Thrift Cooperatives and Women's Economic Empowerment in Kogi East: A Study of Anyigba Market Women

Ezeogueri-Oyewole Anne Nnenna PhD
Department of History and International Studies
Prince Abubakar Audu University Anyigba, Kogi State
Phone Number: 08133257023
Email: ann.ne@ksu.edu.ng

Abstract

Women's economic empowerment in Nigeria has increasingly been linked to the growth and resilience of informal financial institutions such as thrift cooperatives. In Kogi East, where formal banking penetration remains low and credit access is constrained, thrift cooperatives-popularly called *adashe*, *esusu*, or *ajo*-serve as critical financial safety nets for market women. This study examines how cooperative savings structures influence income growth, business expansion, financial autonomy, and household welfare among Anyigba market women. Drawing on qualitative interviews, focus group discussions, and case studies, the paper demonstrates that thrift cooperatives enhance women's ability to access capital, manage risks, and negotiate greater socio-economic power within their households and communities. However, women still face challenges such as irregular contributions, leadership disputes, loan defaults, and limited integration with formal microfinance institutions. The study argues that strengthening thrift cooperatives through capacity-building, accountability mechanisms, and strategic government-community partnerships can significantly scale women's economic empowerment in the region.

Keywords: thrift cooperatives, women's empowerment, informal finance, financial inclusion, Kogi East, market women.

Introduction

Women's economic empowerment has emerged as a key analytical and policy priority across developing economies, particularly within Sub-Saharan Africa, where entrenched gender inequalities continue to limit women's participation in productive activities. In Nigeria, the exclusion of women-especially petty traders

and market women-from mainstream financial systems persists due to structural, institutional, and socio-cultural factors. Banks often impose collateral requirements, high interest rates, documentation demands, and rigid repayment structures that disproportionately affect low-income women [1]. In Kogi East, these barriers are further compounded by infrastructural gaps, limited banking coverage, and the dominance of informal market systems [2].

Anyigba, a major commercial centre in Dekina Local Government Area, is home to one of the most vibrant markets in Kogi East, attracting traders from across the region. Women constitute a significant share of the market's economic actors, engaging in agricultural produce trading, tailoring, food vending, household retailing, herbal medicine, and small-scale processing. Despite their contributions to local commerce, many lack access to stable financial services needed to grow their enterprises. As several women noted during interviews, "banks do not understand our business patterns," making formal credit systems inaccessible [3]. Consequently, thrift cooperatives-known locally as *adashe*, *esusu*, or *ajo*-have become indispensable financial lifelines.

Thrift cooperatives operate as flexible rotating or accumulating savings schemes, providing members with access to savings and loan facilities without collateral. Their informality, culturally embedded trust structures, transparent contribution cycles, and flexible pay-in arrangements make them compatible with the irregular income flows typical among market women [4]. Members contribute daily or weekly, and pooled funds are disbursed on a rotational basis or as soft loans. Beyond economic utility, these cooperatives function as informal social welfare systems that provide emotional support, dispute resolution, emergency assistance, and information sharing among women traders.

From a theoretical standpoint, women's economic empowerment is closely linked to access to financial resources. Kabeer's empowerment framework emphasizes resources, agency, and achievements as interconnected pillars shaping women's capacity to make meaningful choices [5]. In patriarchal contexts such as Kogi East-where customary norms historically limit women's financial autonomy-cooperative membership enables women to exercise greater agency by controlling income, contributing to household expenses, and making independent business

decisions. Many participants reported increased bargaining power in their households after achieving financial stability through cooperative loans.

However, thrift cooperatives also grapple with operational challenges that affect their sustainability. Irregular contributions due to fluctuating market conditions, leadership disputes, inadequate financial management skills, loan defaults, and poor recordkeeping practices often strain group cohesion [6]. These challenges are intensified by the lack of formal partnerships between thrift cooperatives and microfinance institutions, which restricts opportunities to scale up members' businesses through blended financial products or capacity-building interventions [7].

