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From Savings to Sustainable Growth: A Policy Analysis of Project Okusevinga and Uganda's Human Capital Investment Imperative

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Abstract

This study presents a comprehensive policy analysis of Project Okusevinga, Uganda's nationwide savings mobilization initiative launched under the Parish Development Model, examining its effectiveness in promoting household human capital investments across education, health, and skills development in the context of Uganda's broader sustainable development agenda. Employing a mixed-methods research design, the study analyzed data from 2,400 households across 12 districts in Uganda's four major regions, combining quantitative cross-sectional household survey data collected between June and September 2023 with qualitative insights drawn from 45 key informant interviews and six focus group discussions, utilizing univariate, bivariate, and mixed effects regression analyses to account for the hierarchical nesting of households within parishes and districts. The quantitative findings reveal statistically significant associations between Project Okusevinga participation and enhanced human capital investments: participants demonstrated 127% higher monthly savings (UGX 42,500 vs. UGX 18,700), 28.2% greater annual education expenditure per child, 30.6% higher out-of-pocket health expenditure, and 56.6% greater prevalence of skills training participation compared to non-participants. Multivariate mixed effects regression models confirmed that project participation independently predicted 32.8%, 22.6%, and 29.9% increases in education, health, and skills training investments respectively, even after controlling for household income, parental education, geographic location, and community-level infrastructure factors. Bivariate correlation analyses further revealed moderate-to-strong positive associations between monthly savings amounts and all human capital investment indicators ($r = 0.358–0.487$, $p<0.001$), supporting the theoretical linkage between financial resource mobilization and developmental investment behavior. However, the analysis also identified critical implementation challenges, including evidence of selection bias toward relatively better-off households—with participants recording significantly higher baseline education levels (7.4 vs. 6.8 years) and monthly incomes (UGX 385,200 vs. UGX 342,800)—alongside substantial urban-rural disparities, persistent gender gaps disadvantaging female-headed households, resource dilution in larger families, and community-level barriers such as distance to financial institutions and service facilities that accounted for 7.9%–14.2% of outcome variance. The study concludes that while Project Okusevinga has successfully catalyzed household behavioral changes toward enhanced human capital investment, realizing its full transformative potential requires strategic policy adjustments encompassing affirmative targeting of the most vulnerable populations, stronger coordination between savings mobilization and human capital service delivery infrastructure, enriched financial literacy curricula that emphasize the returns to education and health investments, and complementary public investments in rural infrastructure that enable households to convert accumulated savings into accessible, quality developmental opportunities—ultimately positioning the initiative as a pivotal mechanism for leveraging Uganda's demographic dividend and accelerating progress toward sustainable economic growth.

Keywords: Savings Mobilization, Human Capital Investment, Financial Inclusion, Sustainable Economic Growth.

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Introduction

Uganda's development trajectory hinges critically on its ability to translate household savings mobilization into productive human capital investments that generate sustainable economic growth. Project Okusevinga, launched as a nationwide savings mobilization initiative, represents a strategic intervention aimed at fostering a culture of savings among Ugandan households while simultaneously creating pathways for poverty reduction and economic empowerment. However, the effectiveness of such savings-driven interventions in catalyzing human capital development—particularly in education, health, and skills acquisition—remains inadequately understood within Uganda's unique socioeconomic context. This study undertakes a comprehensive policy analysis of Project Okusevinga, examining its implementation mechanisms, outcomes, and potential to serve as a catalyst for human capital investment. By critically assessing the nexus between household savings behavior, financial inclusion, and human capital accumulation, this research seeks to provide evidence-based insights that can inform policy adjustments and enhance the project's contribution to Uganda's sustainable development goals. The analysis is particularly timely given Uganda's demographic dividend potential, where strategic investments in human capital could transform the youthful population into a productive economic asset.

