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Innovations in Women Saving Behaviour and Business Support: ‘The Money Box Model’

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Abstract
In Sub-Saharan Africa, women are monetarily disadvantaged compared to men. Customs, beliefs and cultural norms limit women’s capacity to inherit land and contribute to increase gender gaps in the quality and size of possessed farmland. For this reason, they have been restrained from getting credit facilities from the bank since they don’t have collateral, unlike their male partners. This type of challenge made rural women to form credit associations, for example, The Village Savings and Loan Associations and Daily Contribution associations to empower themselves. This study examined the "Ossamala" Women’s Group in Ogbaru in the South East area of Nigeria. Majority of the members (over 93%) are smallholder farmers. They make regular membership contributions, a social fund contributions and records are kept and the money kept in a 'Money box', which is opened at a concurred time. Members get their money according to the sum contributed and the social fund is utilized to buy farm implements and inputs for individuals. This paper investigates the viability of this 'Money-box' model as a method for women pooling their resources together to help their business. 150 members and administrators of the group were interviewed using key informant interview and Focus Group Discussions. Majority of the respondents acknowledged that the fund helped them in their cultivating business. Efforts should be geared towards leasing with financial institutions and insurance agencies to help in giving fund and insurance, which will help in changing the novel procedure and make it increasingly beneficial.

Keywords: Business Support, Innovations, Isusu-Box Model, Ossamala Women’s Group, Women Savings Behaviour, Nigeria.

Introduction
This study examined the approach of financial help and assesses of women in Nigeria. Basically, it studied the ‘Ossamala’ women organization who is generally smallholders farmers and in a group of pooling collectively their contributions to finance their commercial enterprise. This research is essential as it checked out the Village Savings and Loans Association’s (VSLA) dynamics in assisting women business and farming activities. Unlike different women organization, the Ossamala group is specifically different in their way of administering the VSLA to its members. As a way of innovation, they preserve their savings in a ‘Money box’ locked and keyed. It is only open at an agreed time for
members to access the finances to support their various businesses. Financial access of women in large part is low throughout the globe and especially in Africa. It is difficult for the majority, mainly women, from rural areas to save regularly and for that reason has no access to credit facility. Poor farmers and other rural people are not able to access credit or obtain deposit accounts from the formal financial institutions due to the fact they hardly ever have legal proof of identification, land ownership, address or employment. This makes it difficult for them to take formal credit from any financial organisation. Across the globe, there have been attempts to make credit available to all, however, notwithstanding the attempts and a few innovations in making finance accessible to all, hundreds of thousands of people within the world nevertheless do not have access to basic financial services. The vast majority of those without access to credit live with developing countries, particularly in rural areas where it is more difficult to extend financial services (Pagura & Kirten, 2007). Poor people are believed to be active savers whether through formal or informal means (Kendall, 2010). Members of VSLA make savings contributions to the pool and can also borrow from it. The group is built entirely on member savings and interest rates from loans. Members do receive a 12 month of intensive training in businesses’ governance and money control, which permits them to develop as self-sufficient and even enable them to institute different groups “(Brannen & Sheehan-Connor 2012)”. Therefore, as a self – maintaining and replicating group, VSLA has the potential to bring access to formal financial services to remote areas “(Brannen & Sheehan-Connor, 2012; IPA, 2015)”.

The saving association is an existing traditional savings group which is a self-selected group of people (usually unregistered) who pool their money into a saving/resource pool. The formation of the association requires no external funding and operations is based on the savings contributions made by its members. Members of the “VSLA” can borrow from the savings pool, and the money is paid back with interest, causing the money to grow. However, with the ‘Ossamala’ women group, their way of operating the VSLA is a bit different, as members can’t borrow from the ‘box’ and part of the amount realised is used to purchase farming needs like, herbicides, spraying machines, cutlasses, and fertilizers for members. Engaging women financially, would ensure development, wealth creation and economic empowerment in Nigeria. Various studies have argued that once women gained access to credit, their economic capacities improved and this will positively effect on the family welfare (Rajan & Zingales, 1998; Levine, Loayza & Beck, 2000). Access to credit grows businesses, enables affordability of services such as health care, education and increase in standard of living. It also reduces risk and vulnerability which can help to smooth consumption in a household. To survive harsh economic condition, women engaged in petty trading and as market sales persons they lack the financial capacity and collateral to go for large volumes of transactions in the financial sector. Due to their inability to access credit, they easily form credit groups in markets, shops, residential areas, suburbs, and districts “(Osabuohien & Karakara, 2018)”. The UN (2006) noted in a survey on bank managers in India that women borrowers were more trustworthy and less of a default risk than men borrowers. Ramji (2009) noted that poor clients, especially in rural areas, may respond better to ‘doorstep’ banking, i.e. banking which takes place at a location which is both convenient and comfortable to the client. Osabuohien and Karakara (2018) argued that Women saved with the following means more than men; microfinance institutions, mobile money, informal institutions, family/friends, at home/safe-place and other means. Kumar (2009) states that self-help groups are formed across countries as an effective strategy for poverty alleviation, human development and social empowerment. To this end, this paper analyze the impact of the Ossamala Women Group financing activities on the financial needs of the group as well as their households. The study also, looked at the kind of innovation that this group tries to adopt that looked different from the traditional VSLA usually in place. The rest of the paper is organized as follows;
Empirical Literature

