Aid Reimagined:
How can foreign assistance better support locally-led development?

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Executive Summary

If international development partners are to live up to their rhetoric and aspiration of supporting locally-led development, they must learn to see from the perspectives of their counterparts in the Global South. The Aid Reimagined report draws upon the experiences of nearly 7,000 leaders at the forefront of pushing forward reforms in 141 countries to answer three critical questions. How do leaders assess progress in advancing their national development goals (Progress)? What key constraints do leaders see as hindering progress in achieving their goals (Capacity)? How can international actors best support locally-led development (Cooperation)? The answers to these questions are essential reading for development partners to deploy resources, form partnerships, and measure success in ways that are responsive to what leaders from the Global South say they need.

Progress: Insufficient jobs and government accountability are chronic sources of discontent for leaders worldwide. Respondents from more democratic countries with better equipped bureaucracies and lower social inequality report stronger progress on development outcomes. However, flying in the face of conventional wisdom about the merits of devolution for responsive government, leaders in federalized systems were more dissatisfied with progress than those in unitary systems. This was most acute with public service delivery and may signal the danger of devolving responsibilities to local governments without ensuring they have the necessary resources and technical capacity to discharge those obligations effectively. Leaders’ views did not vary greatly based upon their development partners, but those who worked with multilaterals and the People’s Republic of China were more optimistic about progress.

Capacity: Leaders see high levels of corruption and poor financial management as undercutting reforms in all policy areas. Lack of prioritization was a uniquely important challenge to overcome to improve social inclusion and government accountability. Limited capacity was a concern across all parts of government, but leaders said gaps were most acute among political appointees. Respondents emphasized the need to build capacity in people (e.g., leadership acumen, personnel management) over structural concerns. Local governments were the exception, with leaders identifying the need for
stronger systems and organizational capacity. Lack of commitment was seen primarily as a problem stemming from top-level political leadership. To remedy this, leaders see a broad coalition of actors outside of government being well positioned to affect change, particularly non-governmental organizations. But it is also important to engage the private sector and professional associations, which were called out as most often being in opposition to reforms.

Cooperation: Most leaders agree that external actors can constructively support domestic reforms, but their optimal role depends upon the key constraints to progress. Mobilizing domestic or international pressure on those blocking reforms was welcome when lack of prioritization was the primary challenge (e.g., government accountability, social inclusion). Leaders from fragile states had greater appetite for this external advocacy role in most sectors, except jobs. Demand for external financing was higher when leaders felt the root issue was insufficient resources (e.g., macroeconomic policy, jobs). They were most interested in accessing international expertise via training or technical advice in areas where poor implementation was the major constraint (e.g., service delivery).
Front Matter

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1. Introduction

In recent years, development partners have increasingly embraced the need to be more nimble and inclusive of local voices in defining the problems they want to solve and rapidly iterating together to find solutions that are fit-for-purpose in alleviating key constraints (Andrews et al., 2015; ODI, n.d.; Menocal et al., 2021; USAID, n.d.). But leveling the playing field for countries to work together on equal footing for a more peaceful, just, and prosperous world will be neither straightforward, nor quick. An essential starting point is for development partners to listen to, and learn from, what in-country counterparts have to say about their progress, capacity, and how external assistance can best provide support.

Once every three years, AidData conducts its Listening to Leaders (LTL) Survey to learn from and amplify the invaluable insights of a diverse cross-section of public, private, and civil society leaders, spanning 141 countries and semi-autonomous regions and representing 23 areas of development policy. In an earlier report, we put a spotlight on what leaders said they wanted to see from their partners: greater emphasis on adapting to local needs; planning for long-term sustainability; supporting locally-led development processes, from setting priorities to co-creating contextually appropriate solutions; and engaging with both government and non-government stakeholders (Custer et al., 2021).

