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Monilekan Screensmith (2017)

# THE IMPACT OF MENTORSHIP AND VSLAs ON WOMEN MICRO-ENTREPRENEURS IN NORTHERN NIGERIA

## BACKGROUND

While Nigeria is the wealthiest country in Africa according to its GDP, income inequality is growing, and poverty rates remain high. 40 percent of Nigerians live in extreme poverty on less than \$1.90 USD/day in 2021. Poverty is considerably higher in rural areas and in the North, where lack of infrastructure and the increasing presence of violent actors is impeding economic growth [1]. The COVID-19 pandemic and its effects on the economy further exacerbated challenges for families living in poverty, disrupting supply chains, causing inflation, and disrupting women's ability to work.

Women in Nigeria face additional constraints due to gender inequality [2]. Nigeria is in the lowest-ranked group of countries on the Gender Development Index and is ranked 139 out of 156 countries in the Women, Peace, and Security Index [3]. Women are routinely excluded from educational opportunities: only 67 percent of women have completed primary school, compared with 80 percent of men [4].

Women are 25 percent less likely than men to participate in the labor force, and the income of an average Nigerian woman is 58 percent of a man's income [2]. A national survey of business owners and managers found that only 16 percent of firms are owned by women [5]. Women are more likely to be entrepreneurs than men, but most female entrepreneurs are in the less profitable informal sector [6]. Women also face exclusion from formal banking mechanisms: only 21 percent of women in Nigeria save

## SUMMARY OF FINDINGS\*

This study measured the impact of Village Savings and Loans Associations and/or post-program group mentorship, added on top of a twelve-month bundled program. Participation in one or both of these add-on interventions:

- Increased women's average weekly income;
- Increased the number of savings vehicles held;
- Improved access, use, and repayment of loans; and
- Led to more improved business marketing behaviors to learn from and attract new customers.

\* Results are preliminary and may change .

money at a financial institution and only 4 percent received loans from formal banking institutions in 2017 [7]. This lack of access to capital restricts women's potential for growth when starting or expanding their businesses.

Plateau and Bauchi states face increases in ethnic- and religious-based violence, contributing to deteriorating safety and economic instability and exacerbating violence against women [8, 9]. In the Middle Belt, where Plateau state is located, women have been survivors of inter-communal violence, rape, loss of livelihoods, and other abuses in rising conflicts between herders and agriculturalists over natural resources.



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## PROGRAM DESCRIPTION

**Women for Women International (WfWI)** works with the most marginalized women in conflict-affected countries to help them move from poverty and isolation to self-sufficiency and empowerment. WfWI has been implementing its Stronger Women Stronger Nations (SWSN) program, a bundled approach focused on women's economic and social empowerment, in Nigeria since 2000.

This gendered graduation approach builds women's self-reliance in all aspects of life including economic stability, health and wellbeing, family and community participation and decision-making, and social networks. The bundled approach supports social and economic empowerment through:

1. **Foundational training** in modules that include the value of women's work, ways to save money, ways to earn income and improve income-generating activities, basic business skills, ways to improve health and wellbeing, women's rights and prevention of violence, strategies to make decisions and negotiate, civic action and advocacy, social networks, and safety nets;
2. **Skill-building** in numeracy and a chosen vocational skill (e.g., agriculture, sewing);
3. **Resource provision** in the form of a monthly cash stipend (USD \$10), introduction to formal and informal savings vehicles, and referrals to health, legal, and financial services; and
4. **Connections** to other women through safe spaces for women to learn and share together, women-led social and economic groups, and a letter exchange with international supporters.

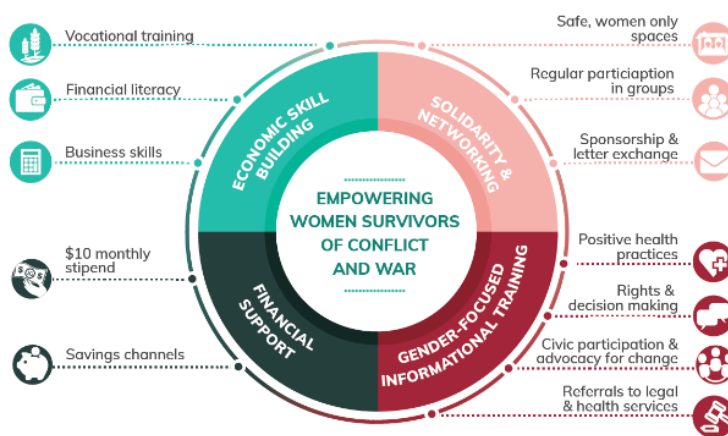
Over the 12 months that women participate in the SWSN program, they are involved with two to five hours of programming weekly which are delivered to groups of 25 women in community-based training centers. The program components include social empowerment training, numeracy classes, business and skill trainings, and vocational training.

