

## Introduction

In Nigeria, different types of groups exist, including women's groups, and groups focused on agriculture, savings, credit, religious and social pursuits, and business associations, all of which are avenues through which to deliver interventions that aim to improve women's economic and social empowerment (Desai et al., 2019). "Women's groups" is an umbrella term commonly used to refer to different models of economic, health, and community groups with a primarily female membership (Anderson et al., 2020). Such women's groups show promise for delivering improvements in women's income, asset ownership, and intra-household decision-making. A meta-analysis shows positive impacts of self-help groups on various dimensions of women's empowerment (Brody et al., 2015) and various impact evaluations show mixed but promising evidence for positive effects of formalized savings groups on financial inclusion, food security, income, household expenditures, and women's intra-household decision-making in sub-Saharan Africa (e.g., Blattman et al., 2016; Gash, 2017; Karlan et al., 2017; Ksoll et al., 2016).

However, only limited evidence is available on the impact of informal savings groups in sub-Saharan Africa despite their high prevalence, especially in rural areas. The formality of savings groups can range from formal or semi-formal to informal, with the formality level depending on the organizational structure, government regulation and extent of linkage to regulated finance institutions (Babajide, 2011). Accumulating Savings and Credit Associations and Village Savings and Loan Associations are generally considered formal savings groups, while Rotating Savings and Credit Associations (ROSCAs) and Adashis, Esusus, and Ajos are usually considered informal savings groups (De Hoop et al., 2020; Meysonnat et al.,

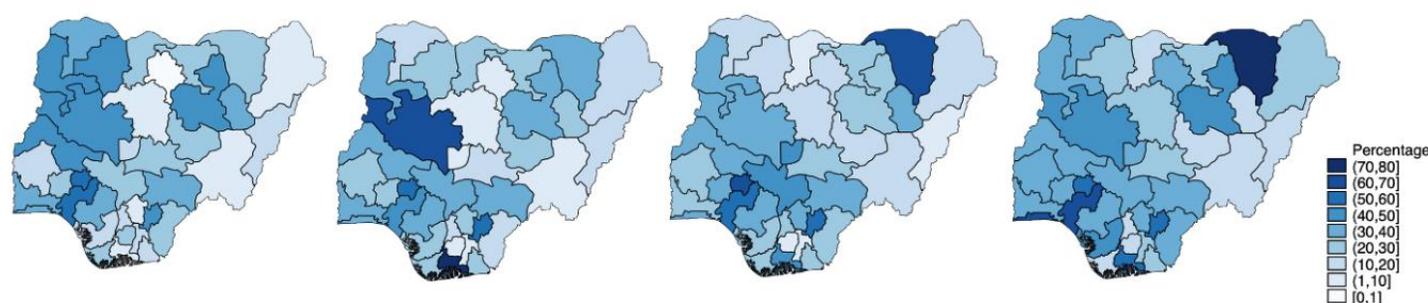
### Key Takeaways

- In Nigeria, different types of women's groups exist, all of which are avenues through which to deliver interventions that aim to improve women's economic and social empowerment.
- Women's aggregate informal savings group participation increased throughout Nigeria between 2010 and 2018, but there is evidence of large drop-out rates, possibly because of low within-group trust.
- One potential way to reduce drop-out rates is to transform informal savings groups into formal savings groups. Participation in informal savings groups is positively associated with improvements in women's decision-making and asset ownership in agricultural households, but the correlations are small. The Government's Nigeria for Women Project (NFWP) aims to establish formal groups by institutionalizing and strengthening the practices, operations and governance structure of new and existing women's groups.
- Evidence from a randomized controlled trial and phone-based surveys during COVID-19 indicates that implementers in Nigeria can harness Village Savings and Loan Associations and group mentorship programs to improve women's resilience and food security during and after large nationwide shocks, such as COVID-19.
- Future studies can address the large evidence-gaps that remain by conducting experimental, quasi-experimental, and mixed-methods research using representative samples, and by capturing the long-term effects and roles of women's group programs and specific components of women's group programs on resilience during negative shocks.

2022b).<sup>1</sup> Most rural households in Nigeria find informal groups easier to access and flexible in operations than formal financial institutions (EFInA, 2010).

