



# Understanding State Capacity

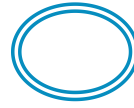
so that reform leaders can deliver development

Evidence from a survey in Bihar on the public health system

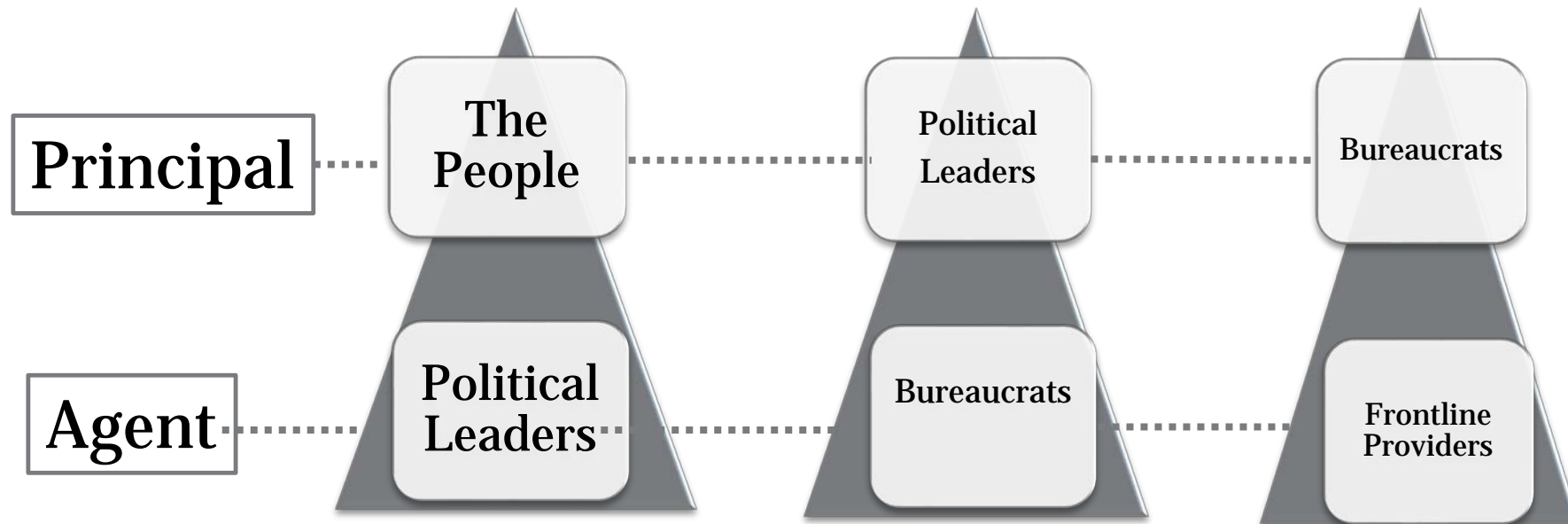
Development Research Group  
The World Bank



# Economic Theory of State Capacity

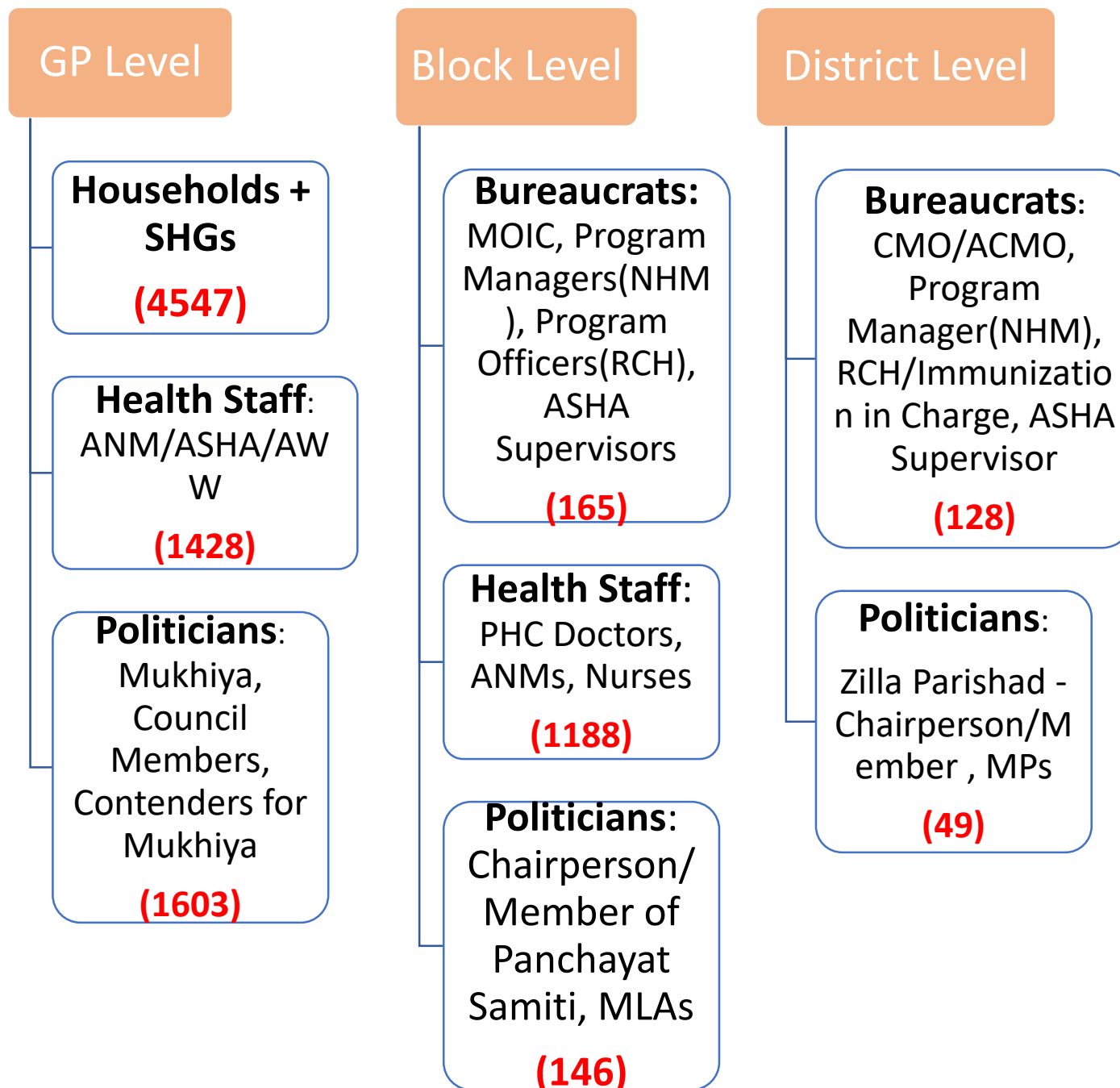


*Series of inter-dependent “principal-agent” problems when one type of person (the “agent”) takes actions on behalf of or at the behest of another (the “principal”)*

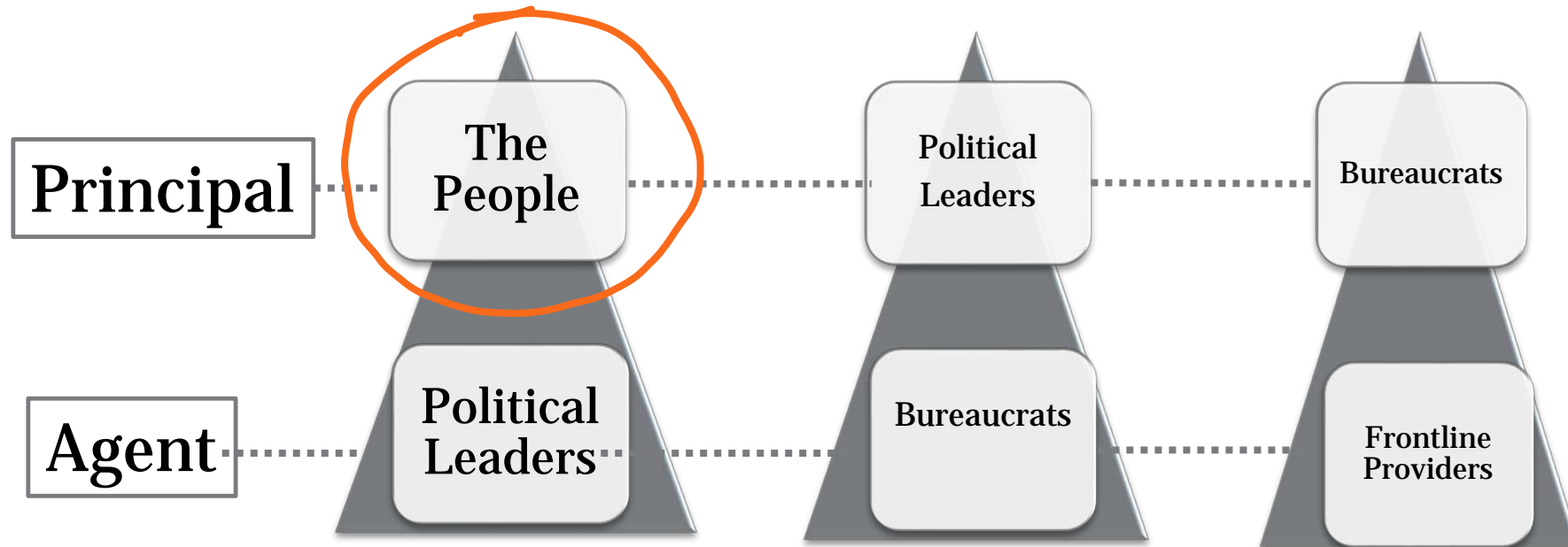
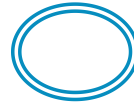


The survey in Bihar in 16 districts





# The People and the State System



People Prioritize Public Spending on Health and Nutrition for their children

# Using hypothetical vignettes to measure people's priorities over public spending

*Now I am going to read out a fictional situation to you. Tell me your opinion on each of the following-*

**M3xQ1a.** The state government leaders are deciding how to use a fixed amount of budget increase for this block. They have a limited budget so they can only afford one of the two proposals. Which of these would you prefer the government do?

1. To spend the money on schemes for creating jobs for few poor people
2. To spend it on improving the health of a lot of children in the block

M3xQ1a. मान लीजिये की राज्य सरकार द्वारा आपके क्षेत्र को दी जाने वाली धनराशि को बढ़ाया गया है. धनराशि **सिमित** होने के कारण दोनों में से एक ही काम हो सकता है. आप बताएं इनमें से किस **एक काम** के लिए यह धनराशि खर्च की जानी चाहिए—**कुछ गरीब लोगों** को नौकरी देने के लिए योजना निकाले या क्षेत्र के **बहुत से बच्चों** की स्वास्थ्य के सुधार में खर्च की जाए?

1. **कुछ गरीब लोगों** को नौकरी देने के लिए योजना निकाले
2. क्षेत्र के **बहुत से बच्चों** की स्वास्थ्य के सुधार में खर्च की जाए

**M3xQ1b.** what should the money be spent into-

1. To give cash transfers to few poor people
  2. To spend it on improving health of a lot of children in the block
1. **कुछ गरीब लोगों** को नकद में धनराशि दी जाए
  2. क्षेत्र के **बहुत से बच्चों** की स्वास्थ्य के सुधार में खर्च की जाए



**M3xQ1c. what should the money be spent into-**

1. to spend the money on schemes for creating jobs for few poor people
2. to spend it on improving roads throughout the block

M3xQ1c. और इन दोनों में से कौनसे काम के लिए धनराशि खर्च की जाये -- **कुछ गरीब लोगों** को नौकरी देने के लिए योजना निकाले या **पूरे क्षेत्र के रोड** में सुधार किया जाए

1. **कुछ गरीब लोगों** को नौकरी देने के लिए योजना निकाले
2. **पूरे क्षेत्र के रोड** में सुधार किया जाए

**M3xQ1d. what should the money be spent into-**

1. to give cash transfers to a few poor people
2. to spend it on improving roads throughout the block

M3xQ1d. सिमित धनराशि के कारण कौनसे एक काम पर पैसे खर्च करना चाहिए- **कुछ गरीब लोगों** को नकद में धनराशि दी जाए या **पूरे क्षेत्र की रोड** में सुधार किया जाए

1. **कुछ गरीब लोगों** को नकद में धनराशि दी जाए
2. **पूरे क्षेत्र की रोड** में सुधार किया जाए

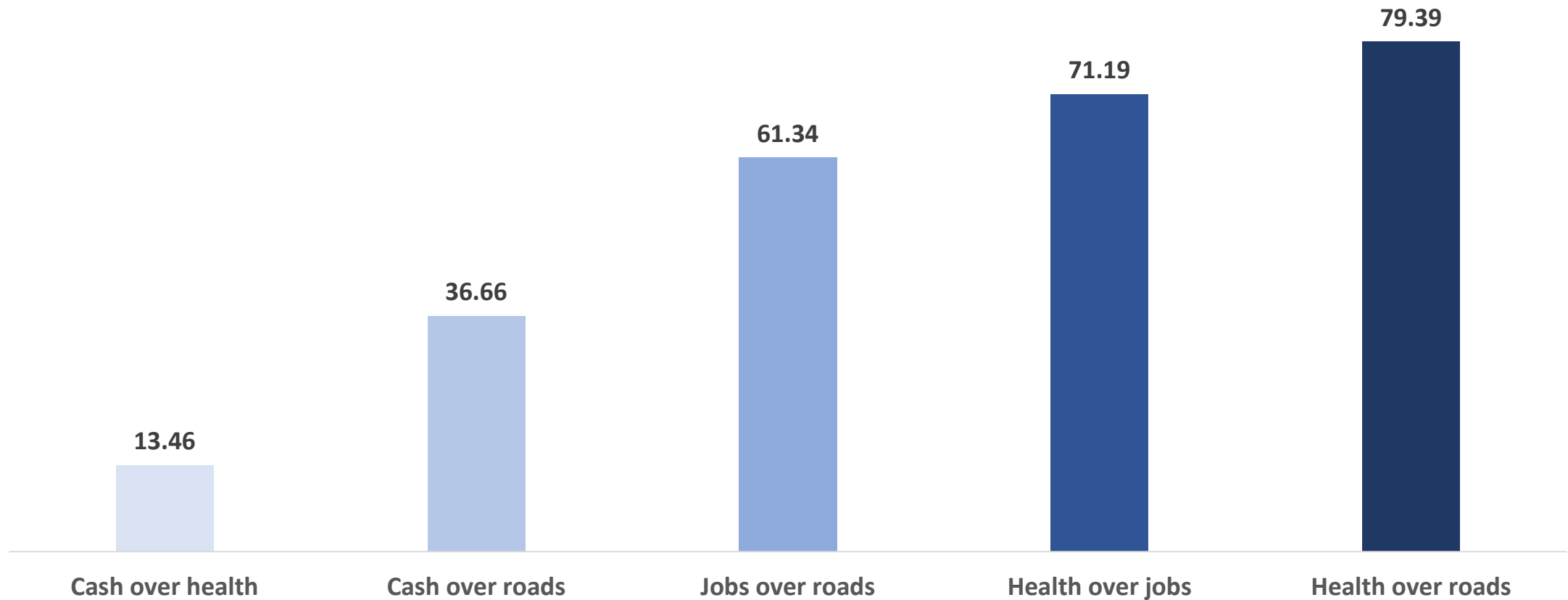
**M3xQ1e. what should the money be spent into-**

1. to spend it on improving health of a lot of children in the block
2. to spend it on improving roads throughout the block

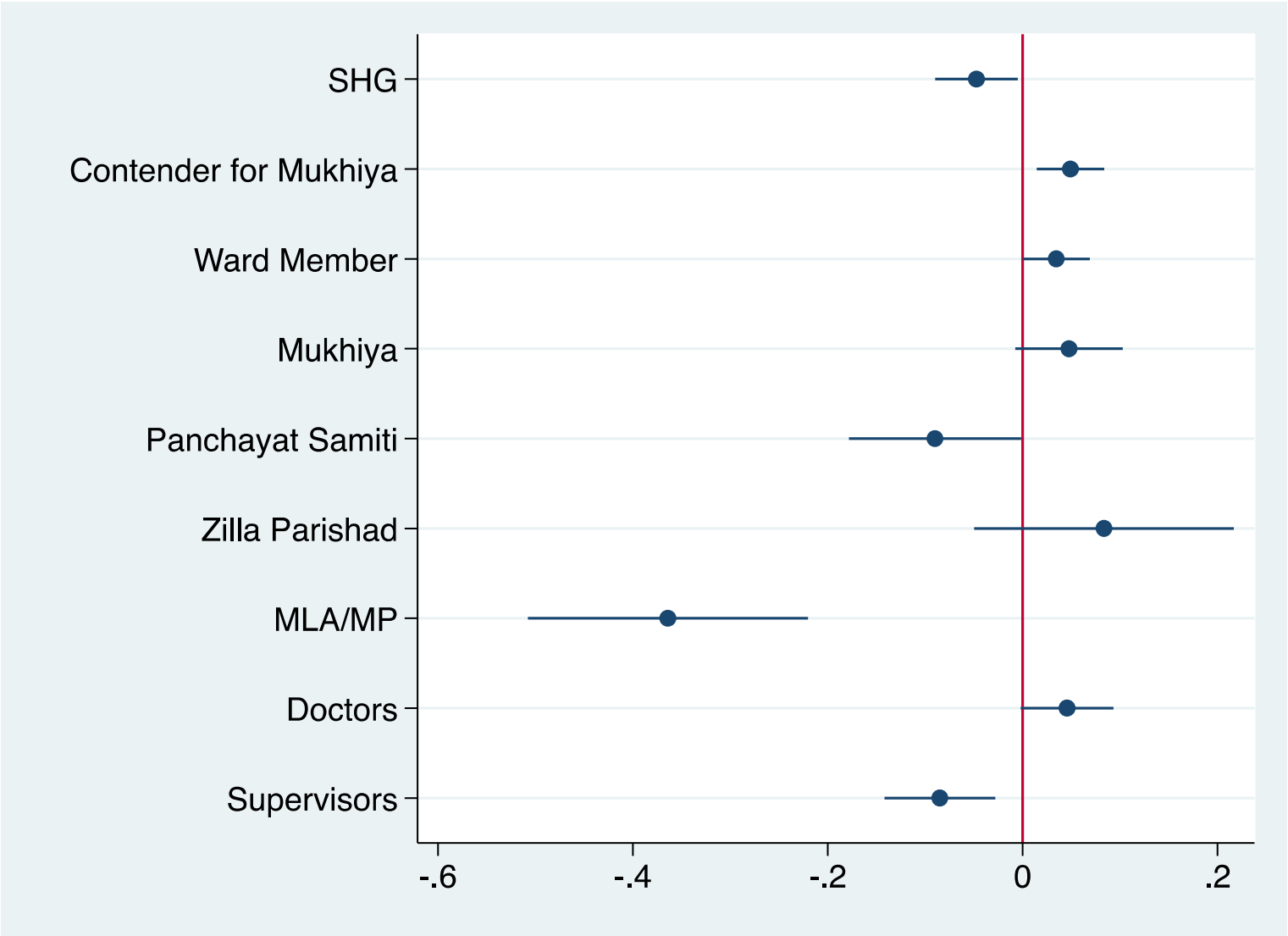
M3xQ1e. और इन दोनों में से कौनसे काम के लिए धनराशि खर्च की जाये- क्षेत्र के **बहुत से बच्चों** की स्वास्थ्य के सुधार में खर्च की जाए या **पूरे क्षेत्र की रोड** में सुधार किया जाए

1. क्षेत्र के **बहुत से बच्चों** की स्वास्थ्य के सुधार में खर्च की जाए
2. **पूरे क्षेत्र की रोड** में सुधार किया जाए

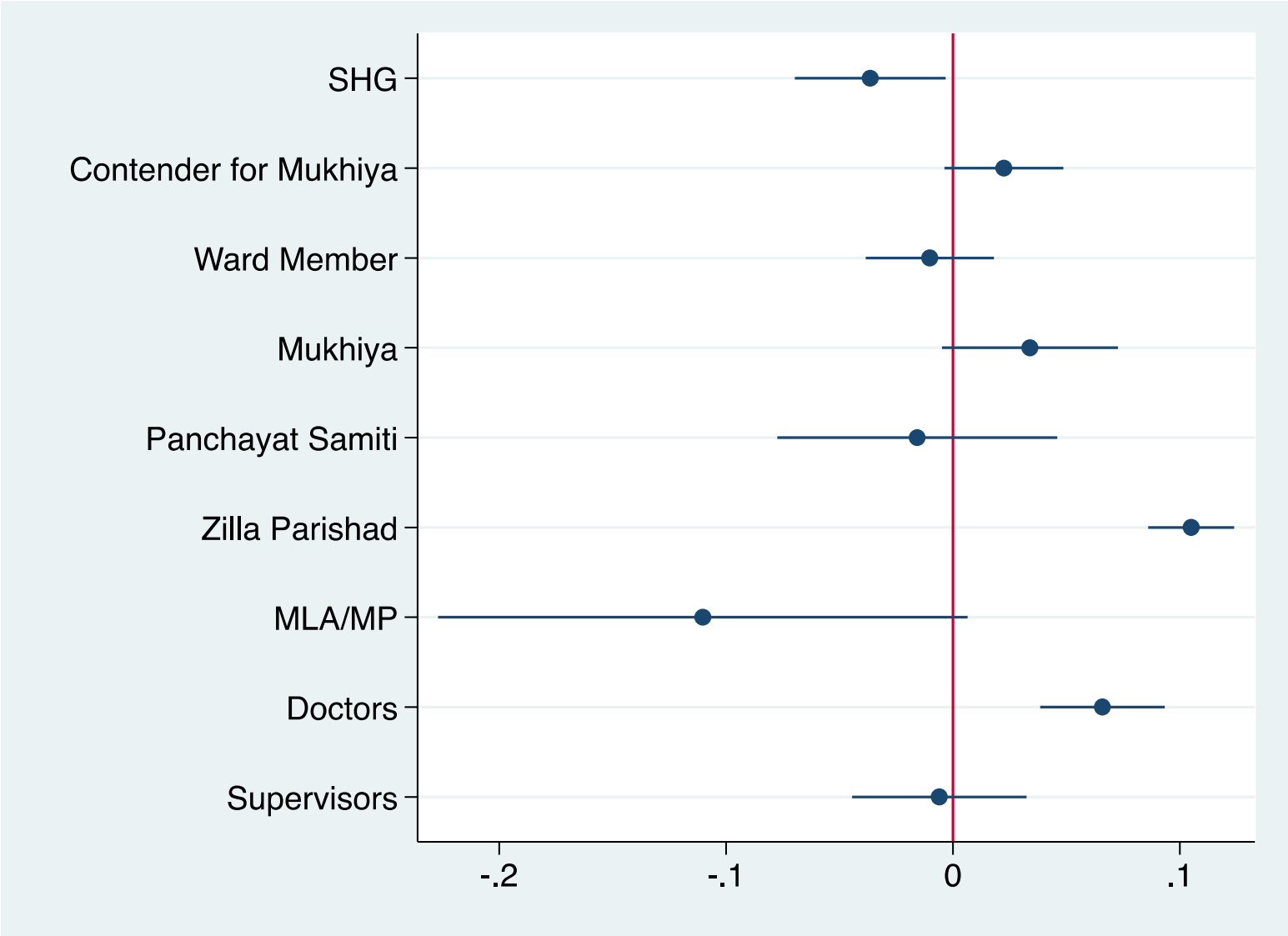
Share of household-respondents who prefer:



