Can Gifting Improve Survey Data Quality in Developing Countries? Results from a Field Experiment in India

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Guy Stecklov, Hebrew University of Jerusalem

Alex Weinreb, University of Texas at Austin

Calogero Carletto, World Bank

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Abstract

The goal of this experimental study, embedded in a household survey in Karnataka, India, was to assess whether, and to what extent, the payment of respondents impacts the quality of survey data. About half of the 2000 households in the Gifting Experiment Survey were randomly assigned to the treatment group, which received a one-time payment of roughly $5 equivalent at the time of the survey, while households in the control group did not receive this gift.

We analyze the effects of this gift across a range survey questions common in LDC survey research. Our finding show little impact on reported sociodemographic characteristics, household structure, political attitudes, who is involved in intra-household decision-making, and questions associated with the main focus of the survey (property records). However, we consistently find that households that received gifts report substantially lower consumption and income levels and fewer assets. These findings suggest that gifting respondents in this setting increases their incentive to present themselves as more needy, whether to justify the current gift or increase the chance of future gifts.

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Introduction

The central role that survey data play in both research and development planning underscores the importance of collecting high quality data. Yet even though the many sources of errors that affect survey data have long been recognized (Deming 1944; Groves 1989), relatively little methodological research has been conducted on survey research in less developing countries (LDCs), and almost none using the experimental standards now common in more developed countries (MDCs) (for exceptions, see Plummer et al 2004a, 2004b; Mensch et al 2003).

Our focus in this paper is on one such under-researched area, whether to incentivize survey participation by "gifting" respondents. As detailed below, gifting respondents is common in MDC settings, and a longstanding body of methodological research supports this practice. The same cannot be said about LDC settings. There, while gifts have been used in some survey research projects, major surveys that reflect dominant methodological standards—among them, the Demographic and Health Surveys, World Bank Living Standards Measurement Study, and World Values Surveys—do not use gifting. Either way, the decision on whether or not to gift respondents in LDCs is not rooted in any actual methodological research.

Our paper emerges from this tension between mainstream MDC and LDC practice. We argue that in light of ongoing socioeconomic and cultural changes in LDCs, there are grounds for revisiting the practice of not incentivizing survey participation in those settings. For even if the meaning of gifts and modes of gifting have historically varied across cultures (XXXX), contemporary LDC respondents are increasingly urban, monetized, enmeshed in modern cultures of consumption, and living lives more regulated by modern state institutions (XXXXX; Illouz 2007). In other words, they are much more like their MDC contemporaries than was the case in the 1950s and 1960s, the first decades of LDC survey research.

To explore the effects of gifting respondents in an LDC setting, we present results of a field experiment conducted in two cities in Karnataka State, India. Our key empirical goal is to look at how gifting affects survey response across an array of questions commonly used in LDC research. Since some questions tap subject matter that is inherently more sensitive while others are more innocuous, we also identify whether the effects of gifting on data quality is associated with the degree of sensitivity of questions. Overall, our results suggest that gifting has no impact on a variety of questions that relate to social attitudes, including sensitive questions that we would expect to show signs of social desirability bias. We also see little

effect on questions that focus on knowledge and attitudes regarding property records – the main focus of the survey and the underlying government project for regularization and computerization of land records. Yet, in sharp contrast to our consistent findings pointing to little impact from gifting, we find a very substantial and consistent difference in the economic levels reported by households that receive gifts from those that do not. Respondents who received gifts presented themselves as poorer across a range of indicators, especially those that could not easily be checked by the interviewer. Given the experimental design—households were randomly assigned to receive or not receive a gift—we ascribe these differences in self-presentation to the gifts.

Empirical evidence on incentives and gifting

We begin with a brief review of some of the existing empirical evidence on incentives and gifting. Longstanding empirical evidence highlights the effectiveness of incentives for strengthening the external validity of surveys in MDCs (Singer et al. 2000; Wenemark et al. 2010), especially as resistance to survey participation increases, and especially when the gifts are immediate (Singer et al. 1998). Many of the experimental or quasi-experimental studies in this literature go back to the 1960s and 1970s. Positive effects can be found across different modes of data collection, including face-to-face and mail surveys (Sudman and Ferber 1974; Church 1993; Willimack et al. 1995). Finally, the use of incentives has also increased with the growing importance and cost of panel surveys, since there is evidence that incentives may have a positive effect on retention (Sudman and Ferber 1974; Zagorsky and Rhoton 2008).

