

Policy for the People:

Reflections on Research and Practice

Vijayendra (Biju) Rao

Development Research Group, The World Bank

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After 26 years, one lesson stands out: development works much better when we design with people, not for them.

Today: a journey from critique → reflexive practice → evidence → implications.

The Three Dominant Paradigms of Policy Making

Reference: V. Rao, "Process-Policy & Outcome-Policy: Rethinking How to Address Poverty & Inequality,"
Daedalus, 2019

Paradigm	Guiding Metaphor	Core Assumption	Limitation
Liberal	"Invisible Hand"	Markets allocate best	Growth First - Ignores social & historical context
Keynesian	"Policy Lever"	State steers outcomes	Overcentralized technocracy
Neo-Paternalist	"We know best"	Experts nudge behavior	Evidence sans consent

→ Missing pieces:
people's voice, agency,
co-production, dialogue

Reflexive Policy Making: Three Modalities (there are many more)

User Centered

Co-Produced

Citizen-Driven

Three Examples

Malaysia – Listening to Malaysians

Bihar, India – Women's Self-Help Groups

Karnataka, India - Village Democracy

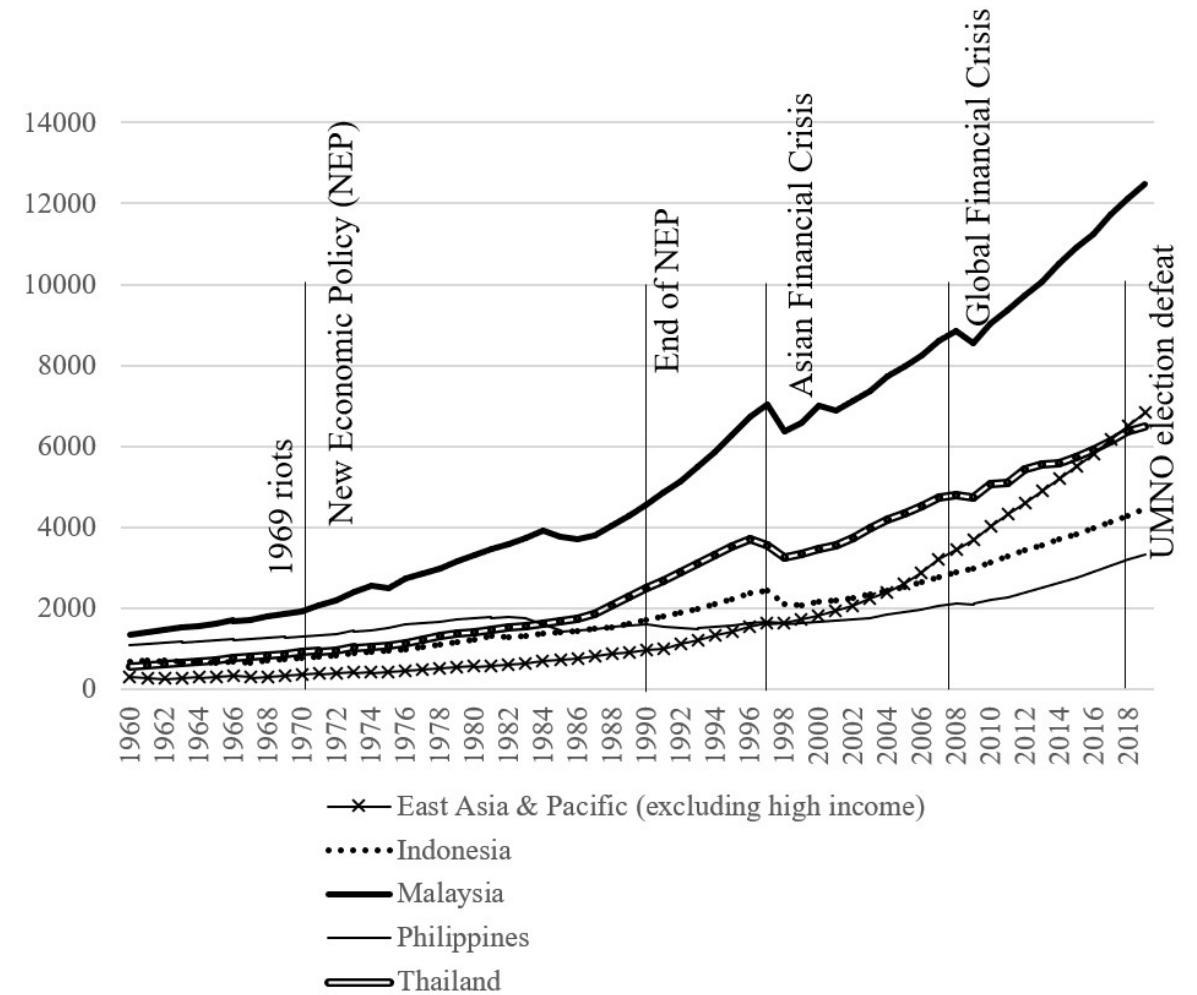
Learning from the ground-up



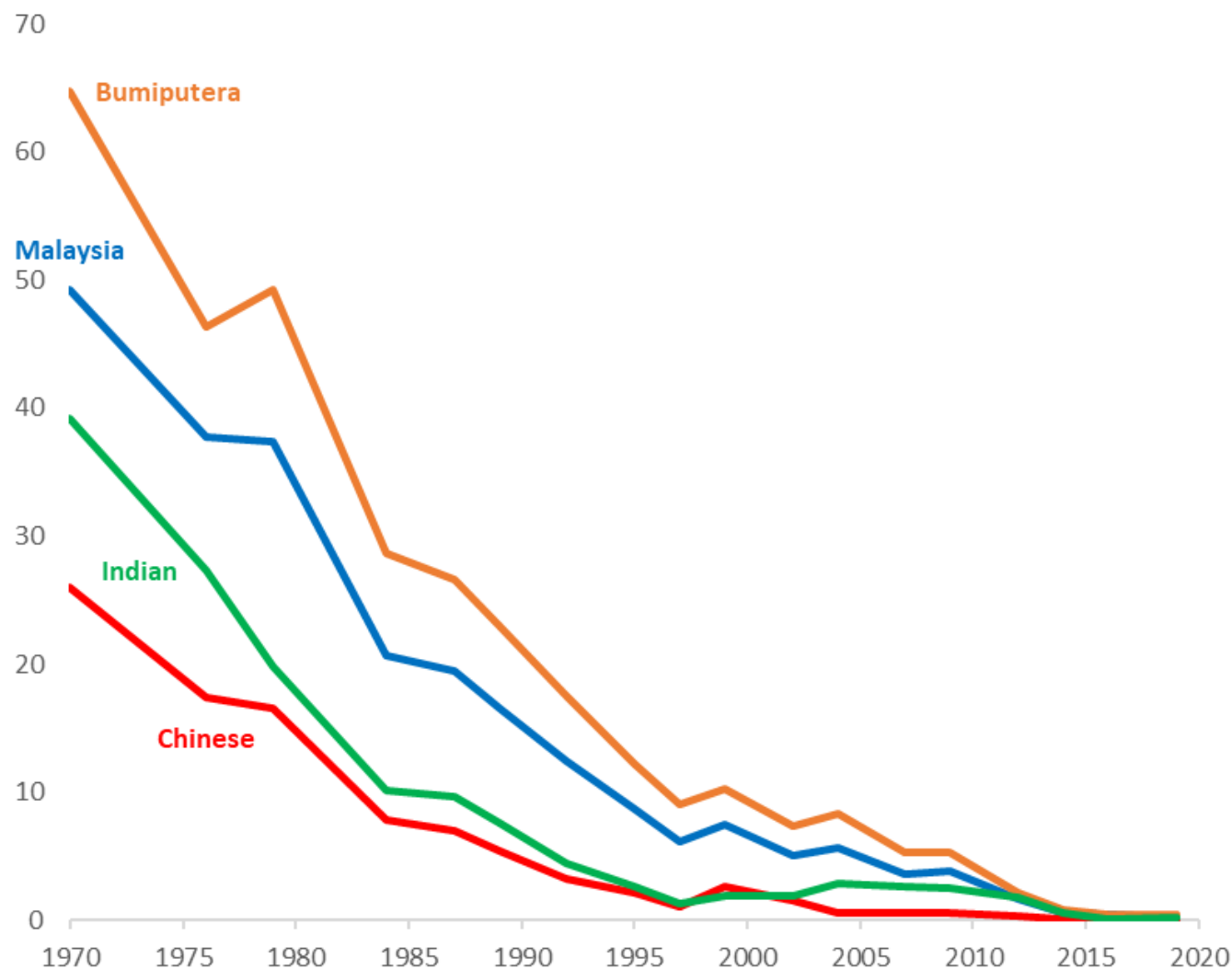
“Is There An Underside to Economic Growth? A Mixed-Methods Analysis of Malaysia”

