

Abstract: Community-driven development (CDD) programs are recognized as an essential strategy for poverty reduction and sustainable development in low-income countries. They promote collective action among people to provide local public goods. Large-scale rural CDD projects in Myanmar and Cambodia in 2016~2019 introduce inter-village competition. This paper examines the effects of inter-village competition on collective action in the contexts of CDD projects in the two countries. Participants from CDD intervention villages and non-CDD intervention villages are randomly assigned to face inter-village competition in playing experimental games capturing provision of public goods and group risk taking for profitable investment. We observe heterogeneous competition effects by the CDD intervention status and country. In Cambodia, inter-village competition leads to a large and positive increase in provision of public good and in group risk taking for participants from CDD intervention villages. By contrast, there is no competition effect in Myanmar. Social capital and exposure to inter-village competition explain such heterogeneous effects. Our findings provide evidence on the efficacy of inter-village competition as a CDD tool.