**Applied Economics Seminar**

**By**

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**Impact of caregiver incentives on child health: Evidence from an experiment with Anganwadi workers in India**

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**Abstract**

This paper provides evidence for the effectiveness of performance pay among government caregivers to improve child health in India. In a controlled study of 160 daycare centers serving over 4000 children, we randomly assign workers to receive performance pay or fixed bonuses of roughly similar expected value, and test for differences in malnutrition among the children in their care.  We find that performance pay reduces the prevalence of weight-for-age malnutrition by about 5 percentage points in 3 months. This effect is sustained in the medium term with a renewal of incentives but the differential growth rate fades away once the scheme is discontinued. Fixed bonuses lead to smaller-sized effects and only in the medium-term. Both treatments appear to improve worker effort and communication with mothers, who in turn feed a more calorific diet to their children at home.