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**Pricing and Access: Lessons from Randomized
Evaluations in Education and Health¹**

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Abstract

This paper surveys evidence from recent randomized evaluations in developing countries on the impact of price on access to health and education. Debate on user fees has been contentious, but until recently much of the evidence was anecdotal. Randomized evaluations across a variety of settings suggest prices have a large impact on take-up of education and health products and services. While the sign of this effect is consistent with standard theories of human capital investment, a more detailed examination of the data suggests that it may be important to go beyond these models. There is some evidence for peer effects, which imply that for some goods the aggregate response to price will exceed the individual response. Time inconsistent preferences could potentially help explain the apparently disproportionate effect of small short-run costs and benefits on decisions with long-run consequences.

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