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Southern- Area Development Programme: How Communities Groups Function

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Southern-Area Development Programme: How Communities Groups Function

Governance Support Program
Post-Crisis Needs Assessment Programs
FATA Secretariat and Government of Khyber-Pukhtunkhwa

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Introduction

The nature and quality of institutions are important determinants of economic growth. Yet, there is little consensus in the academic literature about exactly how institutions should be designed; how to move from a system of anachronistic or maladaptive institutions to a better set of institutions; and whether and how foreign donors can assist in this process. One policy that is often used by donors to encourage participatory democracy in low-income countries is "community driven development" (CDD). The United Nations defines community development as "a process where community members come together to take collective action and generate solutions to common problems." Such institutions developed organically in the Anglo-Saxon world to meet exigent circumstances. Of course, Great Britain and its former colonies have a long history of participatory democracy and local government. One approach to the challenges facing the developing world is to foster such institutions in conditions that may have no tradition of participatory democracy or providing public goods through collective effort. As a result, many important public goods may be underprovided or not provided at all.

The World Bank has an established track record of supporting CDD projects, sponsoring approximately 600 projects worth $28 billion in more than 110 countries.[1] In a CDD project, grants are distributed to communities on the condition that the funds are spent on local projects. The community groups are expected to use a democratic procedure to choose a "development" project. The anticipated outcomes of this exercise in participatory democracy are as follows: heretofore marginalized groups should be in a better place to participate in future CDD programs; decisions are made in an inclusive and transparent manner; and individuals participating in the community groups should feel enriched and empowered by the experience.

[1] See http://www.worldbank.org/en/topic/communitydrivendevelopment/overview#2 for further details on the history of the World Bank's involvement in supporting CDD projects.

The purpose of this study is to evaluate the Southern Area Development Project (SADP), which is a CDD initiative undertaken by the Planning and Development Department, Provisioning Peace, Justice, and Socio-economic development through good governance in the three least developed and crisis hit districts of Khyber Pakhtunkhwa (KPK) Province, namely D.I Khan, Tank, and Lakki Marwat. This CDD project is funded and supported by the World Bank-Multi Donor Trust Fund (WB-MTDF) for KPK and the Federally Administered Tribal Areas (FATA).

The objective of this intervention is to facilitate local communities in organizing themselves into Economic Interest Groups (EIGs) and federate into Tehsil-level Clustered Economic Income Groups (CEIGs).[2] The project staff builds the capacity of the EIGs and CEIGs and plan a community led process, through inclusive, transparent and participatory planning, leading to developing a Community Action Plan (CAP), which provides the basis for project funding. The project was implemented between 2014 and 2015 with a budget of $2.77 million dollars. There should be approximately 100,000 beneficiaries, of which at least 30 percent should be women.

The evaluation consists of the analysis of the responses to two surveys: an institutional survey completed for all 228 EIGs and an individual survey of 944 members of a randomly selected subset of 44 EIGs. Since Pakistan is an ethnically heterogeneous and fractionalized country, we examine whether ethnic heterogeneity affects the performance of an EIG. For example, Alseina et al. (1999) find that public goods are under provided in U.S. metropolitan

[2] EIG is organized at the level of 15- 20 Households with one member from each household, CEIG is organized at the Tehsil level with an average of 100 members.

228

areas with more ethnically heterogeneous populations relative to those that are more homogenous populations.

Based on the analysis of the survey responses, it appears that the groups are successful. In terms of institutional performance measures, nearly 85 percent of the groups recommended a project and every group but one kept minutes of their meetings. The average number of meetings required to make a recommendation is 12, with female groups requiring substantially fewer meetings to make a recommendation. Nearly three-quarters of the respondents report strong agreement with the statement "the group is important"; "my opinion matters in the EIG discussions"; "the group will continue to meet"; and "the respondent's family and the respondent will benefit from the recommended investment". There is some variation in sentiment depending on whether the respondent is a member of a female group or of an ethnically diverse group. However, the results suggest that marginalized groups, such as those with no education believe that their opinion was listened to by the group.

The remainder of this report is organized as follows. In the next section, we describe the sample design and questionnaires. In the subsequent section, we report the results of the analysis. The final section concludes.

Sample Design and Questionnaire

A random sample of 44 groups (10 are female groups) was selected from the complete list of 228 groups (18 groups have all female members) in the following manner. The list of institutions were divided into CEIGs and EIGs. Then both lists were further sub-divided into male and female groups. These four groups were further sub-divided into eight groups based on whether they had selected a project at the time that the institutional survey was administered. Random samples were drawn from each of the eight sub-groups using the Rand() command of

MS Excel. The individual survey was administered to all the members of the randomly selected groups. Institutions that were declared inactive by SADP were replaced with active institutions, using the same Rand() command. The reason for dropping the inactive groups was the difficulty of surveying the members of such groups. Of course, the failure to gather the view of members of inactive groups means that our findings are biased in favor of successful groups.

Many of the respondents are illiterate or at least not sufficiently well-educated to complete the survey by themselves. Therefore, an enumerator administered the individual survey to each member in private. Copies of the English language versions of the individual and institutional surveys are provided in Appendices 1 and 2, respectively, of this report. The institutional survey includes questions aimed at measuring the performance of the institution including the number of members, the number of meetings held, whether minutes were kept, whether the group chose a project, and the type of project chosen. The individual survey includes basic demographic questions as well as statements aimed at measuring individual attitudes about their subjective assessment about the experience of participating in a group. Some of the key statements include the following: my opinion was taken into account in the discussions of the group; the group serves an important purpose; my family and I will benefit from the investment recommended by the group; and the group will continue to meet in the future. The respondent was asked to indicate whether they strongly disagree, disagree, neutral, agree, or strongly agree with each statement. Responses to these statements are designed to provide measures of the respondent's subjective assessment of the performance of the group.

Results

Before discussing the multivariate analysis, it is useful to examine the distribution of responses for the main outcomes variables. We begin by discussing the performance measures

from the institutional survey which was administered to all 228 groups. Figure 1 shows the distribution of the number of meetings held by 228 groups. As reported in Table 1, the average number of meetings is 12.3 and the standard deviation is 6.1. The minimum number of meetings is 1 and the maximum is 29. Figure 2 shows the distribution of the number of meetings for the 17 female groups. Comparing the two figures, it is evident that female groups held fewer meetings that male groups. Table 1 shows that the average number of meetings for female groups is 7.4; the standard deviation is 4.9; and the maximum number of meetings is 18.