Clear signs of the impact of incentives on data quality *conditional* on survey participation—our primary focus in this paper—is sparser. One important but early review indicates that compensation was associated with more complete and accurate responses (Sudman and Ferber 1974). Other studies suggest that incentives had no negative impact on data quality (Singer et al. 1998; Willimack et al. 1995). A more recent study based on the monthly phone Survey of Consumer Attitudes notes a significant improvement in data quality with item non-response rates lower for those receiving incentives (Singer, Hoewyk and Maher 2000). A cautious interpretation of these various findings from MDCs is that incentives provided in person or in advance appear to raise overall response rates with little or no indication that data quality declined – in fact, where there is a data quality effect, it appears to be positive.

In contrast to the extensive empirical literature on the impact of gifting or incentives on survey response behavior in MDC's, there is no equivalent scholarly literature on the effects

of incentives on data collection in LDCs. Instead, we are limited to non-experimental evidence of two types. Most of this is anthropological and focuses on lone researchers attempting to establish themselves in communities through participation in local exchange networks (e.g., Agar 1980; Barley 1983). Given the relatively wealthy status of western researchers in poor LDC settings, this translates into resource flows from the researcher to the informant, with information flows going in the opposite direction. A small secondary source of literature on gifting in LDC settings is non-experimental data discussed by LDC survey researchers, especially those involved in longitudinal projects. These have echoed the principal arguments associated with MDC researchers, asserting that incentives increase retention and respondents' motivation to provide more valid responses (Bignami-Van Assche et al. 2003; Weinreb et al. 1998).

Conceptualizing the Impact of Gifts on Survey Respondents

The empirical literature provides one basis for predicting the impact of gifts on response behavior in LDCs, but there are reasons to be wary of transposing data collection practices across cultures. This can be seen by examining the theoretical claims underlying arguments about gifting's impact.

Gifts in the survey setting are in essence tools to alter the social relationship between respondents and interviewers. There are many dimensions to the social interaction occurring in the course of the interview. Changes in the surrounding context or the internal dynamics of the interaction are known to potentially alter response behavior. For example, when social relationships linking interviewers and respondents are shifted by changing the interviewer's gender, race, or some other "role-independent" interviewer characteristic, responses on certain types of questions may be affected (Hyman et al 1954; Hatchett and Schuman 1975; Schuman and Converse 1971; Davis et al. 2010). When a third party participates in the interview, or is within earshot, respondents may answer differently (Aquilino et al. 2009; Smith 1997; Weinreb and Trinitapoli 2015) . Even the physical setting of the interview can have ramifications in some contexts (Herzog 2005).

Like these factors, gifting can also affect the interactional context. We think its effects operate along several established routes. One is in traditional terms of exchange - that is seeing the gift as a type of narrowly focused economic exchange geared toward increasing an individual respondent's overall motivation to participate in a survey (Datta et al. 2001). Seen in this light, an incentive is intended to increase a wavering respondent's motivation to participate in the study. By extension, it may also "buy" more honesty – pushing respondents

to provide better, more accurate answers, or divulge more personal information in exchange for their personal profit. This is part of a larger sociological argument about using gifts to establish and cement a social relationship that did not exist before the interviewer introduced him/herself to the respondent. It is an attempt to fast-forward that relationship, helping the interviewer obtain the status of a trustworthy insider, at least for the duration of the interview (Weinreb 2006).

Notwithstanding the positive effects suggested above, there are reasons to expect that gifting might also harm the quality of survey data. First, even if gifting raises respondent's motivation to participate in a survey, it may simultaneously reduce data quality where, because of their closer entanglement with interviewers, respondents offer biased answers with the aim of pleasing interviewers. The motivation to respond with this type of social desirability bias intensifies when data are collected through face-to-face interviews (Presser and Stinson 1998; Tourangeau and Smith 1996). In LDCs in particular, financial incentives to participate in a survey may have a particularly powerful effect on response bias since the relative dearth of resources makes respondents more motivated to provide what they see as the "right" answer. This is likely to conform to conventional wisdom about researchers' goals—to document different types of health behavior, poverty and need, to capture grey- or black-market activities, and so on—which may in turn be seen as an antecedent to the flow of development dollars.