## Additional Program Elements

In two completed randomized controlled trials (RCTs), the SWSN Program has yielded strong improvements for women participants across key outcome areas: earnings, savings, participation in decision-making, social support, and household wellbeing [10, 11]. WfWI is committed to delivering the most effective package of interventions to serve its participants, and therefore undertook this research endeavor to learn about the impacts of two specific program elements and to contribute to evidence gaps amidst the growing body of global research on bundled graduation approaches.

The two additive program elements evaluated in this research are Village Savings and Loans Associations (VSLAs) and Group Mentorship. VSLAs have been shown to have significant impacts for women living in rural contexts including improvements in their health, economic wellbeing, and empowerment [12, 13]. In particular, these studies have shown the impact that community-based savings groups can have on women's access to financial credit and mobility. However, more research is needed to illustrate

**Figure 1. Stronger Women Stronger Nations Program**



the potential impact of social empowerment training bundled with VSLAs, especially in fragile and conflict-affected settings (FCAS) and within times of global turbulence. Research recently completed by the Evidence Consortium on Women's Groups suggests that VSLAs support resilience in the face of global catastrophe such as the COVID-19 pandemic [14].

Women in FCAS experience the overlapping challenges of gender inequality, poverty, and war. Given these challenges, provision of training, support, and connections is key for the success of women's businesses. Studied in similar contexts, mentorship interventions have improved managerial practices, profits, and numbers of customers [15, 16].

To test the additive impact of VSLAs and Group Mentorship, women were randomized into groups where they completed:

**A) VSLA activities:** Women were given training on how to set up a VSLA and supported to implement the savings group structure with their training cohort of 25 women concurrently during the year-long SWSN program. WfWI staff provided lessons in group governance and creating by-laws, record-keeping, and meeting procedures. The VSLA group started a savings cycle within three months of starting the SWSN program and held weekly meetings for contributions and loan disbursements. WfWI provided continued support three to six times in the first VSLA cycle, with additional meetings for the chosen group leaders.

**B) Post-graduation group mentorship (GM):** After completing the SWSN program, women met with a business mentor in the same training cohort of 25 women, twice a month for six months after completion of the empowerment program. During the first meeting, the mentor conducted a diagnostic assessment to identify the common challenges faced by the group and set goals for improvement and growth. Each following meeting started with checking how the participants were doing and working on tools to help participants learn to better manage their businesses or overcome challenges. Toolkits were developed for mentors to guide mentees through different processes such as keeping records and calculating profits, setting achievable goals, conducting a SWOT analysis, making a business plan, or seeking and receiving a loan.



## STUDY METHODS

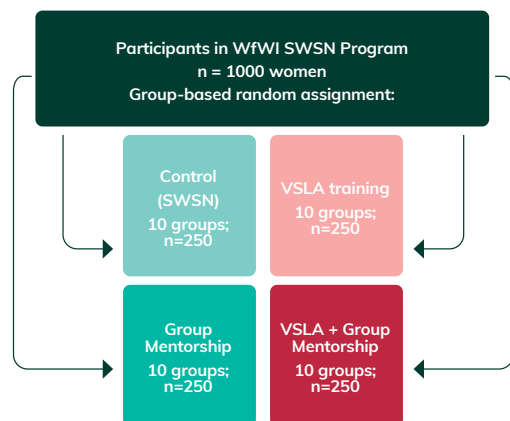
WfWI worked with researchers at Tufts University and the data collection firm Hanovia Limited to conduct a 39-month randomized control trial (RCT) in three communities in Plateau and Bauchi States. The study sought to understand the impacts on women's financial and business outcomes of adding two specific programmatic investments to the SWSN Program: 1) VSLA training and set-up support and 2) post-program group mentorship.

WfWI staff screened and recruited 1000 participants for the SWSN Program in Ampang West and Mangun communities in Plateau State and Magama Gamau community in Bauchi state.<sup>1</sup>

All participants were given an explanation of the research study and their participation in the research and were told they could decline participation in the research or withdraw at any time. Participants provided consent via signature or thumb print on a paper and then were interviewed for the baseline assessment.

