

How Political Insiders Lose Out When International Aid Underperforms: Evidence from a Participatory Development Experiment in Ghana¹

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Although participatory development often aims specifically to mitigate problems from political biases and party-based clientelism, the path is complicated and depends critically on the efficacy of underlying programs as well as the beliefs of the citizenry. We provide a framework to understand when participatory development is likely to generate politically biased benefits, showing that even if participatory aid is neutrally allocated, neutral benefit realizations occur only under specific circumstances. We apply this framework to a five-year randomized controlled study of a major participatory development program in Ghana, analyzing the program's effects on participation in, leadership of, and investment by pre-existing political institutions, and on households' overall socioeconomic well-being. We find the government and its political supporters acted with high expectations for the participatory approach: treatment led to increased participation in local governance and reallocation of resources. But the results did not meet expectations, resulting in a worsening of socioeconomic wellbeing in treatment versus control villages for government supporters. This demonstrates aid's complex distributional consequences.

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Traditional donor aid to governments often gets allocated with bias towards those supportive of the government in power (Briggs 2012; 2014; Hodler and Raschky 2014; Jablonski 2014). In response to this politicization of aid, many international donors instead give through non-governmental organizations (NGOs) as well as via participatory development processes (Dietrich 2013; Mansuri and Rao 2013). Participatory development approaches aim to build new local institutional structures to administer aid, with the goal of achieving more effective projects and equitable outcomes. The expectation is that the new institutions developed through these approaches should be able to deliver aid neutrally, achieving benefits for citizens across the political spectrum.

We study the expansion of a participatory development program in Ghana, and find that it interacts with pre-existing political institutions in complex ways. For a complete understanding of the distributional outcomes of international aid, scholars must consider both the direct effects of aid itself and its indirect effects on how local households and governments allocate resources they control. Incorporating insights from the literatures on political participation and distributive politics (Franck and Rainer 2012; Golden and Min 2013), we provide a framework for understanding the likelihood of differential crowding in and crowding out effects along political lines at various points in the causal chain between the establishment of participatory development projects and the realization of aid benefits. We demonstrate that, when considering the full effects of international aid on distributive outcomes, there may be biases along political lines due to differential response of pre-existing institutions, even if the international aid itself is neutrally administered.

We apply this framework to a five-year randomized controlled study of a participatory development program in Ghana. Approximately half of 97 clusters of villages in Ghana's Eastern

Region, each containing two villages, were assigned to partake in a multi-sectoral participatory development program run by The Hunger Project (THP), an international NGO with experience implementing similar programs in eight countries for more than a dozen years prior to the study. We tracked governance and socioeconomic outcomes using two waves of household, community and leadership surveys in these 194 villages. We collected long-term follow-up data (five years after baseline), as well as a breadth of information at the household, community and institution level. This allowed us to analyze how participatory development councils compared with and affected local traditional institutions and local governments, and how the participatory development program affected resource flows from other governance structures.

We advance our understanding of the relationship between international aid and domestic politics in receiving countries in three ways. First, we demonstrate that the skills and capacity developed through participatory development programs can complement partisan connections in increasing political participation. In contrast to previous scholarship, which has mainly found null effects of participatory development programs on other forms of political participation, we find a positive effect concentrated among co-partisans of the incumbent party.⁶ Second, we show how participatory development institutions can crowd out citizens' contributions to (and, to an extent, governments' investments in) other public goods projects in their communities. This highlights the opportunity costs of these projects, which have only rarely been emphasized.⁷ Finally, we highlight the complexity of international aid's distributional consequences. Debate typically has centered on how to avert biases toward government supporters, with empirical studies focusing on the distribution of aid inputs versus the distribution of socioeconomic outcomes (Brass 2012;

⁶ For a review, see Casey (2018).

⁷ For important exceptions, see Labonne and Chase (2011) and Deserranno, Nansamba, and Qian (2019).

Briggs 2012; 2014; 2017; Jablonski 2014). Bringing in theoretical insights from the literatures on political participation and redistributive politics, we show how – in the context we study – government-aligned citizens shifted resources into the participatory approach, and then ended up worse off because the new institutions performed poorly compared to pre-existing ones. By analyzing the broad socioeconomic effects of aid across sectors, as is considered best practice in the literature on distributional politics (Kramon and Posner 2013), we make an empirical advance in the study of international aid’s distributional consequences.

A Framework for Considering Participatory Development and Partisan Favoritism

Traditional government-to-government aid is subject to numerous problems, including elite capture and diversion for political purposes (de Mesquita and Smith 2009). Existing research has shown that donor-supported projects are frequently targeted at incumbent parties’ core constituencies. In Kenya, Briggs (2014) shows that donor funds given to the government for specific projects were skewed to the incumbent president’s base between 1989 and 1995; Jablonski (2014) demonstrates a similar pattern for government projects funded by the African Development Bank and the World Bank between 1992 and 2010. In Ghana, Briggs (2012) shows that a World Bank-funded electrification project was diverted to the incumbent’s political base in the run-up to the 2000 elections. More generally, Hodler and Raschky (2014) show that foreign aid is associated with higher levels of regional favoritism in countries with weak political institutions.

Donor support to NGOs, which has blossomed in the past two decades, is partly a response to these problems (Dietrich 2013). International aid to NGOs has been shown to be less politically motivated than donor aid to governments (Büthe, Major, and Souza 2012; Faye and Niehaus

2012). Scholars also hope it will be more neutrally allocated within countries; for example, Brass (2012) finds that support for the incumbent does not influence the location of NGO projects in Kenya.

Participatory development, or community development, approaches can be considered an extreme example of donor responses to misallocation of aid by recipient governments.

Participatory development aid is defined by its investment in new institutions that mobilize community members to participate in decision-making and project management (Mansuri and Rao 2013, 16). The exact form this investment takes varies, but it usually involves constituting new decision-making bodies and providing leadership training to community members with the goal of enhancing participation of previously excluded groups and individuals.

The justification of this investment is based on the assumption that aid would otherwise be misallocated, due to inefficiencies in top-down approaches and intentional diversion by national leaders (Oates 1972; Ostrom 1996; Bardhan and Mookherjee 2000). Participatory development is often justified as a way of ensuring the insulation of aid from political elite's decisions due to fears of embezzlement ("financial corruption") and political favoritism ("political corruption") (Bates 1981). The most enthusiastic proponents of participatory development argue that it not only insulates public goods provided through the project from misallocation, it also generates participatory skills and creates coordinating institutions that subsequently improve government accountability (Casey, Glennerster, and Miguel 2012; Fearon, Humphreys, and Weinstein 2015).

Although scholars have examined the assumptions and empirical evidence for the claim that participatory development reduces embezzlement in some detail (Alatas et al. 2012; Beath, Christia, and Enikolopov 2013; Casey, Glennerster, and Miguel 2012; Olken 2007; Fritzen 2007;

Platteau and Gaspart 2003; Humphreys, Sánchez de la Sierra, and Van der Windt 2019; van der Windt, Humphreys, and Sanchez de la Sierra 2018), researchers have paid less analytic and empirical attention to whether participatory development reduces political favoritism and how citizen expectations regarding such favoritism affects their engagement in participatory development. Should we expect participatory development to allocate benefits from international aid in a politically neutral fashion?

To analyze this question, we focus on the difference between *co-partisans* of the government and *non-co-partisans*. Partisanship is conceived as the degree to which individuals *identify* with and *feel loyalty* to a political party (Michelitch and Utych 2018). Partisanship is an analytically powerful individual trait, influencing the propensity to vote, vote choice and other forms of political participation in multiparty electoral systems, even in relatively new democracies (Brader and Tucker 2001; Conroy-Krutz, Moehler, and Aguilar 2016; Harding and Michelitch 2021; Kuenzi and Lambright 2008). Partisan identification is often based on other social cleavages, including ethnic and racial identity, social class, religion and regional affiliation, with the extent to which each of these cleavages matter varying by country (Lipset and Rokkan 1967). In sub-Saharan Africa, partisanship often overlaps with ethnic cleavages, but the extent to which it does varies by country (Koter 2013; Harding and Michelitch 2021; Ichino and Nathan 2013). We focus on partisan, rather than ethnic cleavages, due to their more universal importance in structuring citizens' relationships with the government, while acknowledging that there may be ethnic underpinnings to these identities in some countries.