(N. Asadullah, M. Biradavolu, V. Rao and K. Simler), *World Bank Economic Review* (2026).
Work done for the World Bank’s Malaysia Economic Monitor, 2019 (Richard Record, TTL)

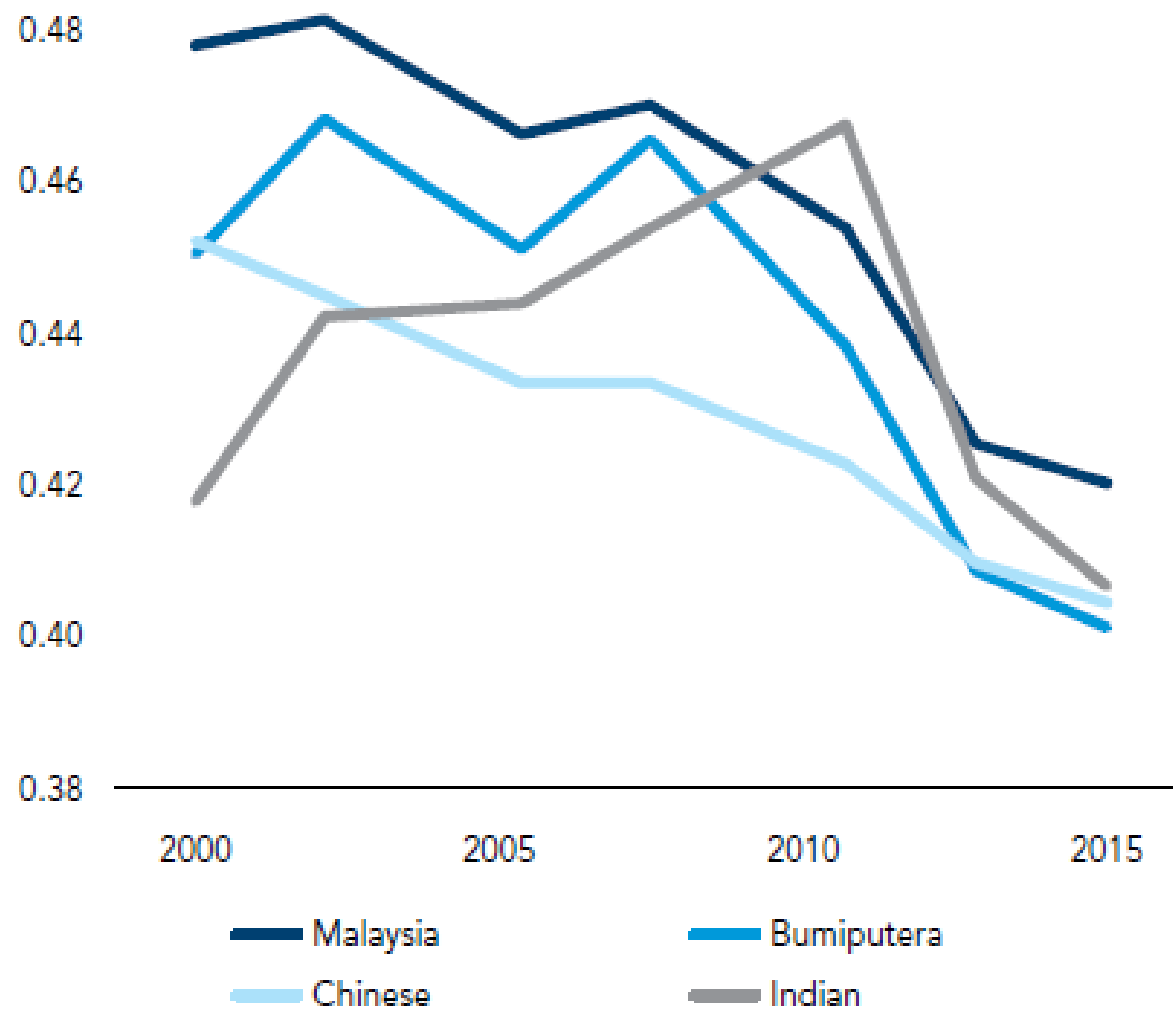
Trends in GDP per capita (2010 US\$), 1960-2019



Poverty rates by ethnic group, 1970- 2019



Gini coefficient for income per capita



But – in 2018, Malaysians voted out the party that gave them all these gains. Why?

- 56 Focus Group Discussions (Selangor, Terengganu, Sabah).
- Low and Middle-Income Groups & all Three Ethnic Groups – Malay, Chinese and Indian: in their native languages.

Key Questions:

- How is your life different from your parents
- Compared to 5 years ago, is your life easier, harder or the same? Why?
- What are your hopes and dreams for your country?

Voices of Disquiet

1) “Imbalance” between income & expenses

- At month's end, I feel like going insane because I never have enough to settle all basic payments. Need to pay the house mortgage, car loan, children's education and needs, water bill, electricity bill...To survive, we take an advance salary to spend for the rest of the month and roll the expenses. Salary is not enough to meet the daily basic needs for today's living standard. [Multiple respondents, Indian, Selangor]

2) Multiple Jobs

- *Most of the people in my salary range actually work two jobs. Having two jobs makes it more secure. I cannot go up. I cannot go down. Yeah, I am stuck here. I am trapped. [Chinese, Selangor]*

3) Debt and No Assets

- Moderator: Anybody here who has no debt? Anyone?