Building upon this foundation, the Aid Reimagined report uses the insights of nearly 7,000 leaders who responded to the 2020 LTL survey to pinpoint how development partners can better adapt their strategies and assistance to help partner countries plan, fund, and implement solutions to their own development challenges. Specifically, we answer three central questions in this report:

- Progress: How do leaders assess progress in advancing their national development goals?
- Capacity: What key constraints do leaders see as hindering progress in achieving their goals?
- Cooperation: How can international actors best support locally-led development?
The remainder of this report is organized by chapters that focus on each of the three core questions. Chapter 2 examines what leaders have to say about the state of development in their countries. Chapter 3 analyzes the key constraints leaders identify as blockers to reform efforts. Chapter 4 proposes recommendations for how international actors can adapt their assistance to be responsive to what leaders say they need from their development partners to advance reforms. In Chapter 5, we conclude with lessons learned. More information about our survey sampling frame, the 2020 sample, and implementation is available in Box 1 and the accompanying Technical Appendix.

Box 1. An Inside Look at AidData’s 2020 Listening to Leaders Survey

As described in Custer et al. (2021), the 2020 wave of the Listening to Leaders Survey was fielded between June and September 2020. 84,000 individuals successfully received an invitation via email to participate in the survey and, of these, 6,807 individuals answered, for a response rate of 8.1 percent. It is worth noting that individual-level participation rates to email surveys and elite surveys tend to be lower than that of household surveys. AidData mitigates potential bias in our surveys in three ways: (1) developing a robust sampling frame of individuals who represent our target population of interest to ensure there is a large enough set of final respondents to facilitate this analysis; (2) collecting data to monitor the demographics of those who receive an invitation versus those who respond to the survey to assess representativeness; and (3) using non-response weights when computing aggregate statistics (e.g., arithmetic means) from the survey results. More information on the design of the sampling frame, recruitment of the sample, and weighting procedures for our analysis is available in the accompanying Technical Appendix.

Stakeholder groups: Our research team identified a list of ideal-type organizations for the six stakeholder groups across all countries that discharge functions relevant to our
questions of interest. Respondents selected their organization type in response to the following question: “It is our understanding that you worked [in country] between 2016 and 2020. During this period, which type of organization did you work with for the longest?” They could choose one from a list of the following options: (1) Government Agency, Ministry or Office; (2) Parliament; (3) Development Partner; (4) Non-Governmental Organization or Civil Society Organization; (5) Private Sector; (6) University, Think Tank or Media; (7) I did not work for one of these types of organizations between 2016 and 2020; or (8) I mostly worked in a different country between 2016 and 2020.

Geographic distribution: Based on the World Bank’s June 2020 classification, this includes: 29 low-income countries, 50 lower-middle income countries, 55 upper-middle income countries, and 3 countries that recently graduated to high-income status. In addition, the 2020 Listening to Leaders Survey also includes 5 semi-autonomous regions: Puntland, Kurdistan, Palestine, Somaliland, and Zanzibar. In our analysis, we collapse country-level responses into 6 larger regional groups: East Asia and the Pacific (EAP), Europe and Central Asia (ECA), Latin America and the Caribbean (LAC), Middle East and North Africa (MENA), South Asia (SA), and sub-Saharan Africa (SSA).

Development policy domain: Respondents selected their development policy domain in response to the following question: “While holding this position, what were your primary areas of focus? (If you worked across multiple areas, please select one area you are most familiar with.)” Respondents could select from a fixed list of options, including: (1) agriculture, fishing, and forestry; (2) economic policy; (3) education; (4) energy and mining; (5) environment and natural resource management; (6) finance; (7) health; (8) human development and gender; (9) industry, trade and services; (10) information and communications; (11) labor market policy and programs; (12) nutrition and food security; (13) private sector development; (14) good governance and rule of law; (15) public sector management; (16) rural development; (17) social development and protection; (18) trade; (19) transportation; (20) urban development; (21) water, sewerage and waste management; (22) foreign policy; (23) other.
Stakeholder composition of sample: Government (executive branch) officials—2,959 responses (43.47% of sample); Parliamentarians—360 responses (5.29% of sample); Local representatives of development partners—889 responses (13.06% of sample); NGO/CSO leaders—1,287 responses (18.91% of sample); Private sector leaders—374 responses (5.49% of sample); University, think tank, and media leaders—672 responses (9.87% of sample); Other—266 responses (3.91% of sample). Total sample: 6,807 responses.