We focus on whether participatory development can allocate aid benefits neutrally across *partisan lines* for both empirical and policy reasons. Considerable evidence indicates politicians favor co-partisans in their distribution of state resources (Stokes et al. 2013), including

international aid channeled through the state (Briggs 2012; 2014; Jablonski 2014).⁸ As a result, it is important to understand the extent to which participatory development fares better in combatting this well-established bias. In addition, as a policy matter, international donors and NGOs are often hesitant about providing aid that shores up the political base of incumbent governments and/or opens them to allegations of partisanship, given the increasing frequency of inter-partisan violence around the world (Hafner-Burton, Hyde, and Jablonski 2018).

Is participatory development likely to result in non-partisan distribution of aid benefits?

Participatory development might appear to solve the problem of partisan aid allocation by taking distribution decisions out of the hands of politicians. Assuming the NGO responsible for initiating participatory development desires to provide its aid neutrally and political actors cannot steer it toward serving particular communities – either directly, by granting permission, or indirectly, by providing infrastructure like roads necessary for community access – participatory development might be expected to be allocated in a politically neutral fashion.

But even in this best case scenario, the benefits of participatory development may not be neutrally allocated for two reasons. First, partisanship has consequences for interactions and information processing in a variety of social settings, potentially including participatory development projects (Carlson 2016; Michelitch 2015). Second, participatory development projects interact with existing government institutions, which are rarely politically neutral in their allocation decisions ((Stokes et al. 2013; Mares and Young 2018), to realize socioeconomic

⁸ A long-standing analytical debate examines whether politicians *should* target core supporters or swing voters with resources in order to maximize their chance of retaining office (Dixit and Londregan 1996; Lindbeck and Weibull 1987). Although there is significant evidence that politicians target resources at competitive constituencies, studies that employ individual-level data show that co-partisans are generally targeted within these constituencies to encourage turnout (Golden and Min 2013; Mares and Young 2018; Calvo and Murillo 2013; Nichter 2018).

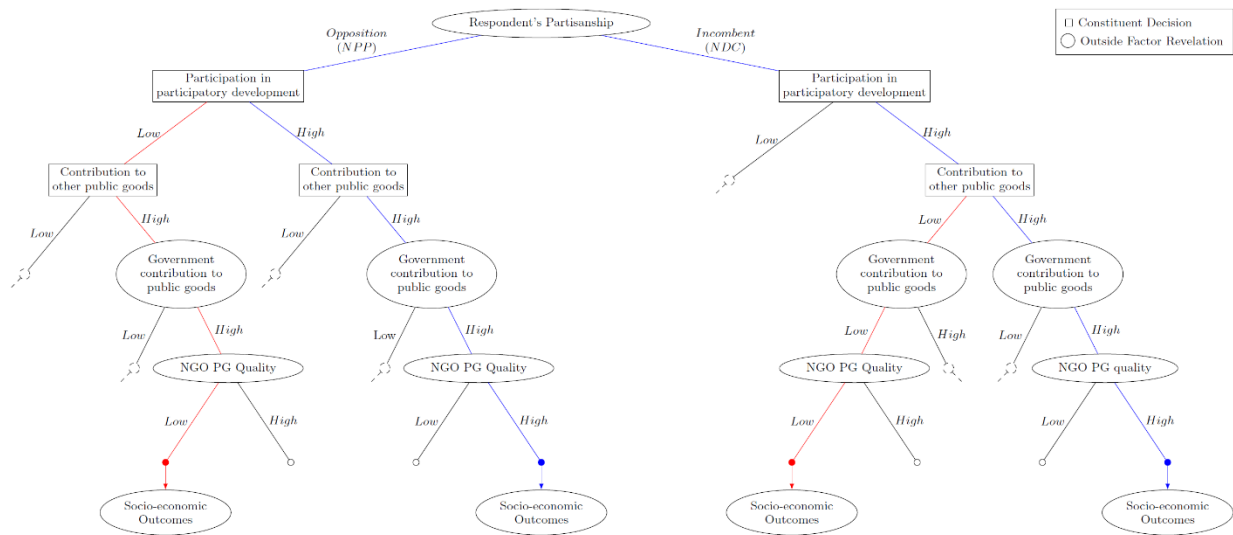
benefits. There is a long causal path between the establishment of participatory development institutions and the realization of aid benefits, with the potential for partisan differences in effort and investment at each step. As a result, participatory development will only result in neutral allocation of aid benefits under a very specific set of circumstances.

We demonstrate this by outlining the causal chain between the establishment of participatory development projects and the realization of aid benefits in Figure 1. The purpose of this diagram is to highlight the numerous points in the causal chain where partisan differences in socioeconomic benefits may be introduced. Once a participatory development project is initiated by an NGO, community members face two key decisions. They decide whether and the extent to which they are willing to participate in the project. They also decide how much to contribute to other public goods organized by other institutions in their communities. Two important outside factors (which may themselves be endogenous to the participation decisions) are revealed. First, governments decide how much to contribute to public goods across communities. And second, the quality of the public good provided through the participatory development project is realized. Together, these decisions and factor revelations affect the socioeconomic outcomes realized by citizens. But, at each step of the chain, existing research suggests the possibility of partisan variation in effort and investment, as explained below.

In Figure 1, the first point at which we might expect differential partisan effects is in decisions to participate in participatory development projects. Even in contexts in which NGOs initiate participatory development projects across communities in a politically neutral fashion, there may be differential participation in these projects along partisan lines. In many countries, partisans have different social and information networks, even within local communities (Auerbach and Thachil 2020; Brierley and Nathan 2021; Carlson 2016). As a result, party members may have

different levels of information about initiated projects, or they may attach different credibility to information about them (Larson, Lewis, and Rodriguez, n.d.) They are also likely to value participatory development projects differently as a result of differential expectations about assistance through existing networks (Calvo and Murillo 2013). This may result in different levels of participation by partisanship, even if the project itself is not politically targeted. It is plausible that either government partisans or opposition partisans could be more likely to participate, depending on how information is circulated and expectations of support from existing networks.

Figure 1. Under What Conditions Will Participatory Development Have Politically Neutral Distributional Effects?



The benefits from participatory development projects also depend on how these projects interact with existing institutions for providing public goods in the community. Other projects may act as complements to or substitutes for the public good provided through participatory development.

As a result, in addition to considering the possibility for partisan differences in citizens' participation in participatory development projects, we also consider the likelihood of partisan differences in community members' contributions to other public goods and the government's investment in public goods. In Figure 1, this is the second point in the causal chain. As a result of partisan differences in information and social networks, community members belonging to different parties will often have baseline differences in their inclination to participate in other public goods. In addition, if community members are differentially mobilized into participatory development projects, this may change contributions to other public goods too. If participatory development projects build skills and networks that facilitate other types of collective action, it may increase contributions to other public goods (Casey, Glennerster, and Miguel 2012), but if participatory development projects crowd out other activities, it could decrease contributions (Khilji and Zampelli 1994; Torpey-Saboe 2015; Labonne and Chase 2011). Insofar as other public goods either complement or substitute for the public goods provided through participatory development projects, this affects how the benefits from participatory development are allocated.