All: We all have debts one way or the other. [Rural Terengganu]

- The prices are so high, young people cannot afford any real assets. But they buy something else to give themselves. You go to any bubble tea shop. It's ridiculous [to see so many people there]. It's all they can afford!

4) Stress

- In the past, we just lived comfortably by rewarding ourselves with good food for working hard. It was that simple. Now we have different needs and wants. We are suffering.

[Bumiputera, Selangor]

- Those days even in small houses we used to sleep well. Now, even with three-storeyed houses, we can't sleep in peace. [Indian, Selangor]

5) Polarization

Fewer people are united now. In the past, I was in one class with Indians and Chinese and we communicated well. It is not the case right now. [Bumiputera, Selangor]

Numbers Can Mislead Us

- Quantitative data that is not grounded in lived reality hides as much as it reveals
- Policies developed entirely on the basis on quantitative outcomes are blunt and often ineffective instruments
- Economists' concepts of welfare and well-being needs a major update
- Qualitative, bottom-up, data collection and analysis can correct these limitations

Learning from Polanyi and Hirsch

- Karl Polanyi, *The Great Transformation* (1944) – Economic life is deeply embedded within social relationships. Pro-growth policies force individuals to fend for themselves, and subject them to the whims of socially dis-embedded markets, with much weaker social ties.
- Fred Hirsch, *Social Limits to Growth* (1976) – Once increases in growth take care of basic needs, “positional goods” become more important, so people feel worse because of status competition. Public goods that were free – e.g. clean air, open space, greenery, become increasingly privatized resulting in “social scarcity.”

Policy Implications

- **Use Narrative Data to Understand Well-Being in All Its Dimensions**

(see our work - Ashwin et al, “A Method to Scale-Up Interpretative Qualitative Analysis,” *Economic Journal* (2026)).

Also ongoing research with Julian Ashwin and Erich Battistin on ‘Narrative Well Being’)

- **Growth and Jobs are necessary but not sufficient**
- **Need to have policies that improve social connection, reduce polarization**
- **Bring policy and people closer together**

How? Two examples from India...

***Inducing Agency: How
Women's Groups
Catalyzed a Cultural
Transformation In
Bihar***

**(Shruti Majumdar,
Vijayendra Rao and
Paromita Sanyal),
Cambridge University
Press and WIDER, 2026**



Context: Bihar, India



**Bihar District
Map**

- One of India's largest and poorest states
- Population: 99 million
- Lowest Human Development Index (HDI) in India
- Signature literacy levels: 57% for men, 50% for women
- Oppressive caste and gender hierarchies

Laloo Prasad Yadav comes to power: begins an era of caste-based politics

- More caste inclusive with 'democratically endorsed non-governance'

World Bank assisted project Jeevika is introduced. (Parmesh Shah TTL, Arvind Chaudhuri – CEO)

2005

2010

1990

Nitish Kumar becomes Chief Minister

- Innovative development programs launched

2006

Social Observatory (which I led) from DECRG is embedded within the project (Upamanyu Datta, Nethra Palaniswamy, Shruti Majumdar)

JEEViKA or Bihar Rural Livelihoods Project (BRLP)

GOALS: Women's Empowerment, Poverty Alleviation, Building Sustainable Livelihoods. **Target – Poor, Low-Caste Women**

CORE: Facilitated credit intervention. SHG mobilization. 7-12 women. 10-15 per village. Headed by a Village Organization

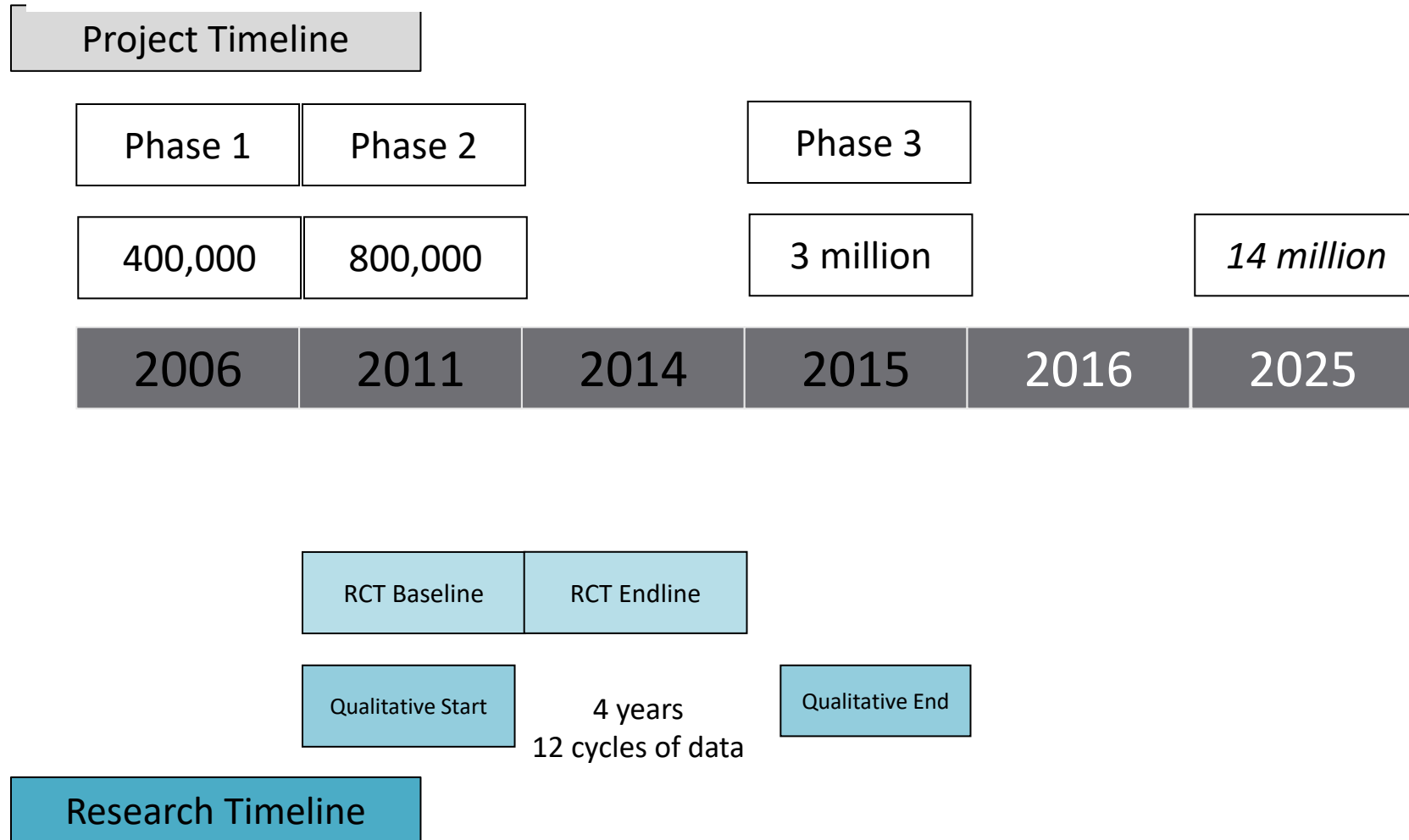
SHG Federation: Village-Block-District

VERTICALS: SHGs as a highway. Roll out various anti-poverty programs, nutrition interventions, women centered interventions

FACILITATORS: frontline workers of JEEViKA that carry out the work of the project in the trenches



Timeline (Mixed-Methods RCT)



RCT Results

Our RCT showed

(Hoffmann et al, *Journal of Development Economics*, 2021)

- **Strong economic effects—reduction in usury, cheaper credit, more disposable income—but little empowerment in 18 months.**

Later casual studies (Kocchar et al, 2022, Attanasio et al. (2023), Sen and Sharan (2024)), with much longer exposure, show

- **rising bargaining power, mutual support, and dramatic political mobilization.**

Empowerment takes time. Credit helps; solidarity transforms.