Several studies have discussed the effect of self-help group (SHG) savings or VSLA on the welfare of its members, financial sustenance it provides and different supports that this financing mechanism has furnished to its members. In general, most research established that this SHG has led to increase in the financial savings behavior of members previously who didn’t save and never thought of savings. Nsabagasani et al (2008) stated in a focus group discussions of a VSLA group in Uganda that their participation has led to increase in the member’s ability to mobilize savings and that group members are able to send their children to high school. Additionally, Cosmin (2009) evaluated women’s Self-help Groups (Group saving model/scheme) in Ethiopia and resolved that this group has led to the women being committed to meeting and saving each week. They recognize the access to loans and in large part uses the money for Income Generating Activities (IGAs) and household consumption. Tanmoyee (2009) also observed that SHGs promote the saving behavior among the group members.

Through this model of savings, access to finance has also been found to have affected the well-being of members in terms of healthcare financing and nutrition. The study of Cosmin (2009) found a remarkable mish mash of health and nutrition education with group saving as having a weighty effect on the lives of the women who take part in such group program. Consequently, women give food, nutrition, and education materials to their children. Kumar (2009), found that involvement in SHG activities assists the rural households to earn more revenue and improve social welfare and thus helps in achieving higher nutritional security for them and their household.

There are huge benefits of women grouping and pooling. It was also found that women participation in SHGs in various geographical locations brings about asset accumulation. Ranjula and Adel (2008) discovered that longer membership in SHGs positively impacts on asset creation as various assets were acquired by this women group during savings activities. And that the training provided by the non-governmental organization also helps in member asset creation drive. Again, Brannen (2010) noted a similar concern on asset accumulation of VSLA participants.

Similarly, other studies have proven that participation in a VSLA program leads to growth in income. Kumar (2009) established that participation in SHG activities supports the rural households to earn more income. The author studied a participatory group and a control group and recognized that the percentage increase in income accounts for 19.34% over the control households (non-participants in SHGs). Thus, participation appreciably and positively impacts the household income. Dagnelie and LeMay-Boucher (2009) concluded that people take part in group savings to secure their income against internal threats such as temptations and present-biased preferences.

From the literature, participation in VSLA brings great benefit to all the participant beyond imagination. The benefits range from welfare financing like children education, healthcare, increase in income and social support to asset accumulation. Thus, self-help group savings could be acknowledged as a tool to increase financial inclusion and make access to finance easily by the people in rural area. This goes to reduce poverty and vulnerability in society.
Methodology

Study Design

Mixed method approach (qualitative and quantitative) was adopted to study the ‘Ossamala’ women’s group in Ogbaru local government of Anambra State Nigeria. Qualitative approach used oral expressions, words and observations to express a reality describing the group attitudes, behavior and actions in an ordinary situation (Golafshani, 2003). Qualitative method were used essentially because of the need for a complex and in-depth understanding of the issue from the viewpoint of the participants in the group. The study obtained detailed information by talking directly to the group members in an interview and administering questionnaire (including focus group discussions) which enables them to give information on their experiences with the group finances. Quantitative approach is a research tool which calls for a trust in figures and numbers that also captures opinions or concepts in a study (Kothari, 2004). Quantitative method were used specifically to give numbers and figures to help clarify the issue under study and the qualitative method added value to the findings of this paper through explanation from the respondents.

Sample Selection, Instruments and Data Collection Procedure

The purposive sampling techniques were used as respondents are group members of the ‘Ossamala’ women group. Simple random sampling technique was used to select the real respondents while the objective of the study was explained to the respondents to get their consent before participating in the study. Overall, 150 respondents were selected from different households across the three different groups (Ossamala, Atani, and Ogwu) thus, equal opportunity was given to each group to make sure fair representation and participation. 12 respondents were picked to take part for the focus group discussion and at the end 8 actually participated.