Background of the Study

Uganda's economy has experienced moderate growth over the past two decades, yet persistent challenges in poverty reduction, inequality, and human development outcomes continue to constrain the country's progress toward middle-income status (Baarsch et al., 2020; Díaz & Medlock, 2021; Nurazhari & Dailibas, 2021). The government's recognition of these challenges led to the conceptualization of Project Okusevinga as part of the broader Parish Development Model (PDM), aimed at transforming subsistence households into the money economy through enhanced savings mobilization and financial inclusion (Demir et al., 2022; Mburamatare et al., 2025; Richard, Catherine, et al., 2024). Launched with the objective of encouraging every Ugandan household to save regularly, the project sought to address the dual challenges of low domestic savings rates—estimated at approximately 17% of GDP—and limited access to formal financial services, particularly in rural areas where over 70% of the population resides. Concurrently, Uganda faces significant human capital deficits, with the 2020 Human Capital Index ranking the country 153rd out of 174 countries, indicating that a child born in Uganda today will be only 38% as productive as they could be with complete education and full health (Aliu & Aigbavboa, 2019; Mujuni et al., 2022). This sobering reality underscores the urgent need for policies that not only mobilize financial resources but also channel them strategically toward education, healthcare, and skills development. Project Okusevinga operates within a complex ecosystem of existing savings groups (VSLAs), microfinance institutions, and informal savings mechanisms, creating both opportunities and challenges for effective implementation (Gannon & Roberts, 2020). Understanding how this project intersects with households' human capital investment decisions—particularly regarding school enrollment, health-seeking behavior, and skills training—is essential for optimizing its design and maximizing development outcomes.

Problem Statement

Despite the ambitious objectives of Project Okusevinga and substantial government investment in its implementation, there exists a critical knowledge gap regarding the project's actual impact on household human capital investment behavior and the mechanisms through which savings mobilization translates into sustainable development outcomes

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(Julius & Sula, 2025; Julius & Twinomujuni, 2025a). While the project has successfully registered millions of households and disbursed significant funds, preliminary observations suggest uneven adoption across regions, limited utilization of savings for productive human capital investments, and potential crowding-out effects on existing informal savings mechanisms. Furthermore, there is insufficient empirical evidence on whether increased household savings under the project correlate with enhanced expenditures on children's education, improved healthcare access, or investments in skills development that could break intergenerational poverty cycles (Gladys, 2024; Kazaara & Nancy, 2025; Moses & Prudence, 2024). The policy challenge is compounded by questions about the project's targeting efficiency, the adequacy of financial literacy components, and the sustainability of savings behavior beyond the initial mobilization phase (Julius & Mategeko, 2025; Julius & Twinomujuni, 2025b). Additionally, concerns have emerged regarding potential leakages, elite capture, and the project's ability to reach the most vulnerable households who would benefit most from human capital investments (Julius & Isaac Kazaara, 2024; Richard, Alex, et al., 2024; Robinah & Aggrey, 2023). Without rigorous policy analysis that examines these dimensions, there is a risk that Project Okusevinga may fail to achieve its transformative potential, resulting in sub-optimal resource allocation and missed opportunities for leveraging Uganda's demographic dividend through strategic human capital development.

Main Objective of the Study

To conduct a comprehensive policy analysis of Project Okusevinga's effectiveness in promoting household human capital investments and to assess its contribution toward sustainable economic growth in Uganda.

Specific Objectives

1. To examine the relationship between household participation in Project Okusevinga and changes in education expenditure, health-seeking behavior, and skills development investments across different socioeconomic groups in Uganda.
2. To assess the implementation efficiency of Project Okusevinga, including its targeting mechanisms, financial literacy components, and integration with existing savings and human capital development programs.
3. To identify policy gaps and formulate evidence-based recommendations for optimizing Project Okusevinga's design to maximize human capital investment outcomes and ensure sustainable development impact.

Research Questions

1. How has household participation in Project Okusevinga influenced patterns of investment in education, healthcare, and skills development across different demographic and socioeconomic categories in Uganda?
2. What are the key implementation challenges affecting Project Okusevinga's effectiveness, and how do its targeting mechanisms, financial literacy interventions, and institutional arrangements impact program outcomes?
3. What policy adjustments and strategic interventions are necessary to enhance Project Okusevinga's capacity to catalyze sustained human capital investments and contribute to Uganda's long-term economic transformation?

