

Enterprises for Ultra Poor Women After War: The WINGS Program in Northern Uganda



What's holding back impoverished women? Can small grants programs help the most vulnerable women develop sustainable livelihoods? Do employment and poverty relief empower them and improve their lives? This evaluation assessed the impact of a program that gave cash grants and basic business skills training to the poorest and most excluded women in post-war northern Uganda. The program led to dramatic increases in business and reductions in poverty. Despite these economic gains, however, there was little change in social integration, physical or mental health, or empowerment.

Policy Issue

According to one view, women have the ability to run businesses and make profits, but they are held back by too few assets, too little access to loans, too few skills, and a host of social barriers. What happens, then, when these economic barriers are removed? This study evaluates a program that gives cash, business skills training, and ongoing advising to some of the poorest women in the world, in northern Uganda, to understand its effect on new business development and poverty.

Another view holds that for women, with economic success comes empowerment - more independence, more decision-making power in the household, and the freedom to leave abusive relationships. This study also tests whether an entrepreneurship program that reduces poverty also empowers the women in other aspects of life.

Evaluation Context

The study takes place in northern Uganda, which is emerging from twenty years of conflict and displacement. Young women and girls in particular suffered economically and educationally from the war. The women who participated in this study were displaced from their homes and lands for years, and are returning and rebuilding a life. Thus this study can inform strategies for post-war reconstruction for women and for the society in general.

In 2007, the NGO AVSI Uganda and two of the IPA Investigators surveyed more than 600 young females aged 14 to 35 affected by the conflict in northern Uganda, including more than 200 women



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formerly abducted by an armed group. The evidence from the survey, along with program experience among NGOs in northern Uganda, suggests that the development of new economic opportunities and building social capital will be crucial ingredients in reducing poverty and improving the health, education and psychosocial well-being of youth, especially young women.

AVSI and the investigators worked together to design a program that would relieve the most serious economic constraints on women: The Women's Income Generating Support (WINGS) program.

Details of the Intervention

AVSI identified the 15 poorest and most vulnerable women in 120 villages that they wanted to support - 1800 in all. To each, they delivered WINGS' three core components:

1. Four days of business skills training (BST)
2. An individual start-up grant of roughly \$150
3. Regular follow-up by trained community workers

Additional optional components of the program include group formation, training, and self-support; and spousal inclusion, training, and support. Based on records provided by AVSI, the total cost of the intervention is estimated at approximately \$688 per person.

Evaluation Design:

The evaluation combined a randomized design with qualitative data collection. AVSI could help no more than 900 people in 60 villages at first - serving 900 already required them to triple their usual capacity. Thus AVSI and IPA held public lotteries with village leaders. 60 villages were selected to participate immediately, while the remaining 60 participated 18 months later. This design allowed for assessing 18-month impacts by comparing women in participating villages to those just about to receive the program.

Results and Policy Lessons

Economically, the program was transformative. For example:

Cash Earnings: Earnings nearly doubled. For the average WINGS beneficiary, monthly cash income increased by UGX 16,211 to 32,692 UGX, a 98% increase over controls. In absolute terms, an increase of UGX 16,211 does not seem large (about \$6.50 a month at market exchange rates). However, relative to the average income in the control group, UGX 16,481 (\$6.60), it is huge.

Consumption, Assets, and Savings: Participants in the WINGS program had a 33% increase in household spending, a value of UGX 11,741 (\$4.72). There is also an increase in wealth, and the results imply that WINGS clients substantially increase their durable assets. Savings for program beneficiaries tripled on average, going from UGX 40,740 (\$16.36) to UGX 169,862 (\$68.22).

These economic gains, however, were not matched by gains in health or empowerment. In fact, there was almost no effect on non-economic measures. For instance:

Physical and mental health: There was no significant difference in psychological distress. Women in

both the program and comparison groups reported a reduction in psychological distress over time, which is not surprising because the overall quality of life in northern Uganda improved after war and displacement. Women in the WINGS group did not improve more or faster, however. If anything, they were sick about a half a day more in the previous month.

Child investments: Women are often targeted by anti-poverty programs because they are believed to be more likely than men to use the profits to benefit the household, especially children's education and health. Women in the program spent slightly more on children's health and education, but there was no corresponding improvement in children's health status or school enrollment, at least after 18 months.

Empowerment: The conventional wisdom also assumes that lending to women will enhance their status in the household. Data from this study, however, showed no evidence of resulting empowerment for women in household decision-making, independence, gender attitudes, or rates of intimate partner violence. This pattern has been seen before, and is often referred to as the "impact-paradox."

Overall, the WINGS program impacted women's economic standing significantly, but the data show that translating these gains into improvements in psychological health, physical health, or empowerment is more complex.

For more, you can read a first person account of the project on the [Freakonomics Blog](#).

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