Data from the World Bank's Living Standards Measurement Study - Integrated Survey on Agriculture (LSMS-ISA) - Nigerian General Household Survey (GHS) show that over 60% of villages in Nigeria report that their village has a women's group, while 28% of villages and 33% of villages report exposure to an agricultural or financial group, respectively (Meysonnat et al., 2022a). There are, however, variations in women's groups in the Northern and Southern parts of the country. Women's groups are mostly concentrated in the southern zones of the country. This larger concentration is possibly related to greater opportunities women in this region have to socialize outside the home. Socio-cultural norms that impose mobility restrictions on women are more prevalent in Nigeria's northern zones (Desai et al., 2018). An analysis of informal savings group participation rates in Nigeria using the GHS data further suggests that in 2018, 33% of adult women saved with an informal savings group (Meysonnat et al., 2022b), while estimates from the 2016 Finscope survey suggest that 11% of adult Nigerians participated in formal savings groups (de Hoop et al., 2020).<sup>2,3</sup> Between 2010 and 2018, women's aggregate informal savings group participation increased throughout Nigeria but unevenly by region (see Figure 1). Religious groups have the highest membership rate of women's groups in Nigeria. These groups may play a role in building leadership skills of women but seem to entrench women's subjugation in economic and social activities (Desai et al., 2018). Anderson et al. (2017) further found that informal savings networks and planting, weeding, and harvesting groups are the most common types of association in Nigeria; with only a few women (about 7%) having access to women-only organizations of this type.

**Figure 1: Patterns of women's informal savings group participation over space and time**



Note: From "Participation in informal savings groups and women's empowerment in agriculture in Nigeria" by Meysonnat et al. (2022b)

<sup>1</sup> An Esusu is a traditional savings group type in Nigeria where individuals contribute to informal savings and credit associations for their mutual benefit. In northern Nigeria, these groups are often called Adashi among the Hausa people and Ajo among the Yorubas ([https://in-formality.com/wiki/index.php?title=Esusu\\_\(Nigeria\)](https://in-formality.com/wiki/index.php?title=Esusu_(Nigeria))).

<sup>2</sup> The latter survey does not allow for distinguishing between savings group participation rates between men and women.

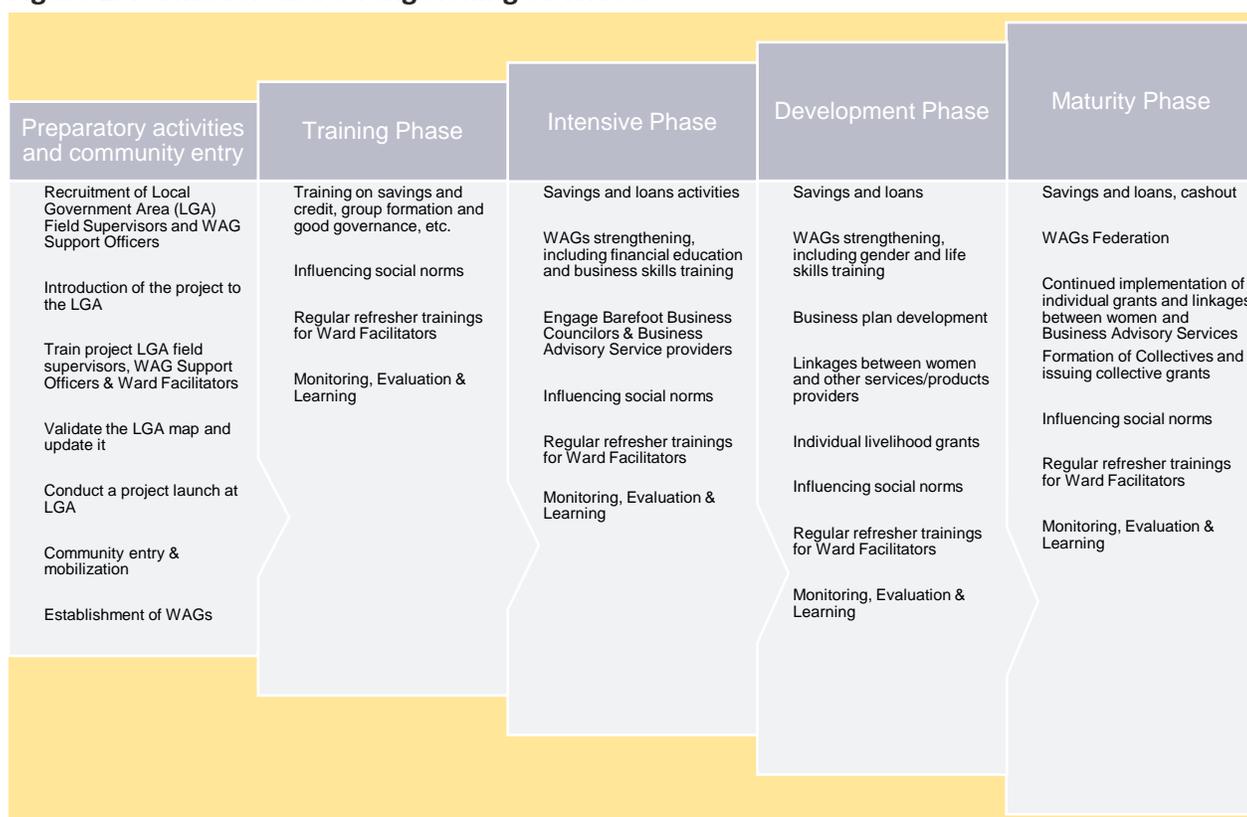
<sup>3</sup> Estimates of savings group participation rates—including gender differences in participation—differ depending on the data source. These data discrepancies create challenges for estimating savings group participation rates in sub-Saharan Africa (de Hoop et al., 2020). The analysis of formal savings group participation rates in de Hoop et al. (2020) indicates that FinScope data are the preferred choice for estimating savings group participation rates because these data provide more details on groups. The study estimates participation rates by categorizing Accumulative Savings and Credit Associations and Village Savings and Loan Associations as formal savings groups and ROSCAs as informal savings groups.