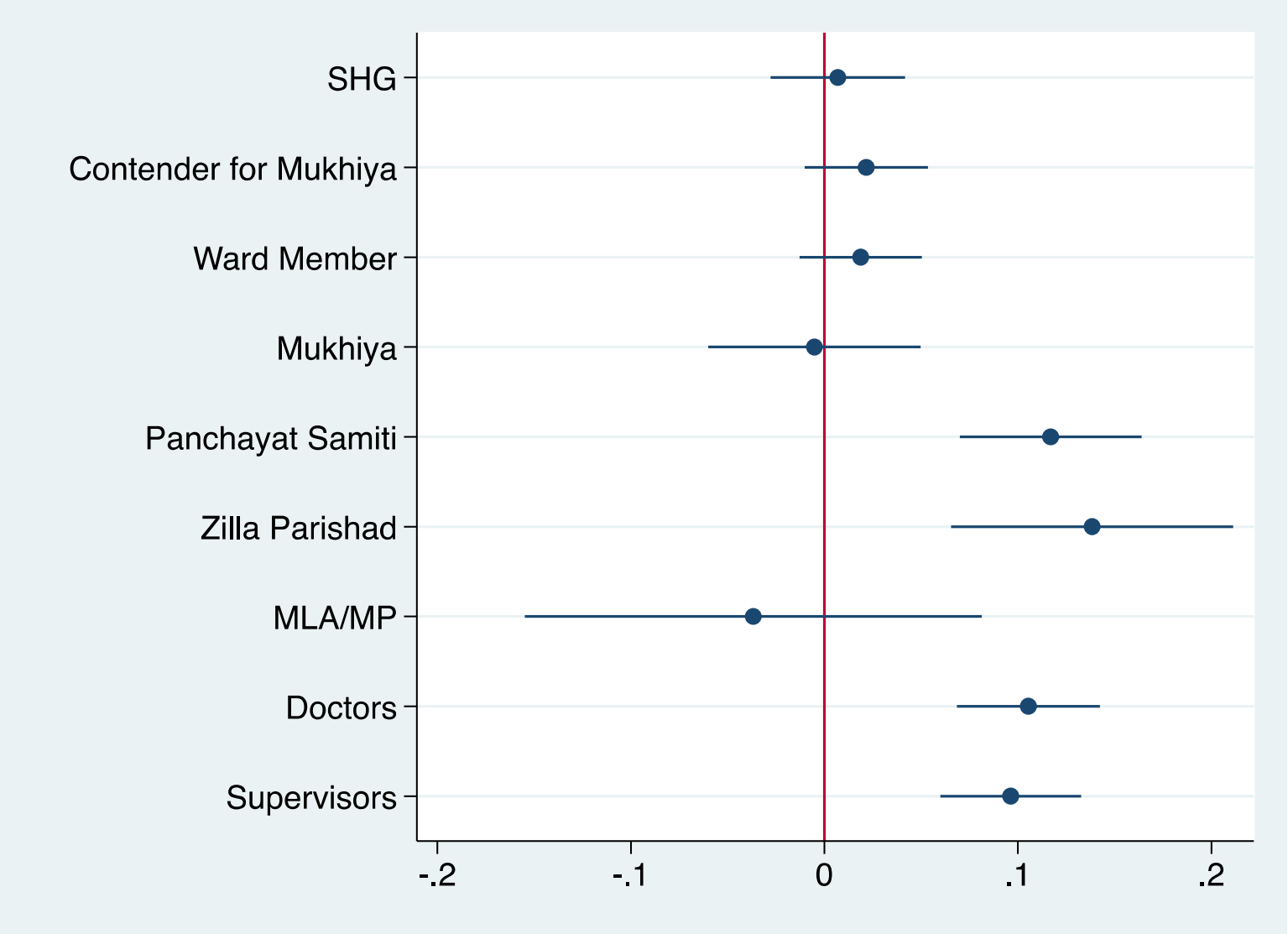
# How other respondents compare to people in prioritizing health: over jobs



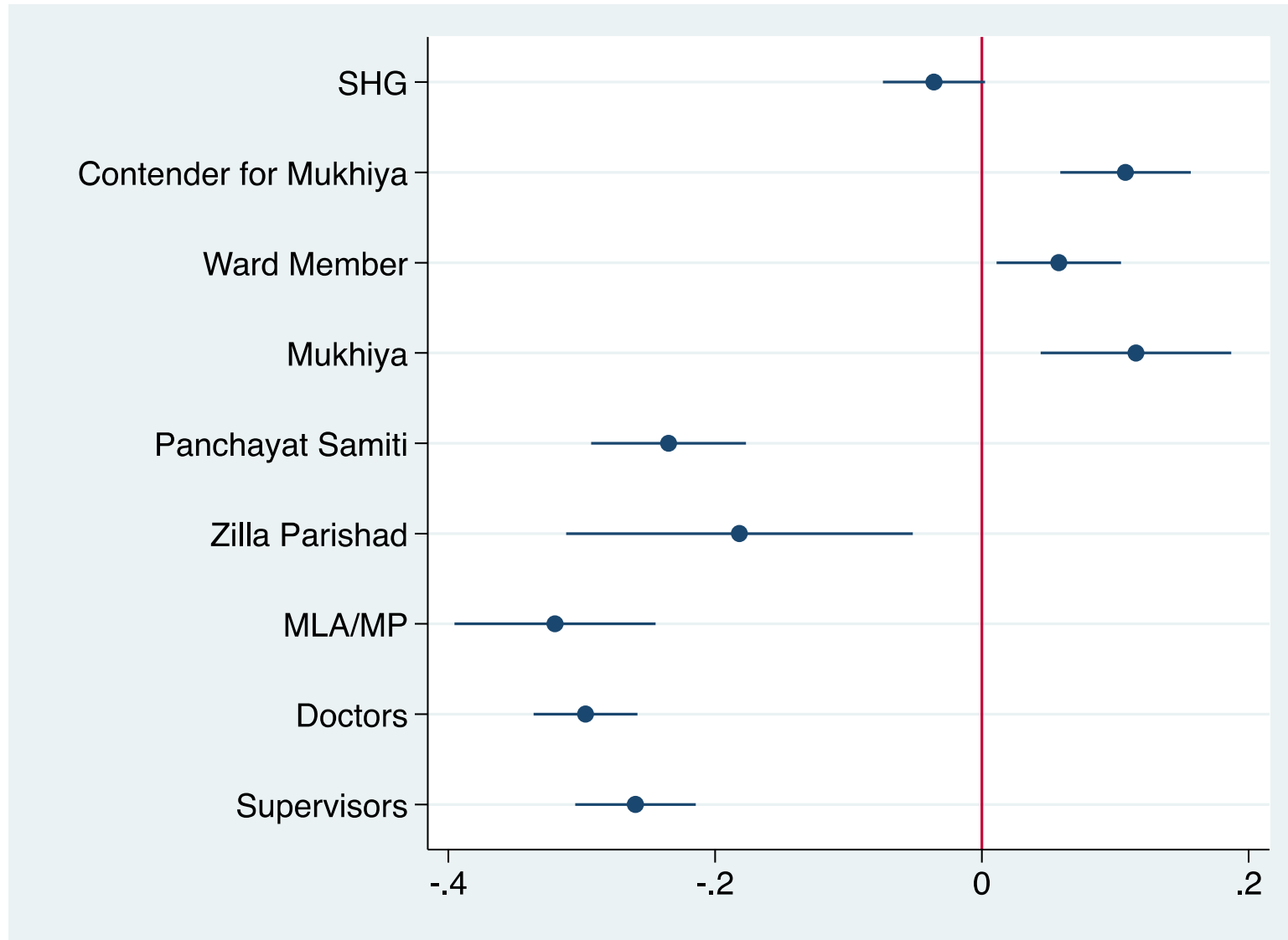
# How other respondents compare to people in prioritizing health: over cash



# How other respondents compare to citizens in prioritizing health: over roads



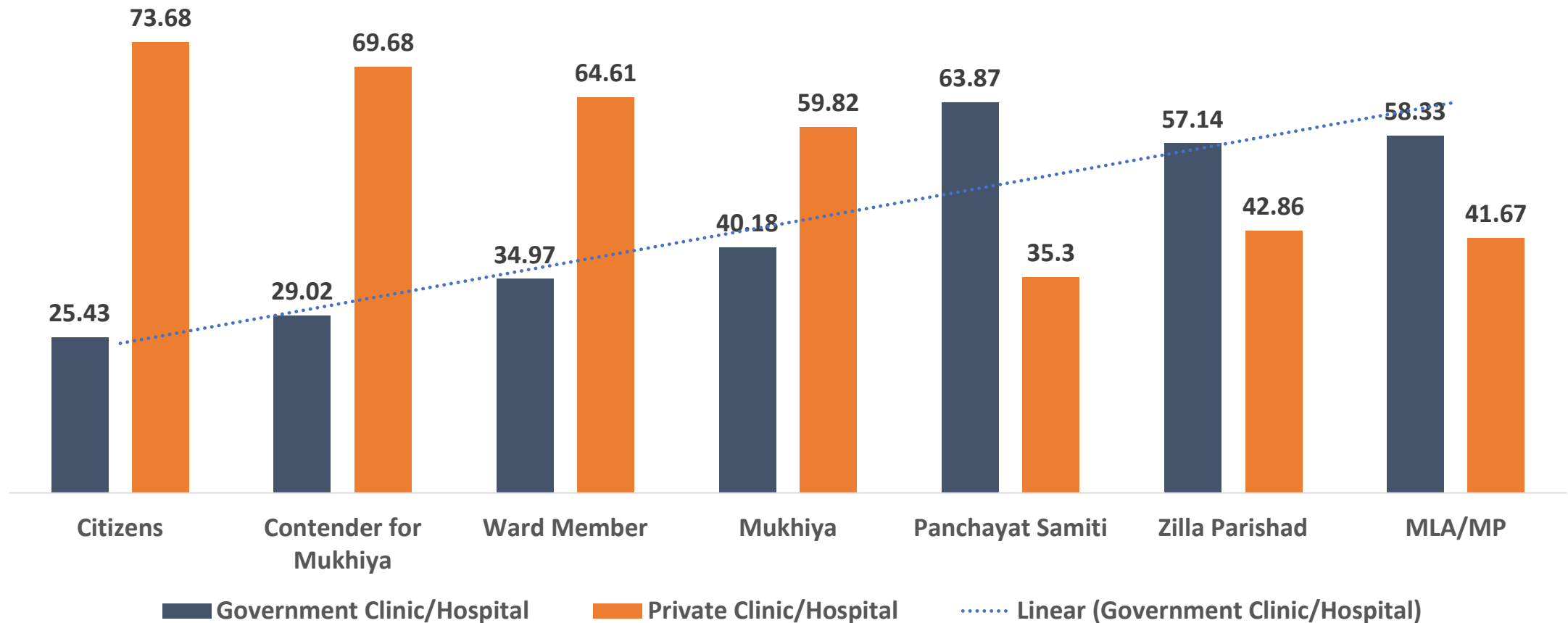
How other respondents compare to people in saying electricity should NOT be free:



People use the public system for maternal and child health, but less so for curative care

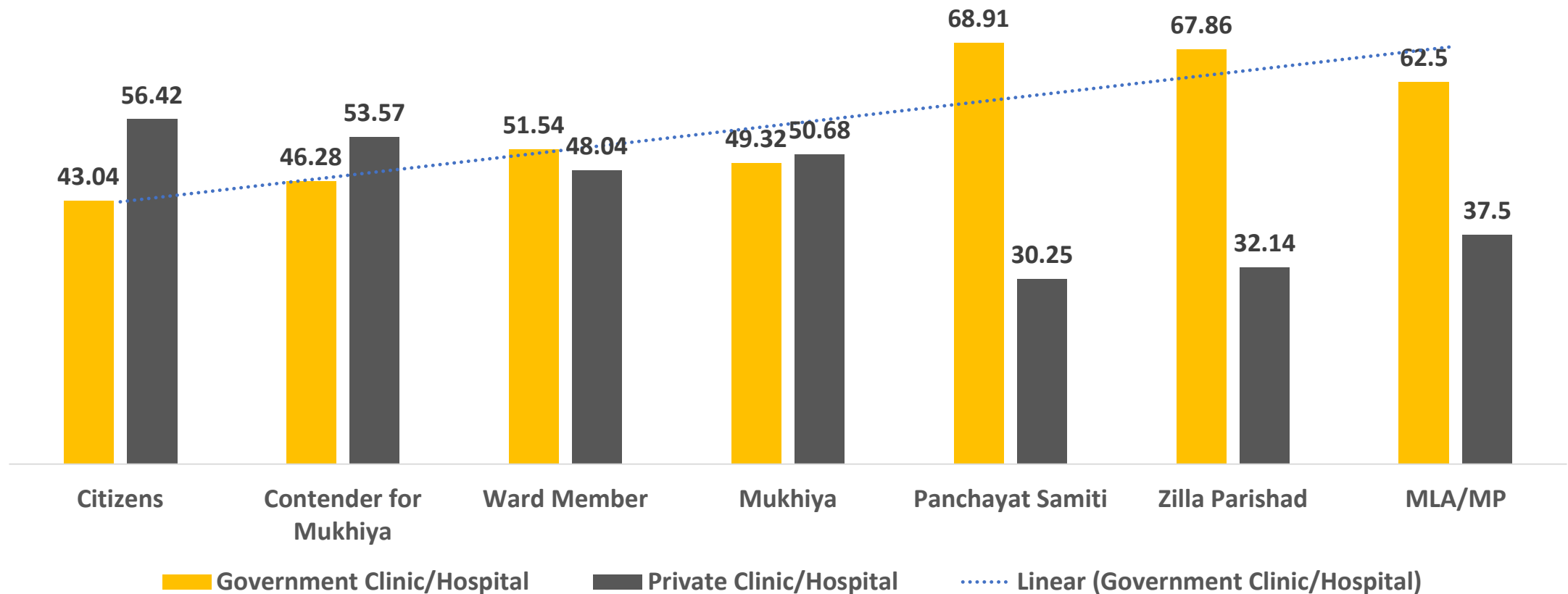
*Political power matters to access government hospitals*

For common illnesses, use of government clinics increases with political power of respondents

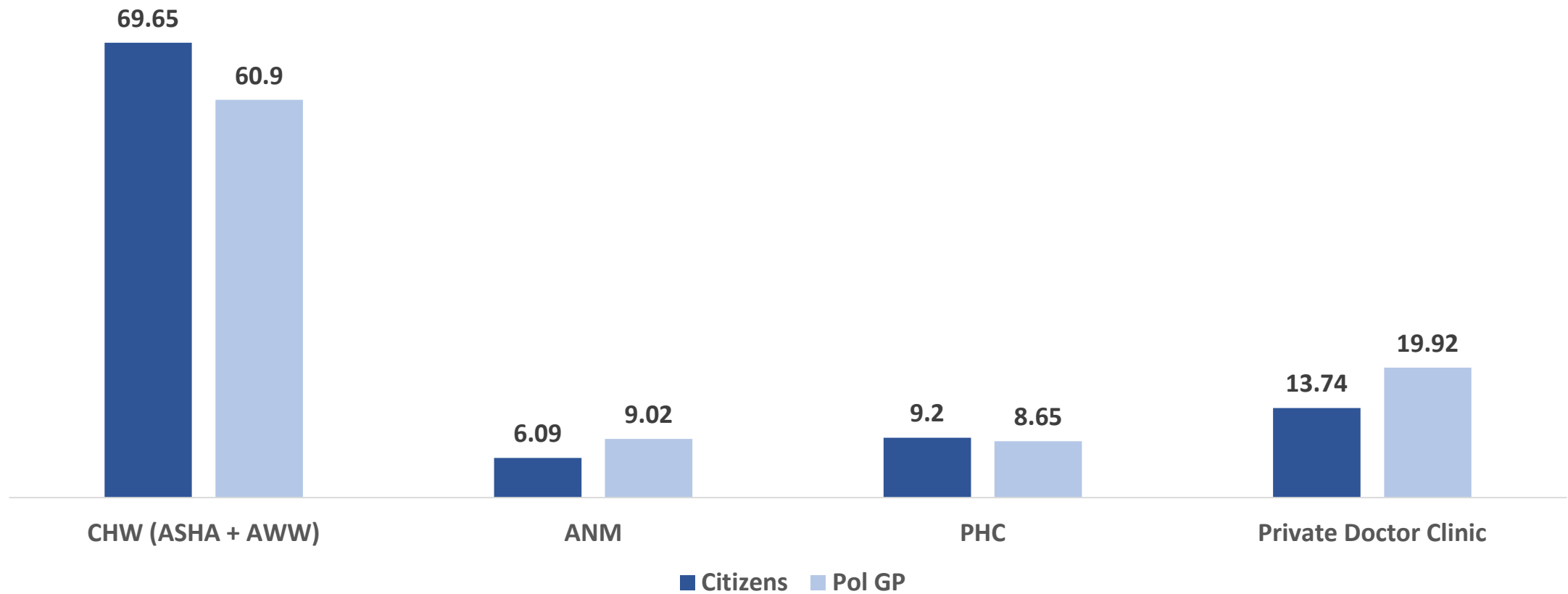




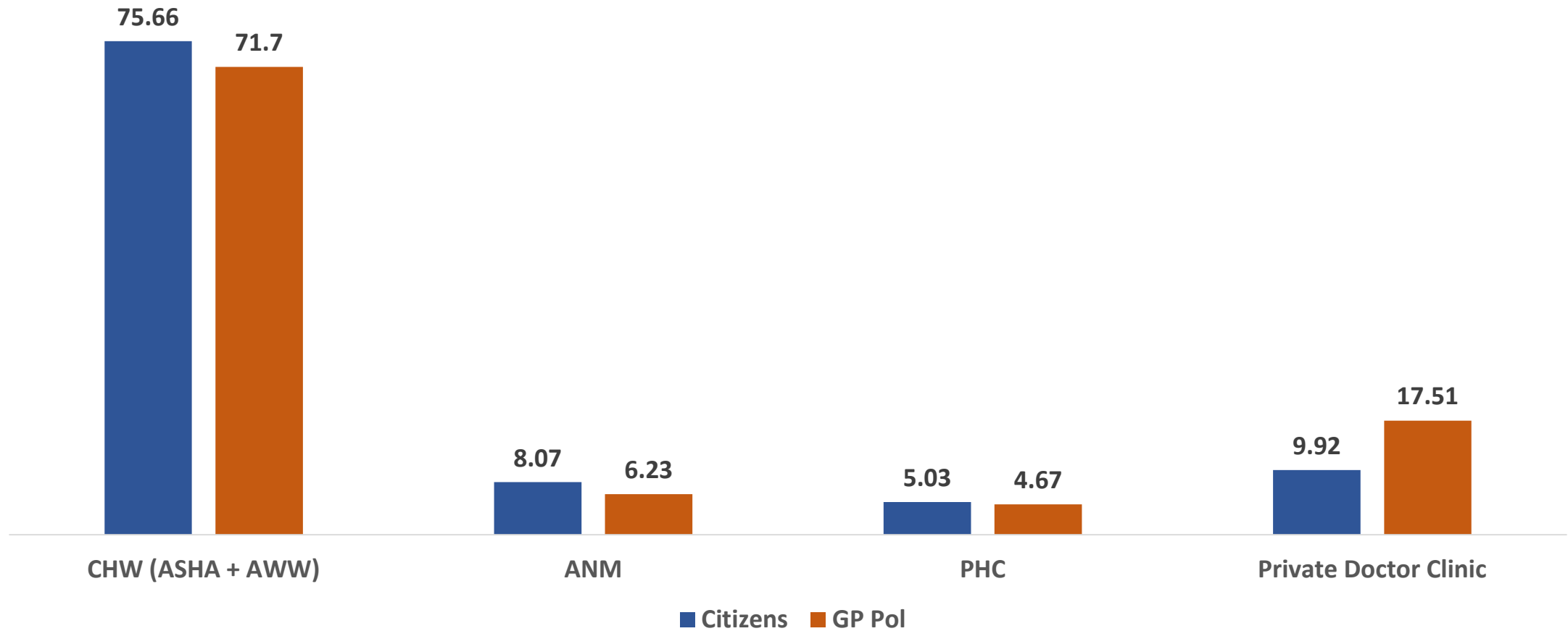
Similar results for serious illness requiring hospitalization:



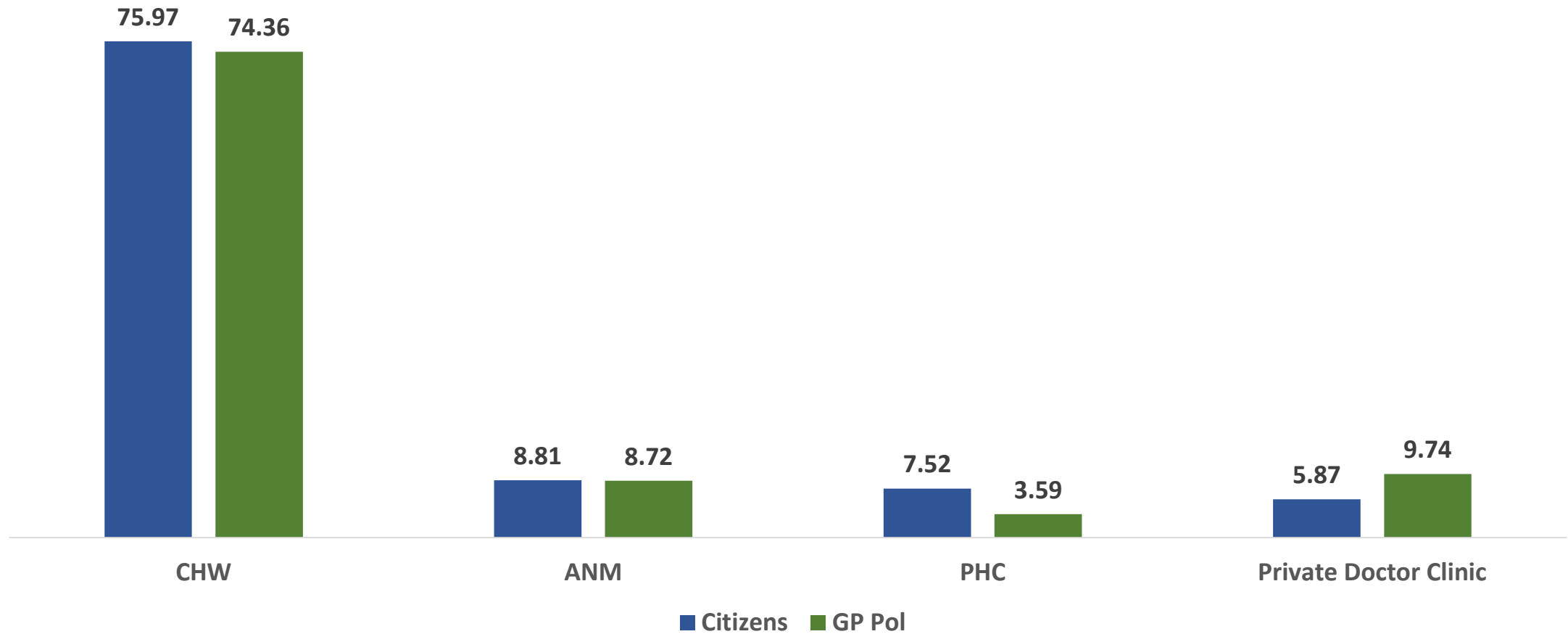
## Women indicate Community Health Workers (CHWs: ASHAs and AWWs) for ante-natal care



# Women indicate CHWs for iron and folic acid



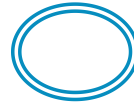
# Women receive nutrition supplements from CHWs



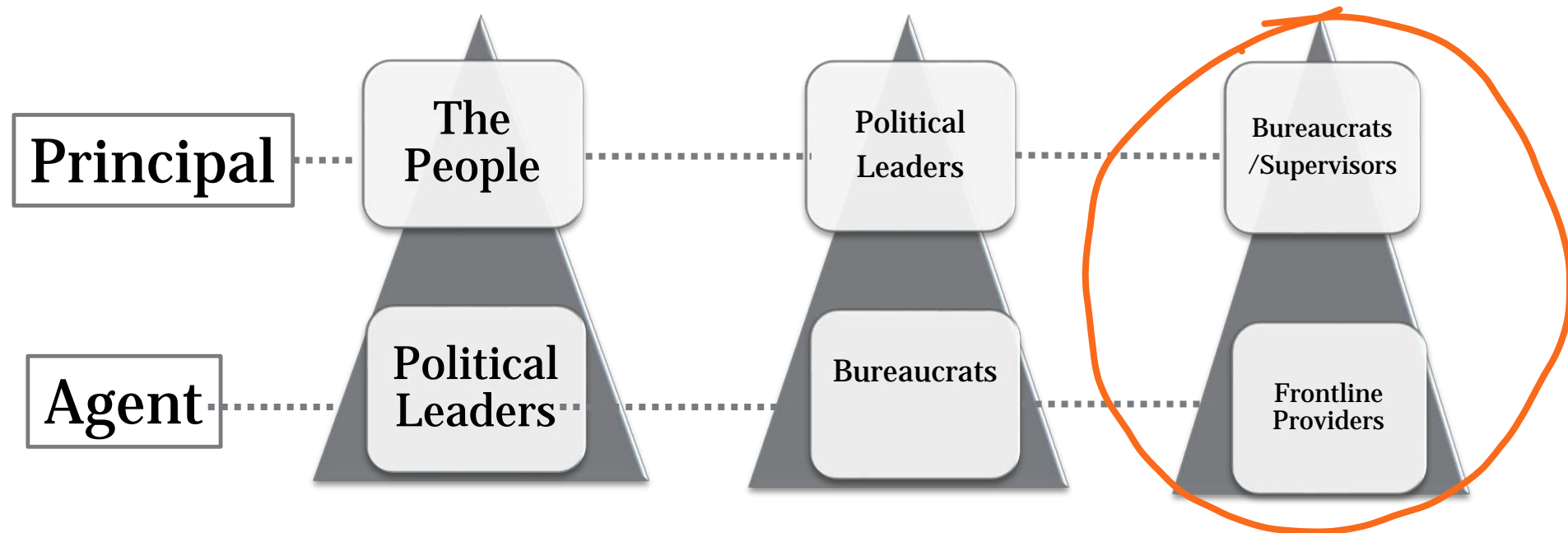
# Section Conclusion: 3 take-aways

1. People prioritize child health and nutrition services in public spending
2. Political power matters in the access to curative health
3. People rely on CHWs for health and nutrition services

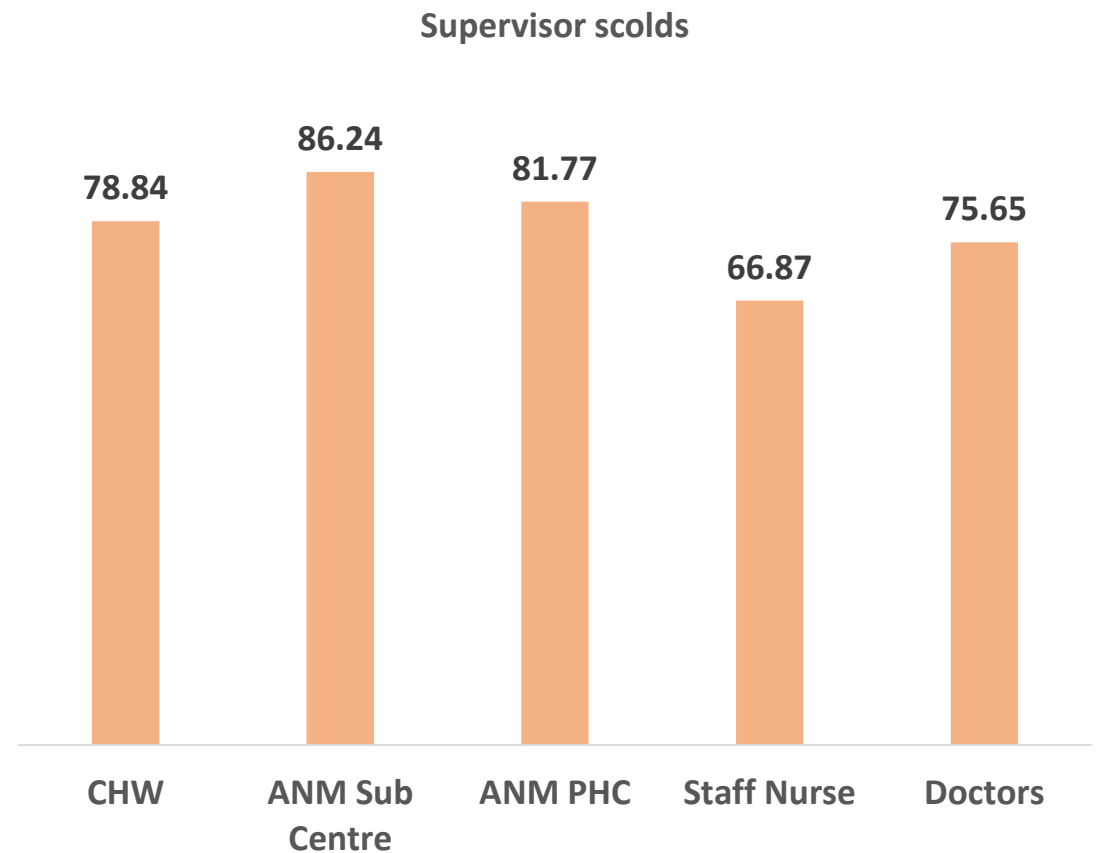
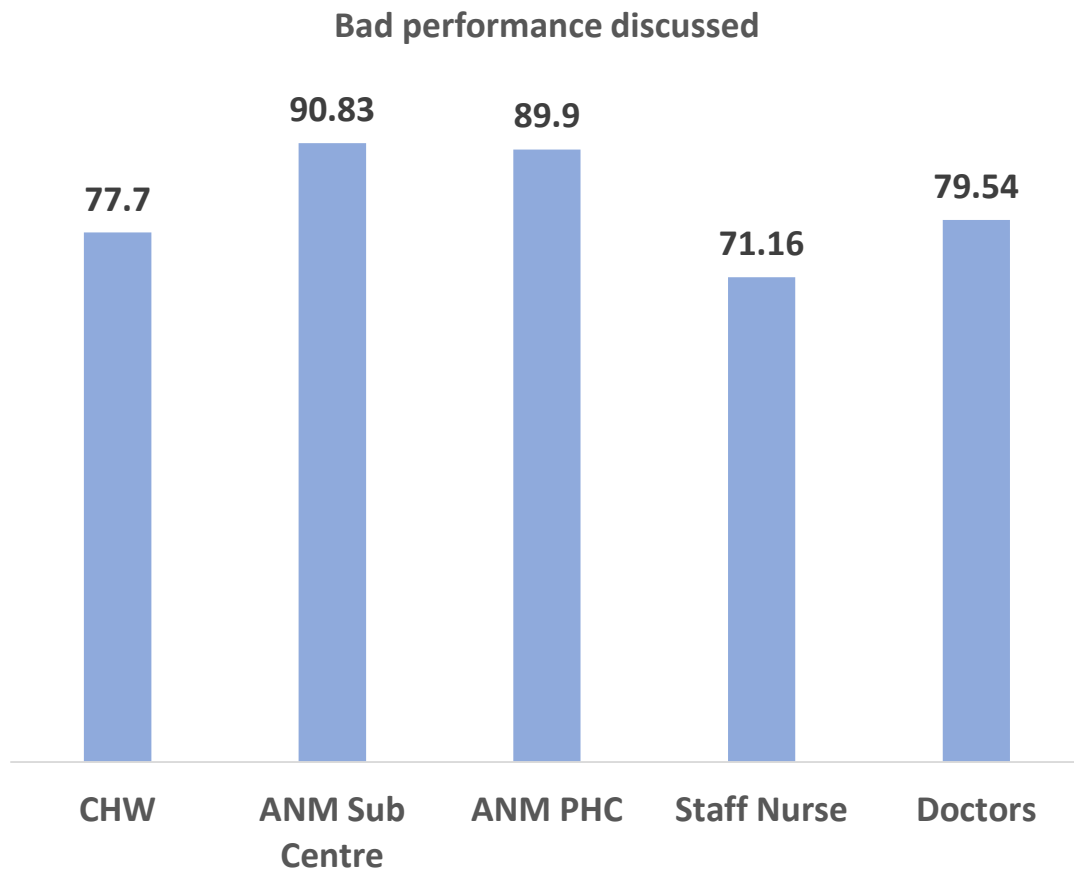
# The Principal-Agent Problem within the Bureaucracy



*Evidence of lack of trust between supervisors and frontline health workers*

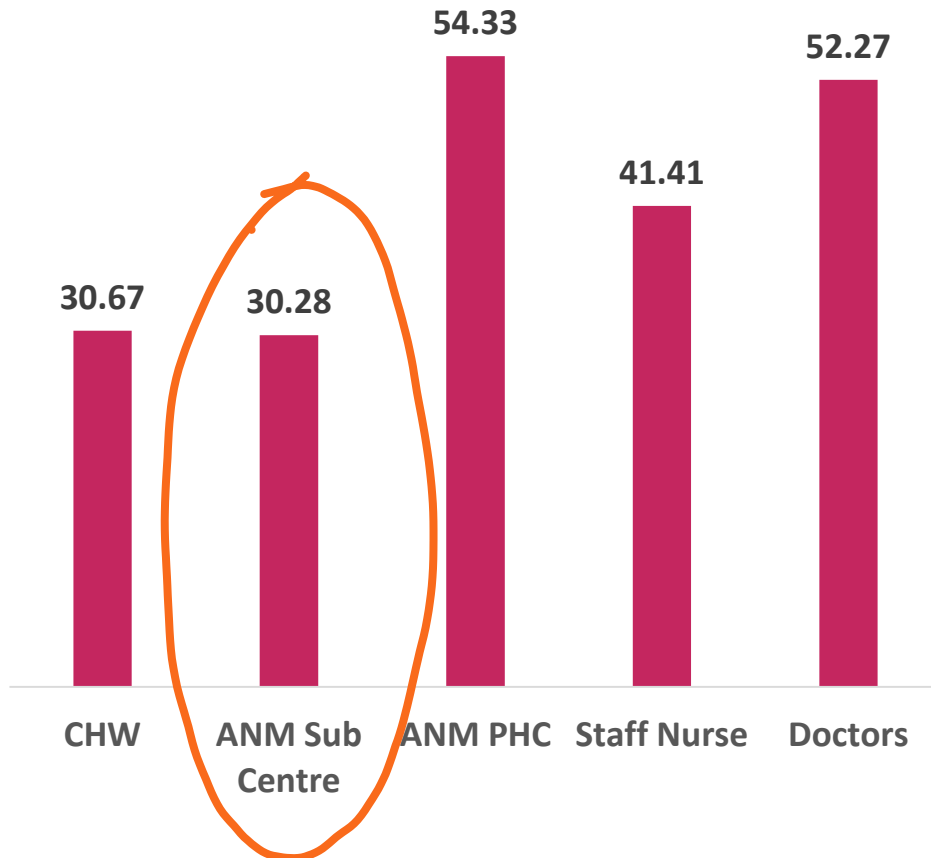


# Share of health staff saying management meetings discuss bad performance and involve scoldings

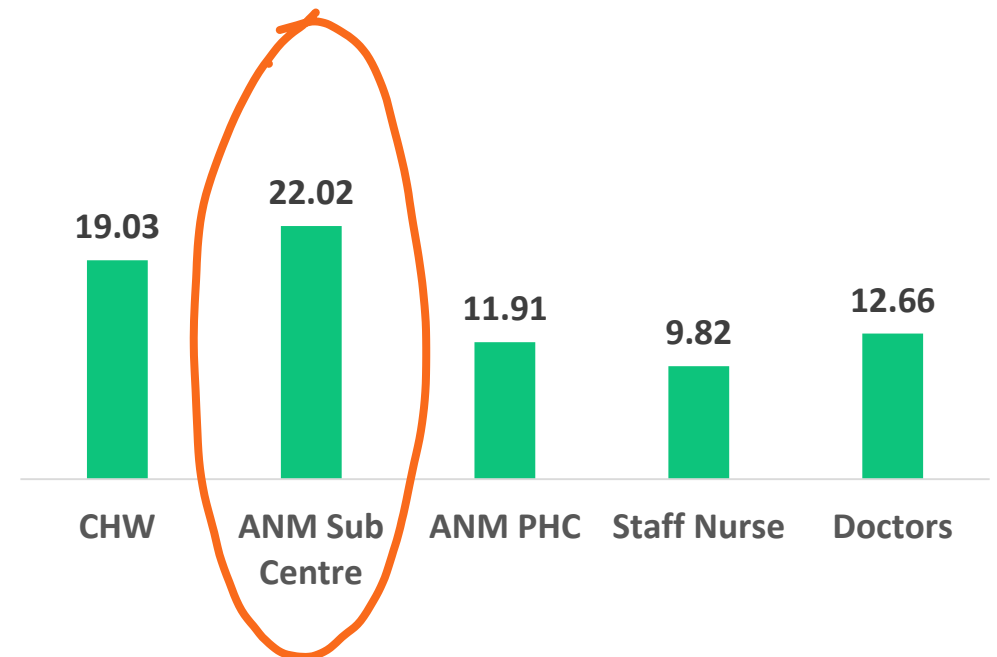


# Scolding vs Recognition

Supervisor ALWAYS scold in meetings

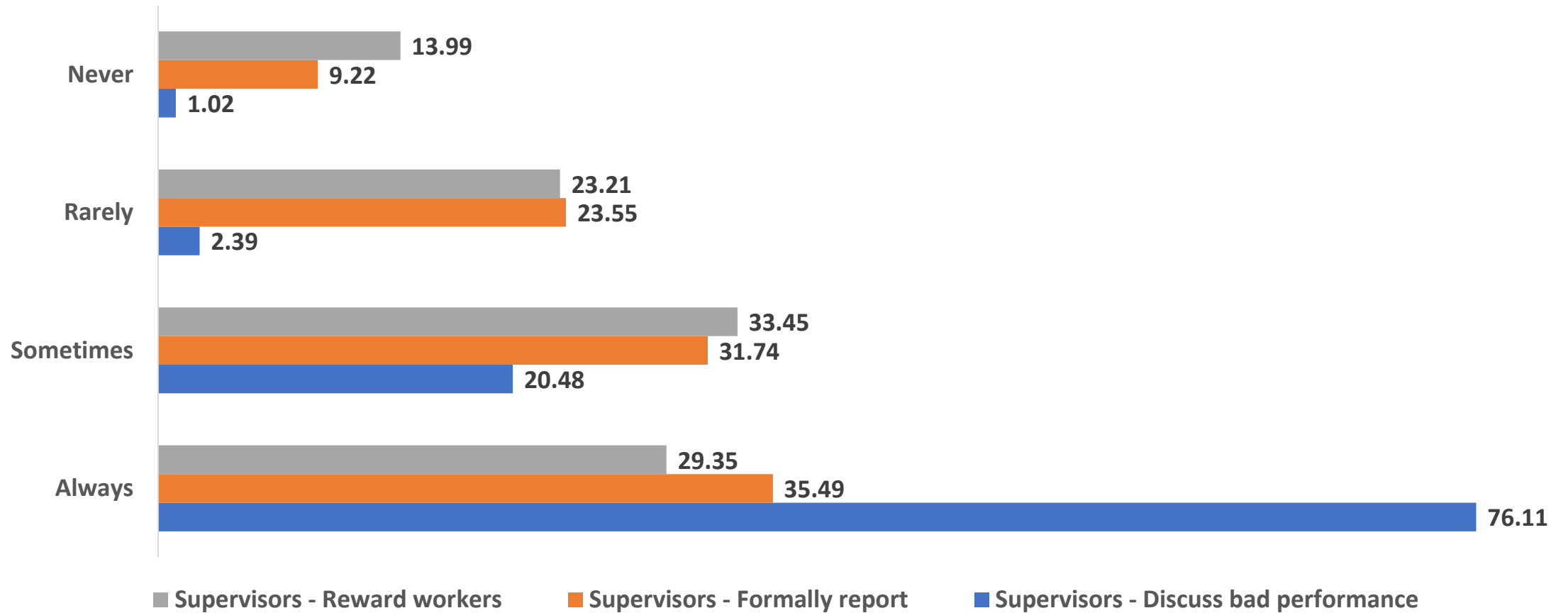


Supervisors ALWAYS rewards/recognize good work





# Supervisor respondents provide a similar picture



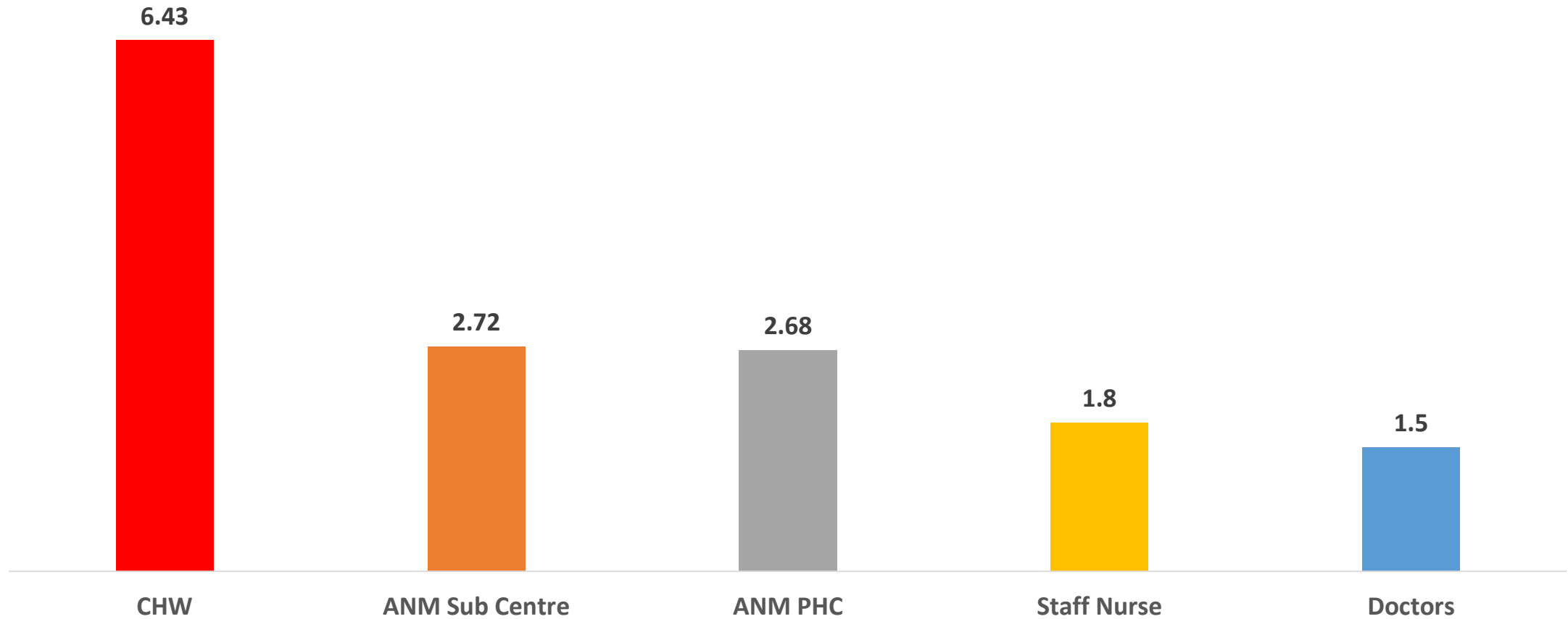
Share who agree with: “Irrespective of my efforts, the system will not allow people’s health outcomes to improve.”



Share who agree with: “In my work, I have to take permission for every little thing.”