Methodology

This study employed a mixed-methods research design that combined quantitative analysis of household-level data with qualitative policy assessment to comprehensively evaluate Project Okusevinga's impact on human capital investments in Uganda. The quantitative component utilized cross-sectional household survey data collected from

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2,400 households across 12 districts representing Uganda's four major regions (Central, Eastern, Northern, and Western), with stratified random sampling employed to ensure adequate representation of both project participants and non-participants across rural and urban settings. Primary data were collected through structured questionnaires administered to household heads between June and September 2023, capturing information on savings behavior, Project Okusevinga participation status, household expenditures on education and health, demographic characteristics, income sources, and asset ownership. Secondary data were obtained from the Ministry of Finance, Planning and Economic Development, Uganda Bureau of Statistics, and implementing agencies to triangulate household-reported information with administrative records. The statistical analysis proceeded in three stages: first, univariate analysis was conducted using descriptive statistics (means, medians, standard deviations, and proportions) to characterize the sample and examine the distribution of key variables including savings amounts, education expenditure per child, health facility visits, and participation in skills training programs, disaggregated by project participation status, gender of household head, income quintiles, and geographical location. Second, bivariate analysis employed chi-square tests for categorical variables and independent t-tests for continuous variables to assess statistically significant differences in human capital investment patterns between Project Okusevinga participants and non-participants, while Pearson correlation coefficients were calculated to explore preliminary associations between savings amounts and various human capital indicators. Third, multivariate analysis utilizing mixed effects regression models (specifically, hierarchical linear models with random intercepts at the district and parish levels) was conducted to account for the nested structure of the data and control for both household-level covariates (age, education level, household size, income, asset ownership) and community-level factors (distance to financial institutions, presence of health facilities and schools, local economic conditions) that could confound the relationship between project participation and human capital outcomes. Separate mixed effects models were estimated for three primary outcome variables: (1) total household expenditure on education per school-age child, (2) out-of-pocket health expenditure and frequency of preventive health visits, and (3) investment in skills training and vocational education, with Project Okusevinga participation status as the key explanatory variable of interest. Robust standard errors clustered at the parish level were employed to address potential heteroskedasticity and within-cluster correlation, while multiple imputation techniques handled missing data for specific variables (representing less than 5% of observations). The qualitative component involved semi-structured interviews with 45 key informants including project implementers, local government officials, financial literacy trainers, and selected household beneficiaries, along with six focus group discussions in selected communities to explore implementation challenges, behavioral change mechanisms, and contextual factors affecting project outcomes. Thematic content analysis of qualitative data was conducted using NVivo software to identify recurring themes related to policy gaps, implementation bottlenecks, and opportunities for program optimization. Ethical approval was obtained from the relevant institutional review board, and all participants provided informed consent, with data anonymized to protect confidentiality and ensure compliance with Uganda's data protection regulations.

Results

Table 1: Descriptive Statistics of Household Characteristics and Human Capital Investments by Project Okusevinga Participation Status

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Variable	Project Participants (n=1,320)	Non-Participants (n=1,080)	Overall (N=2,400)	t-test/χ^2	p-value
Household Characteristics					
Mean household size	6.8 (±2.3)	6.2 (±2.1)	6.5 (±2.2)	5.23	<0.001
Female-headed household (%)	38.5%	41.2%	39.7%	1.78	0.182
Mean age of household head (years)	42.1 (±12.4)	40.8 (±13.1)	41.5 (±12.7)	1.98	0.048
Mean years of education (HH head)	7.4 (±3.8)	6.8 (±3.6)	7.1 (±3.7)	3.14	0.002
Rural residence (%)	76.4%	78.9%	77.5%	2.31	0.129
Mean monthly income (UGX '000)	385.2 (±218.4)	342.8 (±196.7)	366.1 (±209.3)	3.89	<0.001
Savings Behavior					
Mean monthly savings (UGX '000)	42.5 (±28.3)	18.7 (±15.4)	32.1 (±25.8)	19.76	<0.001
Formal savings account (%)	84.2%	52.3%	70.1%	268.45	<0.001
Member of VSLA (%)	62.1%	58.4%	60.4%	3.47	0.063
Education Investments					
Mean annual education expenditure per child (UGX '000)	328.6 (±164.2)	256.3 (±142.8)	295.8 (±157.4)	8.93	<0.001
All school-age children enrolled (%)	82.3%	71.6%	77.5%	42.18	<0.001
Investment in extra tuition (%)	45.8%	31.2%	39.3%	54.62	<0.001
Health Investments					
Mean annual out-of-pocket health expenditure (UGX '000)	186.4 (±98.5)	142.7 (±86.3)	166.9 (±94.8)	8.98	<0.001
Preventive health visits (mean per year)	3.8 (±2.1)	2.9 (±1.8)	3.4 (±2.0)	8.64	<0.001
Health insurance coverage (%)	28.3%	16.8%	23.2%	48.73	<0.001
Skills Development					
Household member in skills training (%)	34.6%	22.1%	29.0%	46.87	<0.001
Mean annual skills training expenditure (UGX '000)	124.8 (±76.4)	82.5 (±58.3)	105.7 (±70.2)	6.42	<0.001

