

## How to improve knowledge and take-up of public services by the poor: The case of the RSBY National Health Insurance in India

### Summary

New research in India shows that properly designed public information campaigns can significantly increase knowledge and take-up of public health insurance and other health services among the poor. This helps to overcome problems of traditionally low uptake of welfare schemes by the poor. Campaigns are most effective if information providers are paid according to the level of improvement in knowledge about the programme among the target population; or if the information provider comes from the same social group as the targeted villagers.



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### Policy conclusions

The government should help to inform the poor about public services in order to improve uptake of these services. The payment to information providers could be linked to improvement in knowledge about the programme among the target population. Additionally, information transmission is more efficient if the information providers come from similar social backgrounds as the people they are targeting.

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### Policy context

The Indian government has been spending US\$6.4bn, or 1.2% of GDP per year, in providing free health care to people, especially the poor, including via the new Rashtriya Swasthya Bima Yojana (RSBY) National Health Insurance Scheme.

However, according to a World Bank report (2011), awareness of various public services in India, including health care, is often very low among the poor.



## Project findings in more detail

The RSBY is a National Health Insurance Scheme in India, largely funded by the federal government and implemented in collaboration with private insurance companies. It offers free hospitalisation up to 30,000 rupees against a small annual premium of 30 rupees (less than one US dollar). Researchers from the Institute for Social and Economic Change (ISEC), India; the Centre for the Study of African Economies (CSAE), University of Oxford; and the London School of Economics (LSE), undertook a survey of more than 3,000 households in 220 villages in Karnataka, South India. In half the villages, a local agent was recruited to spread information about RSBY. Payment to agents was either constant, or based on the level of knowledge about the programme among the targeted beneficiaries. The survey asked questions about households' awareness, uptake, and knowledge of the RSBY scheme.

Analysis shows that:

- Knowledge about RSBY was higher in villages where a local agent was appointed, compared to those where no agent was appointed;
- In villages where the agent's pay was based on the level of knowledge obtained by beneficiaries about the scheme, knowledge acquisition was higher compared to villages without any agent;
- On the other hand, in villages where agents received a flat pay, knowledge did not increase compared to villages with no agent;
- Improved knowledge about RSBY is also associated with an increase in programme enrolment among beneficiaries;
- Agents are also better at communicating with targeted villagers of the same social group as themselves. Knowledge transmission improved if the agent and household were matched according to caste identity or below-poverty-line status, compared to when agents and households were not matched; and,

- Knowledge-based pay and social matching have separate, independent effects.

## Ongoing research

Future research aims to investigate the impact of spreading information about RSBY on health outcomes of the targeted villagers.

## References

World Bank (2011), 'Social Protection for a Changing India: Volume 2' pp. 162-165.

## For more detailed information

Erlend Berg, Maitreesh Ghatak, Rajasekhar Durgam, Manjula Ramachandra, Sanchari Roy, 'The roles of incentives and social proximity in spreading information', mimeo 2012.

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