After baseline data collection, in 2018, participants were cluster-randomized into one of four study arms, where the cluster was the intervention group of 25 women. The four study arms were: 1) SWSN program only (the control group); 2) SWSN + GM; 3) SWSN + VSLA; and 4) SWSN + VSLA + GM. The 40 clusters were stratified by community and assigned such that each study arm had 10 groups, or 250 women (Figure 2).<sup>2</sup>

**Figure 2. Study Design**

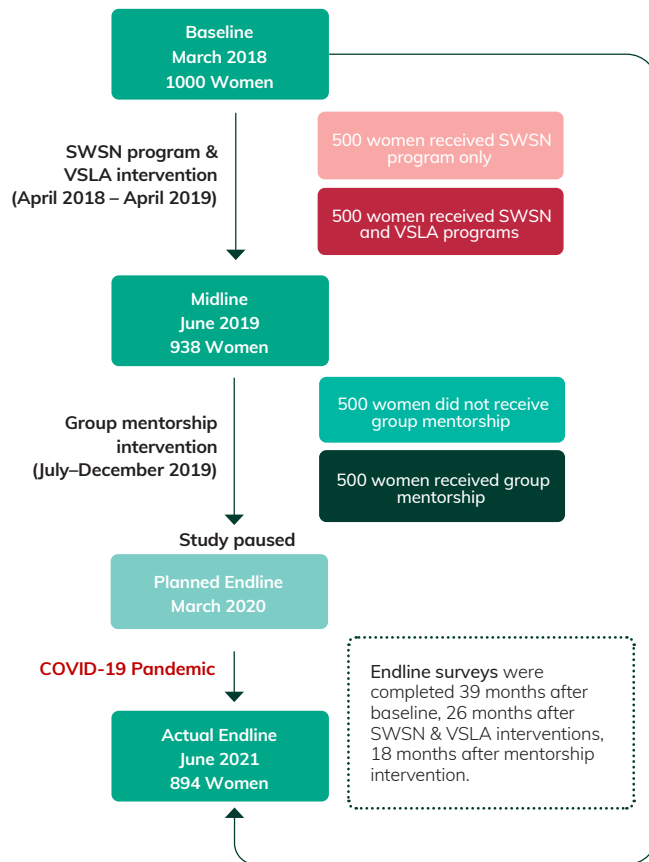


Study participants were interviewed three times: at baseline, endline (14 months after baseline, just after completion of the SWSN program, prior to post-program mentorship) and then at follow-up (39 months after baseline, 26 months after completion of the SWSN program and 18 months after the post-program mentorship) (Figure 3). At baseline and midline participants completed a 90-minute in-person survey in Hausa by trained enumerators using the SurveyCTO platform and Android tablets.

1 Standard eligibility criteria for participation in WfWI's program include: (1) experience with war/conflict (e.g., surviving violence, being displaced); (2) social vulnerability (e.g., poorer-than-average living conditions, facing restrictive traditional practices, or no or limited education); (3) economic vulnerability (e.g., extreme poverty, unemployment or limited to high risk or survivalist occupations); (4) motivation to participate in the full 12-month program; and (5) ability to participate (e.g., family support, adequate health). Those incapacitated because of poor mental health or very severe disability were ineligible as they could not fully benefit from the intervention. In this research study, an additional criterion was that women should be aged 18 to 55, and efforts were made to enroll only one household member in the trial to address spillover concerns.

2 The study was implemented with a second level of randomization at the individual level to compare individual mentorship to group mentorship, however this level of analysis is not reported due to a lack of statistical power to differentiate impacts between mentorship types.

**Figure 3. Study Timeline**



Endline surveys were initially planned for March 2020 but were postponed until June 2021 due to the COVID-19 pandemic. As a safety precaution, the survey length was reduced significantly to reduce face-to-face exposure between enumerators and participants.<sup>3</sup> Additional safety protocols and processes were deployed during endline data collection to reduce the risk of COVID-19 infection transmission: tracking of national COVID-19 data and case reports from community leaders, regular testing of enumerators, transport and lodging safety procedures, mandatory mask use, use of a COVID-19 symptom and exposure screener and temperature checks, two meters of distance between people, and phone-based follow-up surveys to address any missing or unclear data and check data quality.<sup>4</sup>

All the study participants experienced the shock of the pandemic: not being able to conduct their regular business activities, experiencing undue social and psychological stress, and in some cases experiencing death in their communities. Despite these challenges and the lengthened follow-up period, we were able to retain 89 percent of study participants for the endline survey for this study.