Note: Values are means with standard deviations in parentheses for continuous variables and percentages for categorical variables. UGX = Uganda Shillings.

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The univariate and bivariate analyses presented in Table 1 revealed statistically significant differences between Project Okusevinga participants and non-participants across multiple dimensions of household characteristics and human capital investments. Participants demonstrated significantly higher monthly savings (UGX 42,500 vs. UGX 18,700; $t=19.76$, $p<0.001$), which translated to a 127% difference in savings behavior, alongside substantially higher rates of formal financial account ownership (84.2% vs. 52.3%; $\chi^2=268.45$, $p<0.001$). These findings suggested that the project successfully mobilized household savings and enhanced financial inclusion among participant households. Regarding human capital investments, Project Okusevinga participants exhibited markedly higher annual education expenditure per child (UGX 328,600 vs. UGX 256,300; $t=8.93$, $p<0.001$), representing a 28.2% increase, and significantly higher rates of complete school enrollment for school-age children (82.3% vs. 71.6%; $\chi^2=42.18$, $p<0.001$). Similarly, health-related investments showed substantial differences, with participants spending 30.6% more on out-of-pocket health expenditure (UGX 186,400 vs. UGX 142,700; $t=8.98$, $p<0.001$) and averaging 3.8 preventive health visits annually compared to 2.9 among non-participants ($t=8.64$, $p<0.001$). The prevalence of skills training participation was 56.6% higher among participant households (34.6% vs. 22.1%; $\chi^2=46.87$, $p<0.001$), with correspondingly higher expenditures on vocational education and skills development programs.

The descriptive statistics provided preliminary evidence supporting Project Okusevinga's positive association with enhanced human capital investments, though several nuances warranted careful consideration. The observed differences in baseline household characteristics—particularly the significantly higher education levels of household heads (7.4 vs. 6.8 years; $t=3.14$, $p=0.002$) and monthly income (UGX 385,200 vs. UGX 342,800; $t=3.89$, $p<0.001$) among participants—raised important questions about selection bias and the project's targeting efficiency. These patterns suggested that relatively better-off households with higher education and income levels were more likely to participate in Project Okusevinga, potentially indicating challenges in reaching the most vulnerable populations who might benefit most from savings mobilization and human capital interventions. The lack of significant difference in female household headship rates (38.5% vs. 41.2%; $\chi^2=1.78$, $p=0.182$) was encouraging from a gender equity perspective, suggesting that the project did not systematically exclude female-headed households. However, the concentration of participants in slightly older, more educated, and higher-income categories highlighted potential barriers to participation among younger, less educated, and poorer households, which could limit the project's transformative impact on poverty reduction and intergenerational mobility.

The substantial differences in human capital investment patterns between participants and non-participants were noteworthy, yet the cross-sectional nature of these data precluded definitive causal interpretations at this stage of analysis. The particularly large effect sizes observed in formal savings account ownership (31.9 percentage point difference) and skills training participation (12.5 percentage point difference) suggested that Project Okusevinga may have catalyzed behavioral changes extending beyond mere savings accumulation to broader financial inclusion and human development orientations. The fact that investment in extra tuition services was 46.8% higher among participants (45.8% vs. 31.2%) indicated that increased savings capacity translated into quality-enhancing educational investments rather than merely maintaining basic enrollment. Similarly, the higher prevalence of health insurance coverage among participants (28.3% vs. 16.8%) demonstrated a forward-looking risk management approach that

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could provide long-term protection against health shocks. However, the modest difference in VSLA membership between the two groups (62.1% vs. 58.4%; χ^2=3.47, p=0.063) suggested that Project Okusevinga may have complemented rather than substituted for existing informal savings mechanisms, which could indicate either positive integration with community-based financial systems or potential inefficiencies from overlapping interventions. The consistent pattern of higher human capital investments across education, health, and skills development domains among participants provided encouraging evidence of the project's multidimensional development impacts, though multivariate analysis accounting for confounding factors was necessary to establish more robust relationships between project participation and these outcomes.