Regional composition of sample: East Asia & Pacific—910 responses (13.37% of sample); Europe & Central Asia—1,184 responses (17.39% of sample); Latin America & Caribbean—1,341 responses (19.7% of sample); Middle East & North Africa—454 responses (6.67% of sample); South Asia—612 responses (8.99% of sample); Sub-Saharan Africa—2,297 responses (33.74% of sample); Other—9 responses (0.13% of sample). Total sample: 6,807 responses.
2. Progress

How do leaders assess progress in advancing their national development goals?

This chapter uses responses to the 2020 Listening to Leaders Survey to understand how public, private, and civil society leaders in low- and middle-income countries assess the current state of development in their countries. Specifically, survey respondents were asked the extent to which they agreed or disagreed with statements about seven aspects of development progress in their countries:

1. an open and accountable government (Accountability);
2. enough jobs to keep the workforce productively employed (Jobs);
3. consistent delivery of basic public services (Services);
4. development policies inclusive of all social groups (Inclusion);
5. a stable macroeconomic environment to foster sustainable economic growth (Macroeconomics);
6. a favorable business environment for the private sector (Business); and
7. basic physical security (Security).

In this chapter, we present four key insights on how leaders think about their country’s development:

1. Insufficient jobs and lack of government accountability are chronic sources of discontent worldwide, but are most acutely felt in Africa and the Middle East
2. Government officials are more optimistic, but leaders’ perceptions of progress largely track with objective measures of political legitimacy and technocratic governance
3. Devolution is not a panacea: leaders in federalized systems report higher levels of dissatisfaction with their country’s progress, particularly in delivery of basic services
4. Most often leaders’ views do not vary greatly based upon their development partners, but those who report working with multilaterals and the PRC are more optimistic.

Finding #1. Insufficient jobs and lack of government accountability are chronic sources of discontent worldwide, but are most acutely felt in Africa and the Middle East.

Almost 80 percent of respondents disagreed that their country generated enough jobs to keep the local workforce productively employed (Figure 1). Lack of accountability was a second source of concern: 50 percent of leaders surveyed disagreed that their countries had an open and accountable government. It is likely that this high dissatisfaction prompted leaders across the Global South to identify jobs (SDG8) and peace, justice, and strong institutions (SDG16) among their top three most important development problems to solve in 2020 (Custer et al., 2021). Leaders were in lock-step with citizens, who also identified ensuring sufficient jobs and stronger institutions as top priorities in the *My World Survey* produced by the United Nations Development Program (ibid).

However, there may be a gap between the stated ambition of leaders to change the status quo and the capability of countries of the Global South to advance necessary reforms in these areas. Notably, 2020 was not the first time that leaders identified ensuring sufficient jobs and stronger institutions as priority problems to solve—they said the same thing three years prior in 2017 (Custer et al., 2018). This raises a difficult question: why is it that leaders remain so discontented with the state of jobs and institutions in their countries, despite having long viewed these issues as being among their most important priorities?
This apparent disconnect may be a consequence of constrained political support, insufficient resources, or limited capacity to design and implement reforms well. Alternatively, this dynamic might reflect a mismatch between the reforms being pursued by countries and what will actually spur meaningful improvements in performance (Andrews et al., 2013). In Chapter 3, we examine what leaders had to say about their key constraints on progress to shed light on potential answers to this question.

A bright spot of note in the results is the modest but relatively high number of leaders (44 percent) who agreed with the statement that their countries were consistently delivering on their commitment to provide basic public services for citizens, such as health, education, and infrastructure. Service delivery, along with jobs, were the two areas in the survey where leaders held the strongest views. Among those that chose to

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1 Andrews et al. (2013) calls this a “capability trap,” whereby governments adopt ‘reforms’ on paper to ensure ongoing external financing and legitimacy, but never actually improve because these reforms enhance legitimacy and support, but do not improve performance.
respond (rather than selecting prefer not to say), there was a lower percentage of leaders who selected the neutral response (neither agree nor disagree) in these areas. 2

Leader discontent with the state of jobs in their countries is fairly widespread regardless of geography, though it is most strongly felt in sub-Saharan Africa (SSA) and the Middle East and North Africa (MENA) regions, according to 49 and 43 percent of leaders, respectively (Figure 2). Although East Asia and the Pacific (EAP) and Europe and Central Asia (ECA) had relatively lower levels of reported dissatisfaction, one-third or more of leaders still disagreed with the statement that their country generated enough jobs. Notably, EAP and ECA have fewer low-income countries compared to other regions, 3 which may correspond with a higher ability to generate economic opportunities and jobs for their citizens. Leaders worldwide were similarly uniform in their disagreement that their countries had an open and accountable government, according to a quarter or more of leaders in each region. Once again, discontent about limited accountability was most pronounced in SSA and MENA.