The third point in Figure 1's chain is government investment in public goods. In many cases, government investment exhibits partisan bias. A large body of evidence finds partisan effects in the allocation of government-financed public goods. Theoretically, we might expect either the incumbent party's core supporters or non-aligned ("swing") voters to be targeted (Lindbeck and Weibull 1987; Dixit and Londregan 1996), with either type of targeting inducing a type of partisan bias. However, empirically, the bulk of the evidence suggests that co-partisans of the incumbent party receive a larger share of government investment (Burgess et al. 2015; Franck and Rainer 2012; Golden and Min 2013; Kramon and Posner 2016). In addition, insofar as the amount of government resources provided to communities is endogenous to participatory

development projects, as hypothesized by participatory development advocates, any partisan differences in uptake may translate into partisan differences in allocation of government resources.

The final point in the chain in Figure 1 is the realization of the quality and type of public goods provided through the participatory development project. The extent to which the public good provided benefits a particular community member depends on both its quality and the extent to which it matches their needs. Theoretically, it is possible that the public good provided will better match the needs of community members belonging to one party. Participatory development projects may be designed to provide public goods that are differentially needed across party lines. Participatory councils may also decide to provide public goods that are prioritized by one group to the extent that that group has higher participation levels in the project. We mention this as a theoretical possibility but, as an empirical matter, existing research suggests significant homogeneity in the prioritization of public goods within villages. For example, the evidence in Labonne and Chase (2009) and Olken (2010) suggest minimal differences in project prioritization between elites and non-elites within villages, and Lieberman and McClendon (2013) find minimal differences in policy priorities across ethnic groups within the same locality. As a result, we expect the first three points in the chain to be more important in generating partisan differences than the last.

This discussion highlights that possibility for partisanship in the allocation of benefits from participatory development aid, even when the aid is neutrally allocated by the NGO initiating the project. Except in cases of consistent null partisan effects at each stage in Figure 1's chain (which the existing literature suggests is unlikely) or differently signed partisan effects at each stage that ultimately cancel each other out (which is one of many possibilities), there will be

partisan bias in the benefits from participatory development projects. Situations in which participatory development projects allocate benefits from international aid in a politically neutral fashion should be considered exceptional, rather than the rule. The best-case scenario for participatory development, in which both partisans and non-co-partisans of the government are consistently positively mobilized at each step of the chain – illustrated by the blue lines in Figure 1 – is a particularly rare scenario. In the setting we study, we instead find partisan differences in effects and low quality NGO public goods, as illustrated by the red lines in Figure 1, ultimately leaving government partisans worse off in treatment versus control communities.

Local Governance in Ghana’s Eastern Region

We study participatory development’s effects on preexisting governance structures in the context of Ghana’s Eastern Region. Community-driven development projects are common across low and middle income countries (Mansuri and Rao 2013; White, Menon, and Waddington 2018). However, most existing experimental research on the effects of community-driven development has focused on post-conflict settings and “failed states” (Avdeenko and Gilligan 2015; Casey, Glennerster, and Miguel 2012; Fearon, Humphreys, and Weinstein 2015; Humphreys, Sierra, and Windt 2014). We study the impact of participatory approaches in a poor but peaceful setting with strong pre-existing political institutions. The effects of participatory development programs on preexisting institutions are arguably particularly important in settings with strong existing governance structures. Our study took place in villages across Ghana’s Eastern Region.⁹ These

⁹ Only four of the 17 districts in existence in 2006 were excluded – one because it was urban; two because the program had previously been rolled out in these districts; and one because we were not able to successfully collect baseline data in this district.

communities are governed by traditional chieftaincy institutions, in addition to elected local governments and national governments.

The chieftaincy structure is broadly similar across our study communities. At the top of the traditional hierarchy is the chief (*omahene*), with divisional chiefs (*ohene*) and village chiefs (*odikro*) below them. For most rural citizens, the most relevant of these leaders are village chiefs, who are selected from within the village's ruling family and typically rule for life. They normally govern their villages with the assistance of a council, which includes other family heads (*abusuapanyin*) and elders (*panyin*) (Arhin 1985). Village chiefs play critical roles in local dispute resolution, land allocation, meeting organization and community mobilization. However, they do this without salaries, budgets, or formal support from the government.¹⁰ Instead, they depend on informal norms to underpin their power and voluntary contributions from community members to accomplish projects ("self-help projects").

In parallel to the chieftaincy structure, communities in Eastern Ghana are also governed by district governments. Much of the power lies with the District Chief Executive, who is appointed by the president and combines executive and administrative functions. As a result, the party winning the national presidency has significant control over the allocation of resources within districts. Each district also has a district assembly; two thirds of its members are popularly elected from single-member electoral districts composed of groups of villages/neighborhoods (with total populations of around 10,000 each) and the other third is appointed. District elections are held every four years, with one set held during our study (in late 2010/early 2011). Officially, these elections are non-partisan, although the political affiliations of candidates are often well-known locally, and the

¹⁰ Higher-level traditional leaders (e.g., chiefs) have official roles and receive some government resources.

position of assemblymember is a part-time volunteer position. The district assembly is responsible for approving the district budget and providing oversight of the district administration. District assemblymembers are expected to lobby for resources from the district budget to support local projects, especially in the areas of basic education, primary health care, local roads, environmental protection, water and sanitation. In all of our study areas, the vast majority of the district budget comes from transfers from the national government using a formula-based fund.

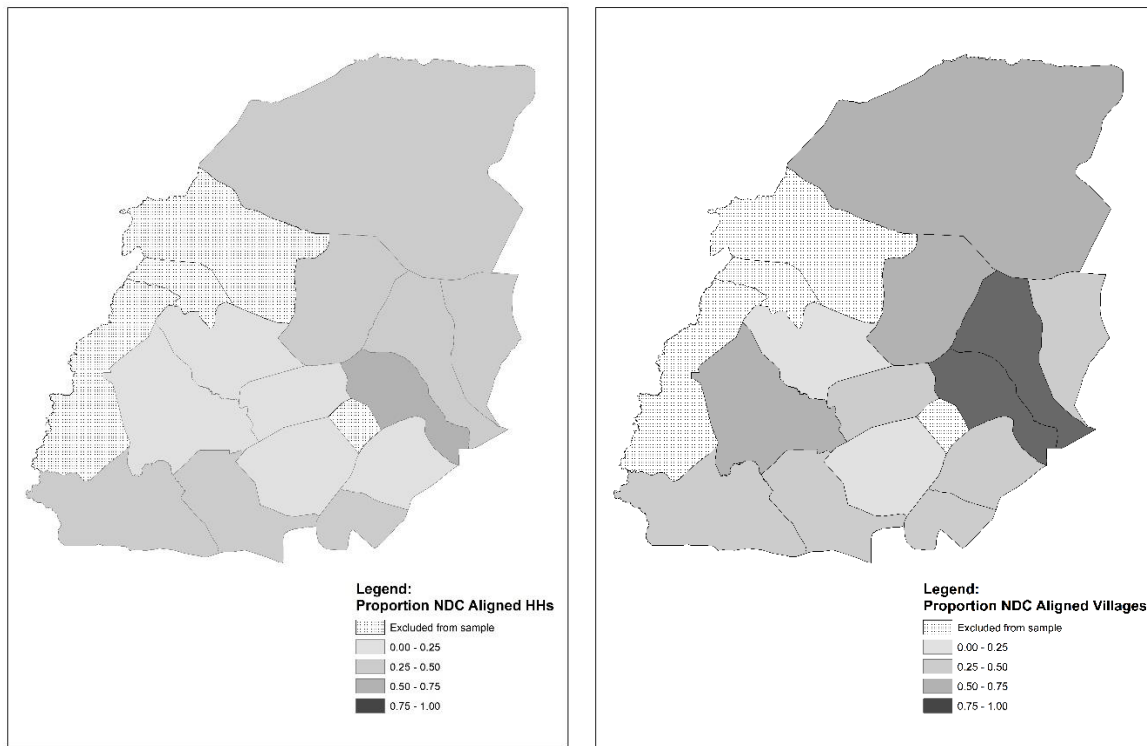
Citizens also participate in national elections to determine control of the parliament and presidency. National politicians are inaccessible to most rural Ghanians but these elections structure partisan identities, and are deeply competitive between two major parties, the National Democratic Congress (NDC) and the New Patriotic Party (NPP). The two parties have strong regional and ethnic bases of support, and many Ghanaians have stable partisan preferences. For example, Lindberg and Morrison (2005) finds that 82 percent of parliamentary voters in the 2000 election had voted for the same party in 1996, and Weghorst and Lindberg (2013) finds that only 22 percent of voters split their presidential and parliamentary vote between different parties in any of the three elections covered by their study (1996, 2000 and 2004). The NDC was the national incumbent party for almost all of the period of our study, taking over the presidency after the December 2008 election, and winning re-election in December 2012.

