Educational Incentives for Parents and Children in India

Researchers:

James Berry

Sector(s): Education

Location: India

Sample: 1,052 students in grades 1-3

Target group: Parents Students

Outcome of interest: Enrollment and attendance Student learning

Intervention type: Cash transfers Conditional cash transfers

AEA RCT registration number: AEARCTR-0001449

Partner organization(s): Pratham, Russell Sage Foundation (RSF)

A common strategy for increasing school attendance is to offer cash rewards or other incentives to households, usually to the parents, when their children attend or perform well in school. In Gurgaon, India, researchers tested whether giving education incentives to parents or children influenced the incentives' impact on educational outcomes. All of the incentive schemes had a substantial impact on test scores. Giving incentives to parents was more effective for high-performing students, whereas giving incentives to children was more effective for low-performing students. This suggests that incentivizing parents was more effective when they were good at motivating and supporting their children.

□□□□□□□ □□□□□□□

In the past decade, there has been increasing recognition of the importance of education for social welfare and national economic growth and, subsequently, there has been a large push to increase enrollment and learning in primary schools. Until recently, interventions to improve schooling outcomes have typically taken the form of supply-side reforms, such as improvements in infrastructure, materials, or teachers. Over the past decade, policy attention has shifted towards demand-side interventions, which either lower the costs or increase the immediate benefits that households face when deciding to educate their children. One common demand-side intervention is to offer cash rewards or other incentives to households, usually to the parents, when their children attend or perform well in school. Implicit in the design of these interventions is the idea that rewarding the parents, rather than the children, produces the best results. However, there is limited evidence on whether it is more effective to target parents or children. If parents do not place a high value on learning or if they are unable to fully motivate their children, then incentives provided to children could result in better outcomes than incentives provided to parents.

□□□□ □□□□□□□

According to the 2012 Annual Status of Education Report (ASER), nearly 97 percent of children in rural India ages 6-14 years are enrolled in school.[1], However, many of these children are absent more than 25 percent of the time. Even among those who show up for class, learning levels remain low over 60 percent of rural Indian children in third grade cannot read at a first-grade level, and this number has increased 8 percentage points in the last three years.[2] Evidence suggests that the low attendance and poor

performance in Indian primary schools may be largely driven by parent and child effort, and not financial considerations such as the direct costs of school or the opportunity costs of not working. There are no school fees, and some families receive subsidies for their children' s enrollment. Children also receive free lunch at school through the national Mid-day Meal Scheme. Moreover, of the few children who are not in school, the majority do not work: according to the 2001 national census, only 5 percent of children between the ages of 5 and 14 were working.

A father helps his son with his homework.

Photo credit: J-PAL/IPA

□□□□□□□ □□□□□□□ □□ □□□□□□

Researchers conducted a randomized evaluation to test whether the identity of the recipient of education incentives either the parent or child can influence the effectiveness of incentives on educational outcomes. In July 2007, researchers performed an initial test of children' s reading ability in eight government-run primary schools in Gurgaon, a suburb of Delhi. Approximately one week after the pretest, researchers visited each child' s home to conduct a baseline survey and explain the incentive program. Based on his pretest score, each child was given a goal competency to be reached when he was re-tested after two months. If the child achieved the goal, either he or his parent would receive a prize.

Three types of rewards were offered in order to target the parent or child. The *parent money treatment* offered a reward of 100 rupees (US$2.50) to the mother if the child achieved the goal, while the *child money treatment* offered the same amount to the child. However, survey responses indicated that parents had control over the money given to the child. Thus, both types of incentives effectively targeted the parent. The *child toy treatment* offered a reward of a toy valued at 100 rupees (US$2.50) to the child if the child achieved the goal. Since the toys were items not easily appropriated by the parent, this treatment effectively

targeted the child. An additional treatment was included to test whether parents who want to reward their children for performing well have difficulty committing to doing so. For example, parents might be unable to credibly commit to reward their children for good performance on a test because they are unable to put the resources aside to purchase the reward. In this treatment, parents were given a choice between money for themselves and a toy for their child at the outset of the program. They could thus commit to rewarding their children by choosing the toy.

All children in the program, regardless of treatment, were given the opportunity to attend free after-school reading classes, which ran for three hours every afternoon that school was in session. The classes gave children a greater chance to reach the goals set out by the program, but also provided an objective measure of both child and parent effort.

□□□□□□□ □□□□□□□ □□□□□□□□□ □□□□ □□□□□□□□

All of the incentive schemes had a substantial impact on test scores. However, the results reveal no significant differences in after-school class attendance or literacy achievement between the toy and money treatments. On the other hand, the effectiveness of different types of incentives did vary by initial learning levels. Initially, low-performing students had better outcomes when incentives were provided directly to them, while initially, high-performing students had better outcomes when incentives were provided to their parents. Lastly, there was no evidence that offering parents the opportunity to commit to rewarding their children with toys improved child outcomes.

The differences in effects by initial learning levels suggest that when parents were able to motivate and support their children (as reflected by higher pretest scores) then providing incentives to parents was an effective way of promoting child effort and increasing learning. Parents could motivate and support their children' s education by helping them with schoolwork or paying for them to receive outside tutoring. These parents had better-performing children and responded more strongly to parent incentives. To test this theory, an index of parental "productivity" was created using measures of parental ability to provide educational inputs. Consistent with the idea that incentives would be effective only for parents who were more productive in contributing to their children' s education, children in households with high parental productivity had better outcomes under parent incentives, while those in households with low parental productivity had better outcomes under child incentives.

Berry, James. "Child Control in Education Decisions: An Evaluation of Targeted Incentives to Learn in India." Working Paper, September 2014.

---

1. ASER Centre. 2012. "ASER 2012 (Rural) Findings." Available at http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER_2012/ful... (accessed May 21, 2013).
2. ASER Centre. 2012. "ASER 2012 (Rural) Findings." Available at http://img.asercentre.org/docs/Publications/ASER%20Reports/ASER_2012/ful... (accessed May 21, 2013).