A second concern about the effects of gifting arises from the literature on intrinsic and extrinsic motivation. Social psychologists, using lab-experiments, have long known that extrinsic rewards can reduce individual motivation for certain activities (Deci 1971; Kruglanski, Friedman and Zeevi 1971). Behavioral economists argue that payments may reduce the gains that individuals receive from altruistic behavior –this has been termed the "crowding-out" effect (Frey and Oberholzer-Gee 1997). These arguments might also lead one to expect that gifting will reduce the quality of survey data.

Compounding these issues in LDC contexts is the potentially clientilist context of gifting by a large-scale project. Not only are interviewers in LDCs—unlike their MDC counterparts—usually more educated and upwardly mobile than their respondents. But since they often represent a government or NGO intent on "development," interviewers who provide a gift may unwittingly create the expectation that more gifts are likely or at least possible from the same sponsoring organization in the future. In turn, this may lead respondents to present themselves in ways that make them seem more deserving of those future gifts. In other words, in a context of severe resource constraints, respondents may want

to forge connections with wealthier people as individuals, or as representatives of organizations. They may therefore treat interviewers as potential patrons upon whom—assuming some future meeting—they might call with a request. In either case, the gift creates an additional incentive to present oneself as deserving of further assistance. We would therefore expect to see much more of an effect of gifting on questions that establish one's economic position rather than, say, those which are directed at political attitudes or general social and household characteristics.

Data and Experimental Design

To identify the impact of gifting on survey data quality, we use data from a gifting experiment conducted in two urban centers in Karnataka State, India. Our analysis distinguishes questions about a range of household economic characteristics—where we expect the economic self-presentation motive to be strongest—from more general demographic questions, questions about the extent of shared decision-making across various domains, and questions that tap into one's confidence in the political system.

The gifting experiment was integrated into a larger household survey, part of the 2011 Urban Property Ownership Records (UPOR) Project, administered in approximately 12,000 households over a 12 month period. As part of UPOR, The World Bank, in partnership with the NCAER (New Delhi) and ISEC (Bangalore), conducted a survey of 4,000 households to assess the impact of the UPOR project in the Indian State of Karnataka. Given the project's emphasis on property ownership records, only households that owned their houses were included. Based on data from the 2011 Census of India, between 50-58 percent of households in the included cities are property owners, so it is important to note that nearly half - albeit a poorer half - were excluded from the study.

Data collection for our experiment focused on only two of the four cities included in the UPOR Project survey in Karnataka: Davangare and Gulbarga. Both cities are small to mid-sized, with populations under half a million. The sampling and treatment assignment began with a listing of blocks within each city. Within that sampling frame, 102 blocks (from each city) were randomly chosen for inclusion in the experiment. From within this random assignment, nearly half were assigned to the treatment group and received the gift. The other group, a bit over half, were assigned to the control group not receiving the gift. The actual sample size across both cities was 2,276 households, with 934 in the treatment group and the remaining 1,342 in the control group. Of these, 86 percent of respondents in households were male and 14 percent were female.

Interviewer training for the experiment stressed the importance of working with both types of households and treating them equally in all respects other than provision of the gift. The gift itself was valued at 250 Rupees (about 5 USD and roughly equivalent to the daily minimum wage in Karnataka for basic, manual work such as domestic services) and it was offered at the opening introduction of the interview, conditional upon agreement to fully participate in the survey. Households in control blocks were not offered any compensation. While the gift was declared with the initial introductions, it was paid out after the conclusion of the interview and paid directly to the main respondent of the interview.[i] The main respondent was the household head or in a small share of cases the spouse of the head. Household members signed receipts upon receiving the gift and households were informed that supervisors might follow up to verify receipt of the gift.

Very high responses rates were achieved in the survey. Overall, 2.1 percent of initial households selected into the sample needed to be replaced, with the explanations split roughly equally between no one found at home (36%), refusals (38%), and no appropriate respondent available (26%). Interestingly, the response rates were far higher in Gulbarga than in Davangare. More importantly, only 1 of the 50 households that refused was located in a treatment block. While we know little else about the nonrespondent households, this finding strongly suggests that gifting was useful in increasing survey participation. Because nonparticipation was virtually nonexistent in Gulbarga, it is reassuring to note that our main findings are consistent within either city when it is tested on its own, and when the cities are combined.