Ghana's Eastern Region is uniquely divided between NDC and NPP supporters, largely due to the fact it includes both Ewe and Krobo ethnic groups (traditionally support the NDC) as well as Akan groups (Akyem and Akuapem, traditionally support the NPP).¹¹ Importantly, NPP and NDC

¹¹ In a regression model predicting NDC affiliation at the household level in our sample, only ethnic variables and the percentage of women in the household are statistically significant at conventional confidence levels. See Appendix A.

supporters are intermingled within districts and even villages in our study, with at least 95 percent of villages containing households that supported different parties at baseline. Figure 2 displays the distribution of NDC support across the region at baseline, indicating the proportion of NDC-aligned households within our study villages in each district in the image on the left and the proportion of NDC-aligned villages (defined as villages in which at least 30 % of households are NDC aligned) in the image on the right. Copartisanship with the national government is extremely important for distributive outcomes in Ghana, influencing the distribution of funds from both the national government and district governments, given the role of the president in appointing the powerful District Chief Executive (Asunka 2017; Nathan 2019). As a result of the importance of presidential appointees to district-level politics in Ghana, we focus on co-partisanship with the national-level incumbent throughout our study.

Figure 2. NDC Co-Partisanship Across Study Districts



Thus, prior to the expansion of participatory development institutions in the region, the study villages already had hereditary chiefs who governed them at the village level, and elected leaders who represented them within District Assemblies. Participatory development aid could plausibly have positive mobilization spillovers and/or negative displacement effects on the responsiveness of each of these institutions to citizens. Furthermore, given the strength of partisan affiliations and the history of redistribution along partisan lines in Ghana, these effects could plausibly differ depending on whether citizens are co-partisans of the national government.

Intervention and Experimental Research Design

Our analysis of the distributional consequences of participatory aid is built around a randomized controlled trial of The Hunger Project's (THP's) activities in Eastern Ghana. THP is a major international NGO whose approach seeks to empower men and women to take control of their futures by mobilizing them to act collectively within their local communities. In particular, THP seeks to cultivate stronger leadership within communities both by organizing workshops that train participants in leadership skills and by creating new inclusive governance structures.

The broad components of THP's approach (described in Appendix B) exemplify the participatory development approach that has become prevalent in the aid industry. Community members are involved in project oversight in part to help align projects with community needs, but also to provide on-the-ground monitoring and reduce dependence on outside resources in the context of project implementation. In the THP model, as in many recent community-driven development programs, a great deal of focus is building the capacity of communities to work together to overcome socioeconomic challenges outside the narrow context of administering program funds. Community members are expected to devote significant resources in cash or in kind to supplement

the donor funds provided for programming activities, and the goal is to have the local government provide support for many of the programs subsequently run out of the center.

The THP approach is also explicitly multi-sectoral. The THP provides financial support for a variety of programming activities, which are run out of community centers it helps local communities to construct. These centers contain meeting halls, clinics, rural banks, foodbanks, toilets, a demonstration farm, and either a preschool or library, and THP also supports agricultural training programs, adult literacy classes and microfinance programs.

Our study took place in 194 villages, divided into 97 two-village groupings, across 13 districts in Eastern Region. The village groupings were randomly assigned to treatment (57) and control (46) through district-level lotteries, as described in Appendix C. Not all of the village groupings invited to take part in THP's programming accepted the invitation. Following these workshops, just over half of the villages (in 28 of 51 treatment groupings) actually began the THP process. All but three of these groupings successfully completed construction of a community center, and four groupings built two community centers. In Appendix D, we show that randomization yielded statistically similar groups (i.e., we fail to reject the null that treatment assignment is orthogonal to the baseline attributes of our study communities), as well as the differences between the communities within the treatment group that took-up as compared to those that did not.

THP approximated the ideals of the participatory development approach in important ways. First, it successfully created new participatory development institutions with more diverse leaders than existing hereditary and elected institutions, as we show in Appendix E. Second, it was successful in exposing a large proportion of adult community members to its activities, and exposure was not biased along partisan lines, also demonstrated in Appendix E. As a result of these successes in

implementation, the program arguably represents a best case for considering whether participatory development can have positive effects on engagement with preexisting political institutions.

We are able to assess the effects of participatory development approaches on participation in, leadership of and investment through various governance institutions by bringing together four types of data, collected at multiple points in time. The timing of the distinct data collection efforts relative to programming activities are displayed in Figure 3 and described below:

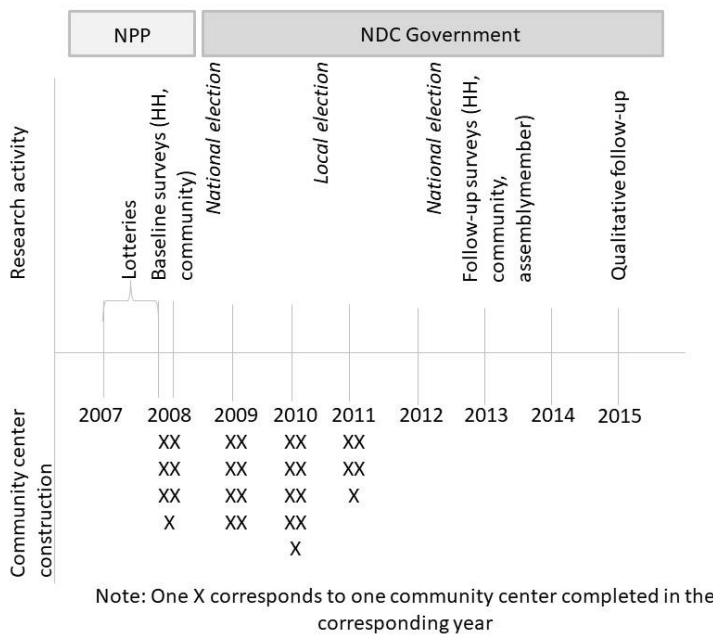
Household surveys. In each of the 97 village groupings in the study, two villages were randomly selected for surveying. A baseline survey was conducted in 2008, at which point none of the study villages had built the community center that is the centerpiece of THP's programming. Twenty households were randomly selected for interviewing in each village in the sample, except in the handful of cases where the village contained fewer than 20 households. A follow-up survey was conducted with the same households in 2013. At this point, all of the treatment villages had been introduced to THP's programming at least two years earlier, and some had been introduced to it five years earlier, as illustrated in Figure 3. Given the long timeframe of the study, attrition was a significant risk. We were able to resurvey 74 percent of baseline households. We have examined whether the treatment – either by itself or in interaction with baseline outcome variables – affects the likelihood of attrition, and have found no evidence that suggests concerns of bias due to attrition from the survey sample frame, as demonstrated in Appendix F.

Community leader surveys. We surveyed a key informant from each village (most frequently, the village chief or another local traditional leader) about local services at baseline and as part of our follow-up surveys. In our follow-up surveys, we also surveyed the area's representative in the district government (the district assemblyperson).

