

Social capital and targeted beneficiaries of a development project: A lab in the field experiment in rural Zimbabwe

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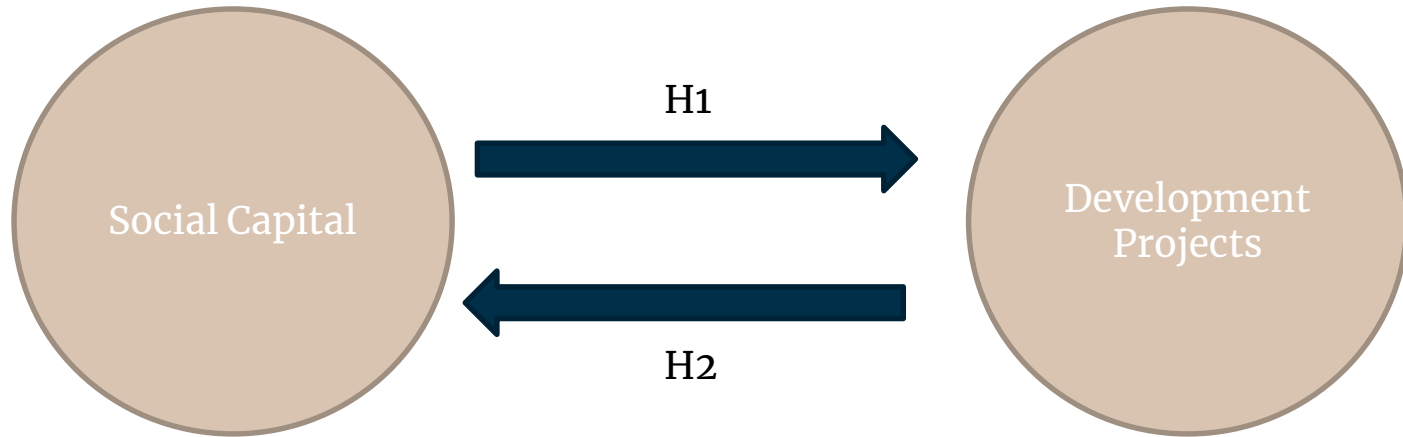
The Problem of Causal Inference

- In development, when implementing a policy, programme or project, we wish to know if it made a difference in people lives i.e. if it had an impact on the outcomes of interest
 - To do so, we compare individuals that participated in the project (treated) and individuals that did not (control)
 - To ensure that the differences found between these individuals is due to the project
 - Beneficiaries should be similar in both observed and unobserved characteristics (internal validity)
 - Ex-ante and ex-post measurement
 - **BUT** it in « real life » tricky
 1. People cannot be coerced into participating to development programs
 2. Collecting both ex-ante and ex-post data is costly
- ➔ beneficiaries may be different from non-beneficiaries even before the implementation of the program

Selection Bias

- Hence, are the differences in outcomes identified due to the pre-existing differences and/or to the program?
- Issue of selection bias (Duflo et al., 2006; White, 2013)
- For this study, we focus on social capital.
- Why?
 - Participatory projects, community driven development etc. -> rely on collaboration between stakeholders (Berthet et al., 2018; Compagnucci et al., 2021)
 - Social capital is increasingly recognized as an important ingredient for the success of these collaborative projects (Charatsari et al., 2020; King et al., 2019; van Rijn et al., 2012)
 - Through frequent meetings, training and joint activities, the project may also increase trust and cooperation in the treated communities

Social Capital and Development Projects

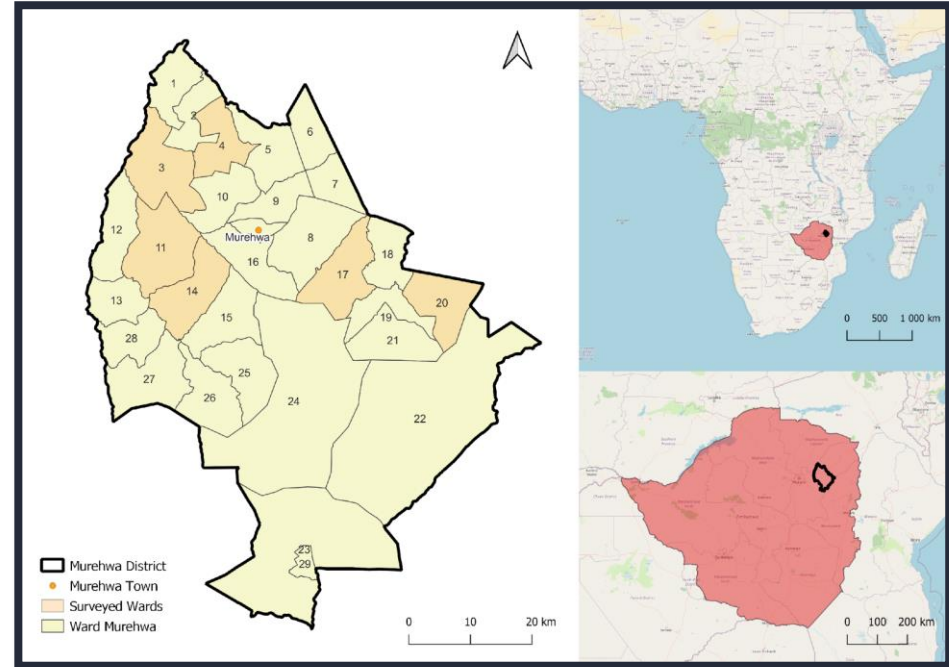


Purpose of the Study

- Investigate if targeted beneficiaries of development projects exhibit higher levels of social capital compared to non-beneficiaries
- **Ex-ante** measurement of social capital
- To the best of our knowledge, no other studies use incentivized games to measure social capital ex-ante the implementation of a dev. project (Ban et al., 2020; Avdeenko and Gilligan, 2015)