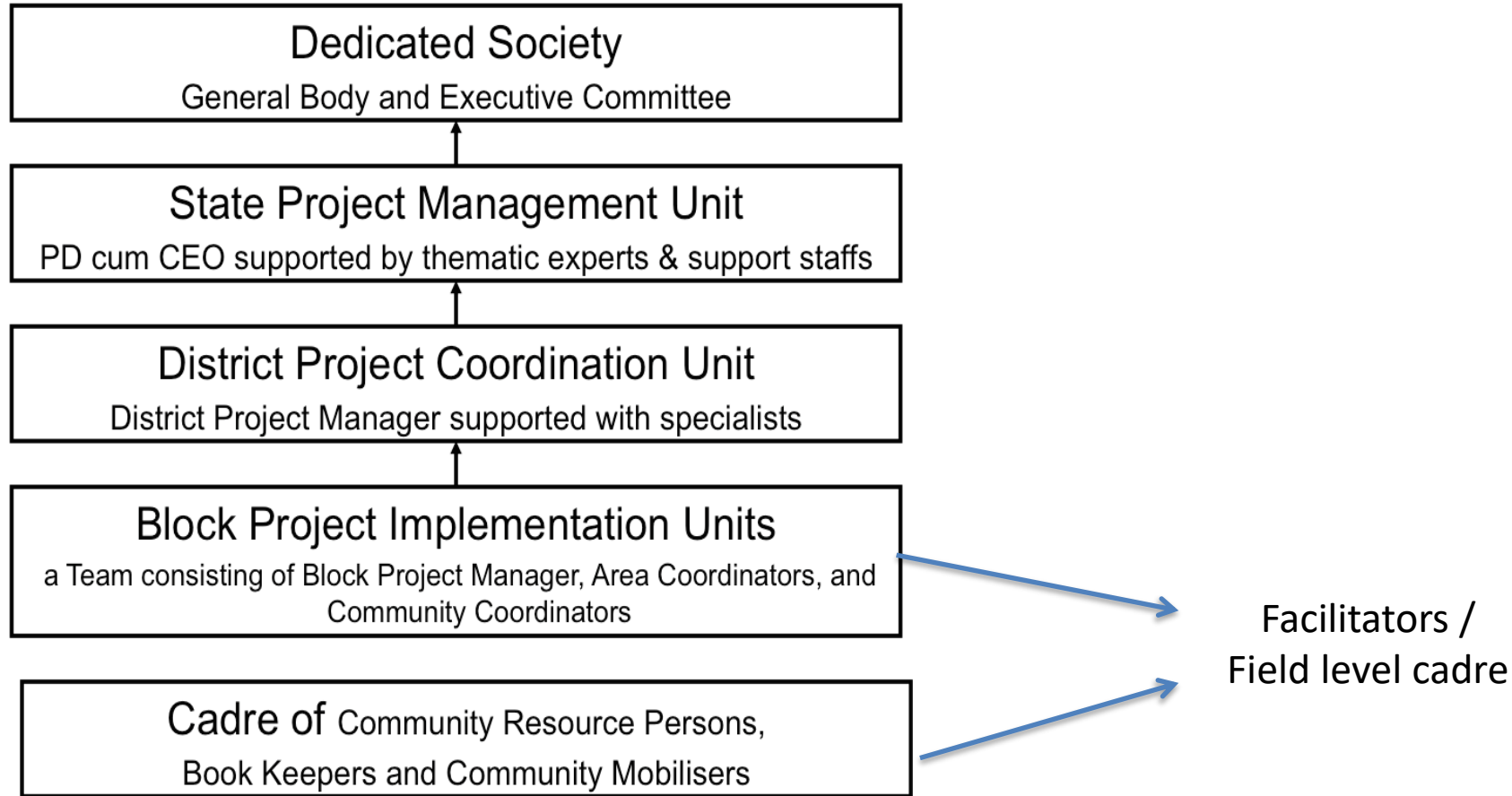
How?

To understand this we tracked a subset of the quantitative sample in different phases of the project via in-depth qualitative methods...

Control Villages: Caste and Gender Hierarchies

- Caste boundaries remain rigid. *Sanskritization* remains the modus operandi for upward mobility
- Dominant castes hold key positions in village government .
- Household decision making dominated by men and in-laws
- Women's physical mobility is circumscribed: women moving freely is seen as symptomatic of male deficiency
- Public sphere and Credit Markets are considered 'masculine' spaces

Enter Jeevika in treatment villages



How Deep Change Actually Happens: The Facilitation Engine

“There are no shortcuts to development”

- **Entry & political mapping:** power analysis, buy-in from elites, recruit first movers
- **Mobilization:** cross-cutting discourse, women’s stories, norms challenged through practice
- **Ritualization:** repetition, passbooks, street theatre, financial discipline, handling elite capture

The Core of Reflexive Policy: Co-Production

- Intrinsically motivated facilitators mobilize women into the project and sustain their participation by deploying a discourse that is “co-produced” by both the facilitators *and* the women themselves
- Constant improvisation in the frontlines of implementation by gathering input from women
- Positioning themselves as catalysts, and women as agents of change

What kind of outcomes does this lead to?

Differences in Social Outcomes

Sub-themes	Control	Treatment
Physical mobility	Being a woman and femininity are associated with the domesticated space of the home	Recurring practice of participating in weekly meetings made it OK for women to be in public, go to banks etc
Reaction of husbands and key stakeholders	Moral codes of behavior are resistant to change	Resistance mitigated by economic incentives; gradually convinced of merits of project

Differences in Economic Outcomes

Sub-themes	Control	Treatment	
Act of borrowing	Considered begging; do not like borrowing or being rejected or defaulting with a moneylender	Borrow from both lenders and group – but feel greater ‘haq’ over group money because its their savings	Shift to SHG – find it less humiliating and more dignity
Information And bargaining power in credit markets	Women lack village-wide information on credit networks. Money lender dominated	Enjoy basic financial literacy – can calculate interest rates, etc. Women are better informed on village credit networks and interest rates. Improved bargaining power.	