Administrative data on local election returns and candidates. We obtained the official local election returns and candidate forms for the local government elections held in the end of 2010 and the beginning of 2011 from the Electoral Commission of Ghana. We consider only the electoral areas containing study villages in our analysis (N=122). Many electoral areas contain two study villages from the same village grouping; only three contain villages from different village groupings assigned to both treatment and control. We code electoral areas as treated if they contain any study villages assigned to treatment. By the time of these elections, the vast majority of the treated communities had been exposed to THP’s programming, as Figure 3 illustrates, although many had had a completed community center for less than a year.

The statistical analysis of the effects of the NGO’s programming is complemented with evidence from a qualitative follow-up study conducted in 12 communities in 2015, the method and results of which are described in Appendix G.

Figure 3. Timeline of data collection and program roll out



Results: Tracing the Distributional Consequences of Participatory Development Aid

We are interested in understanding how participatory development aid interacts with pre-existing government institutions to influence the realization of socioeconomic benefits. To do so, we evaluate whether participatory development aid mobilizes engagement with pre-existing hereditary and elected leadership and/or displaces investment through pre-existing institutions. We study the effects of participatory development aid on participation, accountability and investment in local public goods by pre-existing institutions (using household, leadership and administrative data), before considering the aggregate effects of participatory development on the distribution of socioeconomic outcomes. For each outcome of interest, we also consider whether there are partisan differences in effects. Due to the imperfect take-up of the programming among treated communities, we estimate both the “intent to treat” (ITT) and “treatment on the treated” (TOT) effects, using assignment to treatment as an instrument for mobilizing to receive programming at the village level in the latter case.

We evaluate effects by constructing indices for each area of hypothesized impact. This provides a clearer picture of the overall effect of the participatory approach in each area, and helps address the problem of multiple hypothesis testing. Each index is created from a group of variables measuring outcomes associated with the concept of interest by averaging the standardized sub-components, and then re-standardizing the index.¹² As a result, the effect of the program on the indices should be interpreted in terms of standard deviations of the index within the control group.

We examine the effects of participatory programming at two different levels of analysis, depending on the unit of measurement. Many of our measures come from our household survey, in which

¹² In some cases, the sub-components are also themselves indices of variables, as explained in Appendix H.

case outcomes are measured at the household level. In addition, we have measures of local government investment and measures of political participation in local government measured at the level of the electoral district (called “electoral areas”). Table 1 describes the mapping between conceptual outcomes, the indices or variables used to measure these outcomes, and the data source underlying the measures.

Table 1: Main outcomes, empirical measures and data sources

Outcome	Measures	Data Source	Results Table
Participation in Pre-Existing Institutions	Community Participation Index	HH survey	Table 2
	Voter Turnout in District Elections	Local election returns	Table 3
	Number of Candidates in District Elections	Local election returns	Table 3
Accountability of Pre-existing Institutions	Village Chief Accountability Index	HH survey	Table 2
	District Assemblymember Accountability Index	HH survey	Table 2
	District Assemblymember Activity Index	District assemblymember survey	Table 3
Investment in Local Public Goods	HH Contributions to non-THP Public Goods	HH survey	Table 4, Panel A
	Local Government Funded Projects	Community survey	Table 4, Panel B
Socioeconomic Well-Being	Overall Well-being Index	HH survey and community survey	Table 5

The Intent to Treat (ITT) estimate of the effect of THP on household-level outcomes is $\hat{\beta}_1$ from the following OLS regression specification:

$$y_i = \beta_0 + \beta_1 THP_j + \beta_2 X_i + D_k + \epsilon_i$$

where i indexes households, j indexes village groupings, and k indexes districts. THP_j is an indicator variable that takes a value of 1 if the village grouping was assigned to treatment in the lottery, X_i is the baseline measure of the outcome variable (where available), and D_k are district fixed effects. In cases where baseline data was available for some but not all observations, we dealt with missing data using dummy variable adjustment. The error term is clustered at the village grouping level. For electoral area level outcomes, we replace y_i with y_{EA} , and THP_j is a variable that takes a value of 1 if any sampled village in the electoral area was assigned to treatment and 0 if all sampled villages in the electoral area were assigned to control; in these models, standard errors are clustered by village groupings.¹³ Given imperfect take-up at the village-level, we also estimate the Treatment on the Treated (TOT) using an instrumental variable estimator implemented using the Generalized Method of Moments (GMM).¹⁴

In addition to estimating the models on the entire sample, we also estimate separate models by baseline support for the party of the president during the major period of the study, the NDC (see Figure 3). For the household-level analysis, we estimate separate models for households in which the majority of respondents identified as NDC supporters in our baseline survey, which was conducted just prior to the 2008 national elections (28 percent of households), and households in which the majority of respondents did not identify as NDC supporters, either because they supported other parties or had no political allegiance (72 percent of households). In the village-

¹³ In cases where villages in the same electoral area fall in different village groupings, we have joined the two village groupings for the purpose of calculating standard errors.

¹⁴ The first stage results are included in Appendix I.

level analysis, we distinguish between villages in which at least 30 percent of households are affiliated with the NDC and those without.¹⁵

First, we use household survey data in Table 2 to examine whether there are effects on citizen's participation in village-level governance, their perceptions of the accountability of the village chief, and their perceptions of the accountability of their district assembly member. Our measure of participation in village governance is an index averaging associational membership, village assembly attendance and village assembly contributions. Our measure of the accountability of the village chief's leadership is an index averaging the village chiefs' accessibility, openness to dissent and trustworthiness. Our measure of assemblymember accountability is an index averaging their accessibility, perceived responsiveness and trustworthiness.

We find that participatory development increased participation in village-level governance for members of the NDC only. Focusing on the effect of the treatment on the treated (TOT) across the entire sample, we observe an increase in participation of 0.10 standard deviations ($se=0.08$), which is not statistically significant at conventional levels. However, there are heterogeneous effects depending on partisan affiliation. For NDC-affiliated households, the effect is 0.40 standard deviations ($se=0.17$), which is statistically significant at the 95 percent confidence level; for all other households, we estimate a small and not statistically significant negative effect (effect = -0.09 standard deviations; $se=0.12$).

We find more consistently positive effects on perceptions of the quality of the village chiefs' leadership. Using the TOT estimates, we find a positive effect of 0.21 standard deviations across

¹⁵ This cut-off was chosen because it represents an above-average level of support for the NDC in rural Eastern region, where just over 28 percent of our respondents felt an affiliation toward the NDC. In Appendix J, we show the results are robust to different cut-offs.

the entire sample ($se=0.09$), which is statistically significant at the 95 percent confidence level. The estimated effect size is larger and more statistically significant for NDC-affiliated households, but the effects are positive regardless of partisan affiliation. In contrast, we find no evidence that participatory development changed citizens' perceptions of the accountability of the district assembly members, either across the sample as a whole or in either partisan subgroup.

Next, we look for evidence of mobilization effects in community-level data in Table 3, with the outcomes collected from electoral data measuring the participation of voters and candidates in the 2010/2011 district elections and leadership survey data measuring the participation of local assembly members in district government. Focusing on the TOT estimates, voter turnout *decreased* on average by 10 percentage points ($se = 4pp$) in communities that took up the treatment, an effect that is statistically significant at the 95 percent confidence level. However, these negative effects are concentrated entirely within villages with below average levels of NDC support, where voter turnout decreased on average by 17 percentage points ($se=8pp$); among NDC-affiliated villages, participatory development had a small and not statistically significant effect on voter turnout (effect = -4 percentage points, $se=6pp$).