Focus group discussion were used to get qualitative data while an interviewer-administered questionnaire were used to collect quantitative data. Interviewer-administered questionnaire was adopted because of high illiteracy (could not read and read) rate among the respondents. The researcher read out the questionnaire to the respondents in their local language and recorded their responses duly. During the focus group discussions, responses from the respondents were audio recorded and notes taken. In-depth explanations were given to the respondents with these instruments, and responses were gathered from them on the subject. The data were subjected to validation checks and cross check to support the sequential responses. The corrected data were analysed using STATA and descriptive statistics were adopted to describe the nature and distribution of the data. Results were arranged and presented in the form of charts, frequencies and percentage counts. To complement the quantitative data, the qualitative data were copied word for word and analysed through content analysis supported with quotations from respondents.

Results and Discussion

Background Information about the Group

The formation of ‘Ossamala’ women group was an idea of the group manager which he brought on board to discuss with one of his friend on how to help the women. It started its operation in April 2016 with the name ‘Ossamala’ which is the name of their village. The group manager thought of how the village women suffer to secure some small amount of money to help them during farming season, so he decided that if after the season they can bring these women together to make some contribution weekly or some four days interval and if it sustains, then the coming season they can use such contribution for their farming needs. The group started with only 23 members who were women and
now have over 300 members residing in Ogbaru local government. With the success of the group some men showed interest and joined them but the name still remains ‘Ossamala’ Women Group. The group is managed by the ‘Chairman’ and two others who are secretary and the financial secretary. They attend meeting every one-week interval and makes contribution of any amount a member is capable to contribute. Aside the member contribution, each member is to contribute compulsorily a certain amount into the social/welfare coffers. This group keeps records and the money realized after every meeting is kept in a wooden money box locked and keyed.

The ‘Money-box’ is open after every six months and the amount realised is shared among the members according to what each member contributed and the total amount realised from the social/welfare contribution is used to manage the group needs and for the purchase of farming items such as herbicides, pesticide, spraying machines, cutlasses, wellington boots, weedicide, etc. for members as per the request of each member. Unlike other Village Savings and Loan Association, this group doesn’t give loans and other borrowings. However, members receive the amount each of them contributes when the box is open. The reason for not giving out loan is because they observed that unlike other VSLA where loans are given, the loan takers most at times default and which leads to collapse of such groups.

Descriptive Statistics and Distribution of Variables
The table 1 below shows the descriptive statistics and distribution of variables. 86% of the group members are women while 14% are men. In all, 93.33% of the respondents are peasant farmers and the rest is either petty traders or engaged in other form of employment. Majority of the group members are illiterates as 82% of them had no formal education and only 12% have primary education. The age brackets of the respondents indicate that 68% are within the age limit of 30 to 40 years of age. This is followed by 19.33% that are within 20 to 30 years with the rest either between 40 to 50 years bracket or above 50 years of age. The study indicates that 80.67% have their income levels that range between ₦36,000- ₦100,000 (US$100 to US$300) and the remaining earns above ₦100,000 with only 5.33% earning beyond ₦200,000. From the table, the distribution shows that the most of the women are poor. On marital status, 74% of the respondents are married with the rest being single, widowed or divorced.

Table 1: Descriptive statistics and distribution of variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Response</th>
<th>figures</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>The group of the respondents</td>
<td>Ossamala</td>
<td>71</td>
<td>47.33</td>
</tr>
<tr>
<td></td>
<td>Atani</td>
<td>33</td>
<td>22.00</td>
</tr>
<tr>
<td></td>
<td>Ogwuani</td>
<td>46</td>
<td>30.67</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

| Gender | Male | 129 | 86 |
|        | Female | 21 | 14 |
| Total | | 100 | 100 |
Table 2: Responses from the respondents on questionnaire item 1, 2 and 3

<table>
<thead>
<tr>
<th>S/N</th>
<th>Variables</th>
<th>Yes</th>
<th>No</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Do you have any other savings apart from women group savings</td>
<td>20(13.33)</td>
<td>130(86.67)</td>
<td>150</td>
</tr>
<tr>
<td>2</td>
<td>Group’s ability to support member’s business</td>
<td>131(87.33)</td>
<td>19(12.57)</td>
<td>150</td>
</tr>
<tr>
<td>3</td>
<td>Participation has help in expanding their businesses</td>
<td>129(86)</td>
<td>21(14)</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Field survey 2019

From table 2 above, the participants were asked whether they have another means of savings aside this women group, 86.67% indicated that they have no other means of savings while 13.33% agreed that they had another saving method. Thus, these group savings are the sole source of their savings.
and income expectation. 87.33% of the members concurred that this group had provided the fund for them in buying their farm inputs and they are happy joining the group. 86% of the respondents agreed that their participation has brought some relieve to them compared to when they were not in the group. Another participant acknowledges that her participation has actually helped her in expanding her farm which she has wanted to, but lack of finance to push her a little was the case.