Table 2 summarizes the types of projects recommended by the groups. No decision was the most frequent "decision" (63 groups). Conditional on recommending a project, the choices rank ordered by frequency are a transportation project (46 groups), drinking water project (39), drainage project (39), and agriculture/livestock/poultry project (39). Other popular projects included irrigation projects (14) and vocation centers (12). Table 2 also shows the recommendations for female groups. In percentage terms, female groups are less likely to be unable to make a decision (22 percent). Popular recommendations among female groups include agriculture/livestock/poultry (5), drinking water (3), vocation center (3), and transportation (2). Interestingly, female groups are much more likely to recommend an agriculture/livestock/poultry project or a vocational center than male groups in percentage terms and just as likely to recommend a drinking water project. They are much less likely to recommend a transportation project. The preference among male groups relative to female groups for transportation projects is an interesting finding that warrants further investigation. Are men more likely to be engaged in economic activities involving trade hence their preference for transportation projects or does the tradition of social isolation among women account for their lack of interest in transportation projects?

Now we turn to the subjective assessments of the groups using the responses to the individual survey. Figure 3 shows that nearly 85 percent of the respondents strongly agree with the statement "my opinion is taken into account in the group." Male respondents (86 percent) are only slightly more likely to strongly agree with this statement than respondents in female groups (81 percent). This statement is meant to gauge whether people feel that the group is inclusive in its decision making. Only a very small number (less than two percent) disagreed or strongly disagreed with this statement. Therefore, the respondents appear to believe that decision making was indeed inclusive. Figure 4 shows the distribution of responses to the same statement "the EIG serves an important purpose." Among Pukhtun, which is the majority ethnic group in this region of Pakistan, approximately 87 percent strongly agree with the statement. Meanwhile, Hindko speakers (78 percent) and members of other ethnic groups (72 percent) are slightly less likely to strongly agree with the statement. Although there is variation among ethnic groups, there appears to be strong agreement that an EIG/CEIG serves an important purpose.

Figure 5 shows the distribution of responses to the statement "my family and I will benefit from the investment recommended by the EIG," for the total sample and by ethnic group. Approximately 84 percent of the respondents strongly agree with the statement. Pukhtuns (88 percent) are slightly more likely to strongly agree with the statement than Hindko speakers (84 percent) and members of other ethnic groups (76 percent). Again, there appears to be a strong consensus, irrespective of ethnic identity, that the respondent and the respondent's family will benefit from the project recommended by the group. Interestingly, female respondents are much less likely to strongly agree with the statement. Figure 6 shows that only 60 percent of female respondents strongly agree with the statement compared to 89 percent among male respondents. However, female respondents are much more likely to agree with the statement than male

respondents. So, the difference in attitudes between males and females appears to be more a matter of degree rather than of kind. Finally, Figure 7 shows the distribution of responses by gender to the statement "the group will continue to meet." Again, male respondents (90 percent) are much more likely to strongly agree with the statement than female respondents (75 percent).

In sum, there appears to be a strong consensus, irrespective of ethnic identity and gender, about the importance, sustainability, and benefit of the groups. Now, we turn to our multivariate analysis of the determinants of individual responses to the outcomes discussed above.

In addition to the usual demographic characteristics (age, gender, marital status, employment status, and measures of wealth), we use an index of ethnic heterogeneity of the group membership as a potential determinant of the individual measures of group performance. There is abundant evidence that ethnic heterogeneity create obstacles to cooperation and mitigate the effectiveness of institutions. For example, Alesina et al. (199) show that the shares of spending on productive public goods, such as education, roads, sewers, and trash pickup, in U. S. cities are inversely related to the city's ethnic fragmentation, even after controlling for other socioeconomic and demographic determinants. They conclude that ethnic diversity is an important determinant of local public finances. This pattern is broadly consistent with political economy theories in which heterogeneous and polarized societies place less value on public goods.

We use an index of heterogeneity (IEH) that is commonly used in the literature. It is given by the following expression:

$$\mathrm{IEH_j} = 1 - \sum_{i=1}^{n} (\mathrm{s_{ij}})^2$$

where s_{ij} is the share of ethnic identity i in EIG j. The index reflects the probability that two randomly chosen members in group j are from different ethnic groups. The index ranges between

0 and 1, where zero indicates that every member of the group shares the same ethnic identity (homogenous group) and 1 indicates that no two members share the same ethnic identity. Figure 8 shows the distribution of IEH among the groups. Nearly 80 percent of the groups are ethnically homogenous. However, there are some groups that are ethnically diverse.

Table 3 reports the names of the EIGs and CBOs in our sample of 44 groups, the number of members in each group, and the number of members by gender. Groups are either exclusively male or exclusively female. We begin the analysis using the institutional measures of performance. Table 4 reports the summary statistics for the sample of 44 groups. More than 70 percent of the groups are ethnically homogenous; the sample mean of IEH is 0.11; and 25 percent of the sample consists of female groups. The average share of members with no formal education is 51 percent; the average share of members with post-secondary education is 27 percent; and the average share of members who have participated in a group at least once before is 14.4 percent. The average share of members who report being self-employed is 24 percent; 16 percent report being unemployed; and 46 percent on average report having no vehicle.

Table 5 reports the estimated coefficients from ordinary least squares (OLS) or Probit regressions of the institutional performance indicator and the set of regressors. For each indicator, we report estimates for two specifications. One specification uses only two control variables, namely the index of ethnic heterogeneity and a dummy variable for a female group. The other specification includes a full set of controls. The performance measures are the number of meetings and whether the group recommended a project.[3] In the OLS regression for the number of meetings, using the full set of regressors, which is reported in column 3, the only covariate that is statistically significant at conventional levels is the indicator variable for a

[3] Every group but one kept minutes of their meetings, so there is no point in trying to explain the determinants of this performance indicator.

female group. The estimated coefficient is negative, meaning the female groups have 6.5 fewer meetings than male groups. This finding is consistent with evidence reported in Figure 2. Importantly, there is no evidence that the number of meetings is influenced by the relative ethnic homogeneity or heterogeneity of a group.

Regarding whether a project was chosen, the estimated marginal effect from a Probit model, with a full set of regressors, which are reported in column 5, the only covariate that is statistically significant at conventional levels is the indicator variable for the share of members who participated in a group at least once before. If the share increases by 10 percentage points, then the probability that the group makes a recommendation increases by 0.25 percentage points. Again, there is no evidence that the relative homogeneity or heterogeneity of the group or whether it is a female group has any influence on whether the group makes a recommendation.

Now, we turn to the multivariate analysis of the individual measures of group performance. The summary statistics for our sample of 942 respondents are reported in Table 6. Seventy-seven percent of the sample is a member of a homogenous group, and the average IEH is 0.079. Sixteen percent of the respondents are members of a female group. Seventeen percent report that they are unemployed; 17.4 percent report that they have no formal education; and 54.2 percent have no vehicle; and 13.5 percent do not own a home. The age distribution shows that nearly 55 percent of the respondents are under the age of 35 years old and 81 are married.

As in the case of the group performance measures, we estimate two specifications. One specification uses three covariates, namely an indicator for a homogenous group, the index of ethnic heterogeneity (IEH), and an indicator variable for a female group. The other specification includes a full set of control variables. The estimated marginal effects obtained from ordered Probit models are reported in Tables 7 and 8.