Table 2: Bivariate Correlations Between Savings Amounts and Human Capital Investment Indicators

Variable	(1)	(2)	(3)	(4)	(5)	(6)	(7)
(1) Monthly savings amount	1.000						
(2) Education expenditure per child	0.487***	1.000					
(3) School enrollment rate	0.312***	0.524***	1.000				
(4) Extra tuition investment	0.358***	0.612***	0.441***	1.000			
(5) Health expenditure	0.394***	0.468***	0.287***	0.365***	1.000		
(6) Preventive health visits	0.341***	0.392***	0.314***	0.298***	0.618***	1.000	
(7) Skills training investment	0.425***	0.502***	0.336***	0.445***	0.412***	0.357***	1.000
(8) Household income	0.563***	0.614***	0.398***	0.521***	0.548***	0.423***	0.487***
(9) Years of education (HH head)	0.382***	0.456***	0.387***	0.423***	0.334***	0.298***	0.368***
(10) Household size	0.186***	-0.142***	-0.089**	-0.076*	0.098**	-0.034	0.045

*Note: Pearson correlation coefficients presented. ***p<0.001, **p<0.01, *p<0.05. N=2,400 households.*

The bivariate correlation analysis revealed statistically significant positive associations between monthly savings amounts and all human capital investment indicators examined in the study, with correlation coefficients ranging from moderate to moderately strong in magnitude. The strongest correlation emerged between monthly savings and education expenditure per child (r=0.487, p<0.001), followed by skills training investment (r=0.425, p<0.001), health expenditure (r=0.394, p<0.001), and extra tuition investment (r=0.358, p<0.001). These relationships indicated that households with higher savings capacity consistently invested more across multiple dimensions of human capital development, supporting the theoretical linkage between financial resource availability and developmental investments. Notably, household income demonstrated even stronger correlations with most human capital indicators than savings alone, with particularly high associations with education expenditure (r=0.614, p<0.001) and health expenditure (r=0.548, p<0.001), suggesting that income remained a fundamental constraint on human capital investment capacity. The education level of the household head showed moderate positive correlations with all investment indicators, ranging from r=0.298 for preventive health visits to r=0.456 for education expenditure, indicating that parental education played a significant role in shaping household investment priorities and behaviors.

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An interesting pattern emerged with household size, which showed a small positive correlation with monthly savings ($r=0.186$, $p<0.001$) but negative correlations with education expenditure per child ($r=-0.142$, $p<0.001$) and school enrollment rate ($r=-0.089$, $p<0.01$), highlighting the quantity-quality trade-off in human capital investments where larger households faced resource dilution challenges despite potentially higher aggregate savings.

The correlation patterns illuminated several critical insights about the mechanisms through which savings influenced human capital investments in the Ugandan context. The moderate-to-strong positive correlations between savings and various human capital indicators supported the premise that enhanced savings capacity could facilitate developmental investments, yet the consistently stronger correlations between income and these same indicators underscored that savings behavior occurred within broader economic constraints. The particularly robust correlation between education expenditure per child and extra tuition investment ($r=0.612$, $p<0.001$) revealed that households making higher baseline education investments also prioritized quality-enhancing supplementary services, suggesting a reinforcing pattern where initial commitments to education led to additional investments rather than substitution effects. Similarly, the strong correlation between health expenditure and preventive health visits ($r=0.618$, $p<0.001$) indicated that households investing more in healthcare tended toward proactive rather than merely reactive health-seeking behaviors, which could generate superior long-term health outcomes. The correlation between skills training investment and education expenditure ($r=0.502$, $p<0.001$) suggested complementarity between formal education and vocational training within household investment portfolios, potentially reflecting strategic decisions to diversify human capital development approaches across household members or life stages.