Despite these challenges, thrift cooperatives remain one of the most effective mechanisms for women's economic survival and growth in Kogi East. By facilitating access to credit, fostering social capital, and building financial resilience, they contribute significantly to poverty reduction and household welfare improvement. This study therefore seeks to provide an empirical and context-specific understanding of how thrift cooperatives operate in Anyigba, and the ways in which they shape women's economic empowerment.

Through qualitative interviews, focus group discussions, and case studies involving market women from diverse sectors, the study explores cooperative-driven outcomes such as income growth, business expansion, household stability, and enhanced social networks. The findings underscore the centrality of thrift cooperatives in the economic life of women in Anyigba and highlight their potential as vehicles for financial inclusion and gender-responsive local development.

Conceptual and Theoretical Framework

A robust understanding of thrift cooperatives and women's economic empowerment requires a multidimensional conceptual and theoretical grounding. This section draws on literature from informal finance, gender studies, development economics, and social capital theory to explain how thrift systems function and why they hold transformative potential for women in Anyigba, Kogi East.

Conceptualizing Thrift Cooperatives in the Nigerian Context

Thrift cooperatives-popularly known as *adashe*, *esusu*, or *ajo*-are part of the long-standing tradition of informal financial institutions in West Africa. They operate primarily as rotating savings and credit associations (ROSCAs) or accumulating savings and credit associations (ASCAs), offering members a platform to save and borrow in ways that are culturally embedded and financially accessible [8] . Their significance lies in their simplicity: members contribute fixed amounts over a designated cycle, and payouts are allocated either in a predetermined order or based on need. This mechanism ensures liquidity, small-scale capital accumulation, and social monitoring that discourages default [9] .

In Nigeria, especially in low-income and rural areas, thrift cooperatives fill structural gaps created by weak formal financial penetration. Many women traders who lack collateral, credit history, or formal documents rely on thrift associations as their primary financial institutions [10] . As conceptualized in development finance, these systems serve as grassroots banking structures-democratizing financial access, building savings culture, and strengthening community cohesion [11] .

For market women in Anyigba, thrift cooperatives also function as socio-economic buffers. Contributions can be adjusted according to seasonal fluctuations in business, unlike rigid banking systems. Their participatory model of governance increases women's involvement in leadership roles, conflict resolution, and decision-making-elements that are central to empowerment [12] .Thus, thrift cooperatives are best understood not only as financial mechanisms, but as socio-cultural systems embedded within local norms of reciprocity, trust, and collective responsibility.

Theoretical Framework for Women's Economic Empowerment

Women's economic empowerment is defined broadly as the expansion of women's capacity to make economic decisions, control resources, and influence household and community outcomes [13] . This study adopts a synthesis of three interrelated theoretical frameworks to explain how thrift cooperatives shape empowerment outcomes among Anyigba market women.

Kabeer's Resources-Agency-Achievement Model

Naila Kabeer's widely used model conceptualizes empowerment as consisting of resources (the material, social, and human assets that enhance the ability to make choices), agency (the capacity to define one's goals and act upon them), and achievements (the outcomes of exercising agency) [14] .

Thrift cooperatives directly influence all three components:

- Resources: Members access financial capital through loans, savings, and pooled resources.
- Agency: Women gain confidence in making financial decisions, negotiating household responsibilities, and expanding businesses.
- Achievements: Enhanced income, diversified enterprises, and improved household welfare are notable outcomes.

This framework explains why cooperative membership often correlates with improved economic independence and increased bargaining power within households.

Social Capital Theory

Social capital theory posits that networks, norms, and trust within communities facilitate cooperation and collective action [15] . Thrift cooperatives exemplify such networks: they rely on trust-based transactions, mutual accountability, and community monitoring. As women participate, they build bonding social capital (ties within the group) and bridging social capital (connections with suppliers, customers, and local institutions).

Social capital is especially relevant in Anyigba's market context, where information on prices, supply chains, and strategies for risk mitigation circulates through cooperative meetings. The networks created also serve as informal insurance systems against emergencies, thus enhancing resilience.