The number of meetings attended by the respondent is coded 1 through 5 for never attend to always attend. Since the dependent variable in this regression is an ordered discrete variable, we estimate an ordered Probit model. No education is the only covariate that is statistically significant at conventional levels. The marginal effect is negative meaning that a respondent with no education is less likely to report attending meetings. The second performance indicator is whether the respondent believes that their opinion matters in EIG discussions. This variable is coded 1 through 5 depending on whether the respondent strongly disagrees, disagrees, neutral, agrees, or strongly disagrees with the statement. As before, we estimate an ordered Probit model. The estimated marginal effects are reported in columns 4 and 5 of Table 7. Interestingly, there is an inverse relationship between the respondent's agreement with the statement and the index of ethic heterogeneity of the respondent's group. In other words, respondents are more likely to believe that their opinion does not matter as the ethnic heterogeneity of the respondent's group increases. Column 5 shows that this result is robust to a full set of covariates. In addition, a respondent who has participated in at least one group before is more likely to believe that their opinion matters. The interpretation of this result may be biased by selection. A person who believes that their opinion matters may be more likely to join a group.

In columns 1 and 2 of Table 8, we examine the determinants of the respondent's agreement with the statement "the group serves an important purpose." Respondents are more likely to agree with the statement if they are a member of a homogenous group or a member of a more ethnically heterogeneous group. Furthermore, in the model with a full set of covariates, a respondent who is a member of a female group is more likely to agree with the statement. In addition, respondents who report having no formal education are more likely to agree with the statement. Finally, we examine the determinants of agreement with the statement that "my

family and I will benefit from the chosen project." The estimated marginal effects of this model are reported in columns 4 and 5 of Table 8. Respondents who are members of ethnically heterogeneous groups and female groups are more likely to agree with the statement. In addition, respondents who report being unemployed are less likely to agree with the statement.

Conclusion

In general, analysis of the survey responses suggest that the groups are successful. In terms of institutional performance measures, nearly 85 percent of the groups recommended a project, every group but one kept minutes of their meetings, and the groups appear to take a number of meetings to make a recommendation. Many respondents report that they strongly agree with the statement that the group is important, their opinion matters, the group will continue to meet, and the respondent's family and the respondent will benefit from the recommended investment. There is some variation in sentiment depending on gender and membership in an ethnically diverse group. However, there results suggest that marginalized groups, such as those with no education, women, and members of ethnic minorities believe that there opinion is listened to by the group. This suggests that decision making is democratic and inconclusive which is one of the goals of the program.

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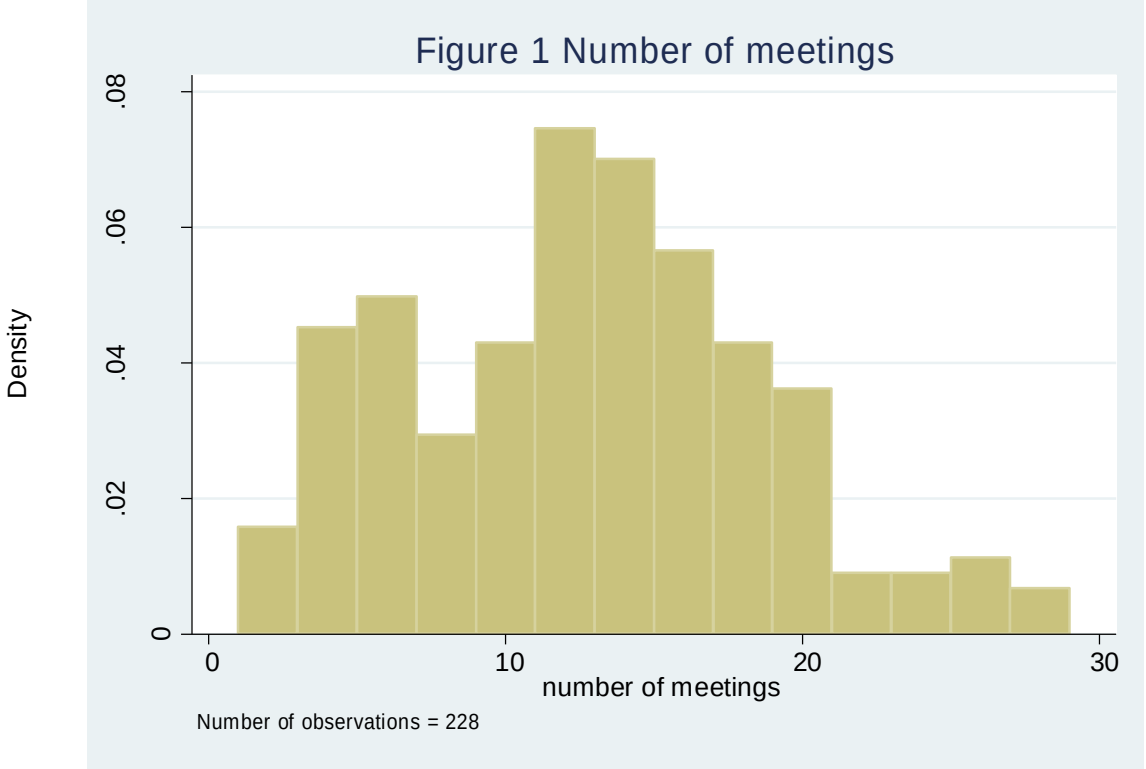


Figure 1 Number of meetings
Density
0
.02
.04
.06
.08
0
10
20
30
number of meetings
Number of observations = 228

