Reshaping Institutions: Evidence on Aid Impacts Using a Preanalysis Plan

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**Abstract**
Despite their importance, there is limited evidence on how institutions can be strengthened. Evaluating the effects of specific reforms is complicated by the lack of exogenous variation in institutions, the difficulty of measuring institutional performance, and the temptation to “cherry pick” estimates from among the large number of indicators required to capture this multifaceted subject. We evaluate one attempt to make local institutions more democratic and egalitarian by imposing participation requirements for marginalized groups (including women) and test for learning-by-doing effects. We exploit the random assignment of a governance program in Sierra Leone, develop innovative real-world outcome measures, and use a preanalysis plan (PAP) to bind our hands against data mining. The intervention studied is a “community-driven development” program, which has become a popular strategy for foreign aid donors. We find positive short-run effects on local public goods and economic outcomes, but no evidence for sustained impacts on collective action, decision making, or the involvement of marginalized groups, suggesting that the intervention did not durably reshape local institutions. We discuss the practical trade-offs faced in implementing a PAP and show how in its absence we could have generated two divergent, equally erroneous interpretations of program impacts on institutions.

**Gender Connection**
Gender Focused Intervention

**Gender Outcomes**
Participation or voice in community, women's representation in politics, gender norms

**IE Design**
Clustered Randomized Control Trial (Clustered at village level)

**Intervention**
The program had two main components 1: financial assistance in the form of block grants to fund local public goods provision and small enterprise development; and 2: intensive organizing to establish new structures to facilitate collective action and institute participation requirements to elevate historically marginalized groups to positions of authority. For example, the project instituted a requirement that one of the three co-signatories on the community bank account must be female, required field staff to report how many women and men attended meetings. The largest share of projects went to local public goods including community centers, sports fields, education projects etc.

**Intervention Period**
2005-2009
**Sample population**
There are 118 treatment and 118 control villages. There are 6 treatment and 6 control villages in each of 19 wards. 12 households were randomly surveyed in each village. The household alternated for each subsequent household.

**Comparison conditions**
The comparison villages did not receive the CDD project

**Unit of analysis**
Individual and Village Level

**Evaluation Period**
2005-2009; there were additional surveys 5 months after the project had ended

**Results**
Requiring women and young adults to take on leadership positions, participate in project meetings, and sign off on project finances does not have any persistent effect on their participation in local decision making or attitudes regarding leadership ability. The project successfully established village organizations and tools to manage the project. The distribution of the project's benefits were equitable and leakage was minimal. There was significant positive impacts on the stock and quality of local public infrastructure. However, there are no detectible changes in the ability to raise funds for local public goods, decision-making process, or social norms and attitudes. For example, treated women were no more likely to attend or voice their opinion at community meetings.

**Primary study limitations**
The study was implemented in a specific environment and may lack external validity

**Funding Source**
GoBifo project, the IRCBP, The World Bank DIME, the Horace W. Goldsmith Foundation, the International Growth Center, 3ie, and the NBER African Successes Project

**Reference(s)**

**Link to Studies**
http://qje.oxfordjournals.org/content/127/4/1755.short