3 We shortened our in-person survey 90 minutes to 20 minutes to reduce face-to-face exposure between enumerators and respondents. Reducing the survey was a lengthy collaborative process between the research team and WfWI implementation team to narrow down the most critical outcome indicators to measure.

4 All data collection protocols were approved by the Tufts University Social and Behavioral Research Institutional Review Board (IRB). Resuming in-person research during the pandemic required approval by the Tufts University Integrated Safety Committee and the Vice-Provost Global Operations Office as part of the human subjects research ramp-up process required during the COVID-19 pandemic. These approvals for the endline data collection were in addition to the regular approval process by the Tufts University Social and Behavioral Research IRB that was met for all other survey rounds.



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## RESULTS

We estimate the impacts and present results on outcomes at endline for women assigned to each of the three treatment arms, compared to women assigned to the control arm, on average.<sup>5</sup>

**Women increased their net earnings.** Across the VSLA, GM, and VSLA + GM arms, women's average weekly incomes were 45-85 percent higher than the control arm (Figure 4). This translated into weekly incomes of USD \$15 to \$19 in the treatment groups as compared to USD \$10 in the control group, on average.

We observe increases in several other economic indicators across treatment arms. Women in the GM arm had more income generating activities (1.6) as compared to women assigned to the control arm (1.5). Women in the VSLA arm were more likely to continue working in an income generation project for which they received WfWI training (87 percent) as compared to the control group (79 percent). Women assigned to the VSLA + GM arm had increases in having any source of income in the last month (98 percent) and hours worked (21 hours) as compared to the control group (94 percent and 17 hours, respectively).

Qualitatively, mentors and mentees reported they increased their income and income generating activities and used this income to support their families. One mentor mentioned, "I have been able to see my mentees enrolling their children in school as a result of the savings made during the mentorship programme."

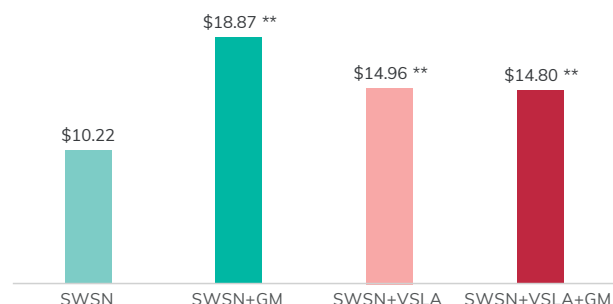
**Women reported increases in their methods of savings.** Women across all study arms reported high levels of saving money at endline (92 percent). Although there were not statistically significant differences in the amount of savings held for women across the treatment arms, there were statistically significant increases in the number of savings vehicles women held. Women in the VSLA and VSLA + GM arms reported having a higher number of savings vehicles (3.0 in VSLA arm; 3.1 in VSLA + GM arm) as compared to the control group (2.6), on average (Figure 5).

Mentees reported that they increased their methods of savings. When asked about their most significant change after completing the mentorship components, mentees reported that they began keeping savings in piggy banks or community groups. Mentors reported that mentees "keep savings by dividing the three sections, for household, piggy bank, and group contribution." In addition, mentees taught and shared lessons on savings with household members including children.

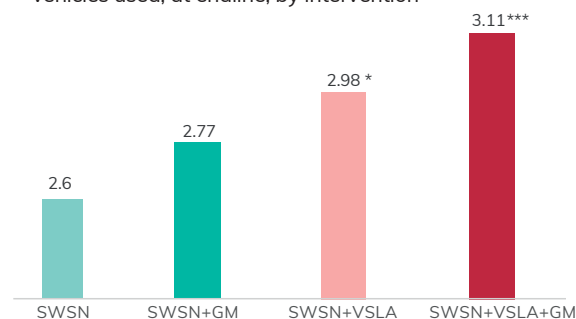
<sup>5</sup> All results reported as statistically significant at the  $p < 0.1$  level. In figures, we use the following notations: \*  $p < 0.1$ ; \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .



