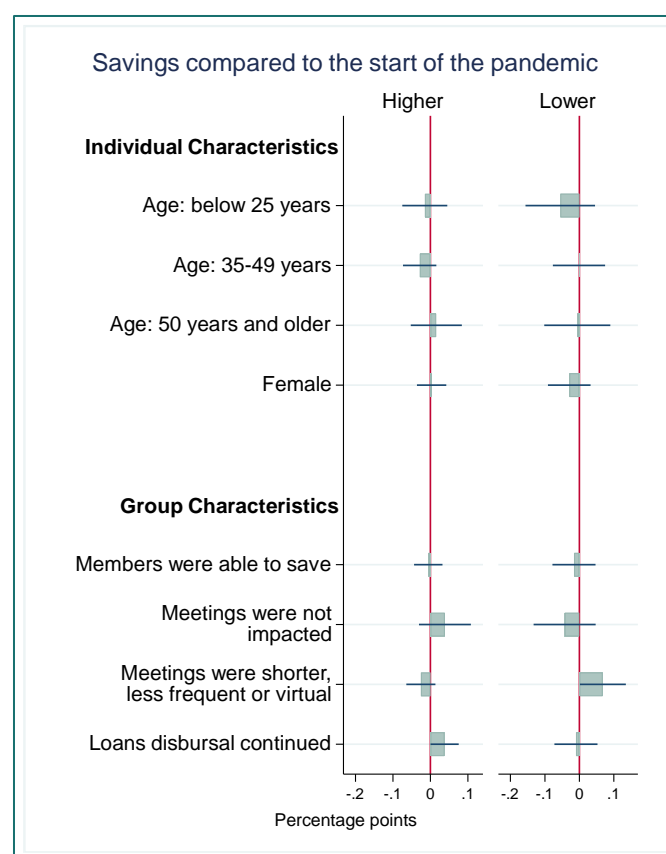


Exhibit 17. VSLA functioning and savings in Uganda



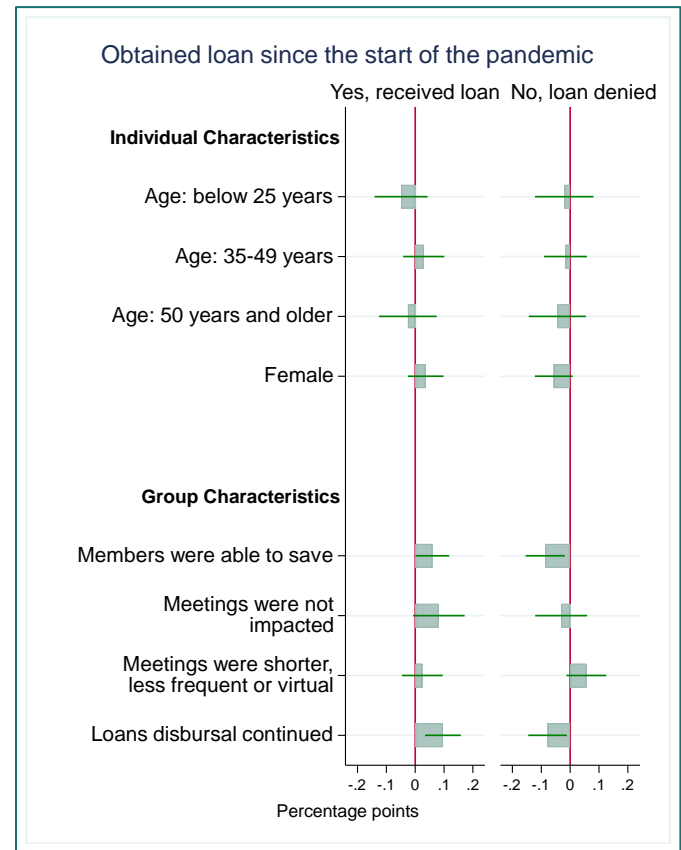
VSLA members whose group did not make changes to the loan process were more likely to obtain access to credit in Uganda; this was not the case in Nigeria. In Uganda, VSLA members whose group did not make changes in loan disbursements were 10 percentage points more likely to successfully obtain a loan and 8 percentage points less likely to be denied a loan. In Nigeria, however, members of VSLAs whose loan practices continued as they had before the pandemic were 8 percentage points less likely to have taken out a loan, and loan practices that continued had no statistically significant relationship with the likelihood of reporting loan denials. We hypothesize that the shorter COVID-19-included lockdown may have resulted in

lower demand for credit in Nigeria, especially among VSLA members who continued to save as they had before the pandemic in VSLAs that made no changes in loan disbursement. In Nigeria, a large proportion of VSLA members (45%) did not try to obtain a loan after the pandemic, whereas in Uganda a large proportion of VSLA members tried to secure a loan. The larger losses in income or livelihoods may have contributed to the higher demand for credit among VSLA members in Uganda. Exhibits 18 and 19 depict these results.

Exhibit 18. VSLA functioning and loans in Nigeria



Exhibit 19. VSLA functioning and loans in Uganda



Conclusions

This evidence brief takes stock of VSLA members' resilience in Nigeria and Uganda more than a year after the COVID-19 pandemic started. VSLA members in both settings experienced economic challenges caused by COVID-19-induced lockdowns. However, the restrictions in Uganda took longer, indicating that savings group members may have faced larger negative economic shocks in Uganda than in Nigeria. Our results indeed suggest that although survey respondents in both countries reported considerable losses in income or livelihoods, the losses were particularly pronounced in Uganda. In Uganda, we observed a more concentrated effect of the pandemic, with a considerable proportion (41%) of VSLA members reporting livelihoods and employment needs as their main priorities, whereas in Nigeria, VSLA members reported more diverse needs, including food (22%), clean water (21%), and health care (22%). The larger income or livelihoods losses and needs in Uganda are consistent with large, long-term consequences of the lockdown, especially for households with a business before the pandemic (Mahmud & Riley, 2021). We observed only a few statistically significant differences between men and women VSLA members.