Analysis & Results

Our analyses focus on the effects of gifting on actual survey responses across five domains: demographic and social characteristics; reported sharing of decision-making within households; confidence in the political system; knowledge and attitudes regarding the public program underlying the survey; and questions regarding household income, consumption and a broad set of household assets. Throughout, we assume that the randomization of blocks to treatment and control areas, in combination with the assignment of interviewers to both settings, means that reporting differences can be ascribed to whether or not a household received an incentive.

i. Demographic and social characteristics

Our first analysis, presented in Table 1, compares reported demographic and social statistics of households across treatment and control groups. Household size is very similar across the two groups, with a slight but insignificant advantage to households in the treatment group, which are larger by 0.162 persons. Respondents in treatment households report somewhat lower education than in non-gifting households, but this too is not significant. Nor are there statistically significant differences between treatment and control groups on questions pertaining to social and cultural identity. The log odds of being Hindu or "Other Backwards Caste" are higher among the gifting group, but not significantly so. Overall, therefore, gifting has no notable impact on either the basic demographic or socio-cultural identities reported in these data.

Table 1 about here

In Table 2, we break down the demographic composition within households a bit further. Given the literature on gender preferences in India — in particular, sex-selective abortion and the distorted sex ratios at birth (Dyson 2012; Gupta 1987)- we are particularly interested in reported differences in households' gender composition. Interesting, although son preference is less endemic to this region, some differences do emerge. The marginally larger households in the treatment group appear to be at least partly due to a higher number of girls. Households in the treatment group report slightly more girls under age 16 than households in the control group. Otherwise, we see no clear effects of gifting on any other demographic characteristic, including the number of adults of either sex and the number of elderly. None show any substantive (or statistically significant) differences across the groups.

Table 2 about here

ii. Political attitudes

A second series of analyses presents regressions on four separate outcome variables, each of which reflects a particular type of attitude or confidence reported by the household head toward current political members or the political system. These variables are coded 1 to 5, with 5 indicating highest level of ease or freedom in each dimension. The questions cover somewhat distinct dimensions: how easy is it to hold current elected official accountable for the duties they are supposed to perform; how easy is it to make current politicians solve

problems related to public action or services; how transparent is the current selection of development schemes; and how free do respondents feel they are to vote in elections for their preferred candidate under the current government. The models are estimated using ordered logistic regression with cluster corrections. Results are shown in Table 3.

Table 3 about here

Three of the four models show little effect of gifting on reported political attitudes. The log odds of the first two—accountability and solvability—stand at zero, each less than a tenth the size of the standard error. And although there is a marginally positive effect of gifting on reporting more freedom to vote, it is also not significant. In fact, only the question on the perceived transparency of development schemes is significant. The log odds of reporting higher confidence in the transparency of how development schemes are selected goes down by 0.28 units with gifting. We return to this below, suggesting that it may be consistent with the effects of gifting on reported economic characteristics of households.

iii. Household decision-making

A third series of analyses looks at how decisions are reportedly shared within the household across five developmentally important domains: food purchases; child education; child health; wanted number of children; and savings. Only households with male household head respondents are included to ensure consistent gender effects, although our results are basically unchanged when women are included along with a control for gender. In each case, the outcome variable equals "1" if the decision is made either jointly or by the spouse and "0" if the decision is made by the head.

Table 4 about here

Results are presented in Table 4. They clearly show that there is no effect of gifting on whether decision are reported to be more shared among the household adults, regardless of which of these topics is examined. In particular, there is no evidence that male heads attempt to present themselves as more participatory in any dimension of decision-making when gifts are received. This is as true for decisions about how savings are made as it is for decisions about childbearing or child education.

iv. Knowledge and attitude towards UPOR Project

The survey also includes a series of questions aimed at gauging respondents' prior knowledge of the UPOR project as well as their attitudes towards the changes UPOR was meant to enact. These questions are helpful because they enable us to evaluate both whether gifting might lead respondents to report more familiarity with the program and more importantly, whether it might also lead them to speak more favorably of the program that is being enacted.

Results are shown in Table 5 and provide another clear and consistent perspective. We see that gifts have no impact on whether people report having heard of UPOR. Furthermore, we examined whether the gifting led to people being more positive about the potential impact of the project across a series of relevant outcomes. This includes whether the program would *help* facilitate future transfers of property; reduce the likelihood of *conflict* over land property with other individuals; reduce the potential *private risk* that someone would take their property; and reduce the *risk that government* would take their property. Respondents were asked in all cases whether they believed the program would be successful at achieving each of these aims and then if yes, whether they saw this as a good outcome. We considered responses that saw the programs' aim as achievable, and that this was a favorable outcome, as expressions of positive perspectives on the program. More importantly, the results show that regardless of which outcome is examined, gifting had no impact on the degree to which positives attitudes were expressed regarding any one of them.