Differences in Political Outcomes

Sub-themes	Control	Treatment	
Opinions on local govt.	Women seldom give their opinion on a public forum	Women begin talking about the necessity of bringing change within SHGs	Women voice opinion on corruption, 'make noise' at Aam Sabhas
Problem-solving	Women's issues are rarely taken up by themselves or in Aam Sabhas i.e. public forums	Women begin to rely on the SHG for support and solidarity on a case-by-case basis	Jeevika women arbitrate among themselves at village level, e.g. land conflicts, domestic violence.
Fighting elections	Only proxy-Mukhiya i.e. on behalf of husband		Women fight (and lose) elections for Mukhiya, sarpanch

JEEVIKA IS NOW A MAJOR POLITICAL FORCE IN BIHAR

(from last week's paper)

forced to say this, but everyone knows Nitish Kumar will not be the chief mi-

January 14. Is it to offset the impact of ₹10,000 given by the government?

tions on time, eliminated corruption and nepotism, and gave youth real op-

time. They will change the government for a better Bihar.

All Eyes on Jeevika Didis as Bihar Breaks Voter Turnout Record

Sanjay Singh

Nandan (Buxar): A day after Bihar recorded its highest-ever voter turnout of 64.66% in the first phase of assembly elections, the political spotlight is on 'Jeevika didis' — a massive club of rural women beneficiaries of the state's empowerment initiatives. All eyes are on Jeevika didis' possible role in the record voter turnout as they are considered one of the largest voting blocs in Bihar.

These empowered women, numbering more than 1.4 crore, make up for about 40% of the state's about 3.5 crore women voters. That is a significant improvement from just a few years ago when women's economic participation was much lower. "Living in the name of father in the maternal house and in the name of husband in in-laws house are over now. We now have our own identity as didi in the society," said Aarti Devi, who works as a skill extension worker under the state's Jeevika scheme at Nandan village, about 6 km from Dumraon town in Buxar district.

At Nandan Panchayat Bhavan, more than 15 Jeevika didis, who got together for their weekly saving meeting on Friday, echoed the same sentiment. In Nandan panchayat alone, there are 70 self-help groups (SHGs), accommodating 990 Jeevika didis.

Every village in Bihar has such SHGs, the first stage of the Jeevika scheme. One married woman from every house is eligible to become a member of a group. Each group has 7-15 Jeevika didis. They first start saving money every week. In the very beginning, they together frame rules and regulations for smooth running of their society.

At the weekly meeting, they start depositing



the ET. The members participate in the village-level organisation, which has its own board of directors. Each such board has two seats each for Scheduled Castes (SCs), Most Backward Classes (MBCs), and Other Backward Classes (OBCs) and six general seats. If SCs, MBCs and OBCs are not available, the seats will remain vacant. The village organisation holds monthly meetings. Above them, there are cluster-level federations.

Under the scheme, each SHG gets ₹30,000 as revolving funds, ₹1.5 lakh as initial capitalisation fund and loans from banks in three instalments — ₹1.5 lakh (first), ₹3 lakh (second) and ₹6 lakh (third).

The scheme, initiated by chief minister Nitish Kumar, has contributed to the creation of a women's vote bank in a caste-ridden state. Since SHGs have participation of women from every caste, Jeevika didis have their own pattern of thinking. "Jeevika has changed my life," said Priti Kumar, a native of Madhaura village.

While the SHG loan helped her pursue her PG course, for earning, she keeps medicines to supply in rural areas and "suggest people in my area about home remedies for different diseases".

Bhagmani, who comes from a Yadav family, said, "I did my high school in 2010. I had received benefits of Nitish Kumar government's different schemes like uniform, bicycle and scholarship schemes. Now I am associated with Jeevika. Azadi mil gayee (I am financially independent). Through my earnings, I pay the school fees of both my children in a private school."

According to her, the Nitish Kumar government spends around ₹1 lakh on each girl child, from her birth till the completion of her education, through different pro-women schemes.

second stage is opening a bank account of the society. "The account must be opened within 60 days of the creation of SHG," Rahul Ranjan, com-

How did change come about?

“Nitish has turned women into men”

- JEEViKA, backed by political clout and cheap credit, gave women *exclusive* access to a set of physical resources, symbolic resources, and an institutional environment – all of which were perceived as ‘masculine’ prior to project
- **PHYSICAL RESOURCES**
 - Group money, a passbook, a moneybox
- **SYMBOLIC RESOURCES**
 - Creating an alternative identity for poor women untethered from caste, marriage and family
- **INSTITUTIONAL ENVIRONMENT**
 - SHGs, VOs, CLFs
 - Access to an alternative source of credit than moneylenders

The “Sandwich” and Adaptive Capacity

G. Mansuri and V. Rao (2012), *Localizing Development*, WB Policy Research Report

- Strong support from the top – Chief Minister, Best Administrative Officers assigned to the project, Strong PMU
- Strong, consistent support from the Bank over many years; no interference from higher management – giving the TTLs freedom to work
- Built strong capacity for adaptation and course correction – Process monitoring, Decision-Support Systems, Monitoring Systems, Embedded Research, Impact Evaluations. DECRG collaboration with operations.

Bottom-Up Change can also happen with a structural shift, like a constitutional amendment

“The Added Value of Village Democracy”

(Abhishek Arora, Siddharth George, Nivedita Mantha, Vijayendra Rao and MR Sharan), World Bank Policy Research Working Paper, WPS 10555, August 2023 , R&R *American Economic Review*



- What is the instrumental value of local democracy?
 - How does having elected leaders change material well-being of citizens?
- Empirically hard to answer

73rd Amendment to the Indian Constitution(1992)

- Regular and independent elections to village councils and village presidencies – 250,000 democracies
- Political reservations for women and lower-castes
- Village meetings (Gram Sabhas)
- Village Administrative Structure
- Manages grants from higher governments, own revenues, and flagship programs like the NREGA

DECRG collaboration with SAR since 2000 has strongly influenced the Bank's work on this

In this paper...

- We compare elected vs appointed leaders
- In Karnataka, India
- Using Covid-induced postponement of elections in GPs in 2020
 - Most GPs transitioned to appointed administrators
 - Some continued to have elected leaders
 - This allows us to empirically examine the value of local democracy



Can (local) elected leaders help?