**Figure 4.** Average total weekly income in USD, at endline, by intervention



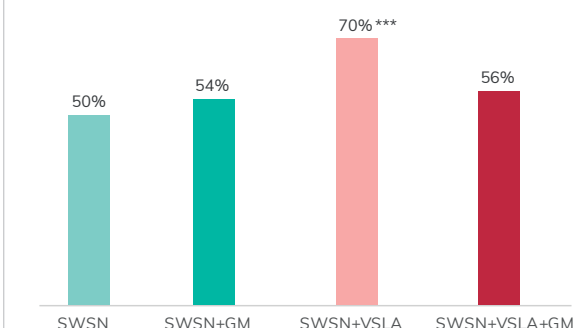
**Figure 5.** Average total number of savings vehicles used, at endline, by intervention



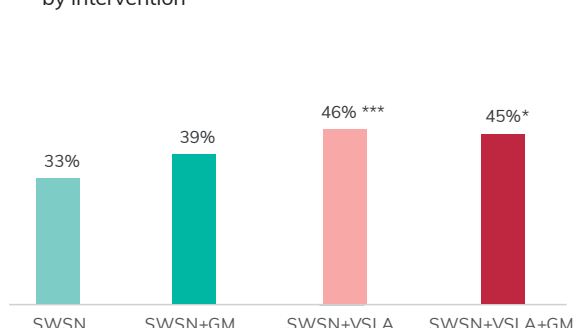
**Women reported increased access to credit.** Women in the VSLA and VSLA + GM arms experienced 12 and 16 percentage point increases in rates of applying for a loan (61 percent of the VSLA arm, 66 percent of the VSLA + GM arm) as compared to the control group (49 percent). These increases also translate into the increases into the number of loans out, as approximately 96 percent of all study participants who applied for a loan received it. Women assigned to the VSLA arm were able to fully repay their loans at a much higher rate: 70 percent of women had repaid their most recent loan as compared 50 percent of the women in the control arm (**Figure 6**).

**Some women made changes in business practices.**<sup>6</sup> For women in both the VSLA and VSLA + GM arms, we observe improvements in marketing practices such as talking with former customers (**Figure 7**). Women in the VSLA arm also reported higher levels of visiting a competitor's business and using a special offer to attract customers than women in the control arm. Looking across business practices in other domains including record keeping, stocking, and financial planning, we did not observe statistically significant differences between groups at endline. Mentors reported gains in many of these behaviors via M&E forms and post-program interviews. Therefore, we hypothesize that some business practices may have improved in the short-term, but the impacts may not be large enough to observe at the endline, 18 months after intervention.

**Figure 6.** Percentage of women who repaid their loans in full, at endline, by intervention



**Figure 7.** Percentage of women who spoke with a former customer in the past 3 months, at endline, by intervention



Qualitatively, mentors reported that mentees gained confidence in doing business, shifted their mindsets about business, improved record-keeping and increased their savings. For example, one mentor reported, “the mentee has transformed and integrated into a business world with serious business determination and zeal.” Another mentor reported the development of innovative business practices and diversification of products. The mentee “increased her charcoal business, and diversified to selling grains, groundnut oil and kuli-kuli”. Another mentor reported the story of one mentee in Magama community, who was selling Irish potatoes in small baskets for 500 Naira and had no savings. After accessing a loan, “she started selling 5 bags of potatoes at a time and improved business relations and now makes 24,000 to 25,000 Naira.”

## Study Limitations

Our study design and sample size may have limited our abilities to learn about impacts across and between all study arms; however, all study participants received a base level of programming through SWSN program, regardless of study arm, which promoted a sense of fairness and community trust. Conducting this evaluation in a conflict setting and through a pandemic required close collaboration between practitioners and researchers. This enabled our team to design and implement a rigorous evaluation that could contribute to existing literature, while ensuring that the WfWI programming responded to community needs.<sup>7</sup>

Additionally, the sample size may have been too small to detect potential smaller differences in outcomes between study arms and answer questions of comparison between the add-on interventions. Given the large changes observed across the entire study population over this time in key outcome areas, the differential impacts of additive interventions can be hard to detect. For example, across all four study arms including the control arm, on average, women increased the amount of savings, use of positive business practices measured via a business practices index, self-efficacy scores, and food security. Women also maintained high levels of social group participation even through the pandemic across all study arms. (None of these outcomes were observed as statistically significantly different when comparing study arms).

Our initial study design was set to be completed in March 2020 one year after the SWSN and VSLA interventions were completed and six months after group mentorship completion. Due to the COVID-19 pandemic, the final surveys were completed over a year later than planned, in June 2021. This extended study timeline may have affected the impacts observed and attributed to each intervention. The estimated impacts of the program represent those that persisted through over two years following VSLA program completion and over 1.5 years after mentorship completion and after all participants experienced the tumult from the COVID-19 pandemic.

