

# EVIDENCE REVIEW OF WOMEN'S GROUPS AND COVID-19: IMPACTS, CHALLENGES, AND POLICY IMPLICATIONS FOR SAVINGS GROUPS IN AFRICA

## EXECUTIVE SUMMARY



BILL & MELINDA  
GATES foundation



Global Center for Gender Equality  
AT STANFORD UNIVERSITY



## Executive summary

**It has been more than a year** since COVID-19 lockdowns began, and economic recovery is a top priority for governments, donors, and international financial institutions (IFIs) worldwide, including in sub-Saharan Africa. Targeted investments that increase community resilience and spur economic growth will mitigate some of the negative economic consequences of this crisis. Investment in women's economic resilience and social support is paramount, considering that the crisis may reverse recent progress in gender equality.

Around the world, women's groups, such as self-help groups, savings groups, and health groups, play an important role in communities; evidence shows promise in their role in promoting women's empowerment and economic outcomes. They encompass many models, but all bring women together around a shared purpose, such as financial inclusion, livelihoods, health, and women's rights.

This brief focuses on one specific type of women's group in sub-Saharan Africa: savings groups. Savings groups are a common form of women's group and serve as a reliable mechanism for people in sub-Saharan Africa to save money. Members of savings groups pool small weekly savings into a common fund, which members can then borrow against, creating opportunities for investments and women's empowerment. Savings groups show mixed, but promising, results in improving economic and social outcomes.

This brief, written by a consortium of researchers and practitioners, presents emerging evidence from studies in diverse African contexts—with a deep dive into Nigeria and Uganda—on how COVID-19 has affected savings groups and how these groups have helped mitigate the pandemic's negative consequences in sub-Saharan Africa.

Three key findings emerged from this review:

1. **Households with a female member in a savings group in Nigeria and Uganda have coped with the crisis better than those not in savings groups.**

For example, households with a female savings group member in Nigeria were less likely to experience food insecurity and more likely to have savings, which was critical to face the COVID-19 crisis.

2. **Women's savings groups have shown the potential for resilience during the pandemic.**

Due to digitization, access to mobile money, and other adaptations, savings groups have been able to continue operating during the pandemic. Many pivoted from traditional activities, adapted their skill sets, and created new market opportunities to generate needed income. They made and distributed personal protective equipment (PPE), built handwashing stations, and created community action plans to prevent the spread of COVID-19.

3. **Savings groups contributed to community responses and provided women a platform for leadership.** They have provided opportunities for women to take on both formal and informal community leadership roles in response to the crisis. They have also served as networks to communicate about how to limit the spread of COVID-19, including the importance of social distancing, hygiene, and safety measures. They also shared information across communities on issues that emerged during lockdowns, such as child marriage, child labor, the importance of sustaining girls' education, and violence against women and children.

Broadly, our analysis shows that **savings groups have contributed to resilience in the face of economic challenges related to COVID-19, but groups encountered financial challenges.**

While evidence indicates that savings groups in sub-Saharan Africa have supported household resilience during the COVID-19 crisis, savings groups face challenges and limited resources that threaten their sustainability and effectiveness ➤

## Executive summary (continued)

➤ over time. Due to increased disbursements to members and non-members in need of cash during the crisis, savings group funds have been depleted in some cases. The economic crisis has disrupted the accumulation of new savings because of reduced employment opportunities and income, and, while the use of digital meetings and mobile money has helped those with access, the shift to digitization has created barriers for the most marginalized women. Paying close attention to the economic and social challenges savings groups face moving forward is crucial.

This brief presents **various recommendations for policymakers who aim to strengthen savings and other women's groups** with the objective of achieving improvements in women's empowerment and economic outcomes based on evidence to date.

### Key actions for governments:

- In the short term, **African governments could support savings group members who faced sharp reductions in income and savings due to COVID-19 with targeted cash transfers, vouchers and/or food transfers** through a dedicated public fund in order to preserve the viability of savings groups.
- In the long term, **integrating savings groups into social protection programs** could have broad, longstanding benefits, especially in emergency settings.
- **Higher quality data and more frequent and/or routine data collection on women's groups**

supported by African governments would generate additional evidence for decision-making.

### Key actions for donors, partners, and researchers:

- **Prioritize women's leadership in the community response to COVID-19** while ensuring social distancing and access to personal protective equipment.
- **Leverage the learning and insights coming from the SEEP peer learning group on savings groups**, women, and COVID-19 could enable donors, governments, and practitioners to guide COVID-19 response and recovery efforts related to savings groups.
- Partner with and support governments by **investing in national tracking systems of women's groups**.
- **Conduct research on group savings and other vulnerability indicators** and how these link to COVID-19 policy responses, at different stages of the pandemic.
- Continue **research on long-term resilience and the role of women's groups**.
- Conduct experimental and quasi-experimental research to determine the **relative effectiveness and cost-effectiveness of virtual and in-person training** in improving women's empowerment and economic outcomes.
- **Conduct qualitative research on group processes** with a view to inform future programming. ●

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#### Cover Image:

A member of the mothers' support group smiles for a portrait in Yamaltu Deba, Gombe, Nigeria on November 16, 2016. Through the group women learn banking and financial literacy. This group is supported by the State Accountability for Quality Improvement Project (SAQIP) which is focused on improving maternal, neonatal and child health outcomes in northeast Nigeria, where maternal and child mortality rates are especially high.

Photo credit: Andrew Esiebo