

## **Economics Seminar, Indian Statistical Institute, New Delhi.**

**SPEAKER:** Sanchari Roy, Warwick University

**TITLE:** **Motivating Knowledge Agents: Financial Incentives versus Social Proximity**

**TIME:** 3:30 PM - 5:00 PM.

**DAY & DATE:** Wednesday, 8th August, 2012

**PLACE:** Seminar Room 2

### **Abstract:**

Lack of awareness regarding public welfare programmes amongst the target population is often cited a key reason for their failure. In this paper, we evaluate the impact of providing financial incentives to agents for spreading information regarding a government welfare programme on the level of programme knowledge and take-up among the target population. We introduce experimental variation in the payment structure of agents in terms of either flat-pay or incentive-pay contracts. We find that hiring agents to spread knowledge about welfare programmes has a positive impact on the level of programme knowledge, but that the entire effect is driven by agents on incentive-pay contracts. Secondly, we find that such an improvement in programme knowledge also translates into increased programme enrolment. Thirdly, we find that social distance (or lack of social proximity) between agent and beneficiary in general has a negative impact on knowledge transmission, but putting such agents on incentive-pay contracts increases knowledge transmission by cancelling out (at our level of bonus pay) the negative effect of social distance. Incentive pay, on the other hand, has no additional impact on knowledge transmission for socially proximate agent-beneficiary pairs.

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