Table 2. Village Participation and Local Accountability (Household Survey Data)

		Entire Sample				NDC Aligned HHs			Non-NDC Aligned HHs				
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		ITT	TOT	Control	N	ITT	TOT	Effect	Control	ITT	TOT	Control	N
		Effect	Effect	mean		Effect	Effect		mean	Effect (st.	Effect	mean	
		(st.	(st.	(st.		(st.	(st. error)		(st. dev.)	error)	(st.	(st.	
		error)	error)	dev.)		error)					error)	dev.)	
Community		0.054	0.103	0.000	2746	0.214*	0.400*	-0.026	680	-0.042	-0.089	0.039	1704
Participation		(0.045)	(0.082)	(1.000)		(0.096)	(0.172)	(0.960)		(0.052)	(0.115)	(1.022)	
Index													
Village	Chief	0.111*	0.211*	0.000	2744	0.175*	0.324*	0.114	680	0.099+	0.211+	-0.075	1703
Accountability		(0.047)	(0.091)	(1.000)		(0.072)	(0.131)	(1.004)		(0.057)	(0.122)	(0.988)	
Index													
District		0.069	0.131	0.000	2743	-0.050	-0.092	0.110	680	0.046	0.098	-0.007	1702
Assemblymember		(0.072)	(0.131)	(1.000)		(0.096)	(0.179)	(0.969)		(0.076)	(0.157)	(1.020)	
Accountability													
Index													

Notes: +significant at 10%; * significant at 5%; ** significant at 1%. Column (1) presents OLS estimates (with standard errors reported in parentheses), clustered at the unit of randomization (village cluster), and controlled for district effects. Each row reports results for a single OLS regression. Column (2) reports IV-GMM treatment-on-the-treated estimates (with standard errors reported in parentheses) with mobilizing to receive an epicenter being the first stage clustered at the unit of randomization (village cluster). Column (3) reports endline control means (with standard deviations reported in parentheses). Column (4) reports the number of observations. Columns 5-8 report the same entities using the sample of NDC-aligned households. Columns 9-12 report the same entities using the sample of non-NDC aligned households.

Table 3. Local Government Participation and Representation (Electoral Data and Leadership Surveys at Electoral District Level)

	Entire Sample		NDC Aligned Villages (>=30 % NDC HHs)				Non-NDC Aligned Villages (< 30 % NDC HHs)					
	(1) ITT Effect (st. error)	(2) TOT Effect (st. error)	(3) Control mean (st. dev.)	(4) N	(5) ITT Effect (st. error)	(6) TOT Effect (st. error)	(7) Control mean (st. dev.)	(8) N	(9) ITT Effect (st. error)	(10) TOT Effect (st. error)	(11) Control mean (st. dev.)	(12) N
Voter turnout in district elections (proportion)	-0.051* (0.025)	-0.095* (0.042)	0.502 (0.143)	111	-0.019 (0.040)	-0.037 (0.062)	0.471 (0.122)	44	-0.086* (0.040)	-0.174* (0.078)	0.502 (0.143)	51
Number of candidates	0.278+ (0.167)	0.523+ (0.299)	2.526 (0.804)	122	0.975** (0.233)	1.905** (0.505)	2.143 (0.727)	49	-0.155 (0.239)	-0.291 (0.486)	2.800 (0.761)	62
District Assemblymember Activity Index	0.419+ (0.225)	0.759+ (0.396)	0.000 (1.000)	106	0.765* (0.333)	1.802* (0.759)	-0.350 (1.053)	46	0.004 (0.272)	-0.130 (0.463)	0.296 (0.880)	53

Notes: + significant at 10%; * significant at 5%; ** significant at 1%. Column (1) presents OLS estimates (with standard errors reported in parentheses), clustered at the unit of randomization (village cluster), and controlled for district effects. Each row reports results for a single OLS regression. Column (2) reports IV-GMM treatment-on-the-treated estimates (with standard errors reported in parentheses) with mobilizing to receive an epicenter being the first stage clustered at the unit of randomization (village cluster). Column (3) reports endline control means (with standard deviations reported in parentheses). Column (4) reports the number of observations and the unit of observation. Columns 5-8 report the same entities on the sample of villages with higher than average baseline support for the NDC. Columns 9-12 report the same entities using the sample of villages with lower than average baseline support for the NDC.

In contrast, there appear to have been positive mobilization effects at the candidate level. Focusing on the TOT estimates, we find an average increase of 0.52 candidates running for office in the 2010/2011 local government elections ($se=0.30$), which is statistically significant at the 90 percent confidence level. However, these effects are concentrated entirely within NDC-affiliated villages, where we find an average increase of almost 2 additional candidates running for office ($se=0.51$), which is statistically significant at the 99 percent confidence level. In contrast, in villages with below average support for the NDC, participatory development is estimated to have a slightly negative but not statistically significant effect on the number of candidates for office.

Finally, we consider how active the assemblymember elected in the 2010/2011 local government elections reported being in office. We use data from our interviews with assembly members to create an index of their activity level, averaging the district assembly members' attendance at district assembly meetings, the number of times they raised issues in district assembly meetings, the number of times they met one-on-one with their DCE, the number of times they met with community leaders, the number of times they met with voters, the number of infrastructure projects they facilitated and the number of NGOs (excluding THP) whose activities they facilitated.

Across the entire sample, we find a positive mobilization effect on district assembly members' activities. Focusing on the TOT estimates, THP increased elected representatives' reported activity levels by 0.76 standard deviations ($se=0.41$), a substantively large effect that is statistically significant at the 90 percent confidence level. However, the effect is concentrated entirely within villages with high support for the NDC, where the increase was 1.8 standard deviations ($se=0.76$), which is statistically significant at the 95 percent confidence level. In contrast, the estimated effect on participatory development in villages with low levels of NDC support is very small, though estimated with considerable error (effect $=-0.13$ standard deviations; $se=0.46$).

Taken together, the evidence in Tables 2 and 3 suggests that participatory development had positive mobilization effects in this context, but only for those who were politically aligned with the incumbent government. In households and villages affiliated with the NDC, we find positive and significant mobilization effects for 4 of the 6 outcomes considered. In contrast, for households and villages that do not strongly support the NDC, we do not see a consistent pattern in the effects, and we even observe a significant negative effect on voter turnout in the district elections. Importantly, these differences in mobilization effects are not a result of different exposure to THP. Appendix Table D1 shows that we do not observe partisan differences in participation within treatment villages. Instead, it appears that the skills and capacity developed through THP need to be complemented with partisan connections to the centers of government power in order to translate into increased levels of engagement.

Next we consider the effects of participatory development on investment in local public goods through preexisting institutions. On the one hand, the observed improvements in engagement with these institutions could plausibly result in greater investment, resulting in a positive effect. On the other hand, these institutions may be less willing or able to funnel resources into local public goods once these are being provided through participatory development institutions, causing a negative displacement effect. We consider the effects of participatory development on two streams of investment in local public goods – voluntary contributions from households to fund projects and district government investment in local projects. The first type of investment is often mobilized through traditional village institutions, while the second type of investment is the result of district-level representation and investment decisions.

In Table 4 Panel A, we consider the effect of participatory development programming on household contributions to self-help projects other than the epicenter. We calculate the value of

each household's contributions to public goods as the sum of their monetary and labor contributions to local public goods other than the epicenter in the previous twelve months.¹⁶

We find that participatory development programming decreases voluntary contributions to other local projects. The TOT effect is a 9.7 GHS decrease (se=5.7) in the value of contributions, which is statistically significant at the 90 percent confidence level. However, the decrease in voluntary contributions appears to be concentrated more within NDC-aligned households; here we observe a 26.7 GHS decrease (se=15.9), which is statistically significant at the 90 percent confidence level. Among non-NDC aligned households, we observe a smaller 7.2 GHS decrease (se=6.05), which is estimated with considerable error. If we distinguish between voluntary contributions to projects in sectors in which THP explicitly works (health, water, micro-finance, sanitation and community center construction) and projects in sectors in which THP does not work, we observe a larger decrease in contributions to projects in sectors in which THP is working across the sample as a whole and also in the sample of NDC households, but the point estimate on contributions to public goods in other sectors is also negative (though measured with a large amount of error).