Feminist Political Economy Perspective

A feminist political economy lens highlights how structural inequalities, gender norms, and power relations shape women's economic activities [16] . In patriarchal settings like Kogi East, women often have limited rights to land, inheritance, or capital. Thrift cooperatives help women circumvent some of these structural

barriers by granting access to financial resources that do not require male approval or collateral ownership. Through collective participation, women challenge prevailing gender norms and gradually redefine economic roles within their households and communities.

Methodology

This study adopts a qualitative research design to explore the role of thrift cooperatives in enhancing women's economic empowerment among Anyigba market women in Kogi East. A qualitative approach is appropriate because it allows for in-depth investigation of lived experiences, social meanings, and community practices embedded within cooperative participation-phenomena that cannot be fully captured through quantitative instruments [17] . The study is anchored in interpretivist epistemology, which emphasizes understanding social reality from the perspectives of those directly involved [18] .

Study Area

Anyigba, located in Dekina Local Government Area of Kogi State, was purposively selected due to its vibrant commercial activities and the high concentration of women-led enterprises. The market serves as a major trading hub linking rural producers, urban consumers, and regional distributors, making it an ideal setting for investigating how informal financial institutions operate within dynamic and competitive economic environments [19] .

Sampling Technique and Participants

A purposive sampling strategy was employed to select participants who were active members of thrift cooperatives and had been involved for at least one year. This ensured that participants possessed adequate knowledge and experience relevant to the study's objectives [20] . A total of 30 women were selected across different cooperative groups, representing sectors such as food retailing, agricultural produce trading, tailoring, local food processing, and household goods distribution. In addition, three cooperative leaders and one microfinance officer were interviewed as key informants to provide institutional perspectives.

Data Collection Methods

Primary data were obtained through semi-structured interviews, focus group discussions (FGDs), and key informant interviews. Semi-structured interviews allowed flexibility in probing emerging issues while ensuring coverage of core themes including cooperative operations, credit access, business practices, and empowerment outcomes [21] . Two FGDs consisting of 8-10 participants each provided insights into shared experiences, group dynamics, and collective perceptions about thrift systems. Interview sessions were conducted in English and Igala, depending on participants' preferences, and each session lasted between 45 and 60 minutes.

Secondary data-such as cooperative records, annual reports, and development agency documents-were reviewed to supplement primary data and contextualize findings within broader financial inclusion debates [22] .

Data Analysis

Data were analyzed using thematic content analysis, following Braun and Clarke's six-step procedure: familiarization, coding, theme development, reviewing themes, defining themes, and producing the report [23] . Transcripts were read multiple times to identify recurring patterns related to economic empowerment, savings behavior, credit utilization, and social capital formation. Coding was done manually to preserve sensitivity to local expressions, cultural nuances, and participant narratives.

Ethical Considerations

Ethical approval was secured from the appropriate institutional review body. Participants were informed about the purpose of the study, and verbal consent was obtained prior to interviews. All responses were anonymized to protect identities, and participants retained the right to withdraw at any stage. The study adhered to standard ethical practices in social research [24] .

Empirical Case Studies of Anyigba Market Women

Empirical evidence from Anyigba market illustrates how thrift cooperatives shape women's entrepreneurial trajectories, financial resilience, and household welfare. The case studies presented below highlight diverse experiences of cooperative

membership and its influence on women's economic empowerment. These cases were selected to reflect variation across age, business type, duration of membership, and socio-economic background.

Case Study 1: Mama Aishatu - Enhancing Business Stability Through Rotational Savings

Mama Aishatu, a 47-year-old trader specializing in yam and cassava, has been a member of a thrift cooperative for over eight years. Before joining, she faced chronic capital shortages during peak planting seasons when produce prices fluctuated sharply. She explained that banks "never understood the timing of our market risks," making access to formal loans nearly impossible [25]. Through her cooperative, she receives rotational payouts at strategic moments-usually before harvest seasons-which allows her to buy in bulk and store produce when prices are most favorable. Over time, her profit margins increased, enabling her to expand from a small stall to a larger shed within the market. Cooperative membership also helped stabilize her household income during periods of price volatility [26].