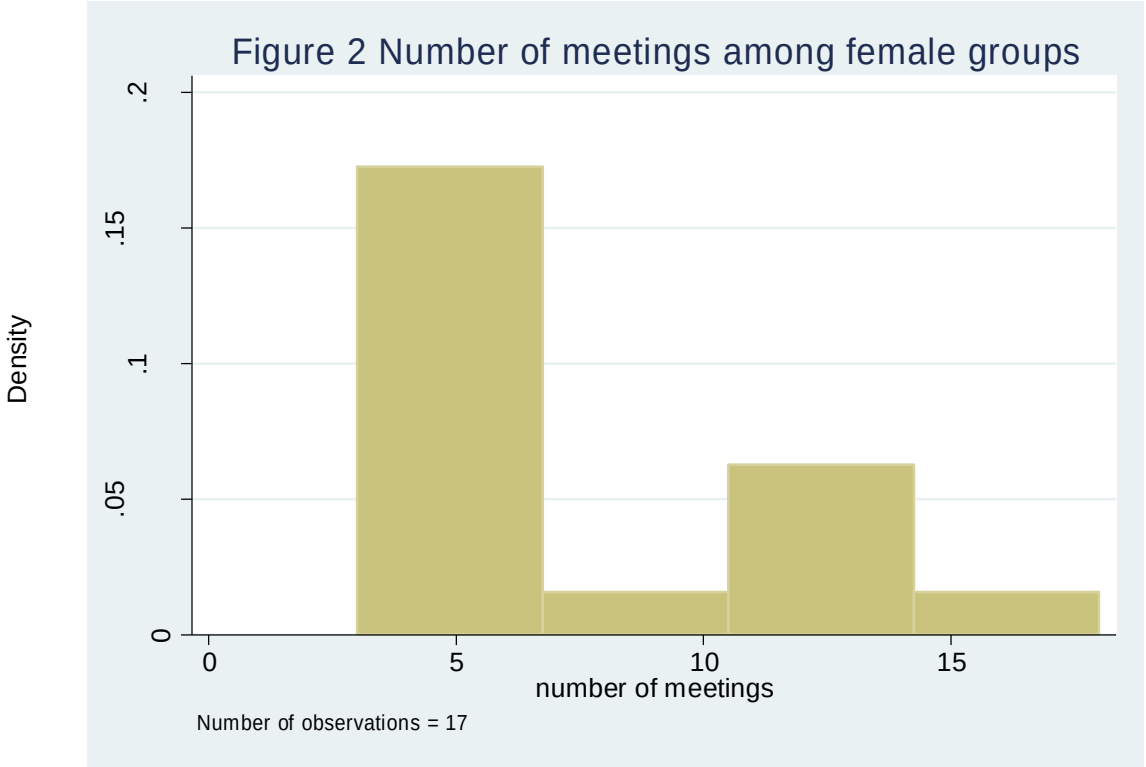


Figure 2 Number of meetings among female groups
Density
0
.05
.1
.15
.2
0
5
10
15
number of meetings
Number of observations = 17