However, the correlation analysis also revealed potential confounding factors that complicated straightforward interpretations of Project Okusevinga's causal impacts. The very strong correlation between household income and savings ($r=0.563$, $p<0.001$) raised questions about whether observed differences in human capital investments between participants and non-participants primarily reflected income effects rather than independent effects of the savings mobilization intervention itself. The moderate correlations between household head education and all investment indicators (ranging from $r=0.298$ to $r=0.456$) highlighted the importance of intergenerational educational transmission and suggested that household preferences and knowledge about human capital investments varied systematically with parental education levels. The negative correlation between household size and per-child education expenditure, despite a positive correlation with total savings, revealed resource allocation challenges in larger families and suggested that Project Okusevinga's effectiveness might vary depending on household demographic composition. These patterns collectively indicated that while savings correlated positively with human capital investments, multiple confounding variables—including income, education, and household composition—needed to be statistically controlled in multivariate models to isolate the specific contribution of Project Okusevinga to human capital development outcomes and to understand the mechanisms through which savings mobilization translated into enhanced developmental investments.

Table 3: Mixed Effects Regression Models Predicting Human Capital Investment Outcomes

Variable	Model 1: Education Expenditure per Child	Model 2: Health Expenditure	Model 3: Skills Training Investment
Main Predictor			

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Project Okusevinga participant	48,320*** (8,650)	28,470*** (6,240)	24,680*** (5,180)
	[32.8% increase]	[22.6% increase]	[29.9% increase]
Household Characteristics			
Monthly income (UGX '000)	0.318*** (0.042)	0.224*** (0.031)	0.186*** (0.028)
Household head education (years)	8,240*** (1,320)	3,890*** (980)	4,120*** (890)
Female household head	-12,450* (5,480)	-6,230 (4,120)	-8,340* (3,780)
Age of household head	1,240** (420)	880* (350)	560 (310)
Household size	-18,650*** (2,140)	4,230* (1,680)	-2,180 (1,450)
Rural residence	-34,280*** (7,890)	-18,940** (5,960)	-14,560** (4,820)
Community Factors			
Distance to financial institution (km)	-2,340** (840)	-1,120 (720)	-980 (640)
Presence of secondary school	22,680** (8,320)	—	—
Distance to health facility (km)	—	-3,450*** (880)	—
Local unemployment rate (%)	—	—	-1,240* (580)
Financial Behavior			
Formal savings account	18,940** (6,780)	12,340* (5,120)	15,680** (4,560)
VSLA membership	14,230* (6,120)	8,670 (4,680)	11,240* (4,230)
Random Effects			
District-level variance	142,680,000	68,340,000	48,920,000
Parish-level variance	86,420,000	42,180,000	31,560,000
ICC (district)	0.142	0.128	0.136
ICC (parish within district)	0.086	0.079	0.088
Model Fit Statistics			
Number of observations	2,400	2,400	2,400
Number of districts	12	12	12
Number of parishes	96	96	96
Log-likelihood	-18,642.3	-17,894.5	-17,342.8
AIC	37,326.6	35,825.0	34,719.6
BIC	37,428.9	35,918.4	34,803.2

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R^2 (conditional)	0.524	0.468	0.441
R^2 (marginal)	0.389	0.342	0.318

*Note: Coefficients presented with robust standard errors clustered at parish level in parentheses. ***p<0.001, **p<0.01, *p<0.05. ICC = Intraclass Correlation Coefficient. Percentage increases in brackets calculated at mean values. All models control for region fixed effects (not shown). UGX = Uganda Shillings.*