Local leaders know & understand local needs better

Citizens can hold elected leaders accountable through re-election



Skills for elections vs skills for governance

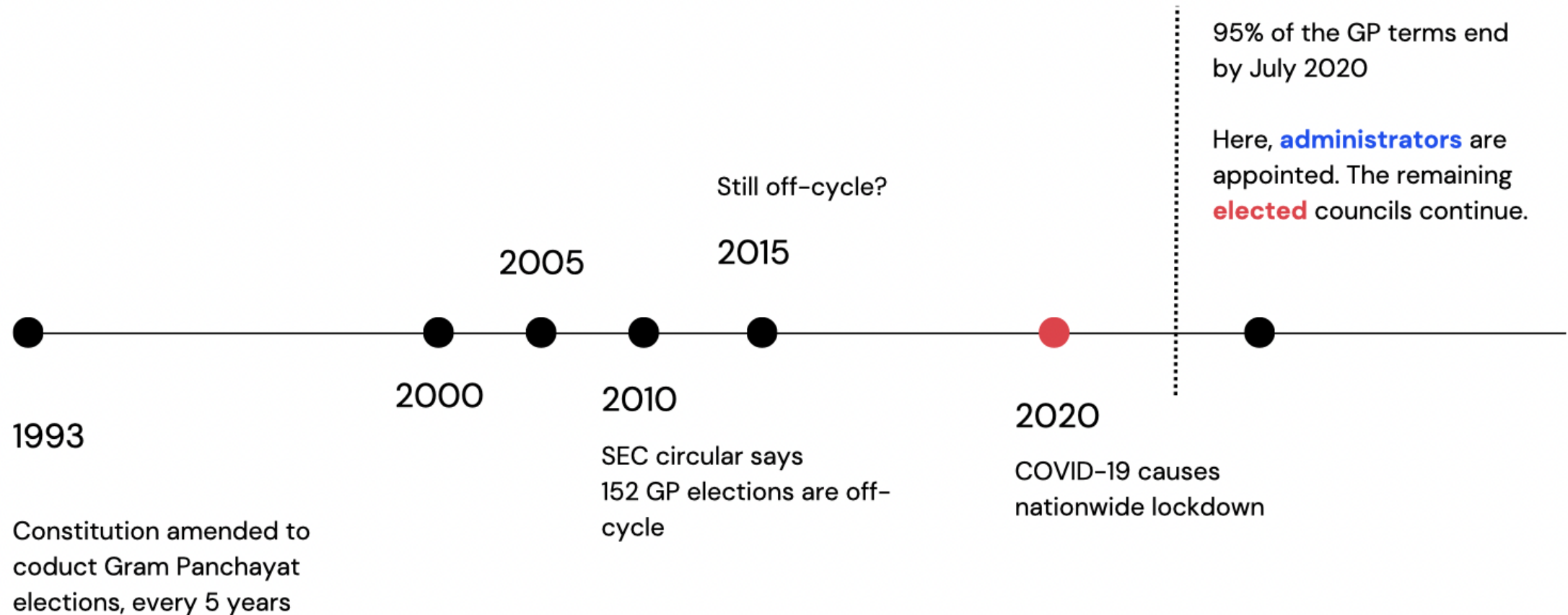
Rural elite may abuse public office

Local leaders may not look at the bigger picture?

Abrupt suspension of 2020 GP elections...

