



## PRIMARY TEACHERS earn over 200 million shillings in performance-based bonuses

In April 2017 something unique happened in Tanzania's education sector. Early grade primary school teachers taking part in a Twaweza program called KiuFunza received a bonus depending on how well their students performed on Kiswahili reading and math tests at the end of 2016. Teachers received the bonus program rules and provided their payment details at the start of the 2016 school year.



The total amount of bonuses earned by 788 early grade teachers in 135 schools was TZS 209,855,867. The average subject teacher bonus was TZS 266,315. This works out to about 42 percent of the average teacher salary of TZS 637,790 (net, monthly) in 2016. But for each teacher the bonus depends on how well his or her students did. The lowest bonus paid was TZS 8,100 and a few teachers received nothing. But the highest paid teacher earned TZS 3.6 million, or about six months of the average teacher salary.

Rewarding individual teachers for successfully improving learning outcomes is a new policy idea in Tanzania that provides valuable opportunities for students, parents, teachers and the responsible authorities. For students, performance-based pay for teachers results in improved test scores. Test scores are not only the best measures we have of the skills mastered by students, they are also a good predictor of students' future earnings. In KiuFunza, preliminary results show that teacher incentives improve test scores (full research results will be presented mid 2017).

For teachers, performance-based pay communicates a clear signal that learning is the ultimate objective of schooling. It encourages teachers to focus on that goal and gives feedback on their performance. It also provides an opportunity for teachers to earn extra cash by helping their students improve in reading and math. And it is popular among teachers. When asked about their overall opinion on performance pay, 91 percent of teachers have a favorable view (68 percent very favorable). When asked whether the government should include a performance-based bonus scheme in a future salary review, 63 percent of teachers say yes (while 37 percent prefer just a flat increase).

For the top-performing teachers it is good to receive recognition of effort and success. Teacher recruitment in Tanzania has suffered because of lack of recognition and opportunity, driving good candidates away from a teaching career towards other sectors (this is true in many countries). Performance-based pay offers one opportunity to attract talent to this key sector.





For Ministers and other responsible authorities, teacher performance pay improves the effectiveness of education spending by linking learning outcomes more directly to the financial investment made in the form of teacher salaries, books and school buildings. The incentive can and does refocus the attention of teachers and school administrators towards producing learning outcomes. When the incentives are designed in a fair way, teachers in less privileged rural schools can benefit in the same way as their peers in better-off urban schools. Improving skills is valuable in any child, wherever he or she is learning, and this is recognized by the incentive system.



These payments are the result of a collaborative effort between Twaweza, district implementing teams and authorities, supported by COSTECH and the responsible Ministries. The question that drives the KiuFunza initiative is whether paying teachers based on test scores produces better learning outcomes for Tanzania. Our positive findings echo results found in other places around the world. Some school systems have introduced or are experimenting with performance pay for teachers. The Government of Tanzania has expressed an interest in exploring the possibilities of performance pay to benefit more Tanzanian students and teachers.

For more news and updates on KiuFunza please visit: <http://twaweza.org/go/kiufunza1>