Case Study

- Murehwa District in Zimbabwe
- Implemented by local NGO
- Purpose of the project: supporting communities in setting up Village Saving and Loan Associations (VSLA)
 - self-regulated associations
 - trust is key to ensure that the money is safeguarded and that loans are repaid



Sampling

- From a list of newly registered associations provided by the NGO: random selection of 10 associations
 - 5 that were not organized in the past
 - 5 that were previously organized in similar initiatives
- Each association is composed of 15 to 25 members
- One association = one experimental session (targeted beneficiaries)
- One experimental session with targeted beneficiaries = one experimental session with control in nearby village
- Sample is balanced
- $N = 340$

Measurement of Social Capital

Incentivized
Games

Altruism (Dictator Game)

Trust (Investment game)

Cooperativeness (Public good game)

Socio-demographic questionnaire

Hypothesis

Hypothesis 1: targeted beneficiaries (treatment group) have a higher level of social capital than non-beneficiaries

Hypothesis 2: targeted beneficiaries that have previously participated in projects or initiatives similar to the project at stake exhibit higher social capital than targeted beneficiaries that have not

Methodology

- Treatment effects are computed through:
 - Ordinary least squares (OLS)

$$Y_i = \alpha + \beta T_i + \varepsilon_i$$

Where Y_i is the outcome of interest, α the constant, β the treatment effect (ATT), T_i equal to 1 if subject i is treated, 0 otherwise, and ε_i the error term. The constant reports the mean for the control group. (Avdeenko & Gilligan, 2015)

- Ordered Probit

Hypothesis 1

Targeted beneficiaries (treatment group) have a higher level of social capital than non-beneficiaries

Results (OLS – with controls)

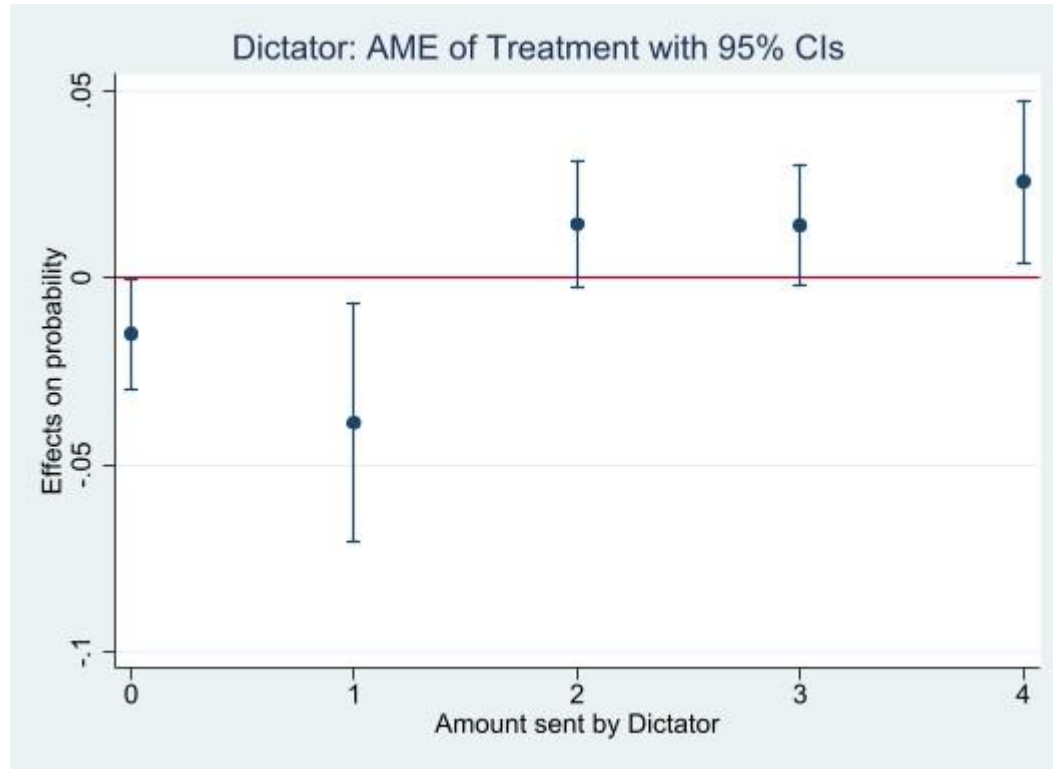
Table 3: Behavioral Measures

	Dictator		Trust sent	Trust		Public Good	
	Give to P2	Expect from P1		Returned (6)	Returned (12)	Contribution	Expected Contribution
Treatment	0.109*	-0.0172	0.144	0.438**	0.474*	-0.109	-0.0426
Control Mean	1.859***	1.524***	2.079***	2.584***	4.732***	3.073***	8.394***
<i>N</i>	340	340	340	340	340	340	340