allows us to compare
administrators vs elected leaders

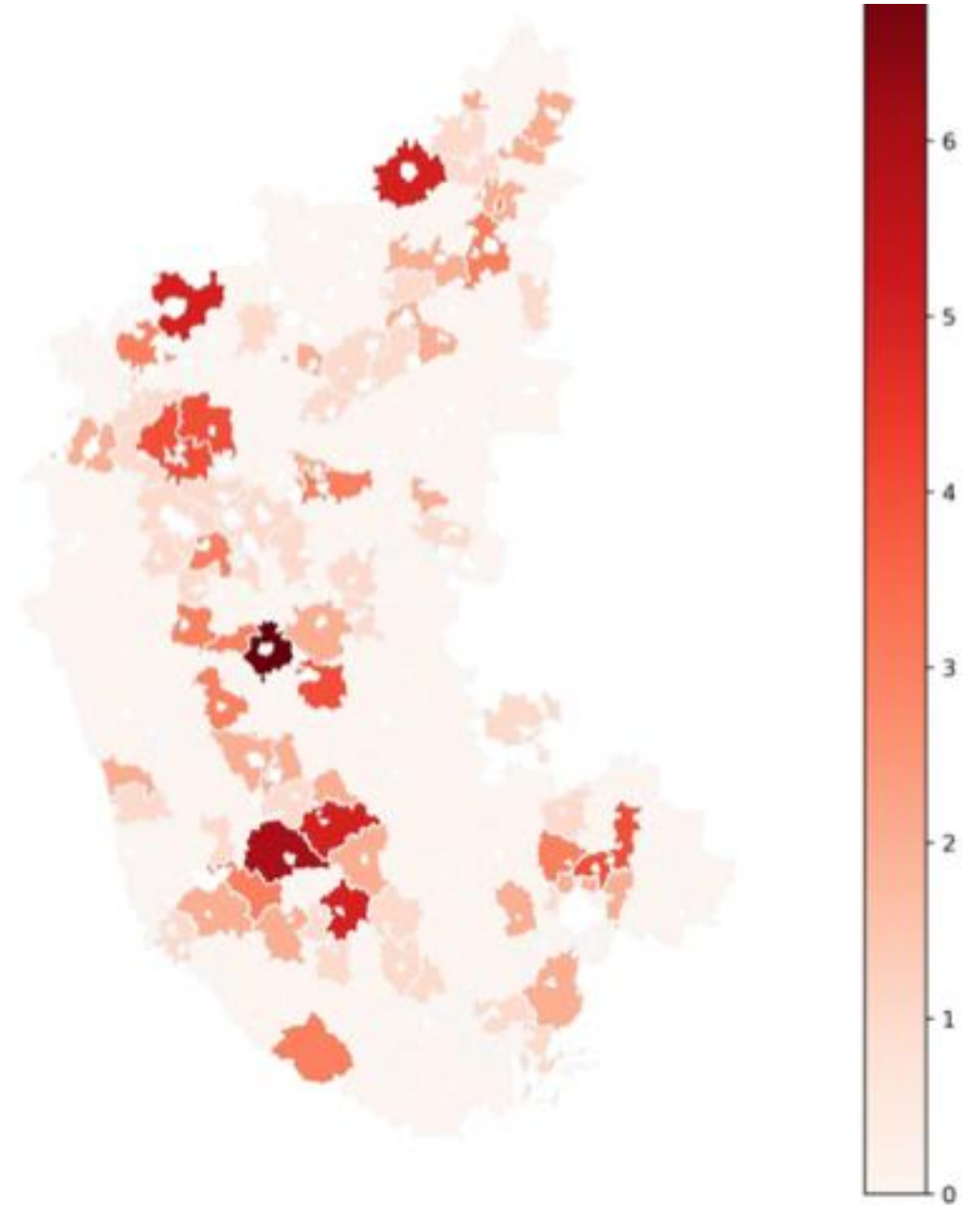
Halts June/July
2020 GP elections



Simultaneously, elected and administrators headed Panchayats in Karnataka

Allowing us to compare elected
and appointment leadership in the
same taluk

Elected Gram Panchayats in a Taluk

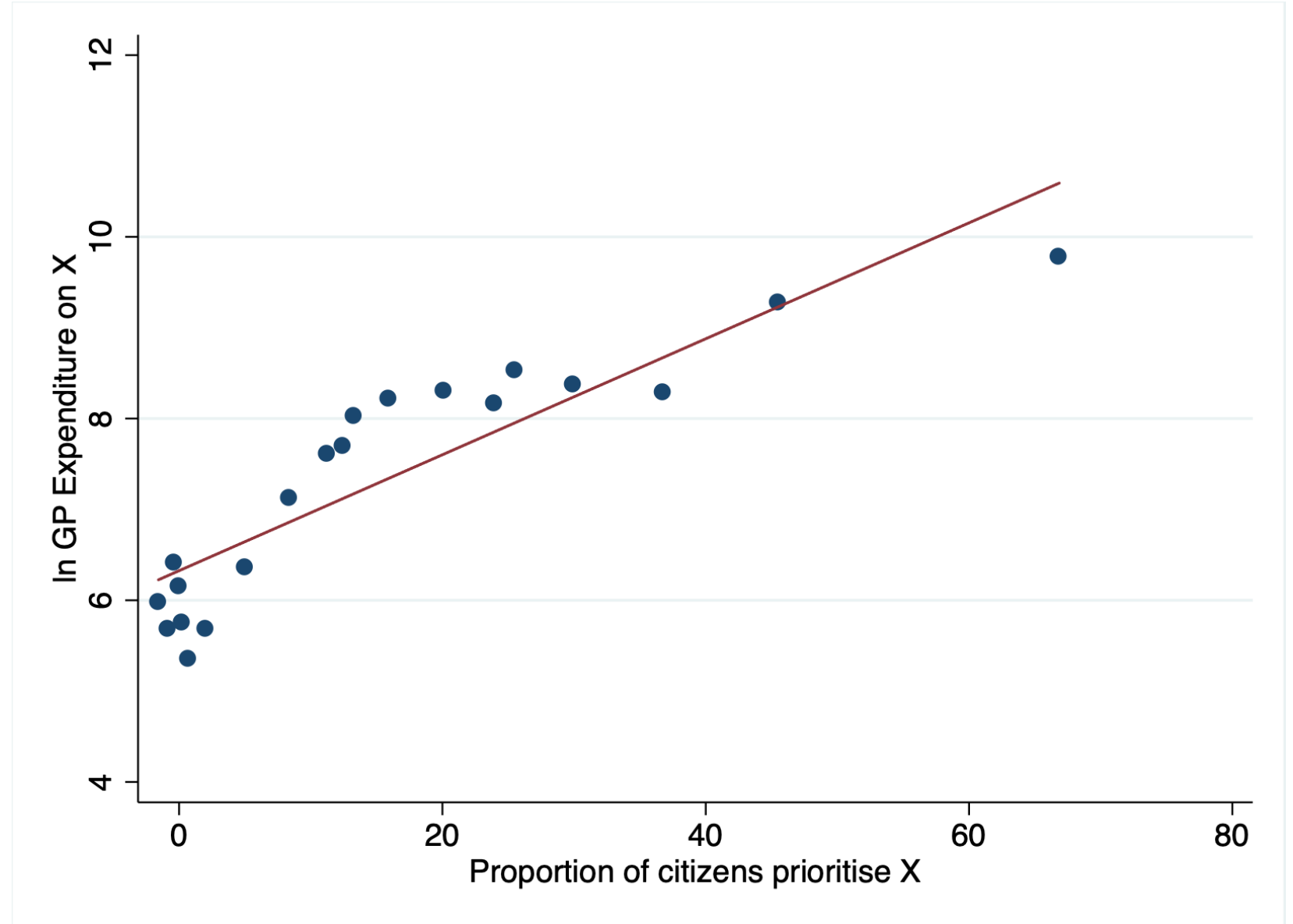


Elected leaders do better than administrators

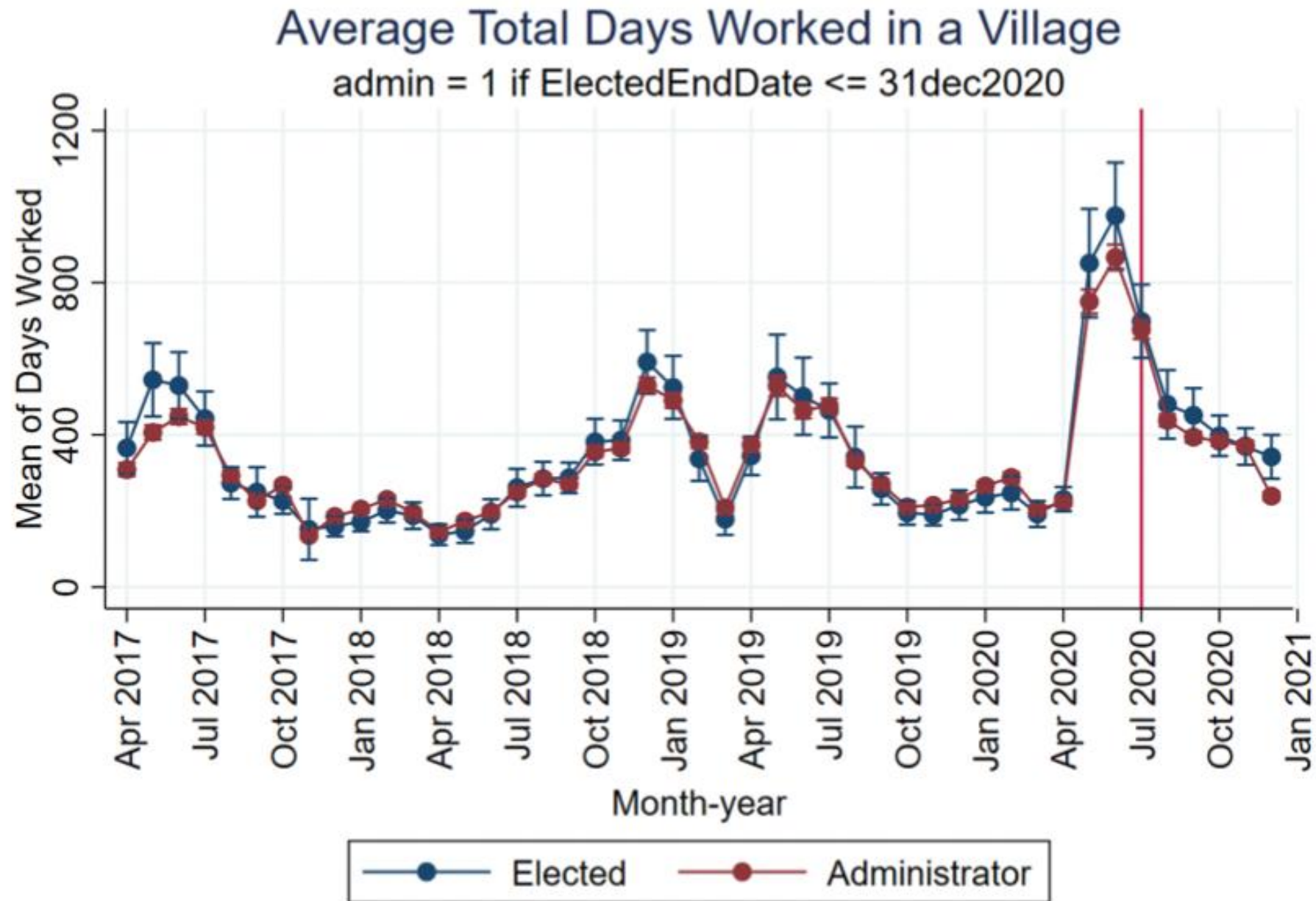
In elected GPs if
10% more citizens
care about issue X