The mixed effects regression models revealed that Project Okusevinga participation maintained statistically significant positive associations with all three human capital investment outcomes even after controlling for household characteristics, community factors, and financial behaviors, while accounting for the hierarchical structure of the data. Model 1 demonstrated that project participants spent UGX 48,320 more annually per child on education compared to non-participants (β=48,320, SE=8,650, p<0.001), representing a 32.8% increase at the mean level of education expenditure, holding all other variables constant. Similarly, Model 2 indicated that participants invested UGX 28,470 more in health expenditure annually (β=28,470, SE=6,240, p<0.001), a 22.6% increase, while Model 3 showed UGX 24,680 higher skills training investment (β=24,680, SE=5,180, p<0.001), representing a 29.9% increase. These effect sizes remained substantial and highly significant after controlling for household income, which itself showed strong positive associations with all outcomes (β=0.318, p<0.001 for education; β=0.224, p<0.001 for health; β=0.186, p<0.001 for skills), suggesting that Project Okusevinga exerted an independent influence on human capital investments beyond its correlation with higher household income. Household head education consistently predicted higher investments across all domains, with each additional year of education associated with UGX 8,240 more in education expenditure (p<0.001), UGX 3,890 in health expenditure (p<0.001), and UGX 4,120 in skills training (p<0.001). The random effects components revealed meaningful variation at both district and parish levels, with intraclass correlation coefficients ranging from 0.079 to 0.142, indicating that 7.9% to 14.2% of the total variance in outcomes was attributable to district-level factors and an additional 7.9% to 8.8% to parish-level factors, which justified the use of mixed effects models to account for this nested structure.

The models also uncovered important differential effects across household types and geographic contexts that nuanced understanding of Project Okusevinga's impacts. Household size demonstrated a strong negative association with per-child education expenditure (β=-18,650, p<0.001), confirming resource dilution effects in larger families, though it showed a small positive association with health expenditure (β=4,230, p<0.05), possibly reflecting higher aggregate health needs. Female-headed households spent significantly less on education (β=-12,450, p<0.05) and skills training (β=-8,340, p<0.05) compared to male-headed households after controlling for other factors, suggesting persistent gender disparities in resource allocation capacity or investment priorities. Rural residence was associated with substantially lower investments across all three domains, with rural households spending UGX 34,280 less on education (p<0.001), UGX 18,940 less on health (p<0.01), and UGX 14,560 less on skills development (p<0.01), reflecting urban-rural gaps in both resources and access to services. Community-level infrastructure variables showed expected patterns, with distance to financial institutions negatively associated with education expenditure (β=-2,340, p<0.01), distance to health facilities strongly predicting lower health investments (β=-3,450, p<0.001), and local unemployment rates dampening skills training investments (β=-1,240, p<0.05). The conditional R^2 values (0.524 for education, 0.468 for health, 0.441 for skills) indicated that the full models explained 44% to 52% of total variance

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including random effects, while marginal R^2 values (0.389, 0.342, 0.318) showed that fixed effects alone explained 32% to 39% of variance, demonstrating reasonably good model fit and the importance of contextual factors captured by random effects.

The multivariate regression results provided robust evidence that Project Okusevinga participation was independently associated with enhanced human capital investments across education, health, and skills development, even after accounting for a comprehensive set of confounding variables and nested data structures. The persistence of large, statistically significant positive coefficients for project participation across all three models—with effect sizes ranging from 22.6% to 32.8% increases—suggested that the intervention successfully catalyzed behavioral changes in household investment patterns beyond what could be explained by differences in income, education, or other observed characteristics between participants and non-participants. The fact that these effects remained substantial after controlling for household income and the possession of formal savings accounts indicated that Project Okusevinga's influence operated through multiple mechanisms beyond simple income effects or financial access. These mechanisms likely included enhanced financial literacy, behavioral nudges toward future-oriented planning, social learning effects from group participation, and psychological empowerment from successful savings accumulation. The particularly large effect on education expenditure (32.8% increase) aligned with economic theory suggesting that credit-constrained households prioritize high-return human capital investments when liquidity constraints are relaxed, and suggested that parents viewed education as a critical pathway for intergenerational mobility.

However, the regression results also revealed concerning patterns of inequality in both project impacts and broader human capital investment capabilities that highlighted critical policy challenges. The substantial negative coefficients for rural residence across all outcomes, coupled with the significant effects of distance to services, indicated that geographic barriers remained a major constraint on human capital development even among project participants. The 22.8% lower marginal R^2 compared to conditional R^2 values demonstrated that a considerable portion of variance in human capital investments stemmed from community and district-level factors beyond household control, suggesting that Project Okusevinga's effectiveness varied substantially across contexts and that macro-level investments in infrastructure and service delivery were necessary complements to household-level savings mobilization. The negative associations between female household headship and human capital investments, controlling for income and other factors, pointed to potential gender-specific constraints—possibly including time poverty, discriminatory social norms, or differential access to information—that Project Okusevinga's current design may not adequately address. The strong negative relationship between household size and per-child education expenditure underscored that larger families faced particular challenges in converting savings into per-capita human capital improvements, suggesting that poverty reduction impacts might be limited in high-fertility contexts without complementary family planning integration. The finding that VSLA membership showed additional positive associations with some outcomes (β=14,230, $p<0.05$ for education; β=11,240, $p<0.05$ for skills) even after controlling for project participation suggested potential synergies between formal and informal savings mechanisms, indicating that Project Okusevinga could be optimized by more strategically leveraging existing community-based financial institutions rather than operating in parallel with them.

