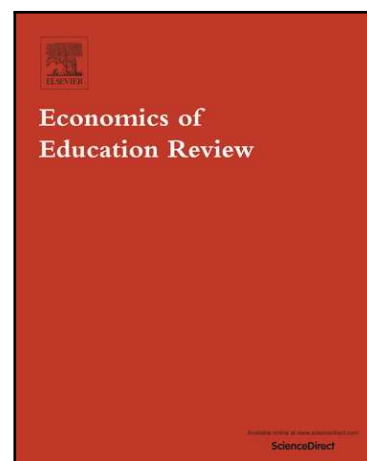


## Accepted Manuscript

The Potential Output Gains from Using Optimal Teacher Incentives:  
An Illustrative Calibration of a Hidden Action Model

Nirav Mehta

PII: S0272-7757(17)30489-2  
DOI: [10.1016/j.econedurev.2018.06.011](https://doi.org/10.1016/j.econedurev.2018.06.011)  
Reference: ECOEDU 1815



To appear in: *Economics of Education Review*

Received date: 9 August 2017  
Revised date: 23 April 2018  
Accepted date: 25 June 2018

Please cite this article as: Nirav Mehta, The Potential Output Gains from Using Optimal Teacher Incentives: An Illustrative Calibration of a Hidden Action Model, *Economics of Education Review* (2018), doi: [10.1016/j.econedurev.2018.06.011](https://doi.org/10.1016/j.econedurev.2018.06.011)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

# The Potential Output Gains from Using Optimal Teacher Incentives:

An Illustrative Calibration of a Hidden Action Model

Nirav Mehta

University of Western Ontario \*

July 16, 2018

## Abstract

This paper examines the potential output gains from the implementation of optimal teacher incentive pay schemes, by calibrating the Hölmstrom and Milgrom (1987) hidden action model using data from Muralidharan and Sundararaman (2011), a teacher incentive pay experiment implemented in Andhra Pradesh, India. Findings suggest that the introduction of optimal individual incentive-pay schemes could result in very large increases in output, about six times the size of the (significant) results obtained in the experiment.

Keywords: hidden action, empirical contracts, teacher incentive pay

JEL: I2, J3, J4

---

\*[nirav.mehta@uwo.ca](mailto:nirav.mehta@uwo.ca) I thank Rui Castro and Rachel Margolis for useful discussions pertaining to this paper, and the SSHRC Insight Development Grant program and Jacobs Foundation for funding. I also thank Enrique Martin Luccioni for research assistance.

Download English Version:

<https://daneshyari.com/en/article/6840756>

Download Persian Version:

<https://daneshyari.com/article/6840756>

[Daneshyari.com](https://daneshyari.com)