# Number of months salaries not received in past year



# Good reasons for lack of trust in frontline health workers?

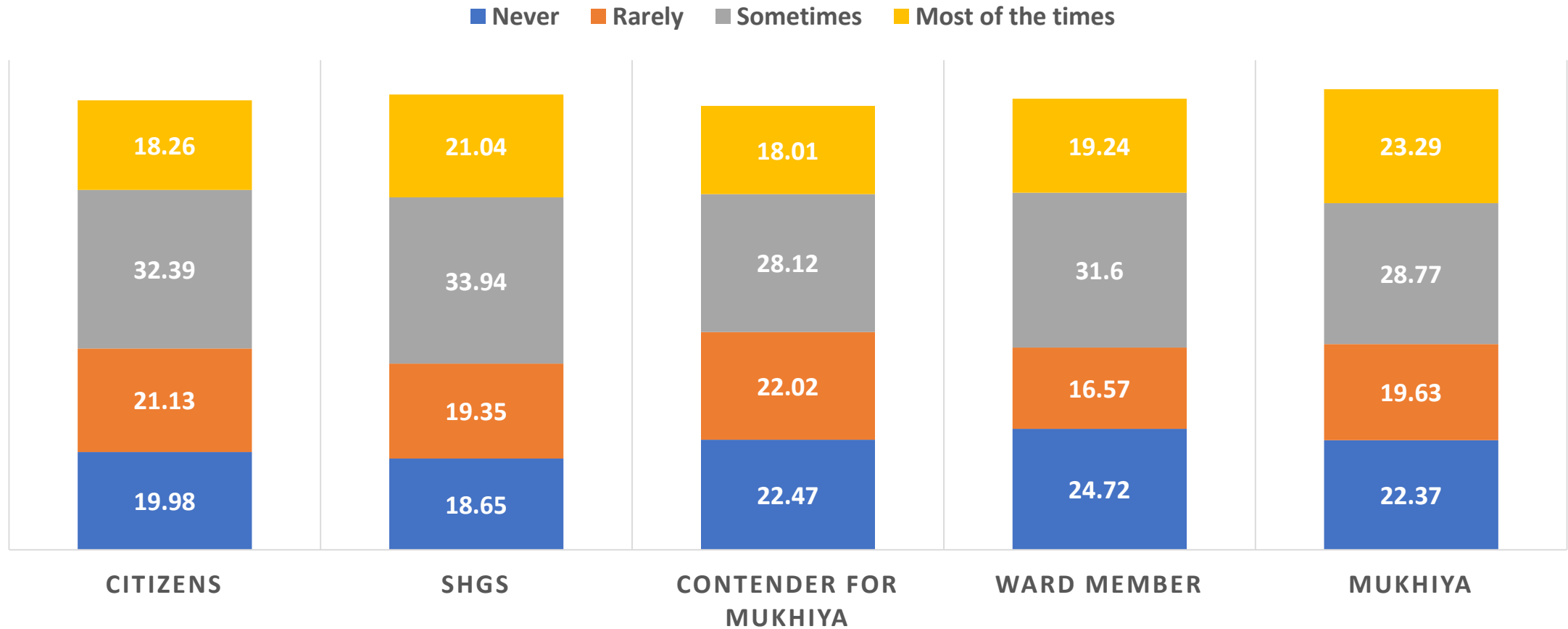
Example of Health Sub-Centre (HSC) ANMs

## Good reasons for lack of trust?

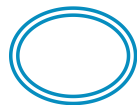
### Example of Health Sub-Centre (HSC) ANMs

- Among the 254 targeted GPs, 226 HSCs were found
- of which 145 (or 64 percent) were closed
- Survey team was only able to interview 81 ANMs at the open HSCs, and located an additional 28

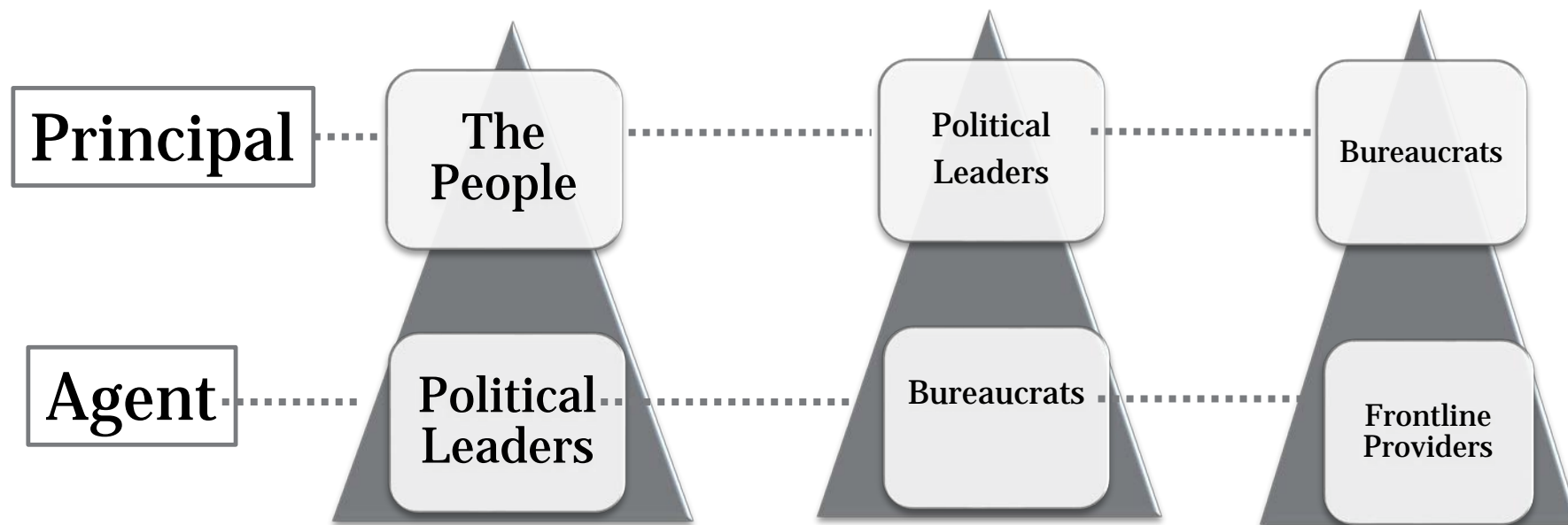
# ANM usually available at HSC for provision of health services ?



# How does this compare with what the logic of economic theory recommends?



1. Reduced role of high-powered incentives, and greater role for recruiting intrinsically motivated agents
2. Reduced role for top-down hierarchical monitoring and greater role for autonomy and peer-to-peer professional norms





Bihar deviates from “optimal” equilibria described in economic theory because of its feudal and colonial history:

--Acemoglu-Johnson-Robinson story of “reversal of fortune” applies to Bihar—the heritage of ancient times (Nalanda, Pataliputra, Vaishali...) versus the situation today

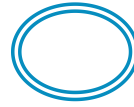
— work of Shaibal Gupta and PP Ghosh

— work of Abhijit Banerjee and Lakshmi Iyer

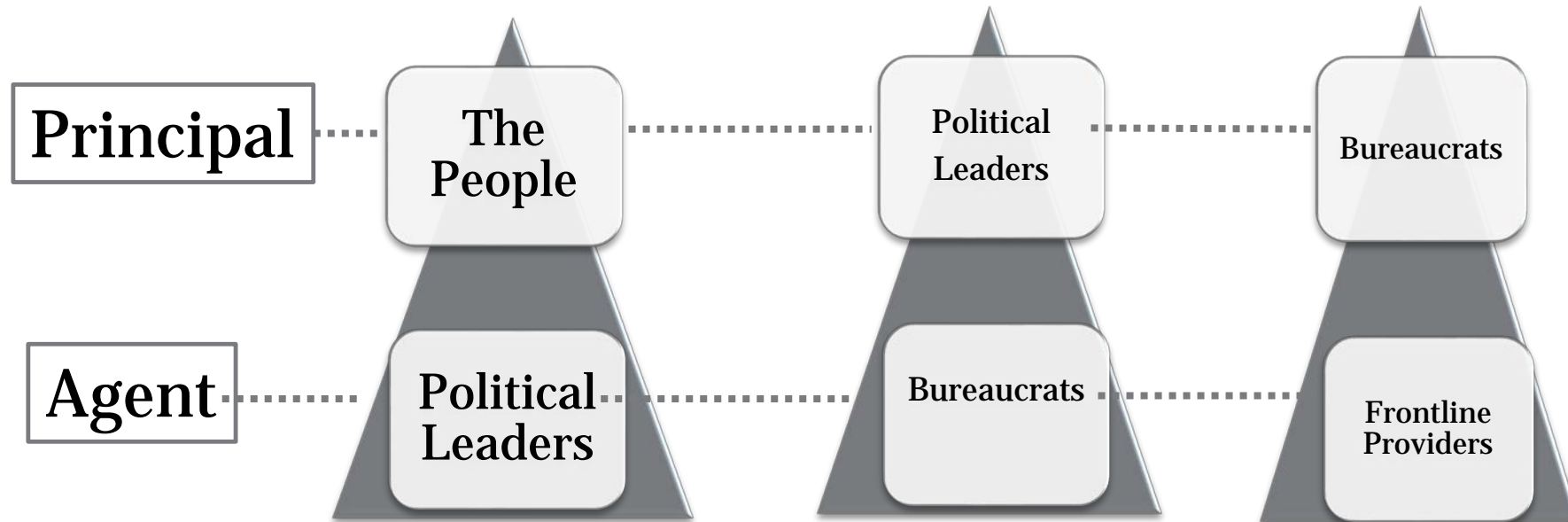
Economic theory suggests that places like Bihar can do better

- with reform leaders in high places
- with good leaders at humble levels of village politics
- with demand from the people

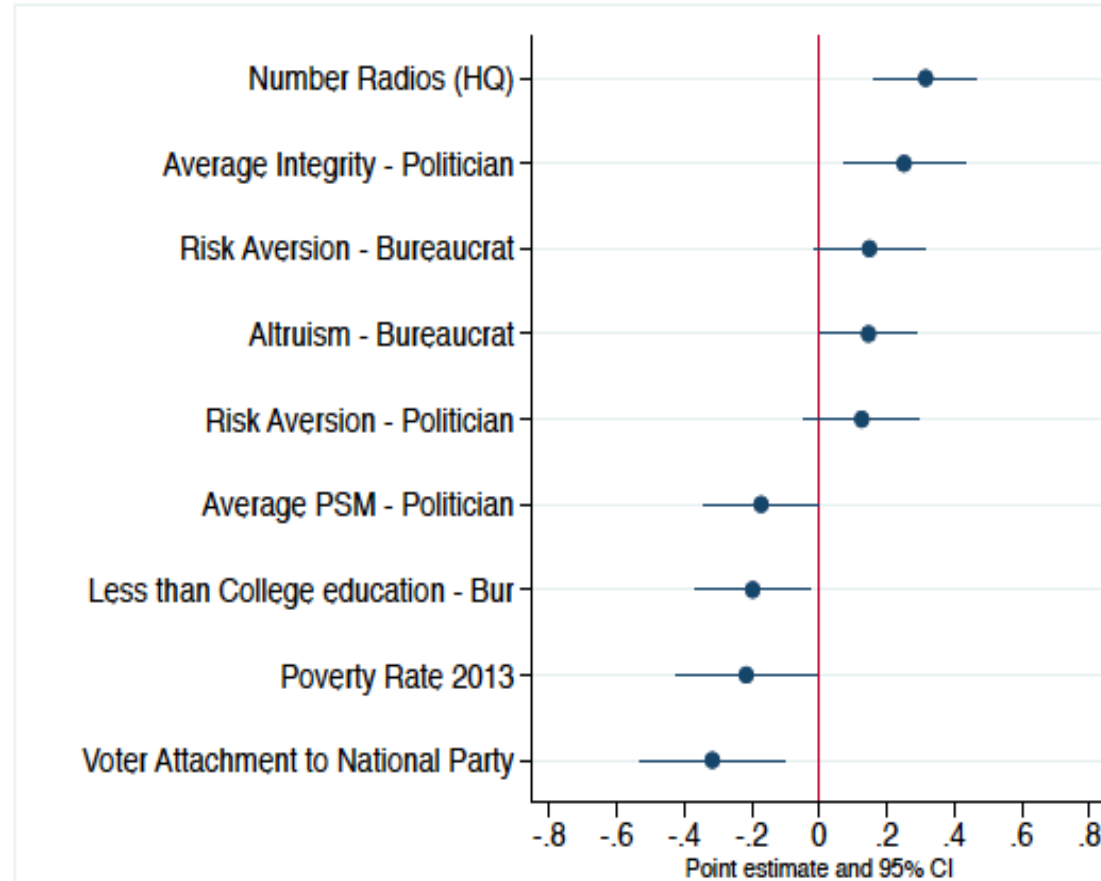
# Using Economics and Game Theory for Reforms



1. Reduced role of high-powered incentives, and greater role for recruiting intrinsically motivated agents
2. Reduced role for top-down hierarchical monitoring and greater role for autonomy and peer-to-peer professional norms
3. Complementary communication campaigns to shift norms—beliefs/expectations about how others are behaving (Eg. Case of Ceara, Brazil)



## EXAMPLE OF HOW VILLAGE-LEVEL POLITICS MATTERS FOR SERVICE DELIVERY



*Correlates  
of Public  
Health  
Service  
Delivery  
by  
Districts  
in Uganda*

# Measuring “Integrity” – 8 Survey Questions

**Q1. It is okay to spread rumors to defend those you care about.**

1. Fully agree 2. Somewhat Agree 3. Somewhat disagree 4. Fully disagree 8. DK/CS

अपने ख़ास लोगों को बचाने के लिए झूठी बातें/अफवाह फैलाना भी ठीक हैं. इस वाक्य से आप पूरी तरह सहमत हैं, थोड़ा सहमत हैं, थोड़ा सहमत नहीं हैं या पूरी तरह सहमत नहीं हैं.

**Q2. It is okay to take people's belonging just for some time without their permission**

दूसरों की चीज़ें उनसे बिना पूछे कुछ समय के लिए ले लेना ठीक है.

**Q3. Exaggerating one's own qualities is no big deal**

अपनी झूटी बढाई/प्रशंशा करने में कोई गलत बात नहीं.

**Q4. If a junior does something wrong under his/her senior's pressure, it's not their fault**

अपने से बड़े अधिकारी के दबाव में आकर अगर कोई कर्मचारी गलत काम करे तो इसमें कुछ गलत नहीं.

**Q5. If someone does something wrong under pressure from their friends, its not their fault.**

दोस्तों के दबाव में आकर अगर कोई गलत काम करे तो इसमें उसकी गलती नहीं है.

**Q6. Passing off someone else's work as your own and getting praise for it is no big deal**

किसी दुसरे के काम को अपना बताकर वाह-वाही लेने में कोई गलत बात नहीं.

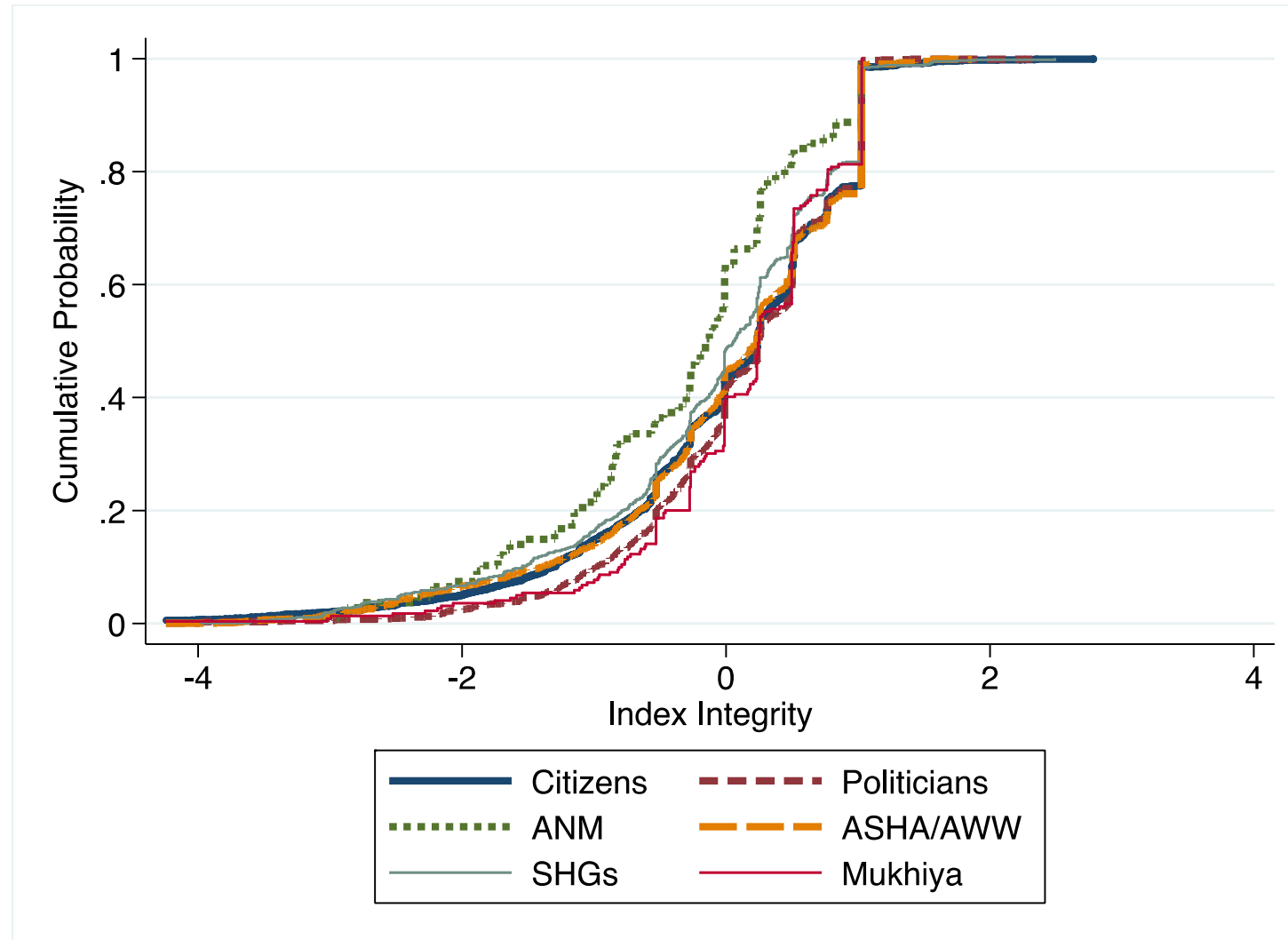
**Q7. Some people have to be dealt with roughly**

कुछ लोगों से सख्ती से/ दबाव के साथ पेश आना पड़ता है.

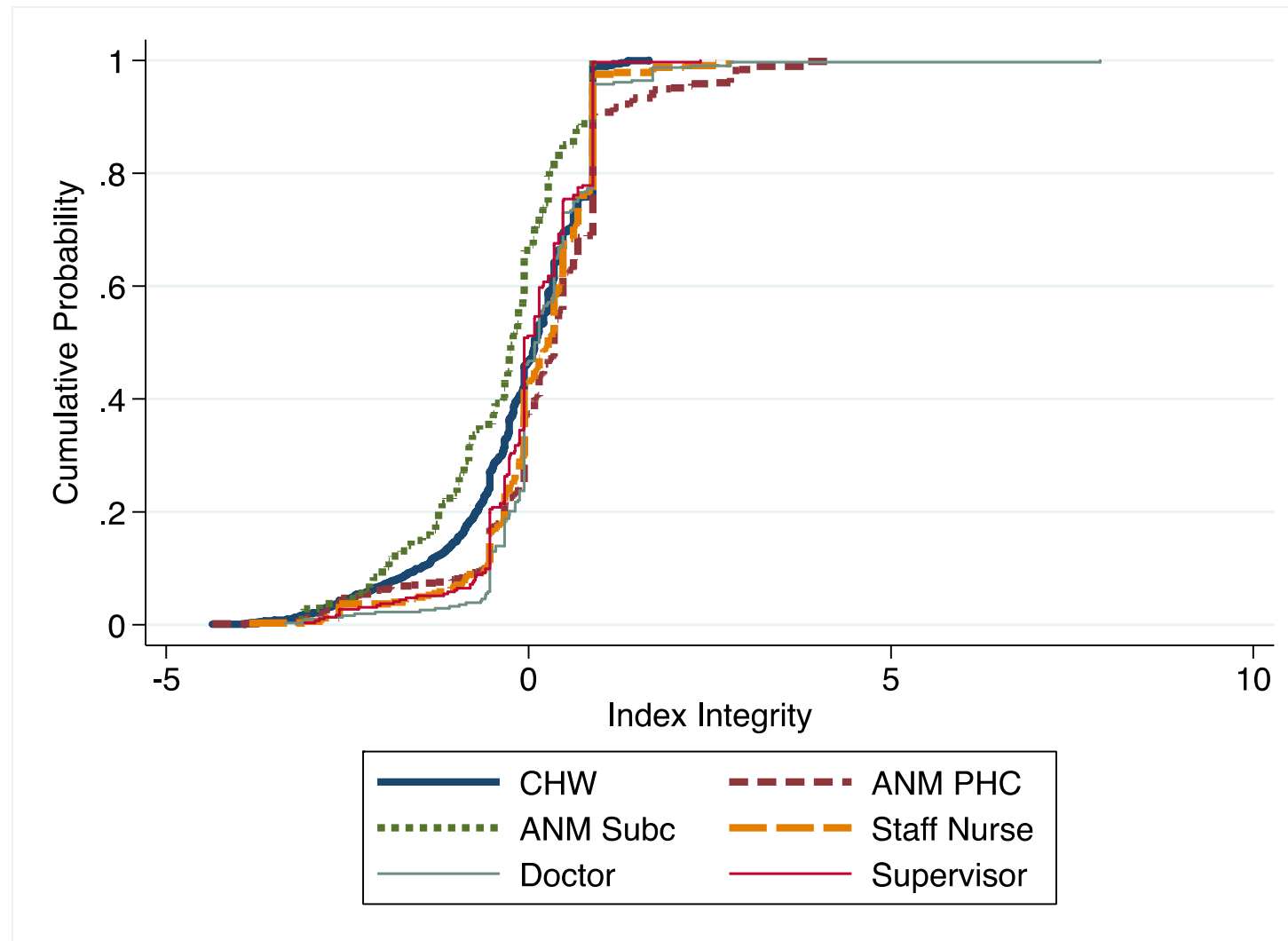
**Q8. Some people only deserve rude behaviour**

कुछ लोग केवल बुरे व्यवहार के लायक होते हैं.