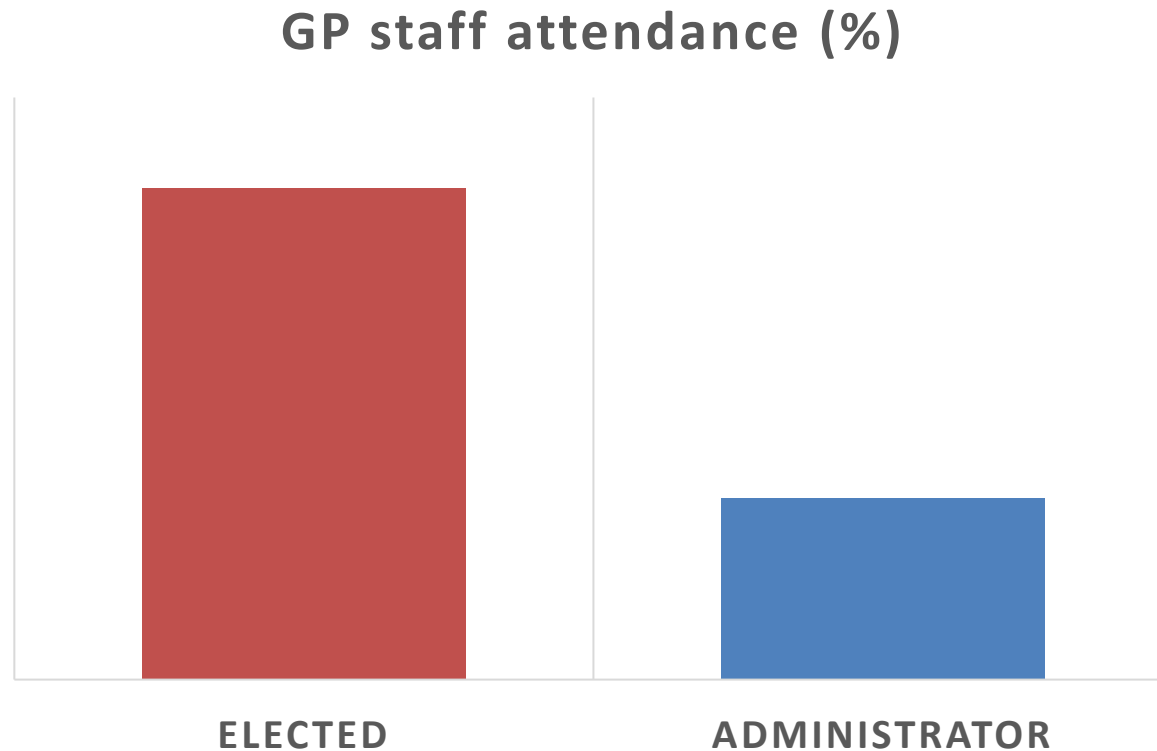
GP spends **0.7%**
more on X



**Under-
standing
citizens'
economic
needs:
MNREGA
during
covid**



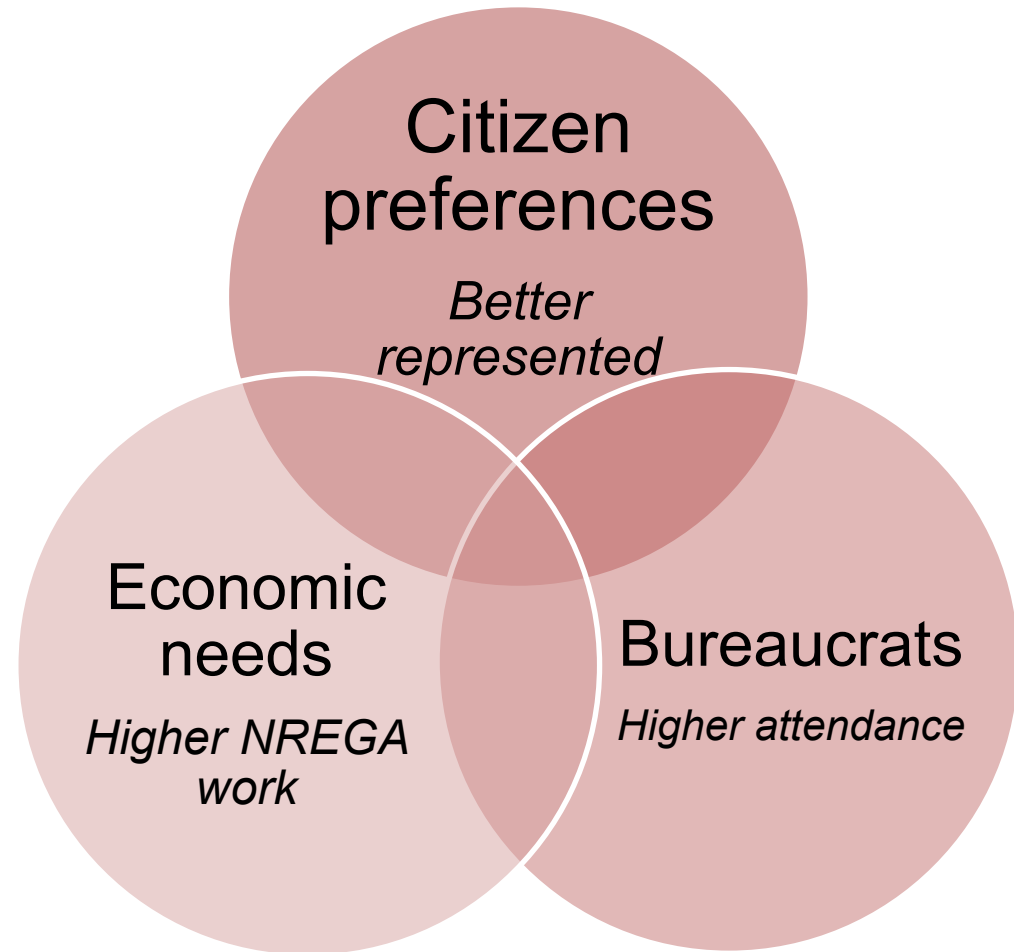
Bureaucrat attendance is higher democratic regime



10% increase
in attendance of GP staff
members under elected
leaders

Takeaways

*Elected local leaders make
democracy work better for the
poor.*



A Reflexive Turn for Policy

How can we design with people, not for them?

Connect	Connect local ↔ provincial ↔ national through subsidiarity
Delegate	Delegate decisions and evaluation to lowest feasible level
Include	Find ways for citizens to speak for themselves and directly influence decisions: generate and analyze their own data: embed numbers with narratives

For Researchers



Be embedded in projects and communities, and humble



Let methods follow the people, and the question: not publication incentives



Design for learning, not just inference

For Practitioners

Co-produce with communities

Build adaptive capacity: process monitoring, course correction.
Outcomes don't happen without attention to processes

Get out of the way; serve, facilitate, don't steer

After 26 years, these experiences have taught me
what good policy requires
—not better models, but deeper listening

Growth and Jobs are not enough.

Tracking Outcomes is Not Enough: Must pay attention to Process

Good Policy Requires Working Closely with Beneficiaries

Voice and agency are the bedrock of durable change

Listening and learning is the method

Thank you 🙏

I leave with gratitude for the freedom, trust, intellectual companionship and funding that DECRG gave me.

It allowed me to ask difficult questions, follow long-term thinking, and learn from communities in profound ways.

No academic department can replace it.

Above all, I am grateful to the women and men in communities in Bangladesh, India (Bihar, Delhi, Karnataka, Tamil Nadu), Indonesia (Java, Kalimantan, Sulawesi), Jamaica, Malawi, Malaysia and Nepal who taught me the simplest and hardest lesson in development: **Shut up and listen.**