There were a few outliers, however, which indicate specialized areas of concern in different regions. Respondents from Latin America and the Caribbean (LAC) were much more dissatisfied (35 percent) with public service delivery than all other regions. This may be a symptom of persistent income inequality in the region as opposed to insufficient resources, since the majority of LAC countries are classified as upper middle-income status. Respondents from ECA and MENA reported less satisfaction with the business climate (25 and 26 percent, respectively) compared with other regions, despite relatively strong performance in the World Bank’s Ease of Doing Business Index. 4

Figure 2. Leaders who disagree that their country made progress in a given policy area, by geographic region

<table>
<thead>
<tr>
<th>Region</th>
<th>East Asia &amp; Pacific (EAP)</th>
<th>Europe &amp; Central Asia (ECA)</th>
<th>Latin America &amp; Caribbean (LAC)</th>
<th>Middle East and North Africa (MENA)</th>
<th>South Asia (SAS)</th>
<th>Sub-Saharan Africa (SSA)</th>
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<tr>
<td>Mean</td>
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2 Comparatively, there were a higher number of non-committal respondents in areas such as inclusion and physical security. Leaders might view these ideas as relatively more abstract and far-removed from their day-to-day reality, such that they did not feel sufficiently strongly one way or the other. Alternatively, it could be that leaders struggled more to define and identify what satisfactory progress in these areas would look like.

3 For example, the EAP region has only 1 out of 23 countries classified as low-income according to the World Bank Group classification in 2020, compared to SSA where 23 of the region’s 48 countries are considered low-income.

4 ECA is the region with the highest Ease of Doing Business score, after the OECD’s high-income countries. As a region, MENA comes only behind OECD countries, ECA, and EAP, but ranks ahead of LAC, SSA, and SAS.
Finding #2. Government officials are more optimistic, but leaders’ perceptions of progress largely track with objective measures of political legitimacy and technocratic governance

Government officials and parliamentarians consistently viewed their country’s development more positively than non-government or development partner counterparts (Figure 3). Their attitudes were most divergent when it came to government accountability and the business environment—with non-government and development partners being far more pessimistic than those in government in these areas.

Comparatively, there was a higher degree of convergence in respondent attitudes towards progress in areas such as jobs and public service delivery. Those outside of government were still less satisfied with progress than their peers in government;

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5 We compared how government officials and parliamentarians (government) assess their country’s development relative to domestic civil society and private sector leaders (non-government) and the local representatives of development partners. We tested this with a logit model on the likelihood of a respondent agreeing with a positively framed statement on the progress of a certain development area, based on demographic characteristics (years of experience, gender, stakeholder group, policy area of expertise, and region). The default is development partners, and we find a positive and statistically significant coefficient for government officials in all sectors except for Basic public services.
however, the difference was smaller. Interestingly, those outside of government disagree amongst themselves most often on basic physical security and social inclusion—with development partners more concerned about lack of progress in the former and non-governmental actors (e.g., private sector, civil society) preoccupied with the latter.

What might account for these divergent views? It is possible that government officials have greater visibility on early efforts or policies to solve a problem that would make them more optimistic regarding the potential for future progress. Alternatively, this could be more of a self-preservation instinct on the part of government actors that may feel they would pay a greater cost for acknowledging less than stellar progress.⁶ In fact, we do find that government officials are more reluctant than other respondents to disclose their opinions on their country’s level of progress, choosing “prefer not to say” at a higher rate than other stakeholder groups.⁷ Respondents of all stakeholder groups are more hesitant to share their views of their country’s progress on government accountability and basic public services, perhaps an indication that they consider these aspects of development to be particularly sensitive topics.