HSC-ANMs have lower measures of “integrity” compared to other GP-level respondents



HSC-ANMs have lower measures of “integrity” compared to other health cadres



# Measuring “Public Service Motivation” – 8 Survey Questions

**Q1. To make a difference in society means more to me than personal achievements -**

1. Fully applicable 2. Somewhat applicable 3. Not much applicable 4. Not at all applicable 8. DK/CS

समाज में सुधार लाना आपके लिए अपनी निजी सफलता से ज़्यादा ज़रूरी है. यह वाक्य आप पर कितना लागू होता है - पूरी तरह, काफी हद तक, कुछ हद तक या बिलकुल नहीं.

1.पूरी तरह 2.काफी हद तक 3.कुछ हद तक 4.बिलकुल नहीं 8. DK/CS

**Q2. I am one of those individuals who are good at helping solve problems/conflict between other people**

आप लोगों के बीच के झगड़े सुलझा सकते हो. यह वाक्य आप पर कितना लागू होता है -

**Q3. Doing well financially is definitely more important to me than public service**

अपने लिए अच्छा पैसा कमाना आपके लिए समाज सेवा से ज़्यादा ज़रूरी है.

**Q4. I think there are many public causes which are worth fighting for**

आपके अनुसार समाज में कई ऐसे मुद्दे हैं जिनके लिए लड़ना ज़रूरी है.

**Q5. I am willing to use every bit of my energy to make society better**

समाज को और अच्छा बनाने के लिए आप अपनी पूरी ताकत लगाने के लिए तैयार हो.

**Q6 I am not afraid to defend the rights of others, even if I am threatened**

धमकी मिलने पर भी आप दूसरों के अधिकारों के लिए लड़ने से नहीं डरते.

**Q7 For me, politics is a dirty word**

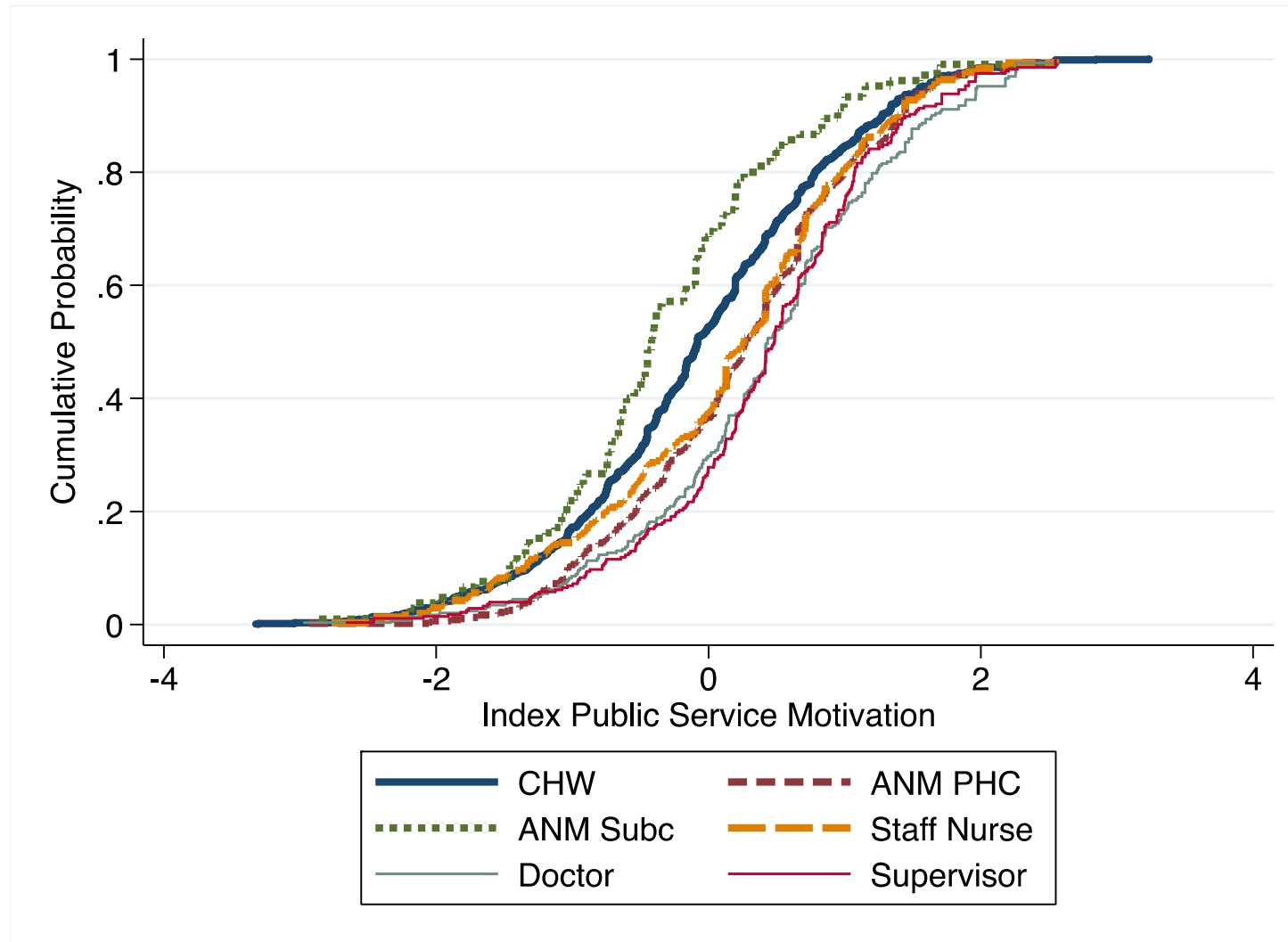
आप मानते हैं कि राजनीति एक गन्दा शब्द है.

**Q8 I do not think that government can do much to make society fair**

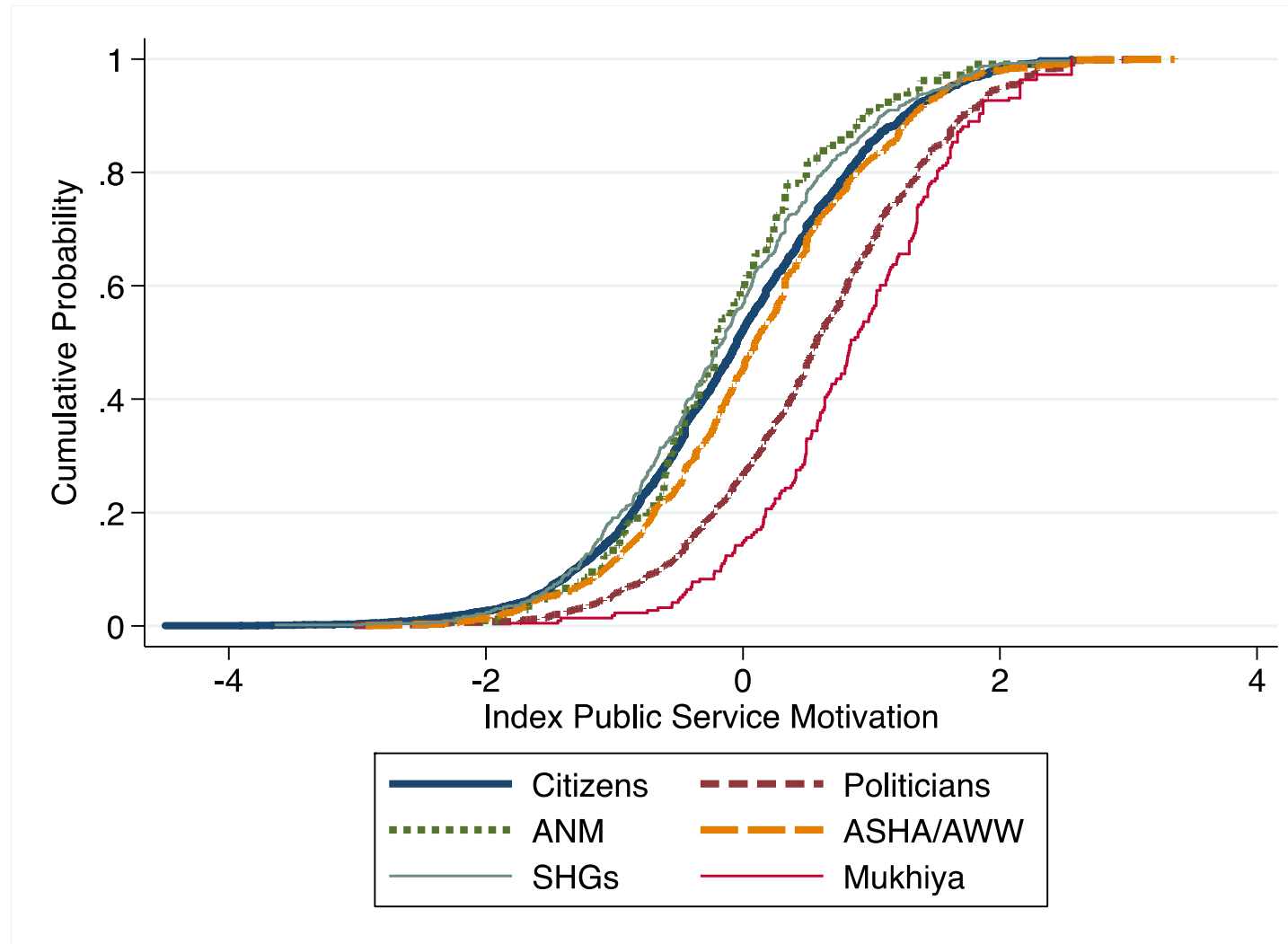
आपके अनुसार सरकार समाज के भेद भाव कम करने के लिए ज़्यादा कुछ नहीं कर सकती.



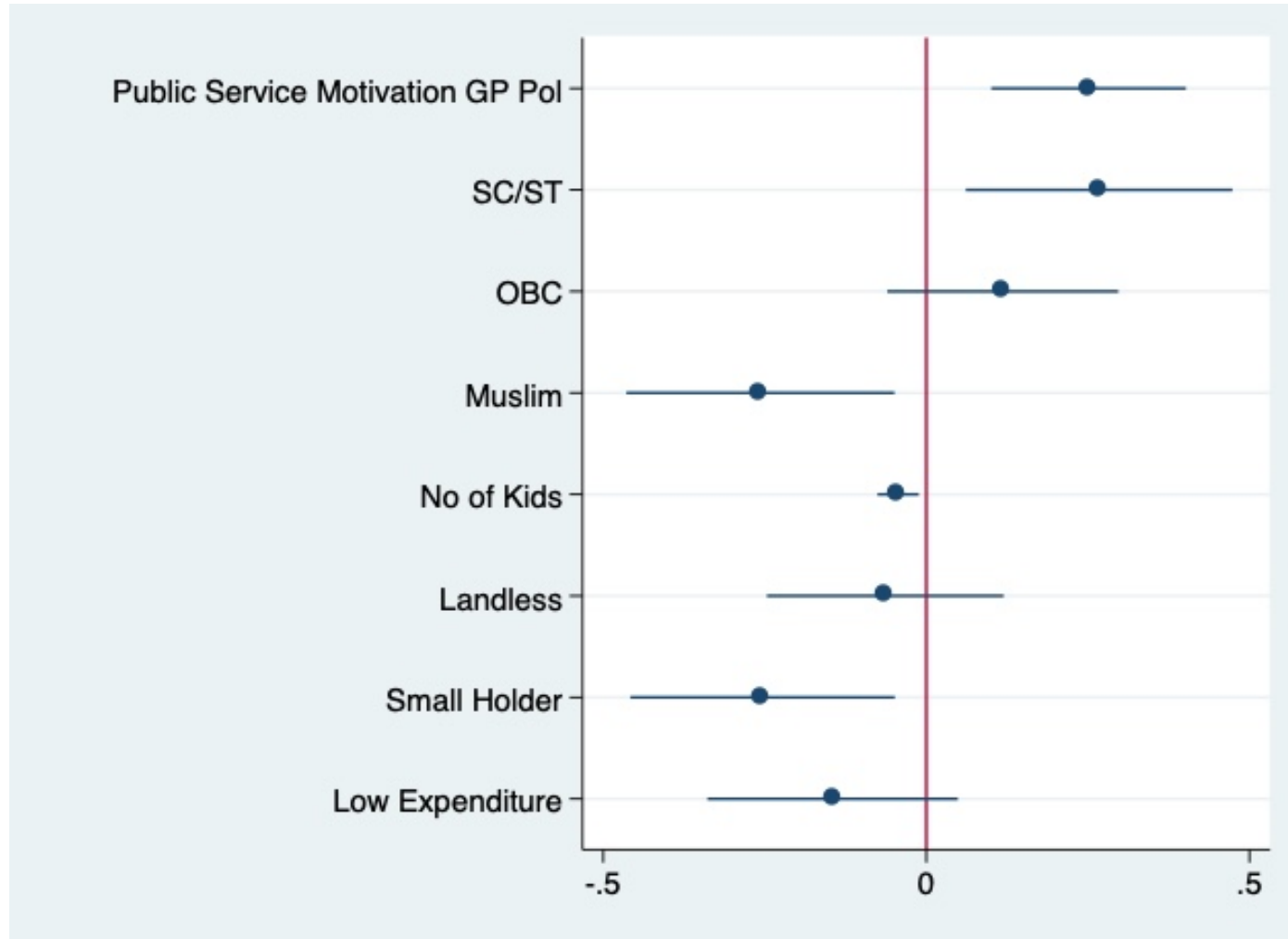
HSC-ANMs have lower measures of “public service motivation” compared to other health cadres



GP Politicians have higher measures of “public service motivation” compared to other GP-level respondents

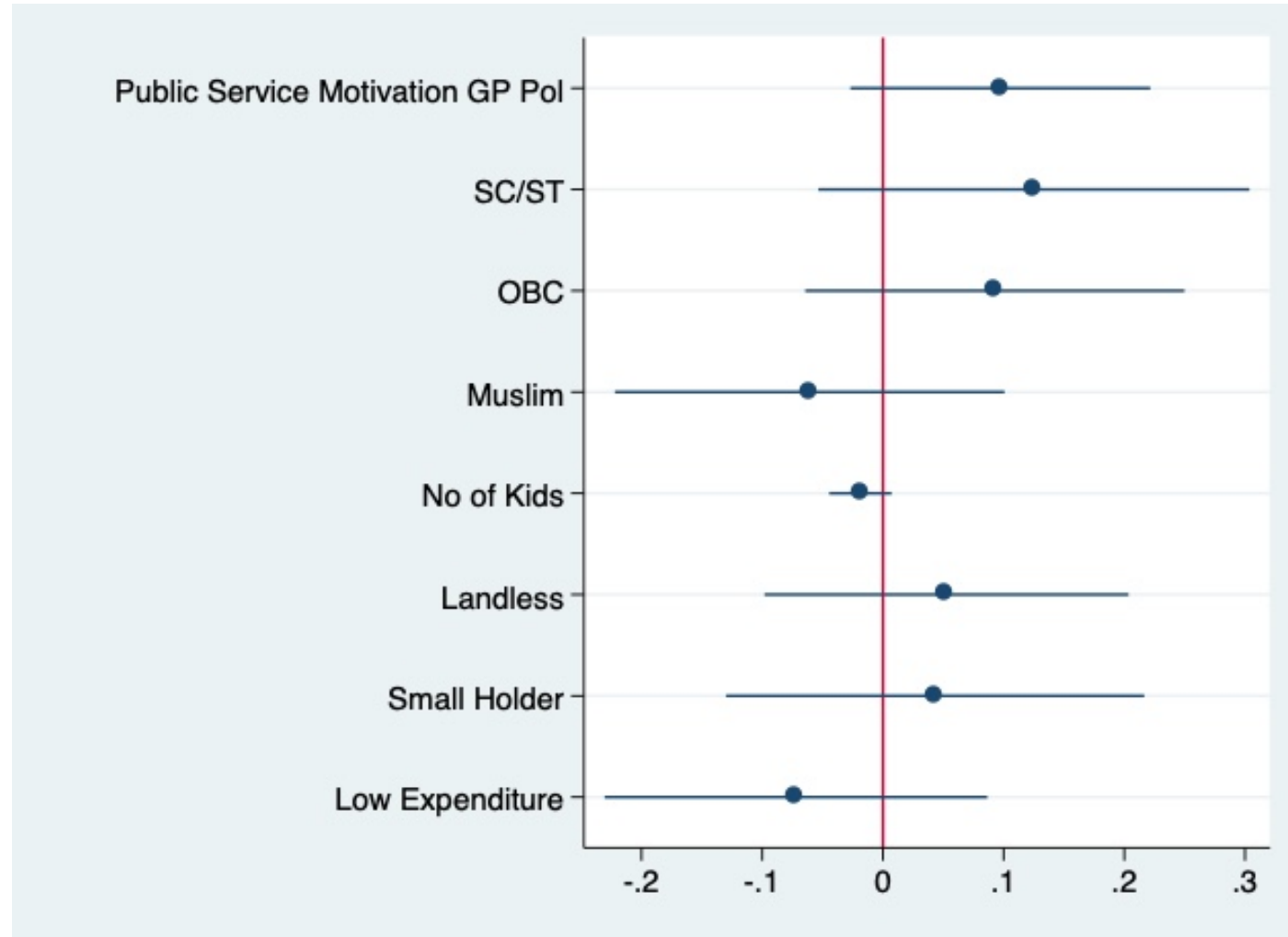


# Correlates of women reporting receipt of Iron and Folic Acid



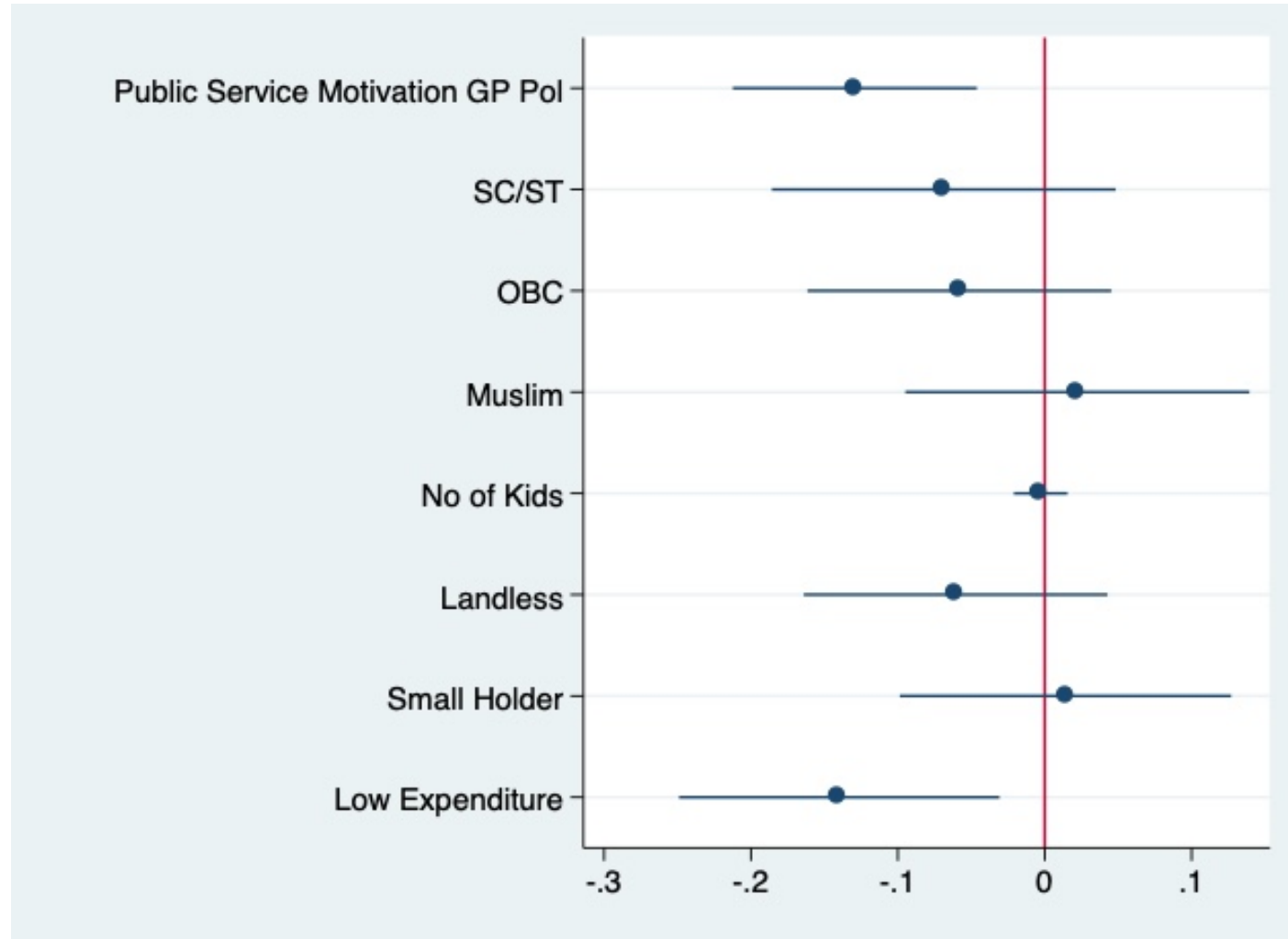
*Positive correlation with public service motivation among GP politicians*