The Government of Nigeria is currently implementing the Nigeria for Women Project (NFWP), with the support of the World Bank and the Bill & Melinda Gates Foundation (BMGF). The NFWP was designed as a series of projects which aim to improve women's livelihoods by strengthening and institutionalizing Women Affinity Groups (WAGs). WAGs are formal savings groups which follow established savings group implementation models (e.g., VSLA and Savings and Internal Lending Committees) to support women's financial inclusion. WAGs receive additional training in related areas (e.g., financial education, business skills, and gender and life skills), as well as targeted support for individual and collective livelihoods.

By providing and supporting opportunities in four components—stimulating social capital development, livelihood building, creation of partnerships, and messaging about gender to influence attitudes and behaviors related to gender equality and discriminatory social norms—NFWP seeks to institutionalize formal women groups by establishing new groups and supporting existing groups to strengthen their governance and operational structure, as well as practices to overcome institutional and social barriers that currently restrain economic outcomes for women. Nigeria has a considerable number of women's groups, which is an umbrella term commonly used to refer to different models of economic, health, and community groups with a primarily female membership (Anderson et al., 2020). However, the level of institutionalization of women's groups in Nigeria differs by type and location, and currently women's groups do not have the composition, capacity, and structure to support all Nigerian women who might benefit from collective action.

The NFWP aims to achieve its objectives in five different phases (see Figure 2 below). During the preparatory activities and community entry of the NFWP, the project seeks to expand participation of women in WAGs, by establishing 21,600 WAGs reaching at least 324,000 women in Ogun, Taraba, Kebbi, Abia, Niger, and Akwa Ibom states located in each of the six geo-political zones of the country with the aim of scale-up to 18 states over 10 years. During this phase the NFWP will recruit and train local government area field supervisors, WAG support officers, and Ward Facilitators. During the second phase the program will conduct trainings on savings and credit, group formation, and good governance, start activities to influence social norms, introduce regular trainings for Ward facilitators, and start monitoring, evaluation, and learning (MEL) activities. Next, the program will start savings and loan activities, and conduct financial education and business skills training to strengthen WAGs. During this intensive third phase, the program will also engage barefoot business councilors and business advisory service providers to support small businesses, in addition to continuing refresher trainings for Ward facilitators, activities to change social norms and MEL activities. During the fourth phase, the program will continue to focus on livelihoods through the development of business plans, in addition to providing gender and life skills training and the provision of linkages between WAG members and other services or product providers. During this phase, the program will also provide individual livelihoods grants in addition to the regular savings and loan activities and an ongoing effort to change social norms, as well as regular refresher trainings for Ward facilitators and MEL activities. During the fifth and final phase, the program aims to introduce federations of WAGs, form collectives, and issue collective grants, in addition to the continuation of individual livelihoods grants, business advisory services, savings and loan activities, efforts to change social norms, refresher trainings for Ward facilitators and MEL activities.