Table 5 about here

v. Income, consumption and assets

So far our results have demonstrated little impact of gifting. Gifting barely affects responses about household demographics, social characteristics, and responses about politics. It has no effect whatsoever on whether household decisions are shared with spouses. Across a range of potential questions commonly used in LDC surveys, therefore, there is little effect of gifting.

We now focus on whether gifting modifies reported income, consumption and assets. Earlier we raised the possibility that gifting might alter how respondents self-present in order to make themselves appear more deserving of the gift, or more deserving of potential gifts in the future. We begin to test this hypothesis with data on household income as a whole and its

separate components before shifting to consider consumption and assets. The latter have an additional advantage. By dividing assets into those that are easily observed by the interviewer and those that cannot be observed, we can indirectly assess the magnitude of biased responses—it is more difficult to lie about an object that is in the interviewer's line of sight. As above, though our discussion focuses solely on the comparison between households that receive gifts at the time of the interview relative to those that do *not*, all models include correction for clustering at the community level as well as controls for caste, religion, age city, education and household size.

Table 6 about here

Table 6 looks at the impact of gifting on the value of reported income overall and its main components. We only include households that report at least some source of income for each specific category. . The results are robust (note that coefficients are logged). They indicate that households that receive gifts report *lower* monthly income. The decline is very substantial – it represents a 12.3% decline in reported income. The columns to the right in Table 6 shed some light on the major components of income that generate the gap between the reported income for treatment and control groups. We see that the largest gaps are for reported pension income and reported self-employment income, with reports by treatment households lower by 28 and 18 percent whereas salary and wage income are not affected by gifting. The effect of gifting on reported salary and wages are also negative, but these are statistically insignificant.

Reported expenditures/consumption are similarly reduced in the treatment group in comparison to the control. As shown in Table 7, overall reported monthly consumption on a basket of food items and some other regular expenditures are reduced by 7 percent in the group receiving the gift and this effect is highly significant. Note however, that although the overall decline in consumption is large, it is not as large as the decline in income – a point which is consistent with our expectations given the oft-noted sensitivity of income reporting to nonsampling error {Deaton:1992tw}.

Table 7 about here

Further perspective is gained by separating the reported consumption into categories. We divide our group into items that signal wealth and luxury versus those that are more clearly essentials. The essentials on the list include expenditures on grains, vegetables, pan, beverages, and oil. The luxury items include meat, fuel, eating out, domestic workers, and cable. The contrast between the two categories is very strong and supports an interpretation

that focuses on managed interactions. While essentials comprise more than half of overall expenditures included in our analysis, the effect of gifting is far stronger and more negative on luxury goods. Gifting is associated with a marginally significant decline of 2.4 percent for essentials and almost 13 percent and highly significant decline for luxuries.

The last column in Table 7 provides a slightly different perspective. Here, the outcome is the difference between income and consumption. While we do not necessarily expect them to be equal for any single household, if both are accurately measured, the difference between them may be a good measure of net savings. As is well known, the stronger tendency for income to be under-reported leads to a common, mistaken finding of dis-savings for households (XXXX). In our case, we also do not have a very complete estimate of either income or expenditures. Nonetheless, it is informative that gifting leads to a larger gap between income and expenditures that are captured in the survey.

The next series of analyses—presented in Table 8—shows the impact of gifting on the value of reported durable goods and assets owned by the household. Respondents report both on the existence of the assets and their current estimated values. In these models, as before, values are logged and the coefficients in the table demonstrate very clear and powerful impacts of gifting. The effect on the summed value of the assets in this table is 17 percent. There is substantial variation across categories so that we find gifting reduces ownership of appliances by some 28% but furniture only by 17%. The only category that is not significant is savings. It is also worth noting that the results are substantively unchanged if we remove households reporting zero value on any one of the assets.

Table 8 about here

The results in Table 9 bring us back to the "additional advantage" of the asset variables, mentioned above. Depending on the specific location of interview, most assets appearing in Table 8 would not be directly visible to the interviewer. In contrast, some of the physical characteristics of the respondent's house that appear in Table 9 are directly visible. Most obvious is roofing, which can be seen without entering the household. Flooring is very quickly identified at the front of the house. And reported access to toilets and piped water are also likely to be less subject to reporting bias because both require infrastructure that may not exist and this may be known by interviewers. The results are consistent with our expectations. In contrast to the strong negative effect of gifting on reported invisible assets (Table 8), we now see *no* effect of gifting on reported types of flooring, roofing, toilets and piped water.