Conclusion

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This comprehensive policy analysis of Project Okusevinga demonstrated that the savings mobilization initiative was significantly associated with enhanced household human capital investments across education, health, and skills development in Uganda, with participants spending 23% to 33% more on these critical developmental areas compared to non-participants even after controlling for socioeconomic confounders. The study employed a rigorous mixed-methods approach, analyzing data from 2,400 households across 12 districts using univariate, bivariate, and mixed effects regression analyses that accounted for the nested structure of households within parishes and districts. While the results provided encouraging evidence of the project's positive impacts, the analysis also revealed significant implementation challenges including potential selection bias favoring relatively better-off households, substantial urban-rural disparities in both participation and outcomes, persistent gender gaps in investment capacity among female-headed households, and resource dilution effects in larger families that limited per-capita human capital improvements. The correlation analyses demonstrated strong positive relationships between savings amounts and all human capital indicators, though these associations were confounded by household income and parental education levels. The multivariate models revealed that community-level factors—including distance to financial institutions and service facilities, local economic conditions, and regional characteristics—explained 7.9% to 14.2% of variance in outcomes, highlighting the importance of contextual enablers beyond household-level interventions. Despite these challenges, the persistence of substantial positive effects across all three outcome domains after comprehensive statistical controls suggested that Project Okusevinga successfully catalyzed behavioral changes toward enhanced human capital investment, though optimizing its transformative potential would require strategic policy adjustments to improve targeting of vulnerable populations, address geographic and gender disparities, strengthen integration with existing community savings mechanisms, and enhance complementary investments in infrastructure and service delivery that enable households to translate savings into accessible, quality human capital development opportunities.

Recommendations

Enhance Targeting Mechanisms and Outreach to Vulnerable Populations: Project Okusevinga should implement affirmative action strategies to increase participation among the most vulnerable households, including those headed by individuals with limited formal education, larger households facing resource constraints, and communities in remote rural areas. This could be achieved through: (a) establishing lower minimum savings thresholds and more flexible contribution schedules for poor households; (b) conducting intensive mobilization campaigns in underserved regions using community health workers and local leaders; (c) providing transportation subsidies or mobile registration services to reduce geographic barriers; and (d) implementing quotas or incentive structures that reward implementers for recruiting households in the bottom two income quintiles.

Strengthen Integration Between Savings Mobilization and Human Capital Service Delivery: Given that distance to services and community infrastructure significantly constrained the translation of savings into human capital investments, the government should adopt a holistic approach that coordinates Project Okusevinga with investments in education, health, and skills training infrastructure, particularly in rural areas. Specific actions should include: (a) establishing "human capital investment hubs" in underserved parishes that co-locate savings groups with mobile health clinics, vocational training centers, and education quality enhancement programs; (b) developing earmarked savings products specifically designed for education, health insurance, and skills training that provide matching grants or

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subsidized interest rates to incentivize these investments; (c) partnering with schools and health facilities to offer automated savings-linked payment plans that reduce transaction costs.

Expand Financial Literacy Training with Human Capital Investment Modules: While Project Okusevinga has achieved impressive savings mobilization results, its impact could be substantially amplified by enriching financial literacy components with comprehensive modules on the returns to human capital investments and practical guidance on accessing quality services. The program should develop and implement: (a) evidence-based training curricula that communicate the long-term economic returns to education, preventive healthcare, and skills development using locally relevant examples and testimonials; (b) numeracy tools that help households calculate optimal investment allocations across different family members and human capital domains given their specific circumstances; (c) information campaigns highlighting available education scholarships, health insurance schemes, and vocational training opportunities that participants could access using their accumulated savings.

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