Figure 3:
My opinion is taken into account in EIG discussions

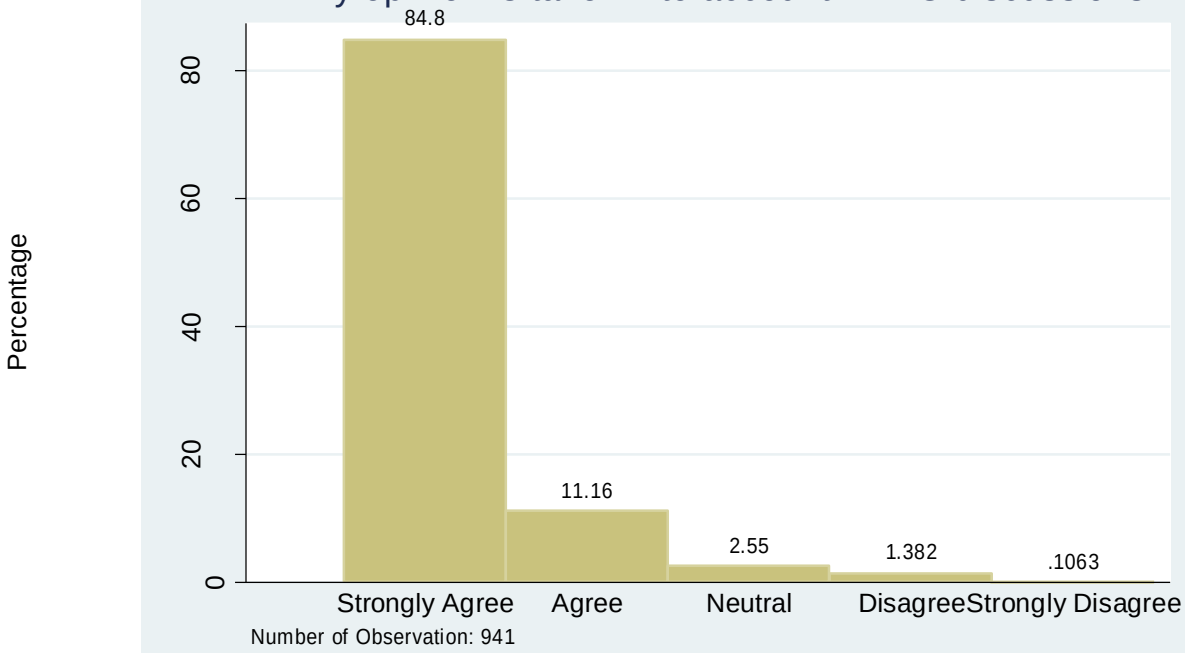


Figure 4:
The EIG serves an important purpose

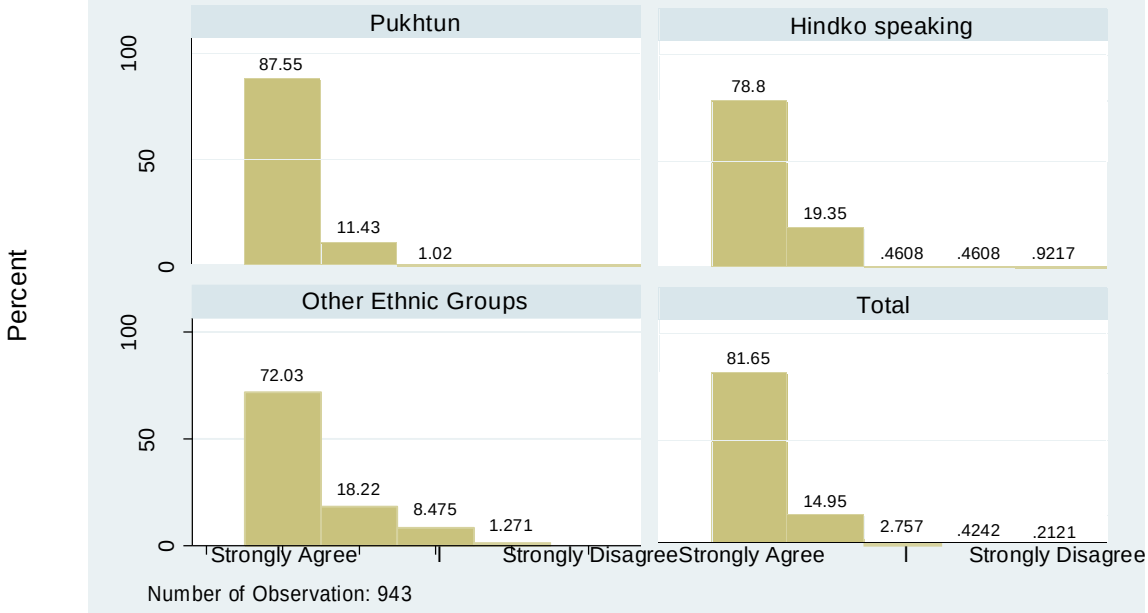
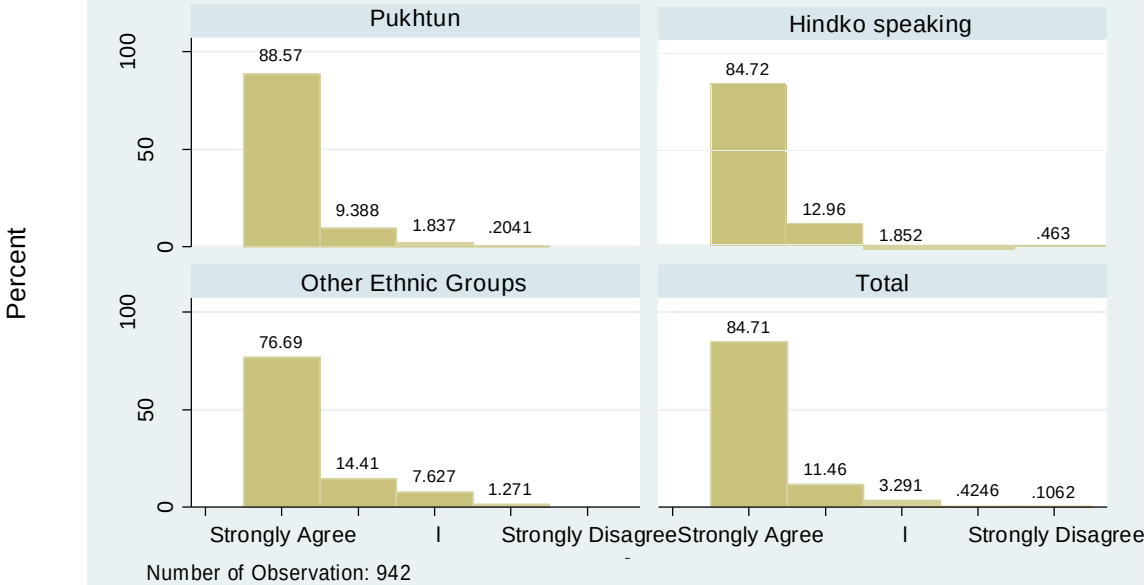
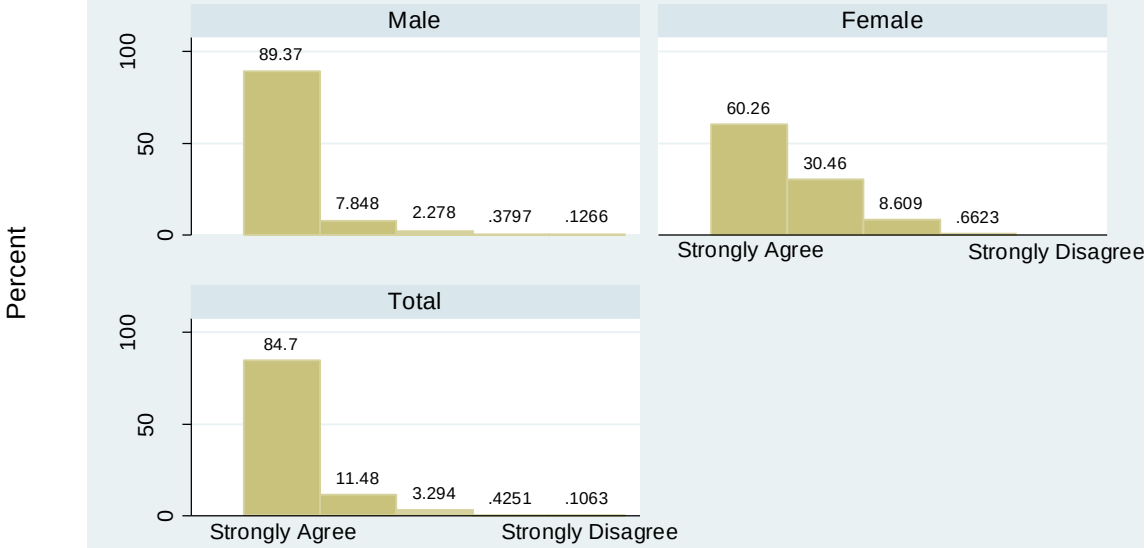


Figure 5:
My family and I will benefit from the investment recommended by the EIG



Number of Observation: 942

Figure 6:
My family and I will benefit from the investment recommended by the EIG



Number of Observation: 942

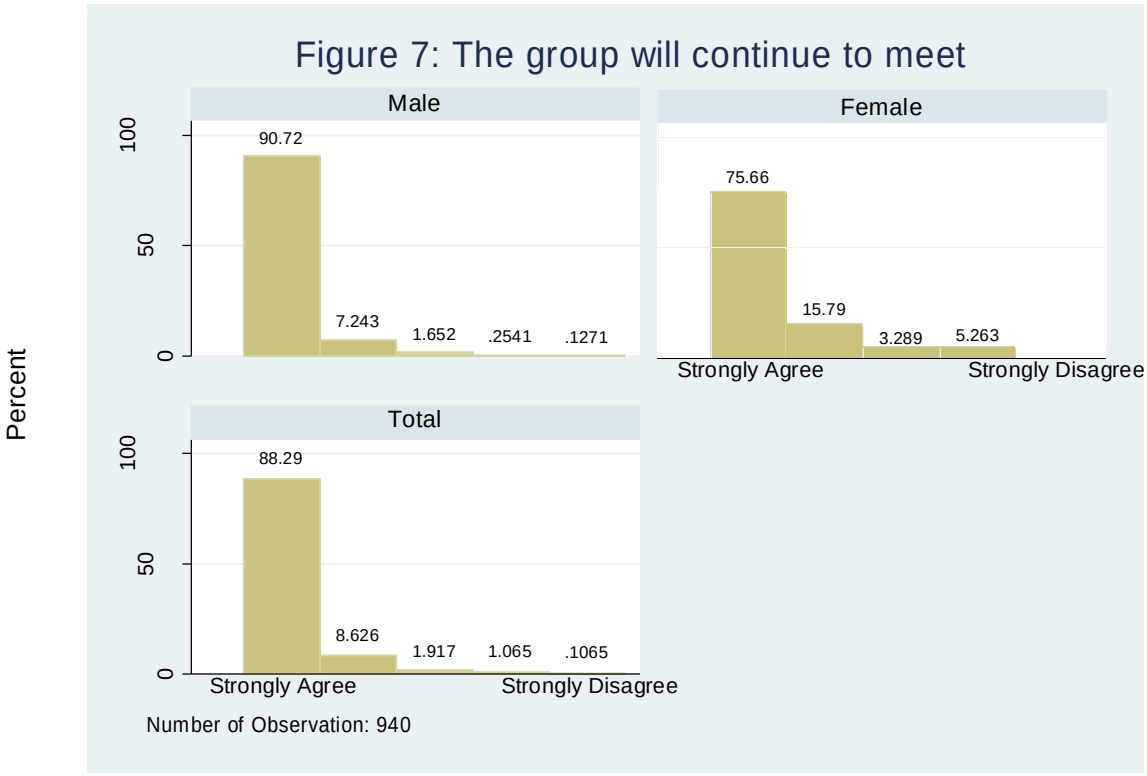


Figure 7: The group will continue to meet
Male
Female
Total
Percent
100
50
0
90.72
7.243
1.652
.2541
.1271
75.66
15.79
3.289
5.263
88.29
8.626
1.917
1.065
.1065
Strongly Agree
Strongly Disagree
Number of Observation: 940