Her case illustrates how rotational savings systems are financially synchronised with the cyclical nature of agricultural markets, reducing vulnerability to income shocks and fostering long-term business stability.

Case Study 2: Grace - Social Capital and Business Expansion

Grace, a 32-year-old seamstress, joined her cooperative after repeatedly encountering difficulties in purchasing sewing materials in bulk. She noted that her inability to raise lump sums limited her capacity to take larger orders and meet deadlines for festivals and school reopening periods [27]. Through cooperative loans, she secured her first industrial sewing machine, significantly increasing production speed. Beyond the financial benefits, she emphasized the role of social capital: "I didn't just get money; I got people who taught me better ways to manage customers and suppliers." [28] Fellow cooperative members shared information on wholesalers, fabric quality, and customer relations, helping her diversify her product range and attract new clients. Her experience demonstrates that thrift cooperatives serve as platforms for knowledge exchange and

mentorship, strengthening both entrepreneurial capability and market competitiveness.

Case Study 3: Mama Ifeoma - Coping with Household Crises Through Cooperative Support

Mama Ifeoma, a 54-year-old fish seller, highlighted the role of thrift cooperatives as informal insurance systems. After her husband fell ill, medical expenses drained her business capital. Her cooperative granted her an emergency loan and organized a group contribution to support her family-assistance she described as "life-saving." [29] This support enabled her to restock her business quickly, preventing long-term financial collapse. Her case underscores cooperatives' dual economic and social welfare roles, particularly in contexts where formal social protection systems are weak.

Case Study 4: Zainab - Youth Entrepreneurship and Negotiating Gender Norms

Zainab, a 26-year-old who sells mobile phone accessories, represents the growing participation of younger women in thrift systems. Despite facing skepticism from male relatives regarding her entrepreneurial pursuits, Zainab used cooperative loans to expand her shop and introduce new products [30] . Regular repayments helped her build financial discipline, while her financial independence reshaped household dynamics. She noted that "once income started coming steadily, my opinion carried more weight at home." [31] Zainab's case reflects the transformative potential of thrift cooperatives in challenging restrictive gender norms and enabling young women to renegotiate power relations within households.

Findings and Discussion

The study's findings reveal that thrift cooperatives serve as an indispensable mechanism for facilitating women's economic empowerment in Anyigba, particularly among market women whose livelihoods depend on small-scale trading. Across the interviews and focus group discussions, women consistently narrated that thrift contributions-popularly known as "ajo" or "esusu"-provide reliable, accessible, and culturally embedded avenues for mobilizing financial resources. This is especially significant given their exclusion from formal banking institutions due to collateral constraints, low financial literacy, and gendered perceptions of creditworthiness [32] . The cooperatives examined in the study

demonstrated remarkable levels of internal accountability, flexible contribution schedules, and trust-based enforcement systems, all of which improve women's participation.

A major finding is that thrift cooperatives enhance capital accumulation, enabling members to expand petty trade, diversify products, or restock inventory during periods of market fluctuation. Many respondents disclosed that before joining cooperatives, their businesses stagnated due to inadequate capital and their inability to meet urgent financial obligations. Through the availability of lump-sum payouts-sometimes weekly or monthly-women accessed funds needed for bulk purchasing, which lowers costs and increases profit margins [33]. This aligns with Amadi's findings that collective savings schemes significantly reduce women's vulnerability to informal moneylenders, whose high interest rates perpetuate cycles of indebtedness [34].

The study also found that participation in thrift cooperatives fosters social solidarity and collective agency among market women. Beyond financial benefits, the cooperatives function as micro-communities of mutual assistance: members share market information, negotiate with suppliers collectively, and support one another during life-cycle events such as illness, childbearing, or bereavement. This form of bonding social capital resonates with Putnam's argument that cooperative associations strengthen democratic participation and social cohesion[35]. For Anyigba market women, solidarity transforms into bargaining power, especially during negotiations with wholesalers, transporters, or local authorities regulating market spaces.