We observed lasting effects of the pandemic on VSLA members' ability to save in both Nigeria and Uganda. Between 52% of VSLA members in Nigeria and 65% of VSLA members in Uganda reported lower personal savings than before the pandemic, suggesting that many VSLA members may have used their initial savings to cope with the short-term consequences of the pandemic. However, the large reductions in savings among VSLA members suggest that initial savings likely were insufficient to cope with the longer term financial consequences of the pandemic.

In Uganda, the COVID-19-induced lockdown, combined with social distancing guidelines, limited the ability of VSLAs to continue functioning as they had before the pandemic in Uganda. During the second round of data collection in Nigeria, however, a majority 58% of VSLA members reported meetings as they had before the pandemic. During the second round of data collection in Uganda, only 12% of VSLA members reported meeting as they had before the pandemic. A considerable proportion of VSLAs continued to meet in other ways—for example, by holding smaller meetings, (27% in Nigeria and 47% in Uganda) or less frequent meetings. However, some VSLAs stopped meeting altogether.

We found positive and statistically significant associations between regularly functioning VSLAs and individual savings in Nigeria, but we found very few statistically significant associations between VSLA functioning and savings in Uganda. For example, Nigerian VSLA members who reported that VSLA meetings continued as before the pandemic were 9 percentage points more likely to report higher savings, but we did not find similar statistically significant relationships in Uganda. These findings indicate that VSLA members in both countries faced economic challenges, but VSLAs in Nigeria may have contributed to the resilience of their members, especially the small majority of VSLAs in Nigeria that continued to meet, save, and provide loans as they had before the pandemic.

By contrast, VSLA members whose VSLAs did not make changes to the loan process were more likely to obtain access to credit in Uganda, but this was not the case in Nigeria. This is likely because the larger income or livelihood in Uganda significantly increased the demand for credit, whereas in Nigeria, VSLA members had a relatively low demand for credit. In Uganda, VSLA members of groups without changes in loan disbursement

processes were 10 percentage points more likely to successfully obtain a loan and 8 percentage points less likely to be denied a loan.

Overall, very few VSLA members obtained access to credit since the pandemic started. Only 20% of VSLA members in Nigeria and 29% of VSLA members in Uganda obtained a loan since mid-March 2020, whereas 21% of members in Nigeria and 28% in Uganda were denied a loan. These findings are consistent with evidence from World Bank phone-based surveys, which showed that Nigerian and Ugandan households faced considerable barriers to obtaining formal loans during the COVID-19 pandemic (Adegbite et al., 2021; World Bank, 2020).

Together, these findings suggest that regularly functioning VSLAs can contribute to the resilience of their members, but decreasing savings and limited access to credit may hinder the ability of VSLAs to fully mitigate the negative economic consequences of the COVID-19 pandemic, especially in Uganda. In Nigeria, VSLAs likely contributed to the resilience of their members, as indicated by the greater likelihood (9 percentage points) of reporting higher savings among VSLA members whose VSLAs continued meeting as before the pandemic. In Uganda, VSLAs mostly contributed to resilience by providing increased access to credit to those VSLA members whose group did not change its loan disbursement processes.

Moving Forward

The findings suggest that VSLAs and their members may require continued investments to mitigate some of the negative economic consequences of the COVID-19 pandemic, especially in Uganda. Previous research suggests that access to existing savings and credit may have enabled VSLA members to mitigate some of the negative economic consequences of the pandemic and the COVID-19-induced lockdowns (e.g., Adegbite et al., 2021; Siwach et al., 2021). However, between 52% and 65% of VSLA members reported lower personal savings than before the pandemic, and very few VSLA members have access to credit. These individual financial challenges could lead to increased poverty among VSLA members and may threaten the sustainability and effectiveness of VSLAs if members can no longer contribute to savings.

VSLA members thus may require targeted social protection mechanisms, such as cash transfers, vouchers, food aid or increased access to credit to help them manage the longer term economic effects of the COVID-19 crisis, protect member assets, and recapitalize VSLAs. VSLA members may benefit from a dedicated public fund to reduce their risk of falling below the poverty line and to increase VSLA sustainability. Increased access to credit may help VSLA members cope with the current crisis and possibly may increase their resilience for withstanding future shocks.

We will continue to conduct research as part of the Women (in VSLA) Respond sub-initiative to examine the longer term consequences of the COVID-19 pandemic for VSLAs and their members. Analyses of the data from the third and fourth rounds of data collection and from two rounds of qualitative interviews conducted among 36 VSLA members will provide more details on the ability of VSLAs to continue functioning and the longer term effects of the pandemic on VSLA members' savings and access to credit.

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The Evidence Consortium on Women's Group (ECWG) is funded by the Bill & Melinda Gates Foundation and aims to address evidence gaps on how groups and collectives can contribute to achieving women's empowerment and well-being as well as understand their implementation models and cost-effectiveness. The consortium is co-led by the American Institutes for Research and the Population Council, with partners from the University of Washington, Stanford University, the Campbell Collaboration and Makerere University. To learn more, please visit <http://www.womensgroupevidence.org> or email info@www.womensgroupevidence.org.