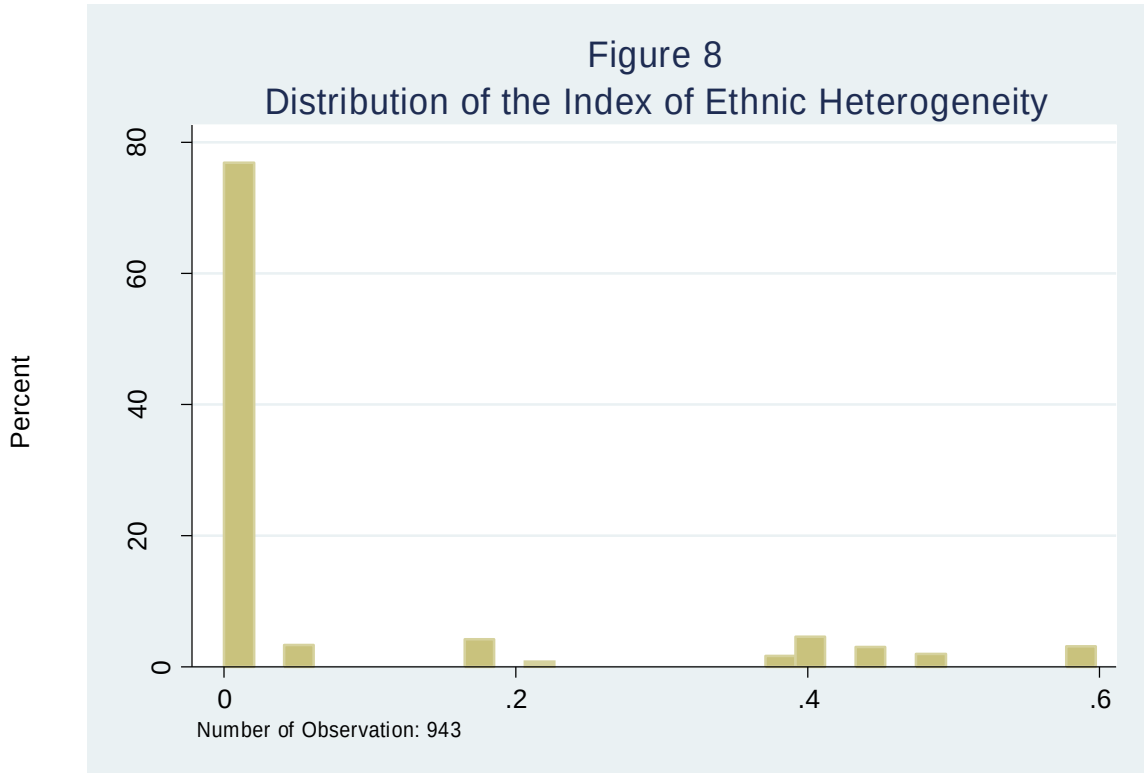


Figure 8
Distribution of the Index of Ethnic Heterogeneity
Percent
80
60
40
20
0
0
.2
.4
.6
Number of Observation: 943

Figure 9
Distribution of land-ownership heterogeneity index

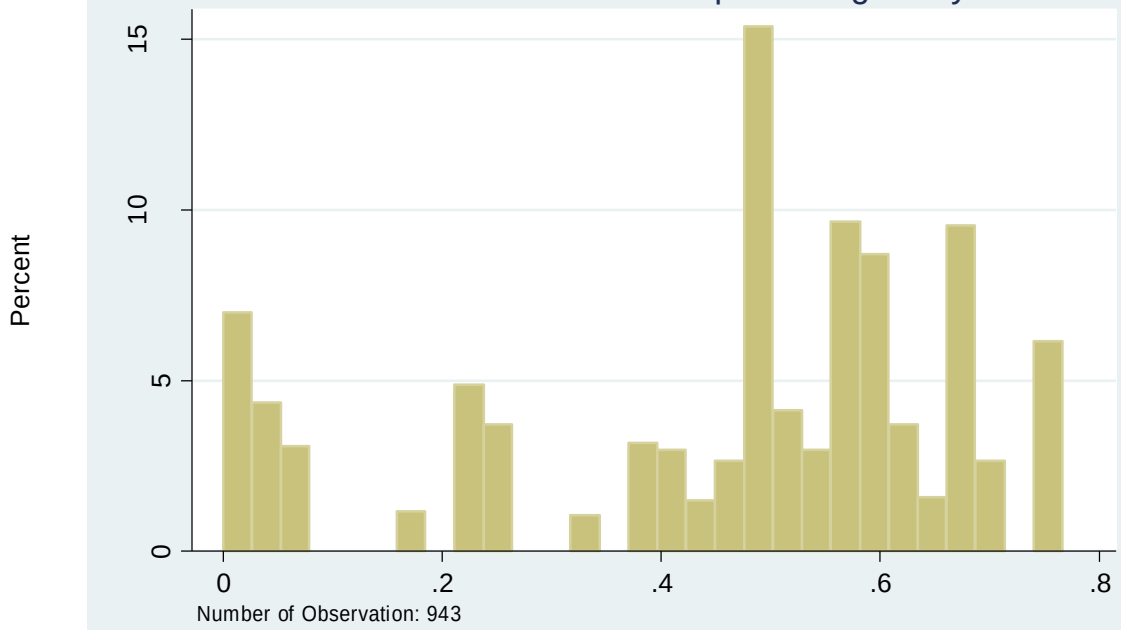


Table 1: Summary statistics for group performance measures

Performance measure	Sample	Mean	Standard deviation	Maximum
Number of meetings held to date	All groups[1]	12.285	6.082	29
	Female groups[2]	7.411	4.912	18
Has the group chosen a project? (YES = 1)	All groups[1]	0.753	0.432	-
	Female groups[2]	0.706	0.470	-

[1]Number of observations = 228
[2]Number of observations = 17

Table 2: Distribution of chosen project types[1]

Project type	Frequency	Percent
No decision	63 (4)	27.6 (22.2)
Agriculture/Livestock/Poultry	19 (5)	8.3 (27.8)
Cattle pond	3 (0)	1.3 (0)
Drainage	19 (1)	8.3 (5.6)
Drinking water	39 (3)	17.1 (16.7)
Financial assistance	9 (0)	3.9 (0)
Health	2 (0)	0.9 (0)
Irrigation	14 (0)	6.1 (0)
School	1 (0)	0.4 (0)
Transportation	46 (2)	20.2 (11.1)
Vocation center	12 (3)	5.3 (16.7)
Total	**228** **(18)**	**100.0** **(100.0)**

[1]The figures for female groups are provided in parentheses.