**Figure 2: Formation and Strengthening of WAGs.**



## Background

In Nigeria, evidence from previous studies suggests that women's involvement in self-help groups, savings groups, cooperatives and farmers' associations can improve their access to productive resources, rural livelihoods and economic outcomes. However, there are generally less experimental and quasi-experimental studies or in-depth qualitative studies on women's groups in Nigeria compared to other settings in sub-Saharan Africa, such as Uganda (Desai et al., 2018; Omotesho et al., 2019; Badejo et al., 2017; Uyang et al., 2015; Meysonnat et al., 2022a; Meysonnat et al., 2022b).

In general, most research on women's groups in Nigeria has focused on small non-representative samples of women's group members. These studies demonstrate that women's groups may have the potential to improve economic outcomes (Uyang et al., 2015; Desai et al., 2018; Badejo et al., 2017), but social norms may limit participation of younger women and widows (Desai et al., 2018). Fraud, financial constraints, poor sense of belonging, and inappropriate activities also contribute to lower participation in women's groups (Desai et al., 2018; Omotesho et al., 2019). However, men seem to be largely supportive of women's participation in groups as long as it does not conflict with women's traditional gender roles at home (Desai et al., 2018).

Nonetheless, evidence from Nigeria based on a mixed-methods analysis conducted in preparation for the NFWP indicates that informal group-based programming is often defined by the capture of group resources by some

individual group members as opposed to democratic decision-making (Desai et al., 2018; de Hoop et al., 2021).<sup>4</sup> These processes in turn can lead to low within-group trust, which may cause higher drop-out rates. A longitudinal analysis indeed finds evidence of large drop-out rates of women from informal savings groups despite increasing membership rates (Meysonnat et al., 2022b). The data suggest that informal savings group participation in Nigeria increased in particular in the South-West, South-South and parts of the North-East of the country, and that savings group membership increased more for women than for men. However, the analysis showed high drop-out rates out of informal savings group members with very limited sustained membership over time. Women were more likely than men to drop-out of informal savings groups, which may limit their opportunity to accumulate sufficient funds to purchase larger assets (Meysonnat et al., 2022b).

Though we cannot establish causality, these findings may explain the relatively small associations between women's group membership and women's asset ownership and decision-making power in a large representative sample in Nigeria (Meysonnat et al., 2022a). This study finds only small correlations between exposure to women's groups and women's empowerment in agricultural households, with most of those associations no longer being statistically significant after controlling for individual-level fixed effects.

Meysonnat et al. (2022b) nonetheless find that informal savings groups are positively associated with improvements in women's decision-making and asset ownership in agricultural households, though the correlations remain small. This finding indicates a potential opportunity to improve women's economic empowerment with informal savings group membership, particularly if drop-out can be reduced since women's group members are largely self-employed and most women engage in trade (Desai et al., 2018). Lower drop-out rates may enable women to conduct larger investments, which could enable self-employed women to move into higher-productivity sectors.