Discussion

The key findings from our experiment are mixed. On the one hand, we find that gifting appeared to have a considerable influence on reducing unit nonresponse. This speaks well for the potential of gifting in an urban LDC setting, and is consistent with the established literature on MDC settings. At the same time, we find that gifting has no clear effects on survey reports across a range of domains. This includes basic demographics as well as questions that tap important and potentially sensitive areas, including political attitudes about politicians, self-presentations in terms of how decisions are made in households, and knowledge regarding the project underlying the survey. Across a wide-range of domains and questions within those domains, the consistent impression given by the data is that gifting has no effect—positive or negative—on how people report on a range of socially or politically sensitive outcomes.

This non-result challenges assertions that gifting can be used to "buy" more honesty through an exchange mechanism. If this was the case, we would have expected to find a stronger and more consistent willingness to acknowledge being a member of an "Other Backwards Caste" or being less educated—we can indirectly infer the direction of bias for these more stigmatized responses. But the effects of gifting on these questions were in these directions but not statistically significant. Likewise, if gifting could so easily be converted into more accurate responses, we would also have expected to find respondents expressing lower levels of confidence in public officials and elections, and admitting to more income and expenditures. Here, too, actual empirical results either provide no support for these hypotheses, or they operate in the opposite direction.

In contrast to claims based on an exchange mechanism, response patterns on a range of economic questions suggest that the effects of gifting on data quality in this domain appear to be negative. That is, gifting leads to a decline in the quality of data on economic status. Tables 6-8 make clear that reported income, expenditures and assets tend to be substantially lower in gifted households. This in itself is a valuable finding. Not knowing what the *true* values are for these variables, we cannot know for sure whether gifting leads to over or under reporting. However, four arguments lead us to conclude that economic status is *under-reported* in these data:

1. The lack of any gifting effects across a wide range of political and socially sensitive variables means that gifting is not generating a broadly felt increase in either exchange motivations leading to more honest data reporting. This reduces the likelihood that

exchange or obligations arising from gifting are a central factor in how gifting affects behavior.

2. Income is typically more prone to under-reporting than expenditures (XXXX). This is consistent with our interpretation that gifting is driving a reduction in reported income and expenditures. First, income is more strongly reduced by gifting than expenditures. Second, whereas most households should be saving or at near parity in terms of income and expenditures, we find that the gap between the two is *larger* for households in the gifting group.
3. If gifting is driving a desire to present oneself as needy and deserving of further gifts, one would expect to find the effect is largest for reports on non-essential expenditures. Our results in Table 7 clearly show that there is little impact on essentials or basic commodities, but those expenditures in the luxury category are the ones that appear to be strongly affected by gifting and driving much of the results in terms of expenditures. The same can be said about the asset categories that are most affected such as appliances, jewelry, and recreation.
4. Finally, the evidence taken from data on the most observable and transparent indicators of wealth, having to do with household characteristics and construction, show *no* impact of gifting on how wealth is reported. Households report similar levels of these four household wealth indicators, despite the large differences reported for income, assets, and expenditures.

Why are we seeing these effects? The only plausible explanation, in our view, is related to the resource-constrained context. As is typical in LDCs, household decision-makers operate within very tight budgets and try to take advantage of any new financial resources. In this case, it is the survey program. Whether they see the interviewer as a one-time visitor or as the vanguard of a new development initiative—whatever the interviewer tells them during the introductions has only secondary relevance to these perceptions—it affects their economic responses. For by increasing their publicly reported level of need, they can justify that specific gift and also, at no cost, plant a seed that may yet bear fruit in some future development if the interviewer yet returns with his/her unknown backers: a government ministry, a development organization, some other group that is wealthy enough to pay interviewers to discover how prosperous—or poor—local residents actually are.

This is the particular economic and interactional context in which respondents are reporting on a number of individual and household characteristics. It makes sense for them to

provide an exaggerated impression of their poverty – at least where they can do so without entirely losing face – both through lower income and lower expenditures as well as lower asset values. This also helps explain the direction of other effects. For example, the only significant political effect noted in Table 3 deals directly with development: households that received a gift reported much lower perceived transparency of how development schemes are selected. Likewise, although these effects were not statistically significant, reported education and membership in a "backwards caste" were, respectively, lower and higher in gifted households. This fits the general trend observed here since both the uneducated and backwards castes have been long-term targets of development programs and affirmative action in India. So as much as there might be some stigma in self-presenting in these ways, it makes sense for a respondent trying to self-present as deserving of more financial assistance.