Table 3: Groups, number of members by gender

No.	Economic interest group	Number of members	Number of male members	Number of female members
1	Awan Janubi Community	32	32	0
2	Best Organization	59	59	0
3	CBO Gul Rang	25	25	0
4	CBO Nabi Khel	25	25	0
5	EIG Meena Khel	41	41	0
6	Embroidery Group	7	0	7
7	Gulistan CBO	28	28	0
8	Hamdard Agriculture	8	8	0
9	M CBO Ujala Chijri	12	12	0
10	M CBO Al-Farooq	30	30	0
11	M CBO Anmol Community	36	36	0
12	M CBO Baloch	30	30	0
13	M CBO Gurmani	30	30	0
14	M CBO Mir Salam	28	28	0
15	M CBO Parati Community	31	31	0
16	M CBO Shaheen	30	30	0
17	M CBO Shamoni Khattak	35	35	0
18	M CBO Tameer Welfare	29	29	0
19	M EIG Anmol – Livestock	9	9	0
20	M EIG Ittehad – Livestock	8	8	0
21	M EIG Karishma	25	25	0
22	M EIG Mitto Green	8	8	0
23	M EIG Saiban Livestock	8	8	0
24	M EIG Shaheen – Livestock	9	9	0
25	M EIG Shama – Agriculture	8	8	0
26	Male CBO Ghari Bakhri	30	30	0
27	Male CBO Taloo	29	29	0
28	Male CBO Wandi	21	21	0
29	Male EIG Farmers Alfalah Takwara	10	10	0
30	Male EIG Farmers Panjan Shah Janubi	29	29	0
31	Male EIG Mehraban Gharbi Kashtkar Jabar	10	29	0
32	Male EIG Vocational	10	10	0
33	Male EIG Zamindar	23	23	0
34	Muslim Bagh Taraqiy	28	28	0
35	W CBO Cha Parati	25	0	25
36	W CBO Hilal	33	0	33
37	W EIG Rida – Livestock	7	0	7
38	W EIG Shaheen – Livestock	9	0	9
39	W EIG Wasoon – Livestock	11	0	11
40	Wasti Lakhra Community	25	25	0
41	Women EIG Handycraft	7	0	7
42	Women EIG Livestock	14	0	14
43	Women EIG Nasheman Gul	21	0	21
44	Women EIG Vocational	8	0	8
	Total number of members	**941**	**799**	**142**

Table 4: Summary statistics for sample of EIGs

Variable	Mean (Standard deviation)
Ethnically homogenous group	0.705 (0.462)
Index of ethnic heterogeneity	0.105 (6.382)
Group type (Female group = 1)	0.250 (0.438)
Share of members with no education	0.510 (0.286)
Share of members with high education	0.268 (0.236)
Share of members participating in a group before	0.144 (0.246)
Share self-employed	0.241 (0.260)
Share unemployed	0.160 (0.202)
Share no vehicle	0.460 (0.321)
Number of observations	44

Table 5: Estimates of the determinants of EIG performance measures

Variable	Number of meetings[1]	Number of meetings[1]	Project chosen[2]	Project chosen[2]
Ethnically homogenous group	-	-4.01 (5.051)	-	-0.058 (0.257)
Index of ethnic heterogeneity	-11.351 (5.046)	-18.016 (12.642)	0.070 (0.354)	0.179 (0.642)
Group type (Female group = 1)	-4.430 (2.128)	-6.546* (3.934)	-0.166 (0.130)	0.150 (0.210)
Share of members with no education	-	4.339 (7.629)	-	-0.430 (0.374)
Share of members with high education	-	-2.379 (7.947)	-	-0.558 (0.416)
Share of members participating in a group before	-	2.047 (4.233)	-	2.526* (1.409)
Share self-employed	-	-1.940 (4.752)	-	0.138 (0.238)
Share unemployed	-	1.013 (6.000)	-	0.332 (0.323)
Share no vehicle	-	3.961 (3.672)	-	0.354 (0.220)
Constant	15.564 (1.153)	16.262** (7.123)	-	-
Number of observations	42	42	44	44
R-squared[3]	0.285	0.29	0.032	0.336
Probability > F-statistic[4]	0.015	0.222	0.475	0.071

Standard errors reported in parentheses.

[1] Coefficients estimated by Ordinary Least Squares.

[2] Marginal effects estimated with a Probit model.

[3]In the case of the Probit estimates reported in columns 4 and 5, the reported statistics are a pseudo R-squared.

[4] In the case of the Probit estimates reported in columns 4 and 5, the distribution is chi-square rather than an F-distribution e.g. Probability > Chi-Square.

Table 6: Summary statistics for members of the sample EIGs

Variable	Mean	Standard deviation	Minimum	Maximum
Homogenous group	0.769	0.422	0	1
Index of ethnic heterogeneity	0.079	0.167	0	0.59
Gender (Female=1)	0.161	0.368	0	1
Unemployed	0.174	0.379	0	1
No education	0.471	0.499	0	1
No vehicle	0.542	0.499	0	1
Does not own home (= 1)	0.135	0.342	0	1
Participated in group at least once before (Yes =1)	0.174	0.379	0	1
18 to 25 years old	0.215	0.411	0	1
26 to 35 years old	0.325	0.469	0	1
36 to 45 years old	0.194	0.396	0	1
46 to 55 years old	0.139	0.346	0	1
56 to 65 years old	0.098	0.298	0	1
66 to 75 years old	0.020	0.141	0	1
Over 76 years old	0.009	0.092	0	1
Single	0.806	0.194	0	1
Married	0.181	0.385	0	1
Widowed	0.013	0.112	0	1

Number of observations = 942

Table 7: Marginal effects from ordered Probit models of individual performance measures

Variable	Number of meetings attended	Number of meetings attended	Opinion matters in EIG discussions	Opinion matters in EIG discussions
Homogenous group	-0.066	-0.062	0.117	0.162
	(0.078)	(0.068)	(0.109)	(0.105)
Index of ethnic heterogeneity	-0.058	-0.045	0.508**	0.586***
	(0.170)	(0.169)	(0.215)	(0.203)
Gender (Female = 1)	0.063	0.081	0.048	0.044
	(0.073)	(0.060)	(0.054)	(0.058)
Unemployed	-	-0.038	-	0.007
		(0.041)		(0.041)
No education	-	-0.052**	-	0.062
		(0.026)		(0.042)
No vehicle	-	-0.028	-	-0.028
		(0.019)		(0.039)
Does not own home	-	-0.054	-	-0.024
		(0.041)		(0.059)
Participated in a group before	-	-0.016	-	0.070**
		(0.017)		(0.029)
Other control variables [a]	No	Yes	No	Yes
Number of observations	924	914	940	930
Pseudo R-squared	0.30	0.080	0.025	0.043
Wald Chi-Square	3.05	132.97	11.00	34.47
P-value	0.384	0.000	0.012	0.005

Clustered standard errors are reported in parentheses. * indicates that the estimated coefficient is significant at the 10 percent level; ** at the 5 percent significance level; and *** at the 1 percent significance level.