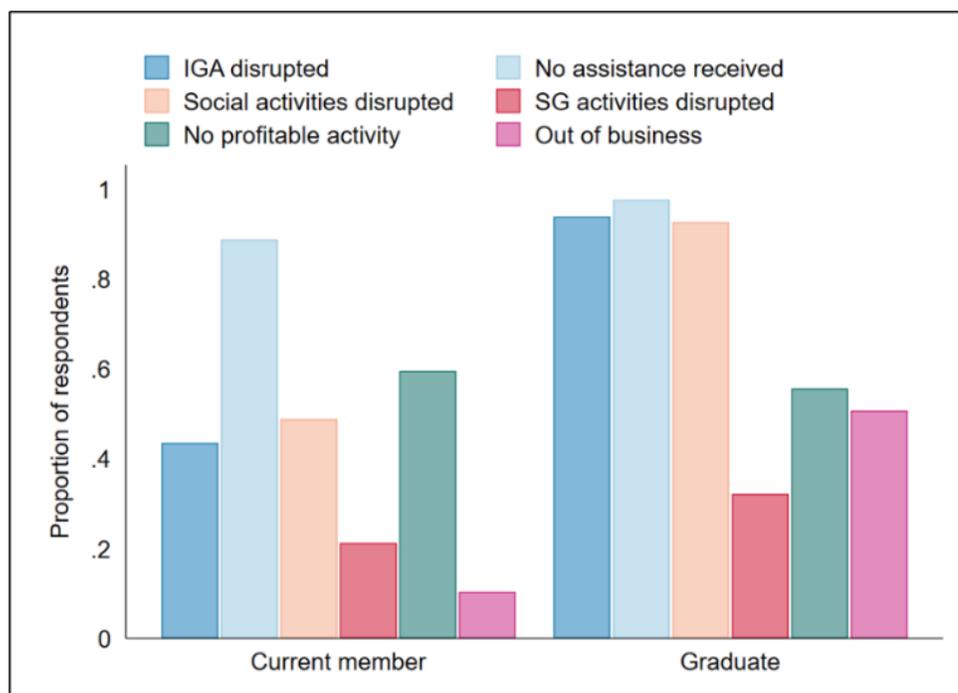
Savings groups could also contribute to increased resilience after covariate shocks (Adegbite et al., 2022). An evidence synthesis of the resilience of women's groups after COVID-19 indicated that households with female savings group members in Nigeria were less likely to experience food insecurity challenges in the immediate aftermath of COVID-19 than households without female savings group members (Adegbite et al., 2022).

Results of phone surveys administered by WfWI in three Nigerian states (Kaduna, Plateau, and Bauchi) showed that women who were VSLA members were less likely to report being out of business and lose profitable activity after COVID-19, but current members fared better than graduates out of the women's group program (Siwach et al., 2021). Graduates may lack access to the monthly stipend and may have a weaker support system compared to women currently enrolled in the program. Figure 3 presents the descriptive differences across multiple outcomes for program graduates and current enrollees.

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<sup>4</sup> The results of the study by Desai et al. (2018) were based on a quantitative survey among 2,929 economically active women across six states representing the six geographic zones of Nigeria.

Figure 3. Program graduates versus current enrollees of the WfWI program



Note. N=557.

Programmatic variation in women's group programming may also have resulted in differences in resilience of women's group members after COVID-19. Findings from a sub-sample of a randomized controlled trial of the WfWI women's group program indicated that **group mentorship** led to a 20 percentage-point lower likelihood of no profitable activity, but **individual mentorship** had no statistically significant impact on any resilience-related outcomes (Siwach et al., 2021). Additionally, the study found that **VSLA trainings** led to a 21-percentage-point lower likelihood of disruption in savings group activities (Siwach et al., 2021).<sup>5</sup> Households with female savings group members have also modelled strict adherence to the government's operating procedures and encouraged uptake of digital technologies such as mobile money (Adegbite et al., 2022). Agriculture groups in Nigeria have shown that they can serve as channels for disseminating agricultural information through mobile phones (Anderson et al., 2017).

<sup>5</sup> A potential limitation of the RCT analysis, however, is that the findings are based on a sample size of 82 women who participated in both COVID-19 surveys and the impact evaluation.

A qualitative assessment of the potential impact of women's group interventions during the COVID-19 pandemic lockdown in Nigeria also reveals limited gender-based violence among women who participated in women's groups and training activities of the Women for Women International (Agene and Onyishi, 2020). This is despite a general rise in gender-based violence during the period. Though anecdotal, the finding provides additional evidence about the importance of women's group responses to shocks in Nigeria.