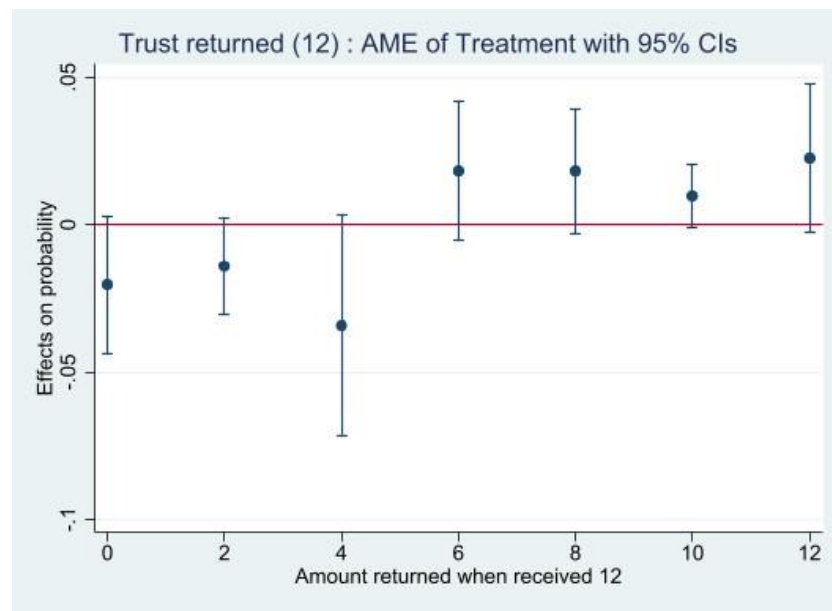
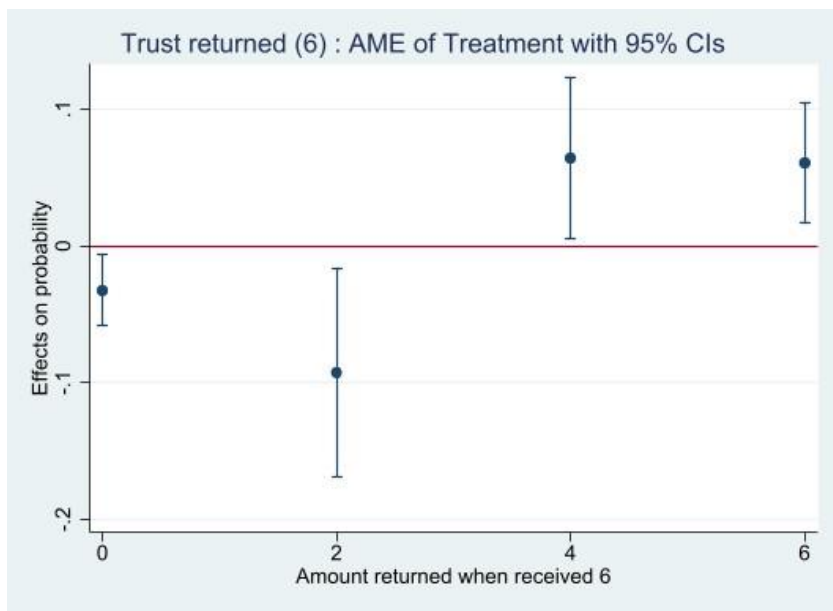
* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

→ Targeted beneficiaries are more altruistic and trustworthy than non-beneficiaries.

Results (Ordered Probit)



Results (Ordered Probit)



Hypothesis 2

Targeted beneficiaries that have previously participated in projects or initiatives similar to the project at stake exhibit higher social capital than targeted beneficiaries that have not

Main results (2) – H2

Table 3: Behavioral Measures

	Dictator		Trust			Public Good	
	Give to P2	Expect from P1	Trust sent	Returned (6)	Returned (12)	Contribution	Expected Contribution
TreatMuk2	-0.0784	-0.204*	0.0395	-0.0749	-0.184	-0.199	-0.0833
Control Mean	2.476***	1.204**	2.163**	3.658**	5.584***	3.538***	10.35***
<i>N</i>	143	143	143	143	143	143	143

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

→ No differences in social preferences for targeted beneficiaries that were previously part of similar initiatives.

Conclusion

- Differences in social preferences between targeted beneficiaries and non-beneficiaries (H1)
- Targeted beneficiaries already have higher levels of social capital than non-beneficiaries
- No differences in social capital between respondents that previously participated in similar initiatives and the ones that have not (H2)
- Purely ex-post analysis of social capital → potential bias
- Beyond the question of program evaluation, it is key to reflect on whom participate to development projects, if social capital matters in the participation then how do we target individuals that have lower social capital?