

# No margin, no mission? A field experiment on incentives for public service delivery

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# Motivation and objectives

- Two broad categories of *motivation*
- Intrinsic: how motivated an individual feels to accomplish a certain task.
- Extrinsic: rewards an individual gets for accomplishing a certain task.
- Within extrinsic, mostly monetary, but can also be non-monetary.
- Research question: to have agents accomplish a pro-social task (intrinsic motivation), do monetary or non-monetary incentives work best?
- Freakonomics: when image reward is important, adding monetary incentives can actually be counter productive.

- Zambia capital Lusaka, 2010s.
- Poor country with one of the world's highest adult HIV prevalence rate: 14%.
- How to distribute health advice and services related to HIV prevention?
- This paper's idea: why not try hairstylists, who have bored customers at their will for an hour or two?

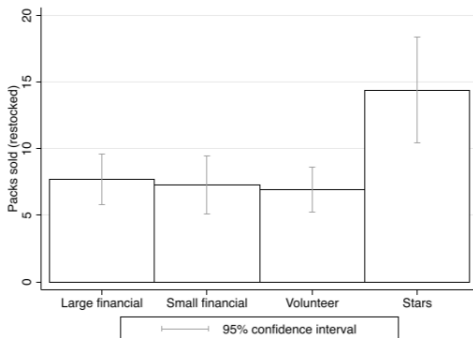
- Recruited 1,222 hair salons in 205 neighborhoods, invited them to training program
- Which included buying boxes of female condoms at subsidized rate at the end.
- Then randomized those who finished program (747) into four groups:
- Control
- Low monetary incentives: 50 ZMK per pack sold
- High monetary incentive: 540 ZMK per pack sold (had to buy at 500)
- Non-monetary incentive: one star on poster per pack sold, possibility to get a certificate

# Results on sales

Outcomes: boxes of females condoms sold.

Measurement: through reorders (not subsidized) and checks on inventory.

Figure 2: Average yearly sales by treatment group



# Sales obtained by effort, not selection

Randomization takes care of selection, but they do check balance on covariates.

Table 3: Average treatment effects on effort measures

Dependent variable	Total displays	Logbook filled	Promoter attention	Promoter interest	Average standardized effect
<i>Mean in control group</i>	2.285	0.479	2.498	2.111	
<i>Standard deviation in control group</i>	1.19	0.28	0.41	0.42	
	(1)	(2)	(3)	(4)	(5)
Large financial reward	0.072 [0.102]	0.028 [0.029]	-0.004 [0.034]	0.024 [0.035]	0.03 [0.036]
Small financial reward	-0.099 [0.127]	0.008 [0.028]	0.022 [0.044]	0.049 [0.049]	-0.005 [0.050]
Star reward	0.245** [0.120]	0.065** [0.031]	-0.044 [0.034]	0.096** [0.044]	0.090** [0.041]
Controls	yes	yes	yes	yes	yes
R-squared	0.101	0.0234	0.035	0.0605	
Observations	722	722	721	694	726

# Heterogeneous effects

Table 5: Heterogeneous treatment effects, by stylist motivation

Dependent variable is Packs sold (restocked)				
Interaction variable	Stylist's dictator game donation is above the median	Stylist's reported work motivation is intrinsic	Stylist's socio-economic status is low	Number of trained salons in the same area is above median
<i>Mean in control group = 6.96</i>				
	(1)	(2)	(3)	(4)
Motivation variable	0.771 [1.531]	-3.631* [1.958]	-4.126** [1.610]	-0.983 [2.302]
Effect of large financial when interaction variable =0	-2.364 [1.642]	-1.66 [2.447]	0.775 [2.091]	2.584 [2.939]
Effect of small financial when interaction variable =0	1.068 [1.936]	-0.321 [2.841]	-0.077 [1.719]	-0.201 [2.803]
Effect of stars when interaction variable =0	4.341 [2.897]	3.858 [3.816]	7.016** [2.906]	2.427 [3.660]
Effect of large financial when interaction variable =1	3.546 [2.490]	2.63 [2.228]	3.682** [1.839]	0.223 [1.741]
Effect of small financial when interaction variable =1	0.383 [1.933]	0.999 [1.768]	4.869* [2.910]	1.326 [1.705]
Effect of stars when interaction variable =1	10.010*** [3.238]	10.480*** [2.986]	11.080*** [3.108]	9.144*** [2.966]
Controls	yes	yes	yes	yes
R-squared	0.073	0.071	0.067	0.073
Observations	765	765	765	765

# Heterogeneous effects

- A fun paper, well done randomization.
- Interesting result: reputation/non monetary reward works much better at getting people to sell private good that has a positive externality.
- Limited external validity
- Very small financial incentives
- “No selection due to incentives” well ok, but the agents are salesmen already, motivated by some financial sale, so very particular group of people.