## Discussion

### Existing Evidence

Overall, the existing evidence suggests that women's groups and particularly formalized savings groups may have the potential to improve economic outcomes and women's empowerment, but most current evidence does not allow for establishing the causal effects of women's groups and/or is based on small non-representative samples. The existing evidence suggests that membership in informal savings groups is positively correlated with women's asset ownership and decision-making power, though the association remains small (Meysonnat et al., 2022b). Nonetheless, savings group and VSLA membership after COVID-19 is statistically significantly associated with food security and not being out of business, indicating that savings groups in Nigeria may contribute to resilience. Qualitative findings in Nigeria also indicate that women's groups provide support to members in acute need, connecting women with new income opportunities and helping to reduce gender-based violence (Agene & Onyishi, 2020). However, existing studies on the impact of women's and savings groups in Nigeria do often not allow for establishing causal effects.

The evidence also shows important implementation challenges, including low in-group trust, exclusion of younger women and widows from groups, and high drop-out rates from groups. Informal group-based programming in Nigeria is often defined by the capture of groups by group leaders as opposed to democratic decision-making (Desai et al., 2018; de Hoop et al., 2021). These implementation challenges may explain the relatively small associations between women's group and informal savings group membership and women's asset ownership and decision-making power in Nigeria.

Programmatic variation in women's group membership indicates that implementers in Nigeria can harness VSLAs and group mentorship programs to improve women's resilience during and after large nationwide shocks. VSLAs and group mentorships can create support systems for women to achieve economic independence. Additional life skills training as part of VSLAs in Nigeria may also affect women's self-efficacy, which can contribute to resilience during similar covariate shocks (Siwach et al., 2021).

### Emerging Work

One potential way to reduce drop-out rates and improve the governance of informal savings groups is to transform informal savings groups into formal savings groups while aiming to generate democratic decision-making. For example, groups could introduce rotating group leadership to stimulate democratic decision-making and within-group trust. The newly introduced and government-supported Nigeria for Women Project aims to introduce such processes after establishing new savings groups and transforming informal savings and other women's groups (including mixed-gender groups) into formal women-only savings groups. However, the success of this programming model will depend on various assumptions. In addition, Desai et al (2018) highlighted certain

factors that may influence the success of such interventions. The recognition of the heterogeneity of women and women's groups implies the need for studies examining how women's groups intersect with culture, age, poverty level, disability and location. Other factors include engaging men as partners in project implementation and leveraging the influence of religious and community leaders. A forthcoming impact evaluation will examine the ability of the Nigeria for Women project to generate democratic decision-making processes and in-group trust, which could then improve asset ownership and decision-making power among Nigerian women (de Hoop et al., 2021).

## Current Evidence-Gaps

A large evidence-gap remains related to the impact of women's and savings groups in Nigeria. The existing evidence on women's groups in Nigeria does not include many experimental or quasi-experimental studies, restricting learnings around causality. Understanding the range and importance of different implementation and women's group details was also limited by the paucity of in-depth qualitative research. For instance, exploratory studies around structure, governance and operational mechanisms of informal groups in Nigeria could shed light into the causes of high drop-out rates. Furthermore, most existing studies are based on small non-representative samples, and none of the existing studies examines non-economic dimensions of women's empowerment, such as control over time, and gender-based violence. Current studies have also not examined the costs or cost-effectiveness of women's groups.

In addition, qualitative research on women's group processes and dynamics is important for understanding group effects over time. This is currently important for determining equitable post COVID-19 recovery mechanism. But more generally, a longer-term analysis will contribute towards understanding the role of women's groups programs and specific components that contribute to resilience and recovery from negative shocks. One key example is the impact evaluation of the Nigeria for Women Project, which started in 2021. The NFWP is a quasi-experimental study that will assess the gendered impacts of the NFWP and the impact of the NFWP on group functioning and inclusiveness (de Hoop, et al., 2021).

Finally, as Figure 1 shows, the spatial variation of savings and likely women's groups throughout Nigeria bears investigation. These differences are likely driven by a combination of cultural, economic, and agronomic heterogeneity, and by different histories, risks, social networks, and financial infrastructure that can inform the most appropriate and viable means of supporting women's groups. Consideration of, and adapting to, these regional differences may be key to effective national programming and networks, indicating the importance of including State governments in the design of women's group programming in Nigeria.

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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 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](mailto:info@www.womensgroupevidence.org).