In Table 4 Panel B, we consider the effect of THP programming on the scope of projects financed by the local government in the electoral area in the most recent electoral term (2011-2014). As part of our community survey, we collected information on whether the local government financed projects in nine different sectors during this time period -- health, water, sanitation, childcare, micro-finance, education, road, power and agricultural processing. We measure local government

¹⁶ We impute the value of labor contributions by multiplying the number of (eight hour) days worked by the typical daily wage for an unskilled agricultural task (weeding) in the village; data on the typical daily wage for men and women was collected as part of our community survey.

investment as the proportion of these sectors in which they financed a project between 2011 and 2013.¹⁷

We estimate no change in the proportion of sectors in which the local government financed projects across the sample as a whole. Interestingly, despite the fact that NDC-aligned villages experienced larger increases in political participation as a result of participatory development, there is little evidence that they managed to increase government investment through this engagement; in fact, there is a 9.2 percentage point decrease in local government investment associated with participatory development in NDC-aligned villages, but the estimate is measured with considerable error (se=8.3pp).

The effect on overall government investment hides differences between government investment in sectors on which THP efforts were concentrated and sectors in which THP placed less emphasis. Focusing on the TOT effect, we see a reduction of 6.8 percentage points (se=3.6pp) in the proportion of THP sectors with local-government financed projects, essentially eliminating any government investment in these sectors. In contrast, we find an increase of 7.4 percentage points (se=4.0pp) in the proportion of non-THP sectors with local-government financed projects. Both of these effects are statistically significant at the 90 percent confidence level. When we split the sample between NDC-aligned and non-NDC-aligned villages, the effects on investment in different sectors are each estimated with considerable error, but with suggestive evidence that the increase in non-THP sectors is concentrated in non-NDC-aligned villages.

¹⁷ Unfortunately, we were unable to collect reliable data on the amount invested in each project.

Table 4. Mobilization of Public Goods by Households (Panel A) and Government (Panel B)

PANEL A: HH MOBILIZATION	ENTIRE SAMPLE				NDC Aligned HHs				Non-NDC Aligned HHs			
	(1) ITT Effect (st. error)	(2) TOT Effect (st. error)	(3) Control mean (st. dev.)	(4) N	(5) ITT Effect (st. error)	(6) TOT Effect (st. error)	(7) Control mean (st. dev.)	(8) N	(9) ITT Effect (st. error)	(10) TOT Effect (st. error)	(11) Control mean (st. dev.)	(12) N
HH contributions to non-THP public goods (cedis)	-5.10+ (2.90)	-9.73+ (5.71)	15.31 (84.00)	2745	-14.33+ (8.087)	-26.72+ (15.92)	22.45 (139.98)	680	-3.38 (2.79)	-7.22 (6.05)	14.08 (61.5)	1704
HH contributions to public goods in THP sectors (cedis)	-3.73 (2.41)	-7.10 (4.66)	4.24 (67.31)	2745	-10.66 (8.22)	-19.88 (15.70)	11.18 (137.42)	680	-1.26+ (0.72)	-2.69+ (1.56)	2.24 (15.0)	1704
HH contributions to public goods in non-THP sectors (cedis)	-1.38 (1.97)	-2.63 (3.78)	11.08 (50.45)	2745	-3.67 (2.41)	-6.84 (4.66)	11.27 (28.68)	680	-2.12 (2.71)	-4.52 (5.81)	11.84 (59.73)	1704
PANEL B: GOVT MOBILIZATION	ENTIRE SAMPLE				NDC Aligned Villages (>=30 % NDC HHs)				Non-NDC Aligned Villages (< 30 % NDC HHs)			
Proportion of sectors with local gov funded projects	0.005 (0.033)	0.006 (0.053)	0.072 (0.162)	117	-0.056 (0.054)	-0.092 (0.083)	0.092 (0.223)	48	0.035 (0.052)	0.074 (0.082)	0.065 (0.126)	58
Proportion of THP sectors with local gov funded projects	-0.038+ (0.022)	-0.068+ (0.036)	0.054 (0.158)	116	-0.063 (0.054)	-0.112 (0.083)	0.070 (0.223)	48	-0.038 (0.023)	-0.060 (0.041)	0.049 (0.118)	57
Proportion of non-THP sectors with local gov funded projects	0.044+ (0.024)	0.074+ (0.040)	0.025 (0.048)	115	0.006 (0.016)	0.020 (0.027)	0.025 (0.050)	47	0.071 (0.046)	0.128+ (0.074)	0.026 (0.049)	57

Notes: +significant at 10%; * significant at 5%; ** significant at 1%. Column (1) presents OLS estimates controlling for district effects (with standard errors, reported in parentheses, clustered at the unit of randomization, the village cluster). Each row reports results for a single OLS regression. Column (2) reports IV-GMM treatment-on-the-treated estimates with mobilizing to receive an epicenter instrumented by treatment assignment (with standard errors, reported in parentheses, clustered at the unit of randomization). Column (3) reports endline control means (with standard deviations reported in parentheses). Column (4) reports the number of observations. For panel A, columns 5-8 (9-12) report the same entities using the sample of NDC-aligned (non-NDC aligned) households. For panel B, columns 5-8 (9-12) report the same entities on the sample of villages with higher than average (lower than average) baseline support for the NDC. THP sectors are health, water, sanitation, childcare, microcredit; non-THP sectors are road, power, agricultural processing, and primary/secondary education.

Table 5. Poverty Alleviation and Service Access

	ENTIRE SAMPLE				NDC Aligned HHs			Non-NDC Aligned HHs				
	(1) ITT Effect (st. error)	(2) TOT Effect (st. error)	(3) Control mean (st. dev.)	(4) N	(5) ITT Effect (st. error)	(6) TOT Effect (st. error)	(7) Control mean (st. dev.)	(8) N	(9) ITT Effect (st. error)	(10) TOT Effect (st. error)	(11) Control mean (st. dev.)	(12) N
Overall Well-Being Index	-0.051 (0.071)	-0.097 (0.135)	0.000 (1.000)	2792	-0.232* (0.095)	-0.430* (0.191)	-0.050 (1.048)	690	-0.060 (0.075)	-0.128 (0.162)	0.063 (0.996)	1732
Food Security Index	0.046 (0.046)	0.086 (0.087)	0.000 (1.000)	2749	0.017 (0.076)	0.032 (0.139)	0.123 (1.170)	680	0.045 (0.051)	0.096 (0.109)	-0.042 (0.952)	1707
Literacy and Education Index	-0.089 (0.077)	-0.171 (0.149)	0.000 (1.000)	2792	-0.090 (0.100)	-0.167 (0.176)	-0.155 (1.035)	690	-0.120 (0.090)	-0.260 (0.200)	0.057 (1.012)	1732
Health and Nutrition Index	-0.064 (0.087)	-0.121 (0.166)	0.000 (1.000)	2792	-0.244+ (0.144)	-0.454+ (0.273)	0.026 (0.950)	690	-0.046 (0.083)	-0.099 (0.178)	0.007 (0.993)	1732
Water, Eenvt and Sanitation Index	-0.107 (0.118)	-0.199 (0.219)	0.000 (1.000)	2792	-0.250+ (0.144)	-0.460 (0.282)	-0.080 (1.121)	690	-0.096 (0.132)	-0.204 (0.273)	0.085 (0.977)	1732
Livelihoods and Financial Inclusion Index	0.103 (0.087)	0.194 (0.160)	0.000 (1.000)	2792	-0.001 (0.115)	-0.002 (0.207)	-0.037 (1.061)	690	0.078 (0.095)	0.165 (0.194)	0.052 (1.008)	1732

Notes: +significant at 10%; * significant at 5%; ** significant at 1%. Column (1) presents OLS estimates (with standard errors reported in parentheses), clustered at the unit of randomization (village cluster), and controlled for district effects. Each row reports results for a single OLS regression. Column (2) reports IV-GMM treatment-on-the-treated estimates (with standard errors reported in parentheses) with mobilizing to receive an epicenter being the first stage clustered at the unit of randomization (village cluster). Column (3) reports endline control means (with standard deviations reported in parentheses). Column (4) reports the number of observations. Columns 5-8 report the same entities using the sample of NDC-aligned households. Columns 9-12 report the same entities using the sample of non-NDC aligned households. Full details on the construction of each index and the ITT effect and TOT effect on each sub-component are reported in Appendix H.

