Cooperation or Competitive Equilibrium? The Determinants of Lead Donorship in International Development *

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Is lead donorship the product of collusion or does collusion elude donor governments? The phenomenon of lead donorship—a condition of sustained outsized responsibility by one bilateral donor government for providing development assistance to a developing country—has garnered attention for its proposed ability to foster greater coordination among donor governments by limiting inefficient donor competition and free-riding. But the pro-cooperation properties of lead donorship lie downstream from the strategic context that gives rise to it. Building on an existing theory that embeds lead donorship in a framework characterizing the public and private goods properties of international aid, this study shows that the observed pattern of lead donorship is consistent with uncooperative behavior. This is done using novel measures of donor foreign policy interest and recipient development need and a research design that helps to triangulate when and where aid produces public and private goods for donor governments.

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