**Extract from Focus Group Discussion**

“Last year I struggled to buy farm input but could not because of paucity of funds but thank God with my participation in this group this year the story was different. I received some inputs like weedicide and some quantity of fertilizer and even cash that helped me…yes am happy (FGD discussant from Ossamala)”

“Before I joined this group my farm was just one acre but I am now able to increase it to three acres. Since I expect some little cash from my contribution and farm inputs of my choice, I always have a target of increasing my farm even if it is less than an acre, I do (FGD discussant from Ogwuani)”.

“Besides the farm inputs which I considered very important, the cash helps me in the farming expenses and in my social expenses like attending my friends child naming ceremony and funerals and make some form of cash donation. I also used part of the money received to help my husband in buying some books for my son’s school. (FGD discussant from Atani)”.

“My participation in this women group activity has helped me to acquire some radio set, which I used not to have. I always listen to programs from Blaze radio station every evening. This is good (FGD discussant from Ogwuani)”.

**Summary of Findings, Conclusion and Recommendations**

**Summary of Findings**

One interesting finding is that most of the group members sees it as more than a mere support to their business which is mainly farming. They regarded it also as a total financial freedom and support which aid their livelihood. Apart from business support mechanism, they are able to use some of the fund to acquire assets, pay for their children educational needs, healthcare financing, and social responsibilities.

Financial institutions like Banks and Micro-finance banks in most cases do not reach the rural people with their services (Hugh, 2002). Therefore, the poor formulate their own mechanisms by locally forming associations or groups that are self - introduced, self - managed, and unregistered to meet their demand for financial services and eventually improve their livelihood and/or living conditions. This study looked at the Ossamala Women Group to see the dynamics in this group savings and finance access. The study found that this group has given its members access to credit that is enormous.

Access to finance by women could help reduce poverty, vulnerability and achieve economic growth (Rajan & Zingales, 1998; Levine, Loayza & Beck, 2000). This research found that most group members were able to finance their farming needs and thus increase their farm size which leads to increase in incomes. Also, majority acknowledged that being a member has enable them to acquire some assets, finance their child’s education, healthcare payment and social support to them. This finding is in line with those of Dagnelie and LeMay-Boucher (2009) and Kumar (2009).
Other Village Savings and Loan Association groups that have functioned and collapsed could be as a result of how the group is being managed. This study found that some members who have been with other group acknowledged that those groups give out loans to members who at the end they are not able to payback and this created problems for the group leading to its collapse.

Conclusion
From the study, the type of savings and loan association adopted by Ossamala women brought a great relief to most of them who are smallholder farmers. The achievement from the group is enormous in that it has supported their businesses, they use social contribution to buy farm materials, have access to finance, reduced poverty, reduced women and child mortality rate and increased their standard of living. The worldwide interest in the fight against poverty and vulnerability as captured in the Sustainable Development Goals (SDGs) has reflected in the carrying out of programs and policies, particularly in the developing countries that could enhance financial inclusion for the rural poor and serves as a means of access to credit. This study assessed the Ossamala Women Group activities as they engaged in self-help group savings and financing of their businesses. The study was concern on the effect of this group activity on the welfare of its members and the viability of the model they use, which is different from the famous Village Savings and Loans Association (VSLA) groups. Self-help group savings system has helped its members enormously. Majority of the respondents are happy for being part of the group because it serves as a tool for them to have access to credit and farm inputs. The respondents also attest that the group’s activities also serve as a means to increase their income level and improvement in welfare. As being part of the group, the participants are able to acquire some asset as well as funding their children education with the cash they receive and to finance their healthcare needs.

Recommendations
To increase access to credit by the poor and vulnerable and to achieve financial inclusion, the VSLA model could be harnessed. Policy makers should formulate policies that encourage the formation of VSLAs in the most disadvantaged areas in the country. Supporting the VSLAs should be encouraged. This support could be in terms of providing training on proper record keeping and management as well as proper use of the member’s savings. Also, business related trainings can be conducted to strengthen the development of income generating activities amongst the VSLA participants to ensure that there’s no misappropriation of funds. There is also needing for women group to integrate other activities like agricultural extension services into the activities of the group and this when done can lead to maximization of the benefits being obtained from the group’s activities.

References