[a] Other control variables include the following: vector of age dummy variables and marital status indicator variables.

Table 8: Marginal effects from ordered Probit model of individual performance measures

Variable	Group serves an important purpose	Group serves an important purpose	My family and I will benefit from the chosen project	My family and I will benefit from the chosen project
Homogenous group	0.222***	0.270***	0.121	0.156
	(0.094)	(0.104)	(0.098)	(0.106)
Index of ethnic heterogeneity	0.823***	0.886***	0.417	0.478*
	(0.211)	(0.219)	(0.268)	(0.265)
Gender (Female = 1)	0.135	0.086*	0.195***	0.168***
	(0.054)	(0.050)	(0.038)	(0.038)
Unemployed	-	-0.040	-	-0.060*
		(0.041)		(0.035)
No education	-	0.107**	-	0.045
		(0.052)		(0.043)
No vehicle	-	-0.063	-	-0.031
		(0.041)		(0.043)
Does not own home	-	-0.028	-	-0.031
		(0.030)		(0.036)
Participated in a group before	-	0.066	-	0.051
		(0.053)		(0.055)
Other control variables [a]	No	Yes	No	Yes
Number of observations	942	932	941	931
Pseudo R-squared	0.058	0.094	0.070	0.088
Wald Chi-Square	20.78	750.07	19.52	113.80
P-value	0.000	0.000	0.000	0.000

Clustered standard errors are reported in parentheses. * indicates that the estimated coefficient is significant at the 10 percent level; ** at the 5 percent significance level; and *** at the 1 percent significance level.

[a] Other control variables include the following variables: vector of age dummy variables and marital status indicator variables.

Appendix 1

A) Background information:

1. Name of economic interest group _____ [A010A]
2. Name of member _____ [A020A]
3. Name of village: _____ [A030A]
4. Name of subdivision: _____ [A040A]
5. Location code (enumerator should enter 5-digit location code): _____ [A030I]

B) Member's information:

6. Age (circle the one that applies)
   1. 18 – 25 years old (185)
   2. 26 – 35 years old (271)
   3. 36 – 45 years old (185)
   4. 46 – 55 years old (130)
   5. 56- 65 years old (93)
   6. 66 – 75 years old (19)
   7. Over 75 years old (08)
7. Gender (circle the one that applies)
   1. Male (748)
   2. Female (148)
8. What is your current marital status (circle the one that applies)
   1. Married (731)
   2. Single (148)
   3. Widowed(12)
9. Number of children living with you. (circle the one that applies)
   1. I have no children living with me. (141)
   2. 1 child (88)
   3. 2 children (116)
   4. 3 children (106)
   5. 4 children (99)
   6. 5 children (115)
   7. 6 children (86)
   8. 7 children (70)
   9. 8 children (31)
   10. More than 8 children (44)

10. Education
    1. None (431)
    2. Primary (116)
    3. Middle (88)
    4. Matriculation (131)
    5. FA/FSc (62)
    6. BA/BSc (33)
    7. MA/MSc or Higher (04)
    8. Professional Degree (MBBS; Engineering) (23)
    9. Darse Nizami (08)
11. Profession
    1. Government Servants (74)
    2. Agriculture (279)
    3. Self Employed (235)
    4. House Wife (140)
    5. Private Employee (21)
    6. Jobless (147)
12. Which of the following ethnic group you identify yourself as a member of:
    1.Pukhtun (456)
    2.Hindko speaking (205)
    3.Chitrali
    4.Gujjar (02)
    5.From Hazara (02)
    6.Punjabi (03)
    7.Other (Saraiki) (228)
13. How much land do you own (in acres)? -

    _____
14. What type of vehicle do you own (circle all that apply)?
    1.Car (12)
    2.Motorcycle (263)
    3.Bicycle (133)
    4. Another motorized vehicle (22)
    5.Do not own a vehicle (466)
15. Do you own your own home?
    1.Yes (788)
    2.No (108)
16. What are the names of your 5 best friends?

    _____

    _____

    _____

C) Member's participation in EIG:

17. Have you previously participated in a community group?
    1. No (723)
    2. Once before (111)
    3. Twice before (32)
    4. More than twice before (15)
18. I attend the meetings of the economic interest group. Please use the scale below for your answer.

Never attend				Always attend
1 (44)	2 (21)	3 (49)	4 (162)	5(601)

DK=99

19. I believe that my opinion is taken into account in the discussions of the economic interest group. Please use the scale below for your answer.

Strongly disagree				Strongly agree
5 (01)	4 (13)	3 (24)	2 (102)	1 (753)

20. The economic interest group serves an important purpose. Please use the scale below for your answer.

Strongly disagree				Strongly agree
5 (02)	4 (04)	3 (26)	2 (138)	1 (725)

21. I believe that my family and I will benefit from the investment recommended by economic interest group. Please use the scale below for your answer.

Strongly disagree				Strongly agree
5 (02)	4 (04)	3 (31)	2 (105)	1 (753)

22. I believe that the economic interest group will continue to meet after we have made the recommendation. Please use the scale below for your answer.

Strongly disagree				Strongly agree
5 (01)	4 (10)	3 (18)	2 (80)	1 (758)

Appendix 2

D) Background information:

23. Name of economic interest group _____ [A010A]
24. Name of village: _____ [A030A]
25. Name of subdivision: _____ [A040A]
26. Location code (enumerator should enter 5-digit location code): _____ [A030I]
27. Number of meetings held to date: _____
28. Are minutes kept for each meeting? [please confirm from the meeting register]
    1. Always
    2. Never
    3. Sometimes, but not always
29. Has the economic interest group chosen a project?
    1. Yes
    2. No

If the answer to question 7 above is **YES**; then answer the following question; otherwise proceed to part B.

30. Briefly describe the project: _____
    _____
31. Briefly explain how the economic interest group made the decision to recommend a particular project? _____
    _____
    _____

10. Does the economic interest group have office holders or leaders of some sort? If so, please list them by name and indicate the office or role of the member.

    1. _____
    2. _____
    3. _____
    4. _____
    5. _____

11. Briefly explain how the officers or leaders of the EIG were chosen?

    _____

    _____

E) **Member information:**

List names of members, the length of their membership, and the number of meetings attended.

No.	Member's name	Member since (in months)	Number of meetings attended
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			