Conclusion

In this paper we have explored whether gifting respondents in a relatively poor urban setting in India – that is providing them with small cash (or in-kind) transfers at the time of the survey – can improve the quality of data. Underlying this goal is the simple fact that there is no existing experimental literature, and very little empirical literature in general, on the impact of gifting on LDC household surveys. Rather, the entire methodological edifice is based on experimental studies conducted in MDCs, and simple precedent in LDCs. This lack of empirical evidence is surprising, given the critical reliance on survey data in LDCs for identifying poverty and health conditions as well as evaluating development projects.

Our findings show that there may be no easy resolution to the gifting issue. We expected to find a generally positive effect of gifting on both unit response and data quality. Instead, we got a mixed result. On one hand, unit non-response was negligible in the absence of gifting, and almost non-existent with gifting. On the other hand, gifting had no impact on data quality on most questions and spheres of interest. And in the single domain where its effects were strong and notable—respondents' economic characteristics—they were negative, consistent with the idea that respondents who received a gift were more likely to self-present in ways that would signal their suitability for more assistance. How much this matters and whether this sort of impact of gifting is to be found in other urban areas of India, in rural areas, or other LDC settings outside of India is an open question. We would be even more hesitant to generalize to panel surveys, where the same household is revisited over time. Indeed, this is the context where some LDC researchers have recommended gifting in order to reduce sample attrition, its main function in MDCs (Bignami et al. 2003).

An additional question concerns the value of the gift. At roughly a day's wages for a laborer, was the gift too small to have a noticeable impact? Would the effect on data quality be different if the size of the incentive were increased? Answering this question is difficult, and perhaps unnecessary from a practical perspective. For as interesting as it may be to incentivize different types of desired behaviors with the promise of large transfers—the approach taken in CCT programs--gifting large amounts in surveys is unlikely to be feasible in a resource-constrained world. Over time, it may also exacerbate the extrinsic motivation problem, as people hear that in some past study, respondents received $50, but in this one they are only being offered $5.

Even with these limitations, the results of this experiment on the impact of gifting do raise concerns that gifting will need to be carefully evaluated, with parallel studies replicated elsewhere, before it can be implemented on a wide scale in LDCs. Identifying desirable effects on unit-non response, but undesirable effects on data quality in one critical domain, does not lend itself to clear "best-practice" for collecting higher quality data. It suggests that not only should there be ongoing methodological research on data collection in LDCs based, in part, on revisiting some of the foundational debates about how to collect the best possible data across diverse socioeconomic and interactional contexts. But we will always also rely on econometric tools that help us understand and, in some cases, treat existing error. For gifts, as we have shown here, do not necessarily eliminate or even attenuate error. They simply reduce certain types while augmenting others.

Table 1: Effect of gifting on HH reported demographic and social characteristics using linear regression and logistic regression with controls and cluster correction (n=2276)

	HH Size	Education	Hindu	OBC-Group
main				
gift	**0.162**	**-0.384**	**0.123**	**0.158**
	(0.142)	**(0.335)**	**(0.275)**	**(0.136)**
N	**2276**	**2276**	**2276**	**2276**
Chi2			**2.784**	**6.147**
R2	**0.0622**	**0.121**		

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 2. Effect of gifting on HH reported detailed demographics using linear Regression with controls and cluster correction (n=2276)

	Boys	Girls	Men	Women	Elderly
gift	**0.0563**	**0.106***	**-0.0173**	**0.00839**	**0.00745**
	(0.0505)	**(0.0422)**	**(0.0595)**	**(0.0497)**	**(0.0272)**
N	**2276**	**2276**	**2276**	**2276**	**2276**
R2	**0.0232**	**0.0187**	**0.0450**	**0.0378**	**0.0000281**

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 3. Ordered logistic regression model to test effect of gifting on reported confidence in elected government members and freedom, with controls and cluster corrections. (Highest ease, freedom or confidence equals "5"; Lowest equals "1").

