Nudging or Paying? A randomized controlled trial to evaluate the effectiveness of measures to contain COVID-19 in rural Bangladesh

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We compare the effectiveness of a monetary treatment in containing COVID-19 with an information campaign among more than 3,000 participants from 150 villages right before the local onset of the pandemic. The phone-based information campaign stressed the importance of social distancing and hygiene measures, and illustrated the effect of exponential spread within a village. In the monetary treatment, we additionally offered an unconditional cash transfer (via mobile cash) worth 2-3 days of agricultural wages in rural areas.

In each treatment village, about 20 households were randomly selected for treatment. Another 20 households per village serve as the treatment village control group for investigating spillover effects, in addition to a pure control group. The intervention was followed by two household surveys two weeks and about three months after the intervention.

Preliminary findings indicate that both treatments improve knowledge and create the attitude of being decisive in fighting Covid-19 in the short-run, which translates into improved preventative and physical distancing behavior, and improved health (mainly measured by symptoms). This heads-up in knowledge of 2.5 months compared to control villages reduces the share of households reporting a deceased member three months after the intervention significantly from 1.6% to 0.8%, with identical reduction among untreated households in treatment villages. These numbers suggest that a country-wide implementation could have reduced Covid-19 related death by about 50%.