Government Mobile Salary Payments for Teachers in Afghanistan

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Sector(s): Finance, Political Economy and Governance

Location: Afghanistan

Initiative(s): Governance Initiative (GI)

Target group: Teachers

Outcome of interest: Student learning Corruption and Leakages Service provider performance

Intervention type: Digital and mobile Incentives Community monitoring

AEA RCT registration number: AEARCTR-0001641

Partner organization(s): Ministry of Labor, Social Affairs, and Martyrs and Disabled

Governments must pay their employees for states to function, but frequent delays and leakages of salary payments can undermine government effectiveness. In partnership with the Ministry of Education of Afghanistan, researchers are conducting a randomized evaluation to study whether mobile salary payments (MSPs) improve learning by increasing teacher attendance and morale.

Policy issue

Governments must pay their employees for states to function. Yet, frequent delays and leakages of salary payments can undermine government effectiveness. Transferring salaries to employees directly via mobile salary payments (MSPs) could recover substantial resources and improve employee retention and morale. When applied to education, using MSPs for teacher salaries could improve teacher attendance and morale. As poor learning may be due, in part, to high absence rates among teachers who may lack incentives to attend work, this may also lead to improvements in student learning.[1] If implemented widely, MSPs could also grow the mobile money system and promote financial inclusion. What is the impact of MSPs on corruption and the overall provision of government services?

Context of the evaluation

In Afghanistan, the Ministry of Education (MoE) disburses over US$400 million (AFA 28,301 million) in salaries annually, and approximately 50 percent of employees are paid directly with cash. Teacher pay is linked to attendance, and school principals report figures to the district-level administrator each month, who aggregates attendance for all district schools and submits a request to the National Treasury. Once transferred to a local commercial bank, a bursar retrieves the funds and teachers meet the bursar at the end of the month to receive their wages as cash.

In this system, there are several ways that salary disbursements can be misappropriated. First, nearly 60,000 of the 263,961 teaching positions in Afghanistan are filled by contractors with no formal status as state employees. All of these contractors are paid in cash, and it is likely thatmany of them are “ghost employees,” fake employees added to the payroll so that others can capture their salary. In addition, teachers often pay part of their salaries to local bursars, who control attendance reporting and the disbursement of salaries and have substantial influence over hiring. Furthermore, even when salaries do not go missing, they are paid irregularly and require substantial travel to obtain.

Details of the intervention

In partnership with the Ministry of Education, researchers are conducting a randomized evaluation to study whether Mobile Salary Payments (MSPs) improve learning by increasing teacher attendance and morale. Researchers are randomly assigning schools to either one of two treatment groups or a comparison group.

- *Mobile Salary Payments (MSPs)*: Salaries are directly transferred from the Central Bank to teachers via mobile money.
- *MSPs & Direct Attendance Reporting*: In addition to MSPs, information on teacher attendance is automatically linked to salary disbursements. Researchers collect detailed data on teacher attendance by analyzing anonymous mobile phone records. The attendance data is shared with the Ministry of Education through an online dashboard and is linked to salary disbursement. This system is intended to eliminate the bursar’s ability to control attendance reporting. Furthermore, by linking salary directly and automatically to attendance, teachers may have more incentive to improve their attendance.
- *Comparison group*: Maintain the status quo payment system.

Researchers will use surveys to measure teacher satisfaction, economic and psychological well-being, and whether teachers report sharing part of their salary with a bursar. To measure corruption and leakages, mobile money logs from the MSPs will be used to construct indicators of mobile account usage, which can be used to detect unusual activity. This data can indicate the amount, if any, that bursars are extracting from teachers’ salaries. In addition, the number of ghost workers at each school will be revealed during the process of registering teachers for MSPs. Finally, researchers will also partner with the Ministry of Education to administer a government-sponsored test of student learning to determine whether MSPs improved learning by increasing teacher attendance and morale.

Results and policy lessons

Project ongoing; results forthcoming.

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1. Duflo, Esther, Rema Hanna, and Stephen Ryan. 2012. "Incentives Work: Getting Teachers to Come to School." *American Economic Review*, 102(4): 1241-1278.