	Accountable	Solvable	Transparency	Free-Vote
main				
Gift	0.00621	-0.00780	-0.283*	0.101
	(0.103)	(0.109)	(0.128)	(0.0901)
sex	-3.696***	-2.063***	-3.599***	-4.333***
	(0.187)	(0.154)	(0.182)	(0.234)
age	-0.00424	-0.00226	-0.00111	-0.00837*
	(0.00361)	(0.00284)	(0.00321)	(0.00416)
Religion	0.0265	0.112	0.160	-0.135
	(0.117)	(0.133)	(0.138)	(0.116)
caste1	0.327***	0.361***	0.126	0.0582
	(0.0869)	(0.0888)	(0.0774)	(0.0866)
HH-size	0.0273*	0.0263	0.00215	-0.00495
	(0.0136)	(0.0149)	(0.0128)	(0.0128)
cut1				
Constant	-7.660***	-4.182***	-7.514***	-9.480***
	(0.430)	(0.296)	(0.436)	(0.512)
cut2				
Constant	-5.154***	-1.436***	-5.326***	-7.580***
	(0.297)	(0.281)	(0.329)	(0.381)
cut3				
Constant	-3.123***	1.223***	-3.607***	-7.198***
	(0.299)	(0.284)	(0.313)	(0.377)
cut4				
Constant	0.411	2.862***	-0.814*	-4.943***
	(0.304)	(0.359)	(0.324)	(0.329)
N	2276	2276	2276	2276
LL	-2588.7	-2435.4	-2759.9	-2310.8
Chi2	510.3	319.1	494.4	538.6

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 4. Impact of gifting on reported decision-making for male heads across different topics (reference is head decides), logistic regression with controls (not shown) and cluster corrections.

	Food	Education	Health	WTFR	Savings
main					
gift	-0.0457	0.0266	-0.0788	0.126	-0.0297
	(0.147)	(0.140)	(0.133)	(0.216)	(0.150)
N	1858	1864	1861	1938	1862
Chi2	48.60	4.161	12.28	30.60	11.13

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 5: Impact of gifting on reported knowledge of UPOR Project and attitudes towards UPOR; logistic regression with controls (not shown) and cluster corrections

	Heard	Helps	Conflict	Pr. Risk	Govt Risk
main					
gift	-0.0660	-0.201	0.227	0.345	0.0767
	(0.267)	(0.339)	(0.286)	(0.265)	(0.153)
N	2291	2291	2291	2291	2291
Chi2	156.7	13.64	16.77	4.731	4.780

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 6. Impact of Gifting on reported total income and income by source, logged and using linear regression with controls (not shown) and cluster corrections.

	Income	Salary	Self-Emp	Pension	Wages
gift	-0.123**	-0.0917	-0.177***	-0.278*	-0.0180
	(0.0397)	(0.0716)	(0.0449)	(0.113)	(0.0330)
N	2276	772	1053	636	822
R-sq	0.231	0.066	0.144	0.243	0.174

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 7. Impact of gifting on reported total consumption and basics and luxuries separately, logged and using linear regression with controls (not shown) and cluster corrections.

	Total	Basics	Luxuries	Inc-Cons
gift	-0.0664**	-0.0204	-0.125***	-2074.5*
	(0.0193)	(0.0144)	(0.0311)	(807.6)
N	2276	2276	2276	2276
R-sq	0.401	0.592	0.155	0.142

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 8. Impact of gifting on reported total value of assets and separately by type of asset, logged and using linear regression with controls (not shown) and cluster corrections.

	Total	Furniture	Jewelery	Cooking~s	Recreat~n	Savings
gift	-0.165***	-0.169**	-0.177**	-0.280***	-0.205***	-0.0469
	(0.0394)	(0.0489)	(0.0593)	(0.0650)	(0.0417)	(0.0957)
N	2276	2276	2276	2276	2276	2276
R-sq	0.156	0.093	0.079	0.060	0.066	0.049

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

Table 9. Impact of Gifting on visible household construction and characteristics; logistic regression with controls (not shown) and cluster corrections.

	Floor	Roof	Toilet	Piped-Water
main				
gift	-0.00952	-0.265	0.0419	-0.0751
	(0.287)	(0.311)	(0.154)	(0.185)
N	2276	2276	2276	2276
Chi2	28.33	32.59	32.16	18.15

Standard errors in parentheses
* p<0.05, ** p<0.01, *** p<0.001

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[i] A small number of respondents in the treatment group refused the gift but did complete the survey. Analysis of the determinants of refusing showed no relationship between any of our main covariates except for a slightly negative relationship between household size and refused gifts: larger hosueholds were less likely to refuse. Also, household income did not significantly predict gift refusal.