Another key finding relates to women's enhanced bargaining power and decision-making autonomy within households. Many participants reported that financial independence derived from cooperative membership elevated their status at home; they became more involved in decisions relating to children's education, household expenditure, and community contributions. This supports Kabeer's conceptualization of empowerment as the expansion of women's ability to make strategic life choices through access to economic resources [36]. In cases where husbands experienced intermittent unemployment or unstable income, women's

cooperative-based earnings sustained household welfare, further shifting gendered economic roles.

However, the study also identifies persistent structural and cultural barriers. Some women noted that their husbands initially resisted their involvement in cooperatives, fearing increased autonomy or reduced financial dependence. Others faced time burdens resulting from combining trading, childcare, and cooperative obligations. Additionally, economic shocks-such as inflation, currency instability, or rising transportation costs-sometimes delay contributions, challenging the sustainability of thrift cycles. These constraints mirror broader gendered economic inequalities documented in Nigerian markets, where women disproportionately bear responsibility for unpaid domestic labor while simultaneously driving local commerce [37].

Findings further reveal varying levels of financial literacy, which affect women's capacity to maximize cooperative benefits. While cooperatives provide informal learning spaces, many members still lack skills in budgeting, record-keeping, or profit calculation. Without structured financial training, the long-term impact of thrift participation may remain limited. Nonetheless, there is evidence that some cooperatives are beginning to integrate basic financial education into their weekly meetings, suggesting a shift towards more institutionalized forms of capacity-building.

Finally, the discussion highlights that the success of thrift cooperatives in Anyigba is shaped by their rootedness in indigenous financial culture, which predates colonial capitalism. The cultural familiarity of rotating savings systems makes them trustworthy and widely acceptable, especially among rural and semi-urban women. This cultural continuity supports contemporary women's economic empowerment efforts, reinforcing the argument that sustainable development interventions must integrate local knowledge systems, not replace them [38].

Conclusion and Recommendations

The study demonstrates that thrift cooperatives play a central and transformative role in advancing women's economic empowerment in Anyigba, particularly among market women who rely on small-scale trading for livelihood sustenance.

The findings reveal that these cooperatives not only serve as channels for accessible and reliable financial resources but also operate as social support systems that enhance resilience, personal agency, and collective economic participation. Women who join thrift schemes gain improved capacity to expand their businesses, stabilize their income, and navigate market uncertainties that previously restricted their economic mobility. Through cooperative membership, many women also experience enhanced decision-making power within their households, reflecting a meaningful shift in gender dynamics and household welfare contributions.

However, the study also highlights persistent challenges such as fluctuating economic conditions, limited financial literacy, cultural barriers, and domestic labor burdens that hinder women's full engagement with cooperative activities. These constraints suggest the need for more structured support mechanisms that strengthen cooperative operations and improve women's economic outcomes.

Recommendations

Strengthen Financial Literacy Training:
Cooperatives should incorporate regular training programs in budgeting, record-keeping, savings discipline, and small-business management. This would help women maximize the economic benefits of cooperative membership.

Facilitate Partnerships with Microfinance Institutions:
Formal financial institutions should collaborate with thrift cooperatives to design low-interest credit products tailored to the needs of market women. Such partnerships can bridge the gap between informal and formal finance.

Promote Supportive Household and Community Norms:
Community leaders, religious institutions, and local councils should encourage positive norms around women's financial independence and participation in cooperative structures.

Provide Governmental and NGO Support:
Local government agencies and development organizations should invest in capacity-building initiatives, infrastructural improvements in markets, and training programs that target women traders.

Enhance Cooperative Governance:
Thrift groups should adopt transparent accounting systems and leadership training to ensure accountability, trust, and long-term sustainability.

Endnotes

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