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Saving for School Requirements in Uganda

Once, expressing concern over some logistical difficulty, I was reassured by a headmaster, "Do not worry Sarah, we shall succeed." Such conversations tend to surprise me, as we're introducing a savings scheme to an area defined by general distrust of financial services and particularly those having to do with savings. In spite of this fact, and though the program's pilot has only been running for a couple months, the scheme has generated an extremely positive response.

In Uganda, we're working on the design, implementation and eventual evaluation of what we've called the "Super Savers Program." Inspired by the needs assessment of a different project, Super Savers recognizes the primacy of educational concerns in Uganda. As one community member explained, "Education ranks first, it is the biggest problem."

In theory, the Ugandan government's policy of Universal Primary Education is focused and inspired. In practice, it has also generated some remarkable results. Primary school enrolment has gone from 2.5 million children in 1996 to more than 7.3 million in 2004. The Ministry of Education reports that for the 2007 school year, more than 93% of eligible children enrolled in primary school.

In spite of this success, it is important to recognize that enrollment rates represent a very limited perspective on primary education. Uganda, for instance, has an extremely impressive enrolment rate, but this figure appears significantly less laudable considering the fact that fewer than 50% of enrolled pupils complete primary school. As more and more children enroll, it seems an increasing number also drop out.

Though there are many factors which influence the decision to drop out of school, the majority Uganda's drop-outs do so as a result of financial concerns. Uganda's UPE policy has done much to lessen the costs of primary education, but under no circumstances could primary schooling be considered "free." In addition to general school funds, which attempt to make up for what UPE funding does not cover, pupils are often pressed to find money to pay for uniforms, scholastic materials, lunches and exam fees.

Would school fees and requirements be more affordable if they were paid as part of installment payment scheme, as opposed to one lump sum at the beginning of the school term? Could a savings program for UPE primary schools introduce pupils to the practice of savings, re-engage parents in their children's education, and make school more affordable? What kinds of commitment devices could further encourage or incentivize children to remain in school?

IPA Uganda, along with partner organizations FINCA Uganda and the Private Education Development Network, hopes to answer some of these questions through the implementation and evaluation of the Super Savers Program. Currently in its pilot phase, the Super Savers Program is operating in eight UPE primary schools in Jinja district. Throughout the school term, pupils bring money to school to save. Once a month, the FINCA mobile transit unit visits all schools to collect savings and deposit them into class-specific bank accounts opened for each school. At the beginning of the subsequent school term, the savings will be paid out at the school, either in cash or as a voucher used to purchase school materials and requirements.

Through a lengthy and involved sensitization process, the Super Savers Program has from its very beginning incorporated the ideas, concerns and opinions of school administrators, parents and children. Though many people are skeptical of banks and savings programs, the eight pilot schools are enthusiastic and committed to the program and its potential. In spite of its novelty, Super Savers has been met by optimistic approval and interest. As one mother expressed, the program will "discourage drop-out, a child feels she cannot leave her savings behind when she drops-out, it is a skill that can be developed, they will learn the spirit of savings."

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