Thus, Table 4 indicates that any positive effects of participatory development on engagement with pre-existing institutions did not result in greater investment in local public goods through these institutions. For the NDC-aligned households who experienced the largest improvements in political engagement as a result of the program, we observe negative displacement effects in citizens' contributions to other local public goods (statistically significant at the 90 percent confidence level) and suggestive evidence that local governments might have displaced funds from these communities too. Although participatory development may have improved engagement with pre-existing institutions on some dimensions, this was not associated with increased ability to mobilize resources behind community-level projects.

Did the THP programming, either through the direct results of the programming itself or through its indirect effects on leadership at the community and district level, cause any measurable improvement in the lives of citizens? We measure the aggregate socioeconomic well-being effect of THP by averaging its effects across five broad areas – food security, education and literacy, health and nutrition, environment, and economic livelihoods. We focus on these five outcome areas because they are highlighted in THP's programming documents and because they are encompassing goals, well-positioned to capture effects even if resources are fungible across sectors, and related closely to the sectors emphasized in the millennium development goals and associated conceptions of human development. For each area of potential impact, we created an index based on variables measuring numerous related outcomes, often combined into sub-indices, as shown in Appendix H.¹⁸ Collectively, these indices captured specific improvements in well-

¹⁸ The construction of the indices was not put forward in a preanalysis plan, as the practice was not common at the time this study began in 2008. However, the survey instrument is available online and provides the basis, without omission, for the construction of the indices. We based the data collection and thus construction of the indices on indicators emphasized in THP's own theory of change and programming.

being in the sectors targeted by THP's programming – for example, better access to health care, the adoption of specific agricultural practices, and access to credit – as well as broader measures of households' well-being, such as household income, expenditure and the value of total food consumption.

The effect of THP on the main indices is reported in Table 5. The results indicate that the THP had disappointing results across the entire sample. Focusing on the TOT estimate, THP reduced well-being by 0.10 standard deviations ($se=0.135$), although the effect is imprecisely estimated and thus particularly large and positive as well as large and negative results cannot be ruled out. However, for NDC-aligned households, the negative effect is starker. Here we estimate a decline in well-being of 0.43 standard deviations as a result of receiving participatory development ($se=0.19$), which is statistically significant at the 95 percent confidence level. In contrast, for non-NDC aligned households, we cannot reject the null of no effect (effect=-0.13; $se=0.16$).

How is it that NDC-aligned households in aid-receiving villages became worse off than their counterparts who did not receive participatory development? The evidence in Tables 2 and 3 indicates that NDC-aligned voters were more politically mobilized as a result of participatory development. However, Table 4 suggests that participatory development also caused greater displacement of resources for these households, especially in the allocation of their own household resources but also possibly in the allocation of state resources by local governments. Our interpretation is that NDC supporters were over-mobilized into participatory development: they diverted effort into a project that did not ultimately meet expectations. Importantly, the THP project fell short of expectations in two ways: its direct effects on socioeconomic outcomes through the delivery of public goods and services were smaller than anticipated, and its indirect effects on socioeconomic outcomes through improved engagement with pre-existing political

institutions were also negligible, despite the fact that THP was broadly successful in organizing higher levels of engagement. This provides an explanation for how incumbent co-partisans became distributive losers as a result of participatory development.

Conclusion

In a randomized controlled trial of participatory development aid in Ghana, we find high levels of participation from community members, but no change in aggregate socioeconomic outcomes. We also find important heterogeneous treatment effects, specifically that households and villages with pro-government alignment had greater displacement of resources from other efforts towards the new aid-led activities. Yet the project did not end up generating changes in socioeconomic outcomes, thus leading to a negative impact for pro-government households.

Our theoretical framework, outlined in Figure 1, implies that the effects of participatory development aid are complex and likely to vary by context. To think more crisply about the external validity of our findings with respect to participatory development, we highlight two issues related to the specific NGO we study: implementation fidelity and program design. THP's program implementation appears to have delivered on two key objectives regarding process: we observe high levels of participation and inclusiveness. As a result, we think it unlikely that issues with program implementation explain our disappointing findings with regards to investment and socioeconomic outcomes. On program design, THP requires particularly high levels of community involvement and community contributions compared to other participatory approaches. Although it could be argued this makes it a paradigmatic case of community-based development, it means that displacement effects between involvement in THP and contributions to other local public goods are likely to be particularly pronounced. THP's program is also multi-faceted and multi-

sectoral, in contrast to participatory programs that focus on single sectors or provide block grants. By pushing simultaneously in many areas, it may have been more difficult for THP programming to improve upon the outcomes that local contributions and government resources were already accomplishing in these diverse areas. This broad scope of activities could also have created greater implementation challenges.

In this context, we find unintended consequences from participatory development aid, which have implications for both the literature on participatory development and the literature on the distributional consequences of international aid. We contribute to the first literature by showing the limitations of participatory development even when it meets its goal of encouraging greater engagement with government. In contrast to many previous studies, we found that participatory development actually increased engagement with pre-existing political institutions in this setting – albeit only for co-partisans of the government.¹⁹

However, despite this promising initial effect in the causal chain depicted in Figure 1, the greater mobilization induced by the participatory development institutions did not result in improvements in public goods provision or socioeconomic outcomes. In fact, greater mobilization was actually associated with worse distributional outcomes due to displacement effects. Our findings are striking in that they suggest that even if aid institutions successfully increase mobilization in pre-existing institutions – no small feat – this might not make a positive difference. In most developing countries, there is limited fiscal decentralization in the sense that that most fiscal power still rests in the national-level executive office, and improved engagement with local representatives may

¹⁹ Studies that have explicitly examined the effects of participatory development on participation in local government have mainly found null effects (White, Menon, and Waddington 2018), with the one exception being Casey et al. (2012).

not result in greater local investment (Grossman and Lewis 2014). In fact, in spending more time engaging with relatively powerless local authorities, citizens may be displacing effort from activities that would be more productive in advancing their well-being.

We also contribute to the literature on the distributional consequences of international aid, adding nuance to our understanding of who benefits from aid. To date, the debates in this literature have focused on insulating aid from partisan allocation decisions, with participatory development as one solution to political bias in traditional aid allocation (Briggs 2012; Briggs 2014; Jablonski 2014). We provide a framework for understanding why – even if participatory aid is neutrally allocated – the realization of benefits from it may be skewed along partisan lines. Except in cases of consistent null partisan effects at each stage in Figure 1’s causal chain or differently signed partisan effects that ultimately cancel each other out, the benefits from participatory development will not be realized in a politically neutral manner.

The framework provided in this paper helps to understand the likelihood of political bias in the realization of benefits from participatory development in diverse contexts. In the specific case we study, government copartisans became distributional losers as a result of three aspects of the context: the distribution of aid inputs was neutral (both across communities, where it was randomly allocated, and within communities), its effects disappointed relative to initial expectations, and copartisans of the government were subject to greater displacement effects. To the extent that scholars and policymakers have expectations about the likelihood of partisan differences at each stage of the causal chain outlined in Figure 1, the framework can be used to help understand and possibly even anticipate partisan differences in effects. The existing literature suggests that, in different settings, either government partisans or opposition partisans could be more likely to be mobilized into participatory projects, and that either group could be more likely to translate this

experience into other forms of political engagement; as a result, context-specific knowledge will be important in anticipating these effects. The literature makes clearer predictions about the likely direction of bias in government investment in public goods; government co-partisans are frequently found to receive a larger share (Golden and Min 2013). The likelihood of the project generating high quality public goods will also vary by context and project. As a result, participatory development aid's distributional consequences are likely both complex and heterogenous in a way that is not anticipated by the existing literature.

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