The modifications that were made to survey protocols to reduce the spread of COVID-19 during data collection may have also had impacts on our research findings. Most notably, the shortened survey length limited our ability to explore more deeply the mechanisms through which the observed change may be driven. Additionally, the use of physical distancing and face masks during the surveys may have also affected the rapport that enumerators were able to establish with respondents and responses to sensitive questions.

## Reflection of Results

This study supports a growing body of research which encourages simultaneously addressing liquidity constraints as well as providing female entrepreneurs support and guidance through mentorship to improve their businesses and economic outcomes through bundling interventions. Even over a year after exposure to the VSLA and mentorship interventions, women showed significant and important gains in their economic growth. These additive boosts to women's economic and financial inclusion allowed them to build and sustain businesses and improve their economic outcomes. These findings

persisted through economic turmoil and major community shocks from the COVID-19 pandemic, lockdowns, and ongoing conflict, highlighting the power of bundled approaches in promoting resilience to shocks.

Women in the VSLA interventions still had significant increases in the percentage who save, credit, and different methods of accessing income, 26 months after the VSLA training and support concluded. This research contributes to the growing literature surrounding VSLAs, highlighting their importance for making and sustaining economic gains. Coupled with a bundled approach to economic empowerment, this additional component is impactful in sustaining the economic growth of women's businesses. Access to informal banking is paramount to ensuring women's financial inclusion in Nigeria, and in conflict settings around the world.

The study also found that the group mentorship was successful in addressing constraints female entrepreneurs faced to enable improvements in economic outcomes that were sustained over 18 months after the mentorship was completed. These findings complement literature that identifies that social and emotional support through commitment devices such as regular meetings with mentors, positive encouragement, combined with relevant and specific technical support, can help women implement overcome barriers to behavior change and lead to improved outcomes. This study found that these elements matter as shown in the large increase in income and diversification of income generation strategies amongst the women in the mentorship intervention.

The results highlight how different program additions yield different outcomes. The VSLA and Group Mentorship interventions, and the combination of the two, were effective at delivering improved economic outcomes for women through different pathways. When resources are constrained, it is important to consider which outcomes are more important to achieve the aims of the program and meet the needs of the target population and make evidence-based decisions.

## Key Lessons

The challenges of conducting research in a conflict-affected setting were compounded by the COVID-19 pandemic. The protocols that were implemented protected participants and enumerators from the spread of COVID-19 during the endline data collection. They also required flexibility in the timeline and budget for the data collection, important considerations going forward. Rigorous national and community monitoring, strict protocols, and strong collaborations between all stakeholders are needed to conduct safe studies during a pandemic or health emergency.

The study reports a very low level of attrition (11%), given with the circumstances of the pandemic, the hardship it caused the study population, and the resulting delay in the timeline of the study follow-up. We attribute this success to WfWI's strong relationships with the women participants and community presence and provision of a small incentive as remuneration for participants' time.

Women in post-conflict settings such as Nigeria are often left out of the discussion and at risk of being left further behind. When women face the compounded barriers of poverty, gender inequality, and conflict, multifaceted programs may serve as a raft to maintain or improve their outcomes and lessen the blow of major events like the COVID-19 pandemic. This project highlights the power of bundled approaches in supporting women's sustained economic

<sup>7</sup> WfWI conducted two impact evaluations to learn about impacts of the SWSN program in the Democratic Republic of Congo and Afghanistan. Results are available at [www.womenforwomen.org/impact-evaluations](http://www.womenforwomen.org/impact-evaluations).



growth and the sustainability of their businesses. These findings are in line with the growing body of research in support of graduation models, bundled economic and social programming, and tailored programming for the needs of women. As an organization and sector, we should continue to explore and strengthen poverty alleviation bundled approaches through exploration of additive components such as those in our study that simultaneously address multiple barriers women face.

Gender transformative programming that aims to improve women's social, economic, and health outcomes must tackle these systemic barriers and directly invest in the knowledge and skills women possess. These approaches are needed to ensure that economic and social empowerment is sustainable and attainable.



Photo credit: Comfort Biangten (2020)

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**Women for Women International** works with the most marginalized women in conflict-affected countries to help them move from poverty and isolation to self-sufficiency and empowerment. WfWI has worked with over 520,000 women across eight countries since 1993. Further information about the project is available at: <https://www.womenforwomen.org/impact-evaluations>

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