# Correlates of women reporting receipt of supplementary food



*Positive correlation with public service motivation among GP politicians*

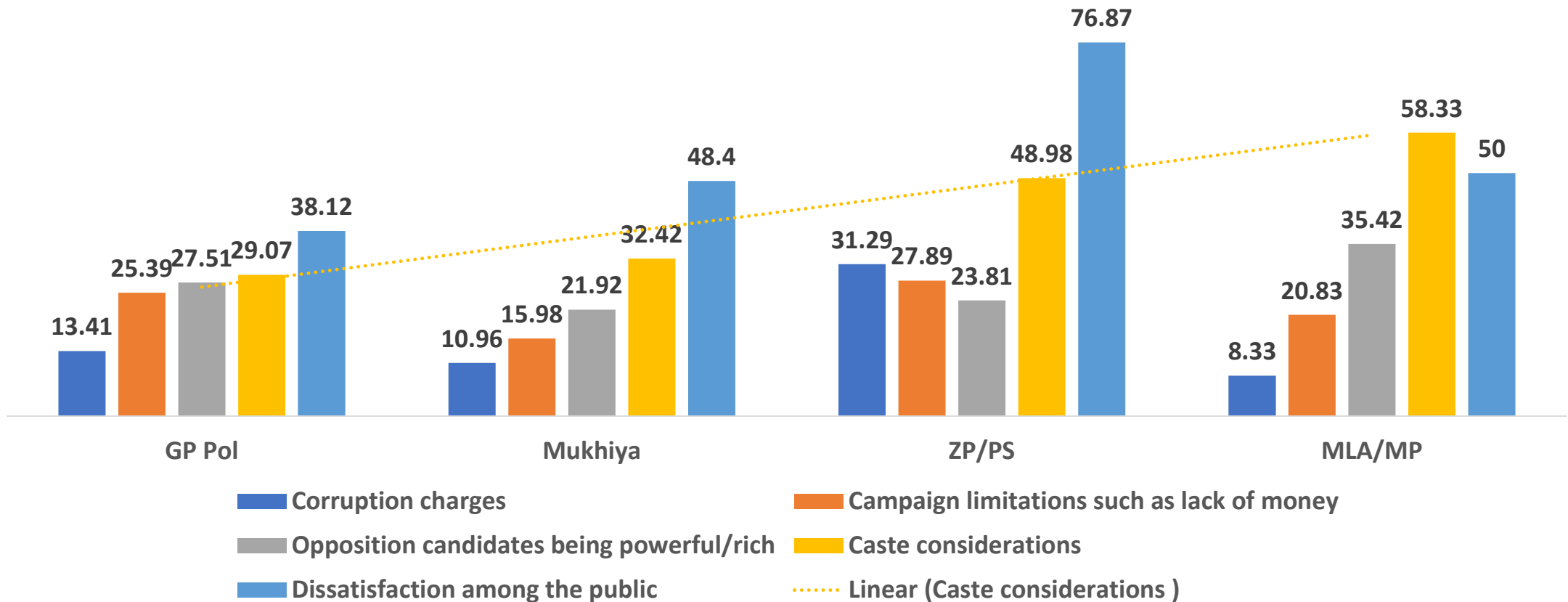
# Correlates of women reporting NEVER receiving post-natal care



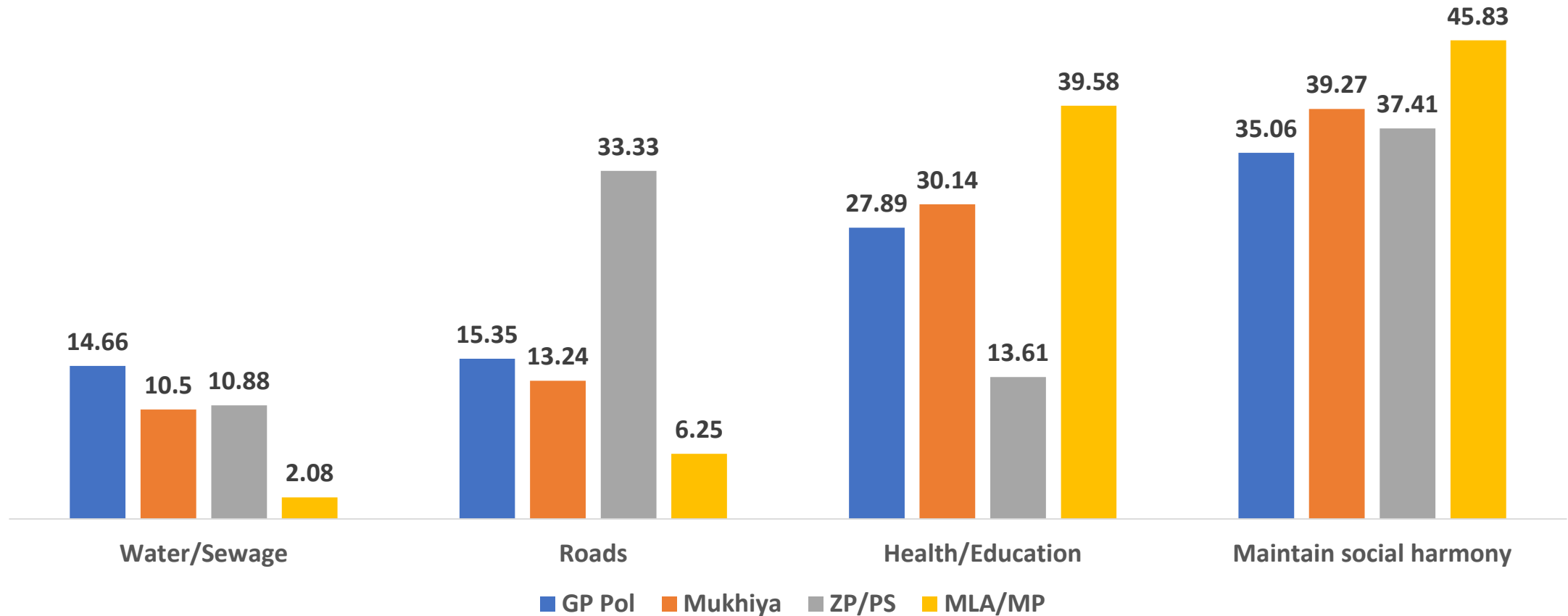
*Negative correlation with public service motivation among GP politicians*

Responses across politicians suggests that caste may matter less than service delivery in GP politics compared to higher-level politics

# Issues which could jeopardize election for politicians

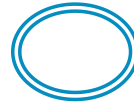


Which of the following areas of service delivery are most likely to improve your chances of getting elected/re-elected?

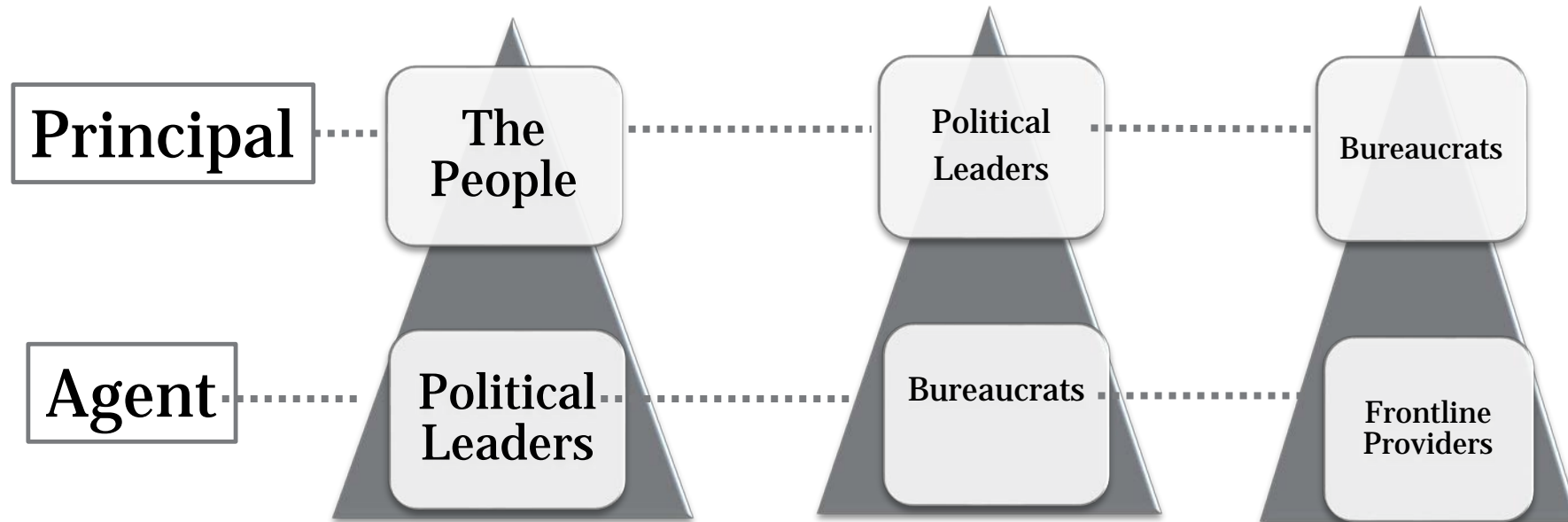




# Using Economics and Game Theory for Reforms



1. Reduced role of high-powered incentives, and greater role for recruiting intrinsically motivated agents
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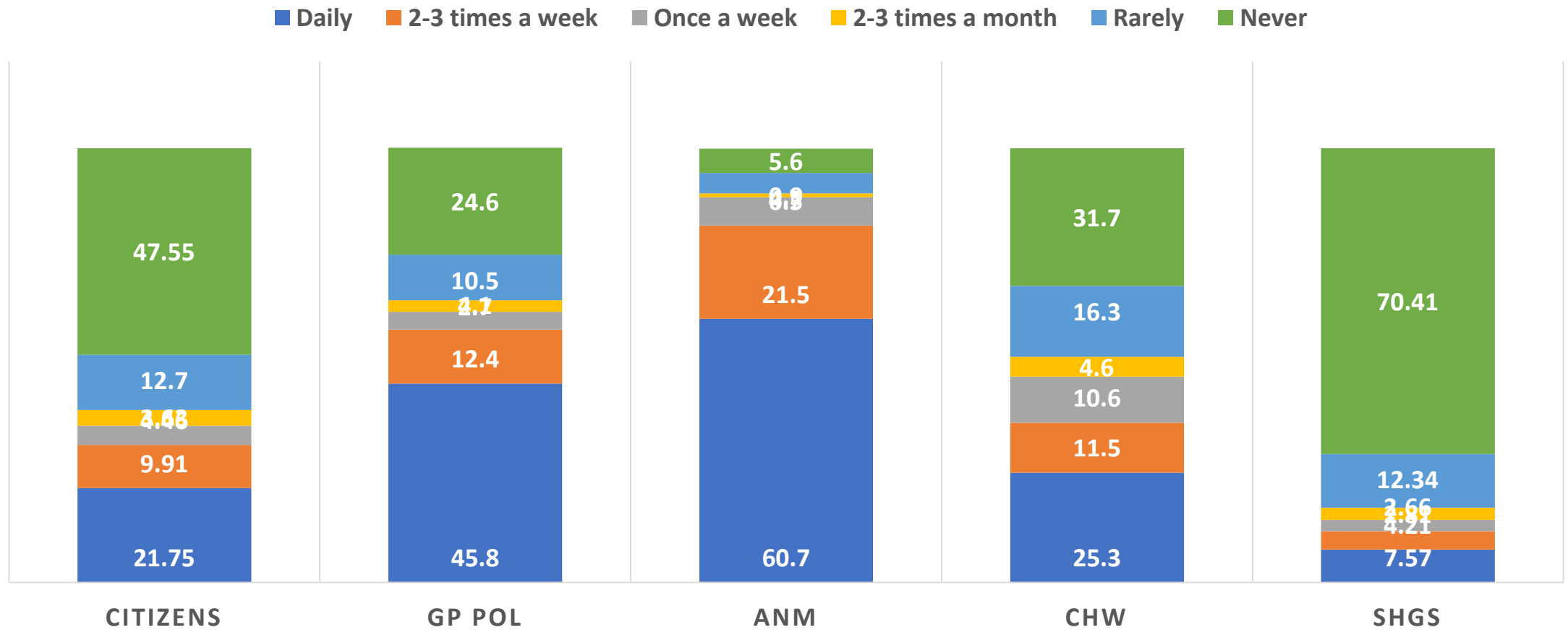
# Policy Ideas for Reform Leaders to Deliver Results



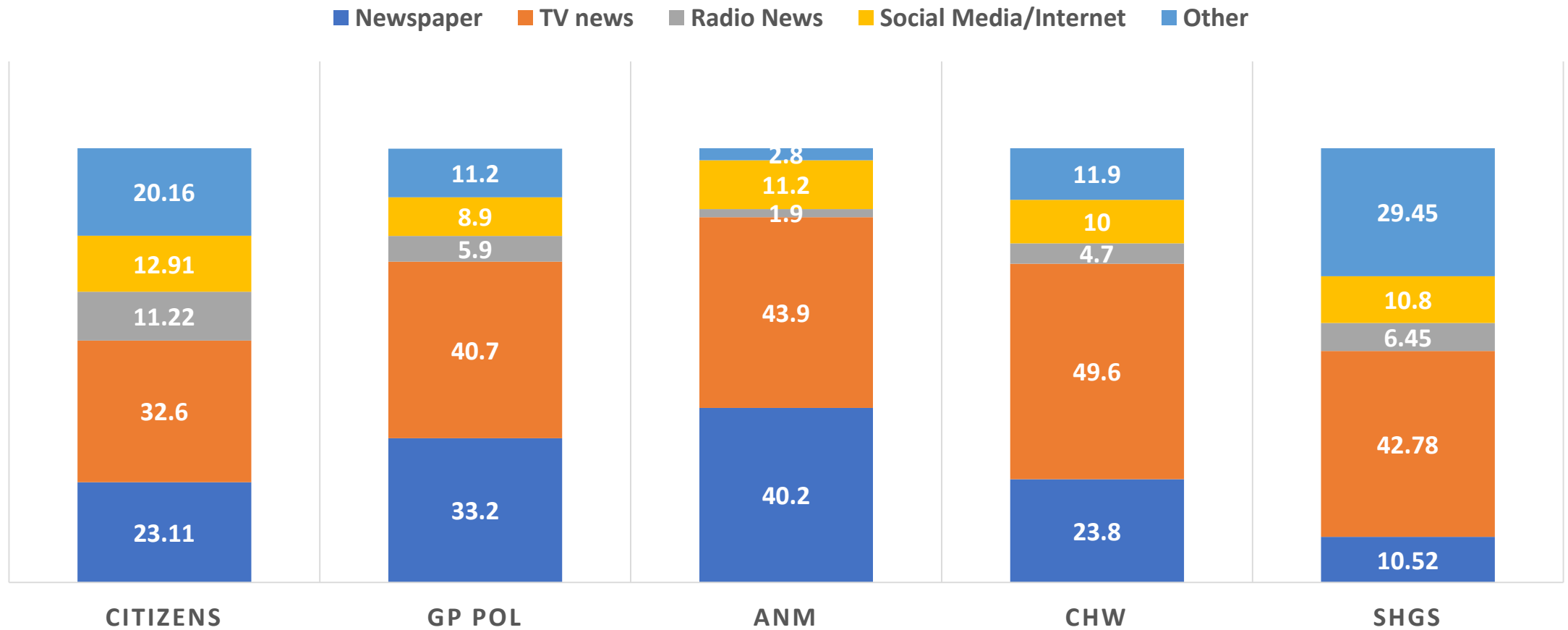
1. Communication interventions in management meetings: encouraging and inspirational messages about the value of the work the cadres are doing
2. Using mass media to build consensus across socio-economic classes about the value of public spending on child health and nutrition services (opportunity of newspaper circulation in Bihar)
3. Energizing GP-level political contestation around public health (Village-level TV shows)
4. If 1-2-3 are done, then regular living wages to CHWs may be a viable option, and enable expansion of services for the human capital needed for growth and well-being

Media Consumption measured in our survey

# Read newspaper:

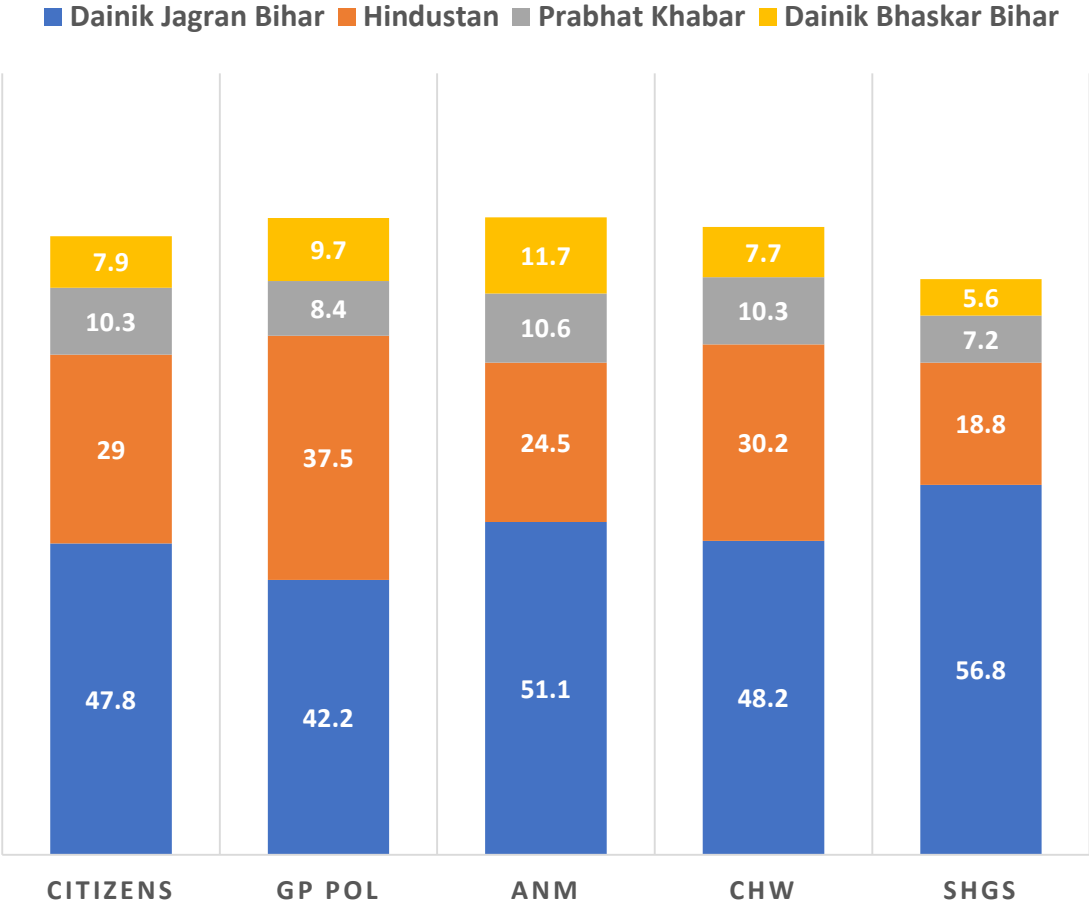


# News Source

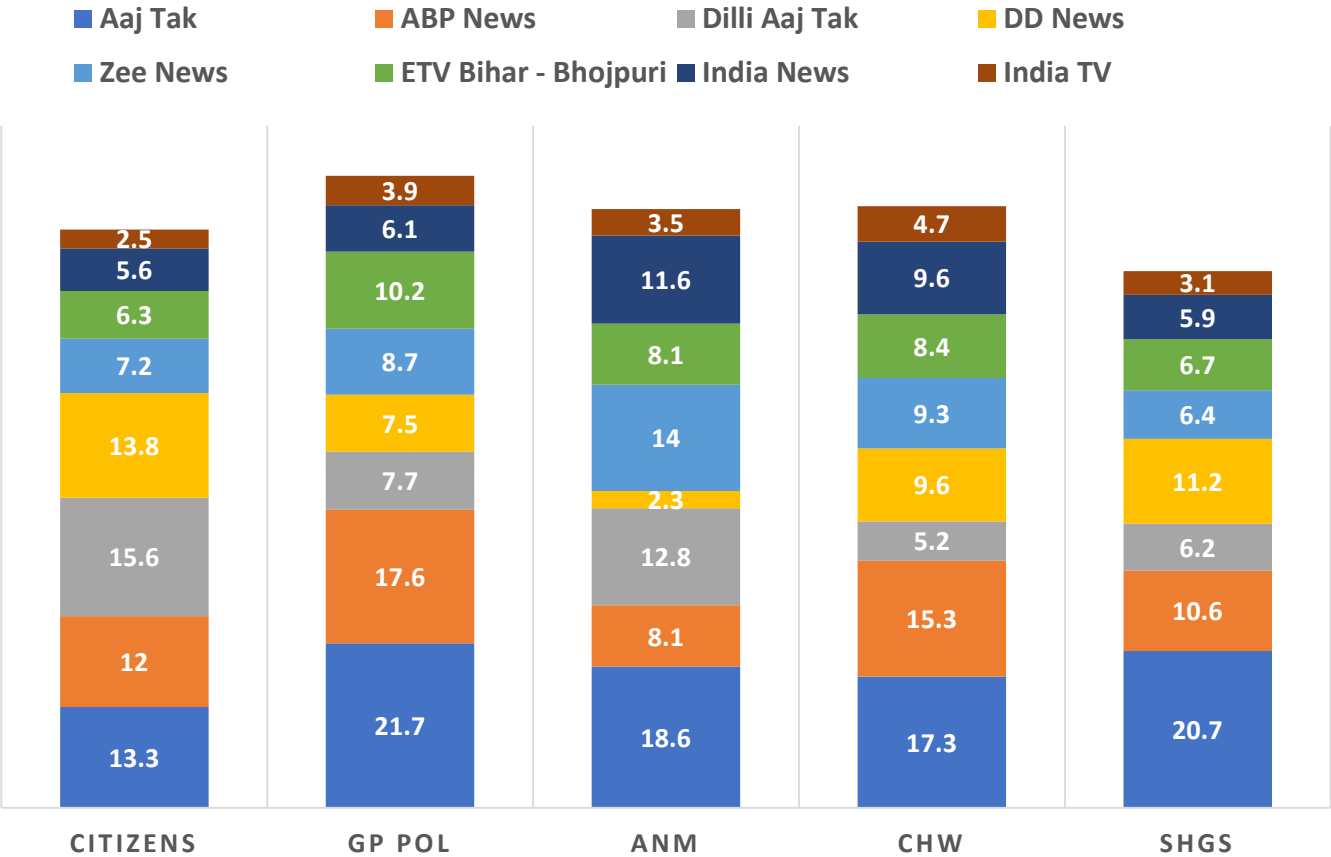


# Favorite news source

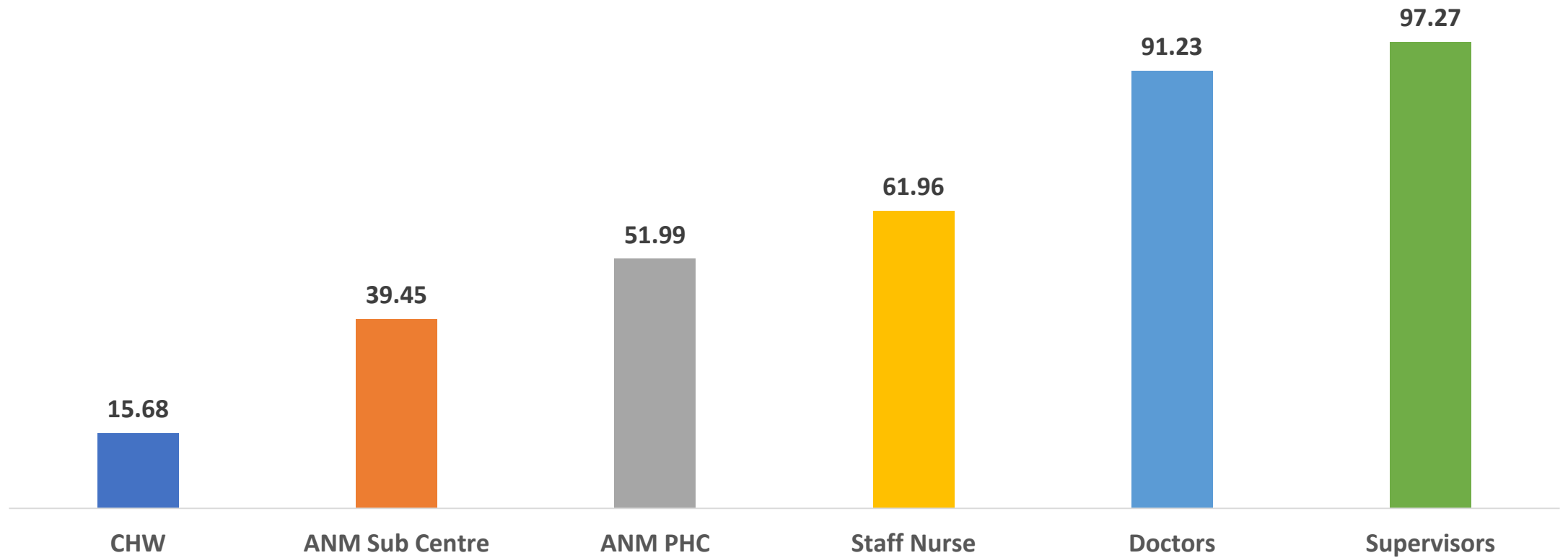
Favorite newspaper



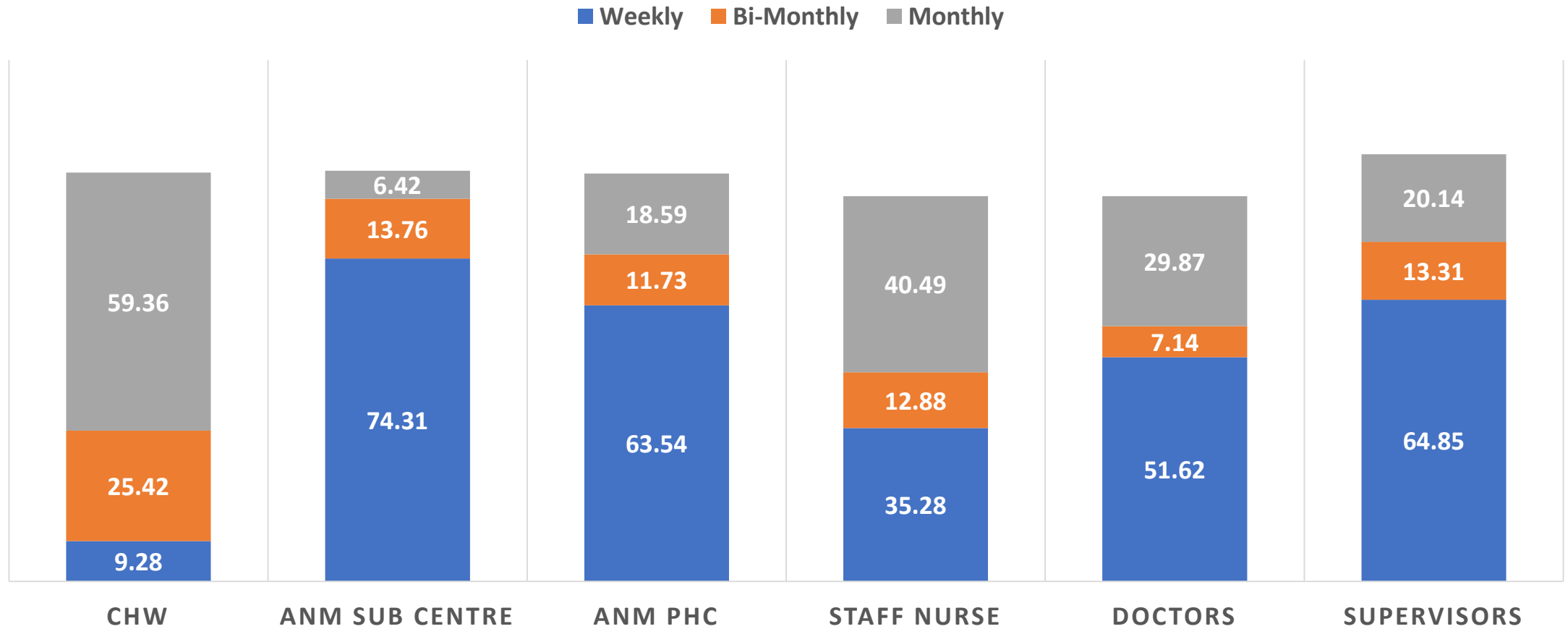
Favorite TV channel



# Use WhatsApp

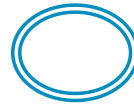


# Meeting Frequency

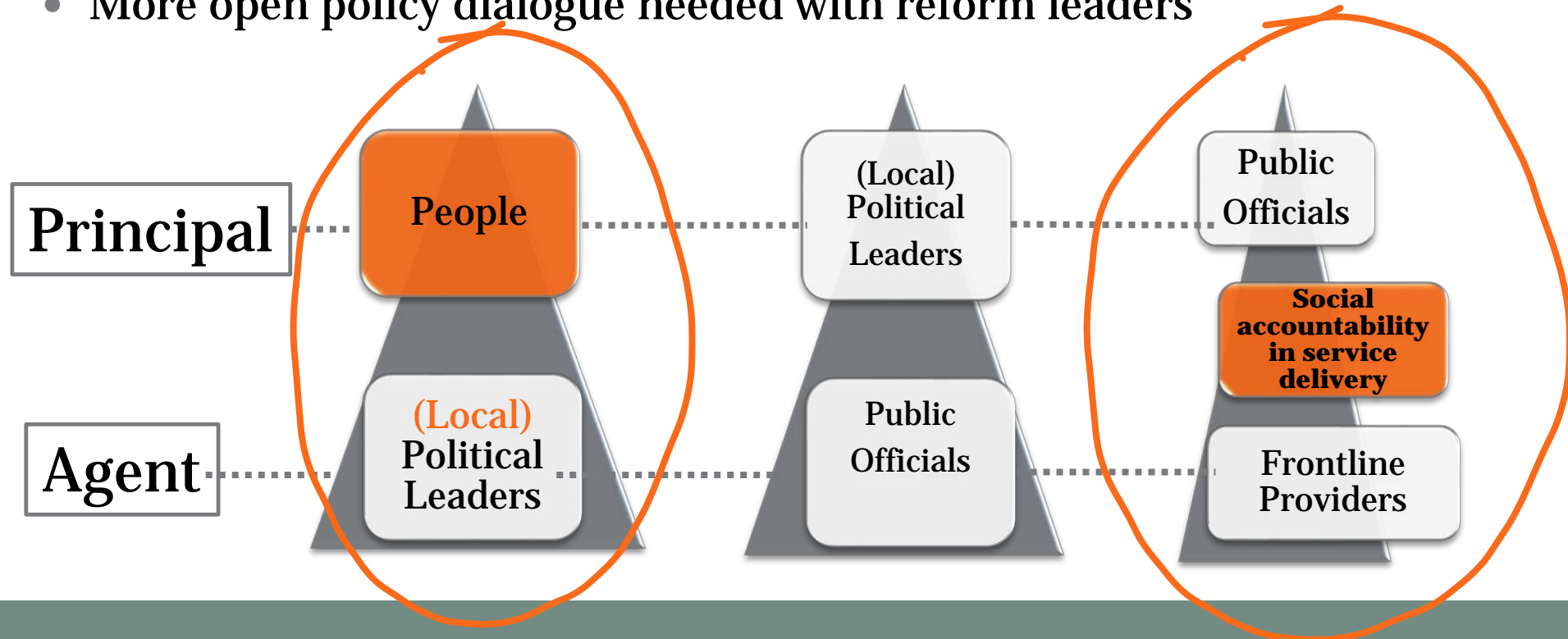




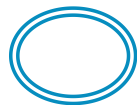
# External partners may need to design their interventions more carefully



- Taking politics into account is more difficult than may appear
- Large knowledge gaps in what works and how: rich countries don't have the answers
- More open policy dialogue needed with reform leaders

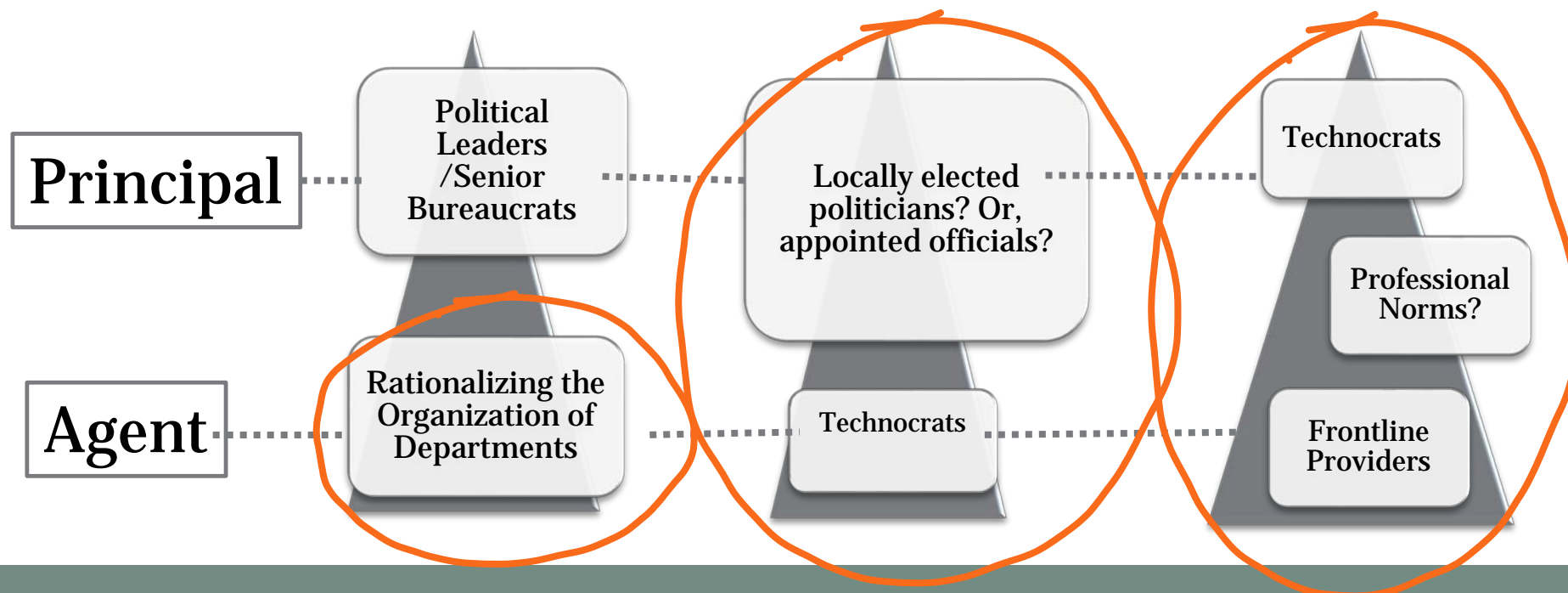


# New approach to technical assistance, everywhere

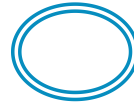


*Help reform leaders design government agencies, institutions, and data products, taking politics into account:*

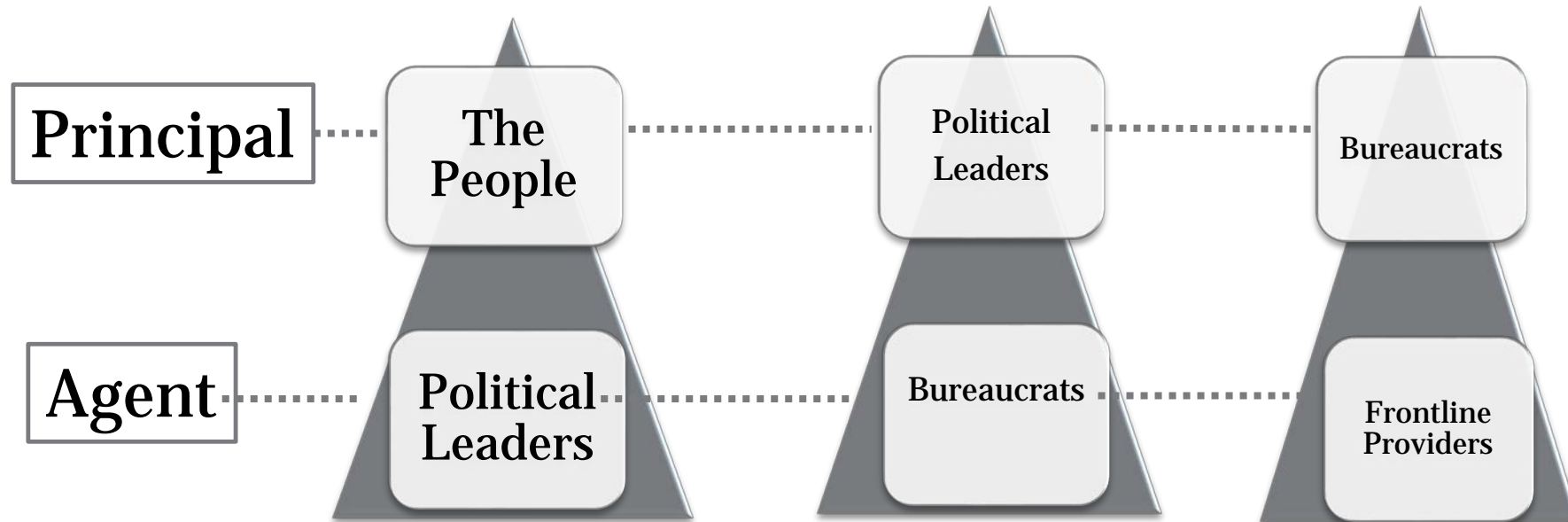
- What tasks should be assigned to whom?
- Exploring low-powered incentives + innovations in recruitment & shifting norms



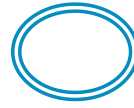
# Using Economics and Game Theory for Reforms



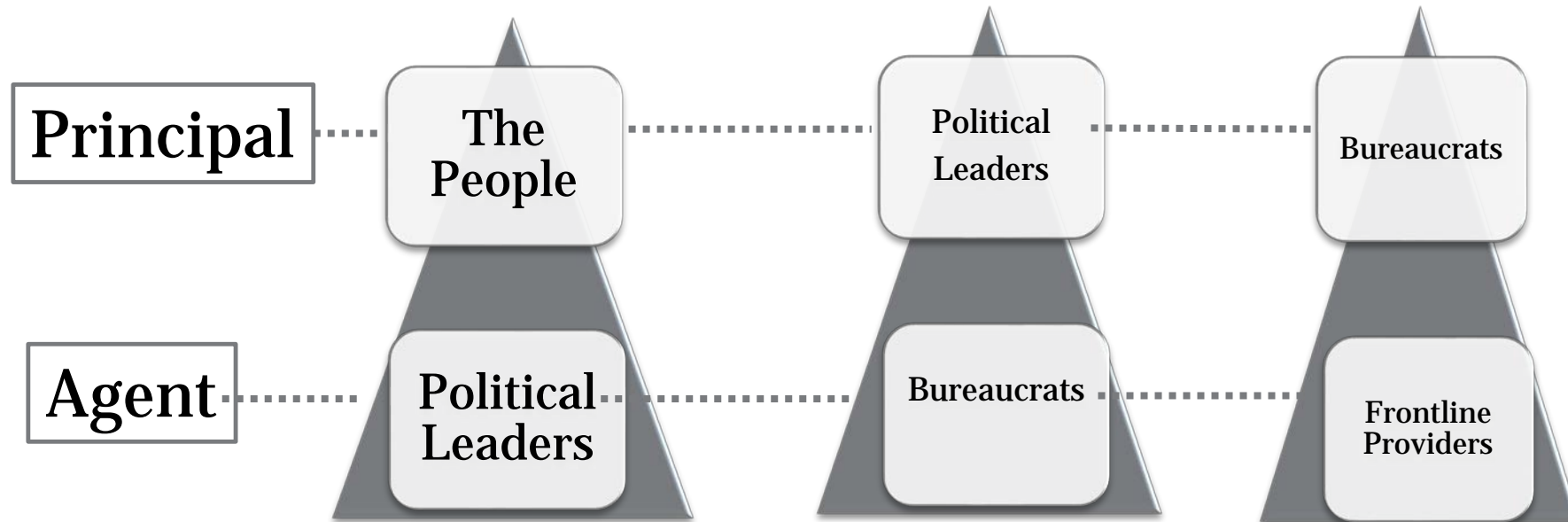
1. Reduced role of high-powered incentives, and greater role for recruiting intrinsically motivated agents
2. Reduced role for top-down hierarchical monitoring and greater role for autonomy and peer-to-peer professional norms
3. Complementary communication campaigns to shift norms—beliefs/expectations about how others are behaving (Eg. Case of Ceara, Brazil)



# Using Economics and Game Theory for Reforms



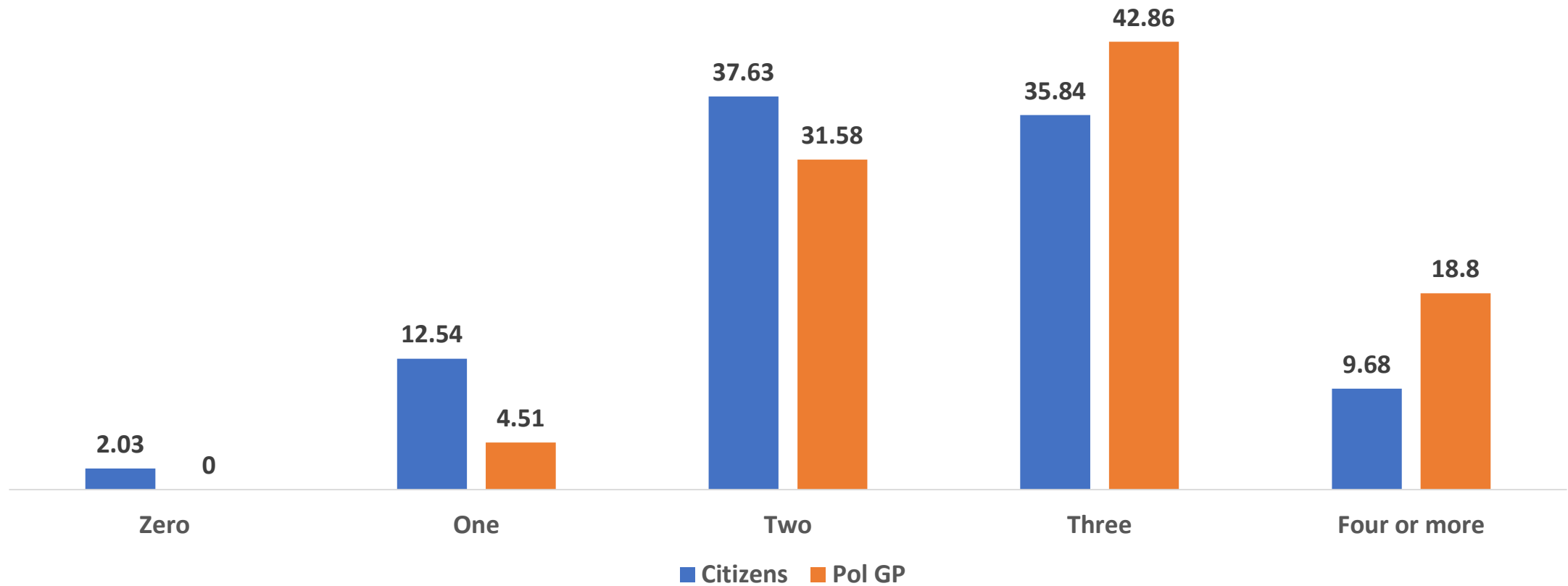
4. Need for credibly independent, homegrown research organizations that build their reputation on the basis of technical rigor and international peer review



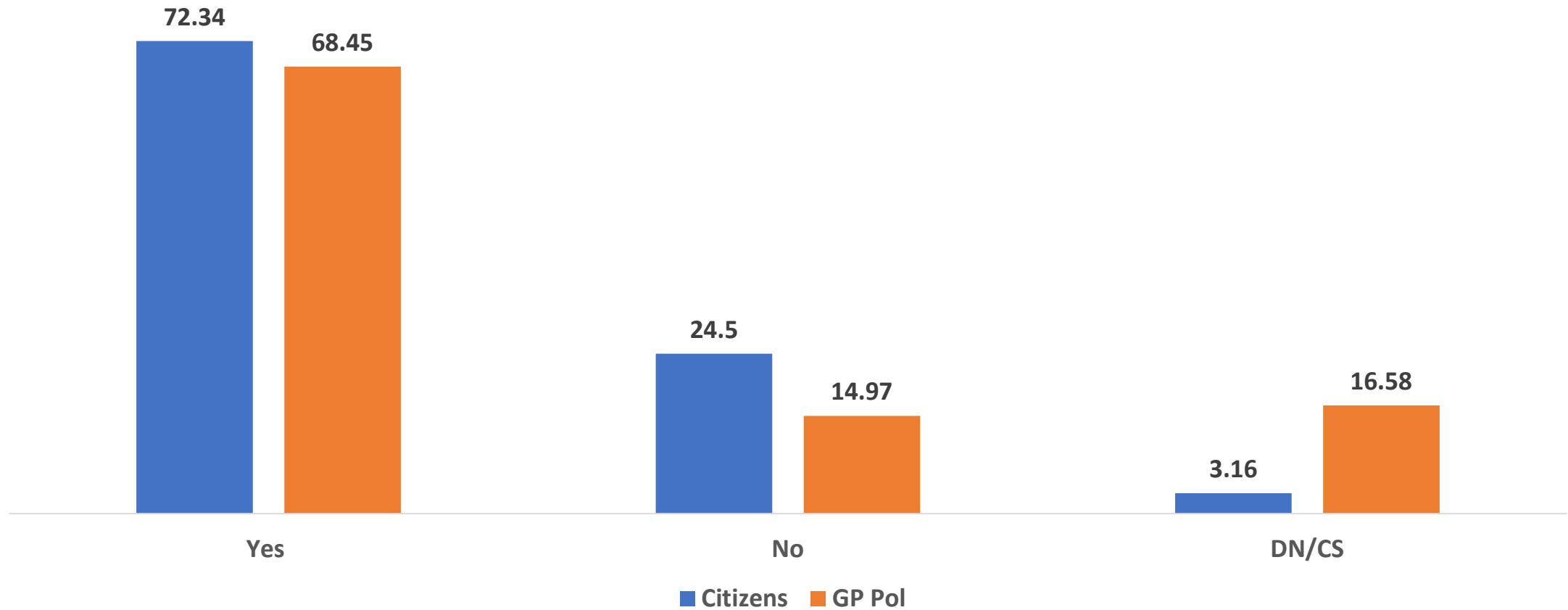
Extra slides

Scope for CHWs to deliver more  
and better services

# Number of ante-natal care checkups received:

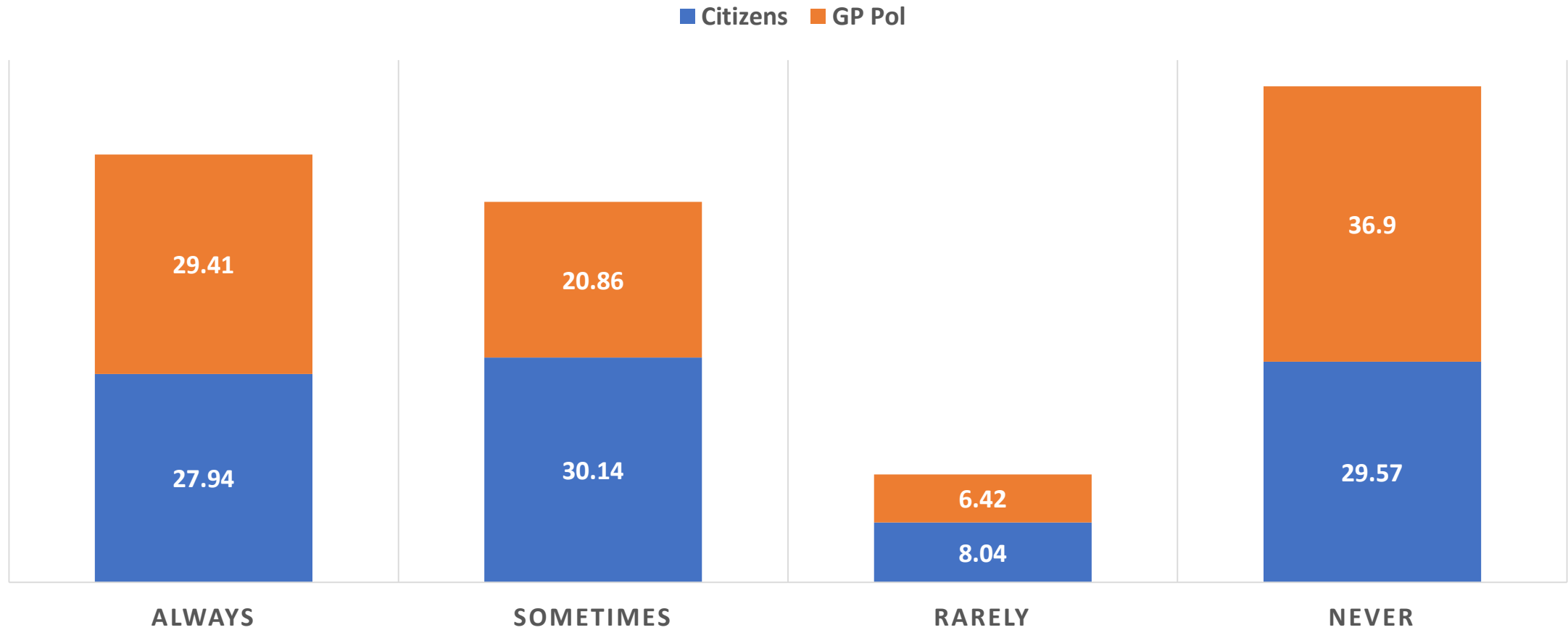


## Received iron folic acid (IFA):

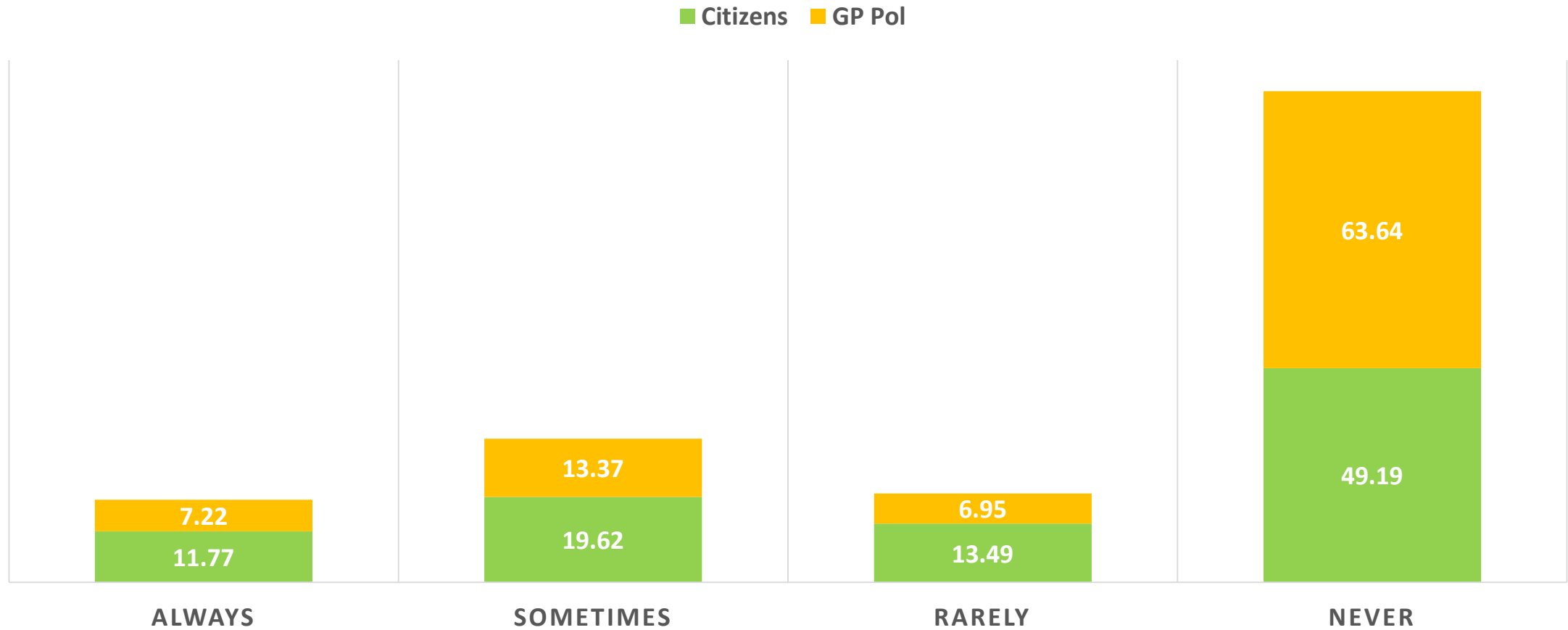




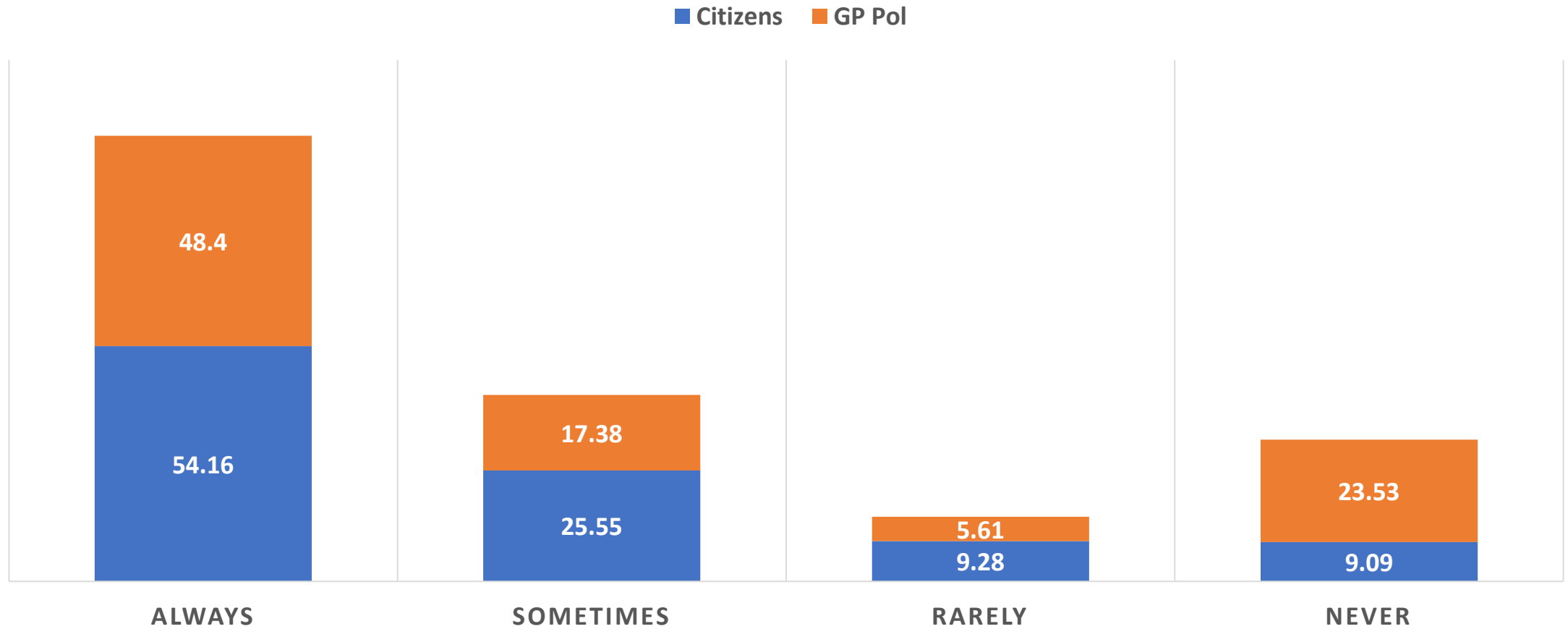
If a child has diarrhea, how do you usually treat it?- Self treatment with ORS



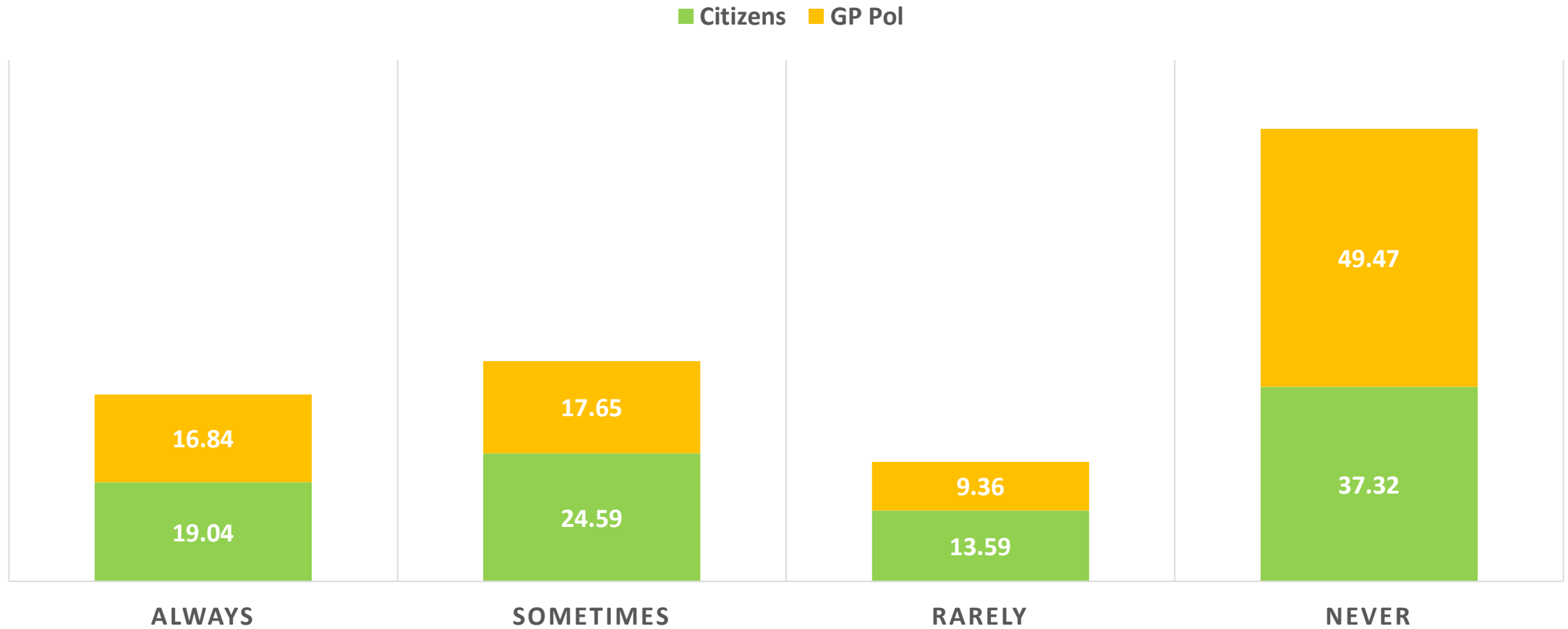
If a child has diarrhea, how do you usually treat it?- Self treatment with medicine



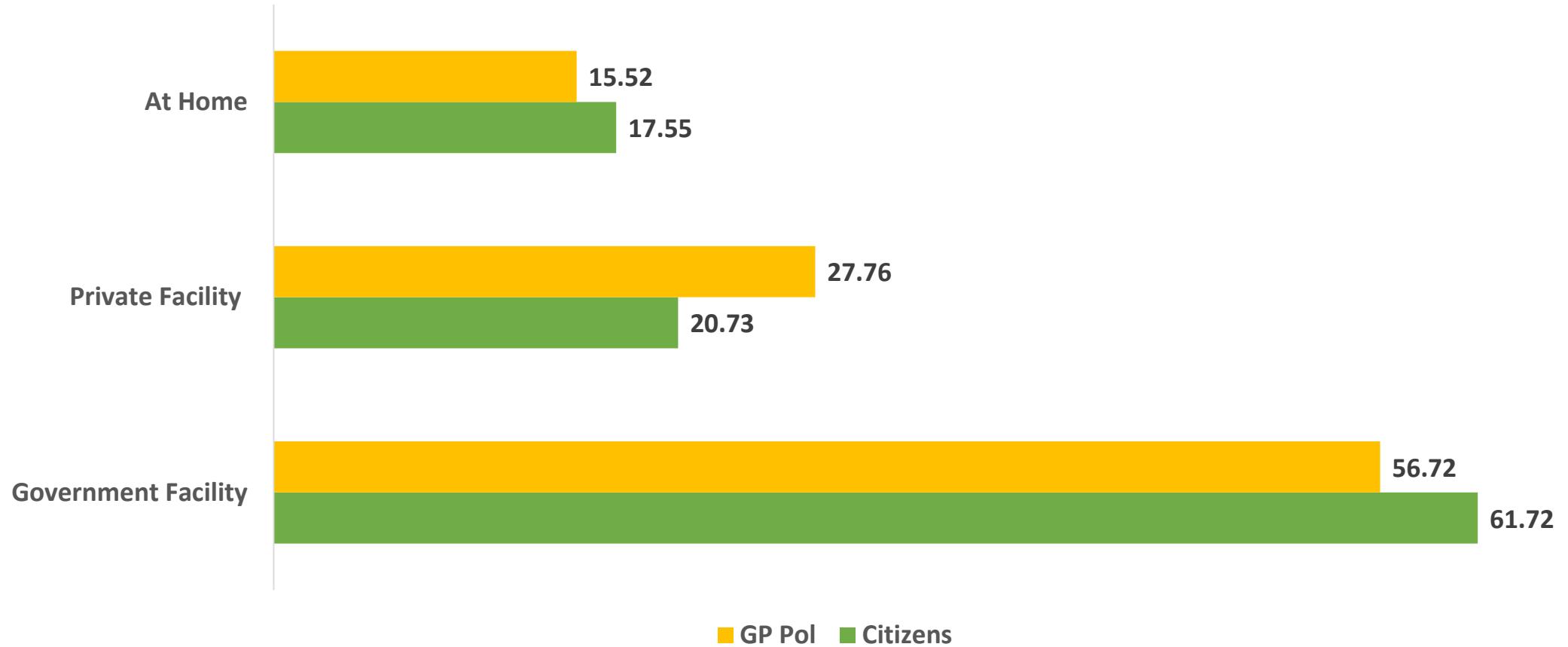
If a child has diarrhea, how do you usually treat it?- Visit private doctor



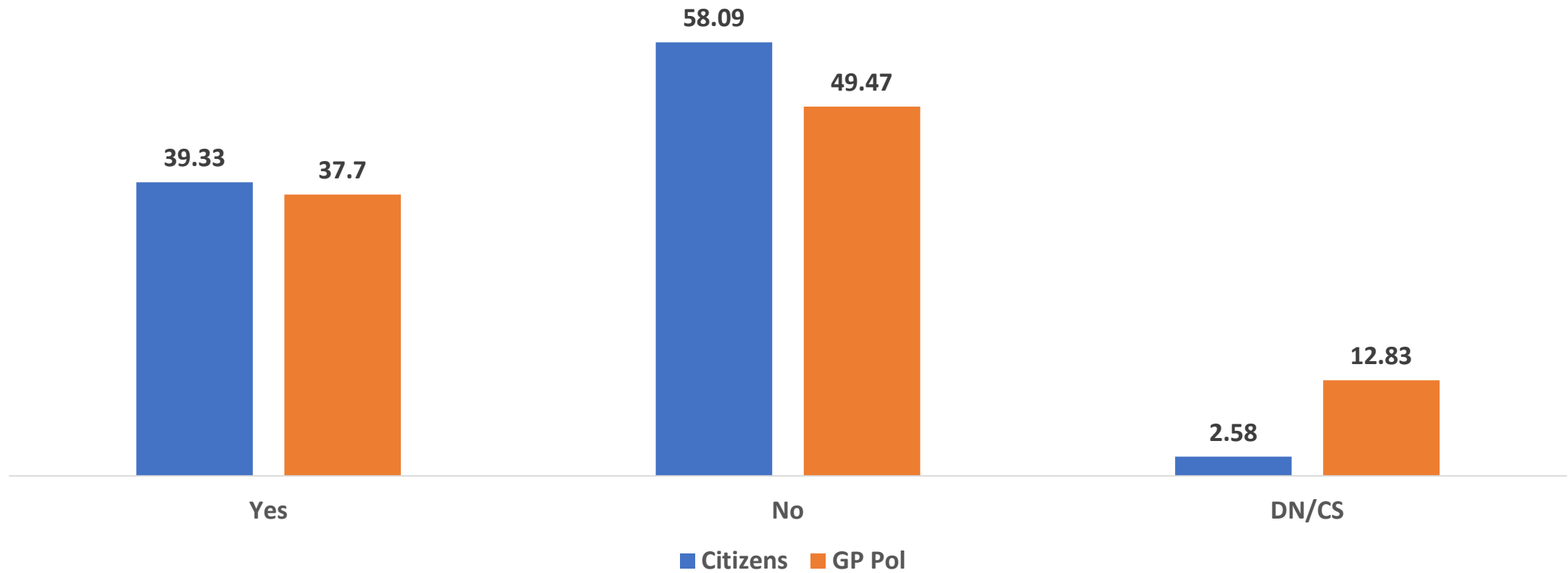
If a child has diarrhea, how do you usually treat it?- Visit ASHA/AWW



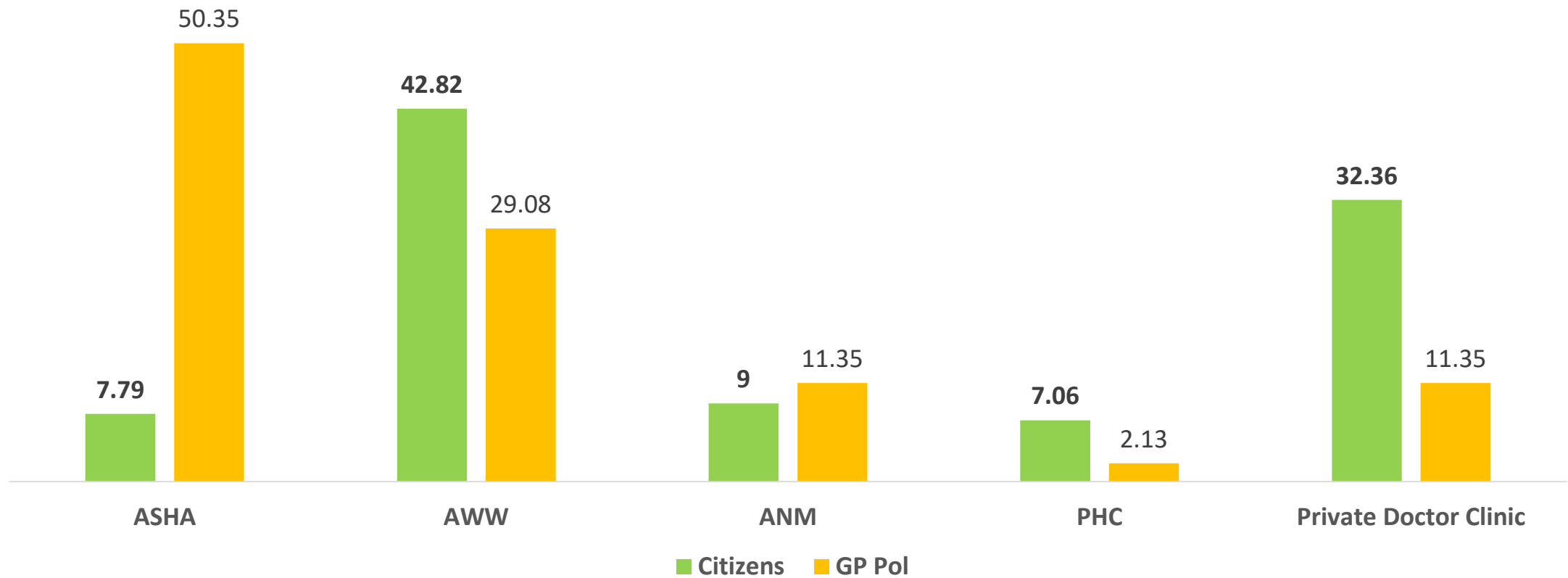
# Child Delivered:



# Received growth advice:



# Growth advice received from:



# Do you need to make informal payments to public health facility staff for availing services?