Of course, we recognize that leaders’ views on development progress may be shaped by more than their job alone. With that in mind, we examined their responses to understand whether they systematically varied on the basis of other individual demographic attributes (e.g., gender, years of experience), but we did not find an observable difference in the results.⁸ Instead, it appears that country characteristics, such as political legitimacy and technocratic governance, play a bigger role in perceptions of progress.

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⁶ For example, a potential non-sampling error is the threat of disclosure which corresponds to the risks and potential costs to respondents of honestly reporting their answers (Torangeau & Yan, 2007 as cited in Calvo et al., 2019). With the inclusion of “prefer not to say,” we minimize this error and can learn from those who choose that response option.

⁷ We test for this with a simple logit model on the likelihood of a respondent choosing “prefer not to say” when asked their opinion on a positively framed statement on the progress of a certain development. The independent variables are a series of demographic characteristics (e.g., years of experience, gender, stakeholder group, policy area of expertise, region). The default is development partners, and we find a positive and statistically significant coefficient for government officials in all sectors except for Social inclusivity. The fact that government officials choose this option more often suggests that respondents perceive these questions as sensitive and that their stakeholder group affects the cost-benefit calculation to decide whether to answer a question or not.

⁸ Gender equality in public administration correlates with key indicators of performance, such as the delivery of basic public services (UNDP, 2017). This indicates that women are likely more engaged with these activities.
Figure 3. Leaders’ perceptions of their country’s level of development, by stakeholder group

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<tr>
<td>Non-Government</td>
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<td></td>
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</tr>
<tr>
<td>Disagree</td>
<td>53</td>
<td>61</td>
<td>53</td>
<td>42</td>
<td>46</td>
<td>50</td>
</tr>
<tr>
<td>Neither Agree Nor Disagree</td>
<td>19</td>
<td>17</td>
<td>17</td>
<td>23</td>
<td>16</td>
<td>22</td>
</tr>
<tr>
<td>Agree</td>
<td>29</td>
<td>22</td>
<td>30</td>
<td>35</td>
<td>39</td>
<td>27</td>
</tr>
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</table>

| Development Partner |                  |                           |                         |                   |                  |                  |
| Disagree            | 52               | 61                        | 50                      | 46                | 41               | 41               |
| Neither Agree Nor Disagree | 18 | 20                        | 18                      | 27                | 14               | 26               |
| Agree               | 30               | 20                        | 32                      | 27                | 45               | 33               |

Leaders in democratic countries are generally more optimistic about their government’s accountability; however, the opposite is true when it comes to jobs, as respondents in autocracies gave higher marks for progress on this measure (Figure 4). This dynamic may reflect divergent priorities: autocracies placate citizens with jobs to maintain regime stability, while democracies focus on perceived accountability and trustworthiness to appeal to voters at the ballot box. Regime type may also matter when it comes to leaders’ willingness to even disclose any views (positive or negative) on politically sensitive issues like government accountability. We find that respondents from less
democratic countries chose “prefer not to say” at higher rates when asked about their government’s accountability than those from more democratic countries, thereby avoiding a politically sensitive, risky subject.\textsuperscript{10}

Leaders’ subjective responses based upon their lived experiences also appear to largely track with various objective measures of their country’s technocratic governance. Respondents from countries with objectively higher levels of development, better equipped bureaucracies, and lower social inequality (quantified by industry-standard measures) report stronger progress on development outcomes. By contrast, leaders from fragile states report lower levels of progress, particularly in basic service delivery. These results reinforce the concern that poor governance and persistent fragility can become “traps” that stymie progress and enmesh countries in a low-growth equilibrium from which it is hard to escape (Collier, 2008; Andrimihaja et al., 2011).

\textsuperscript{10} We initially tested this by using a measure of political legitimacy that categorizes countries between always, never, or sometimes democracies. This indicator is based on V-Dem’s polyarchy democracy index. For each year between 2014 and 2018, we produce a binary value for each country. If the value is more than 0.5, it is coded as 1; if it is less than 0.5 it is coded as 0. We then sum the values across years 2014-2018, so that countries with a score of 5 are classified as always democracy, those with a score of 0 as never democracy, and those between 1 and 4 as sometimes democracy. “Never democracies” are significantly more likely to avoid answering the question about government accountability. To probe this further, we employed V-Dem’s Regimes of the World classification, which categorizes countries between “closed autocracies,” “electoral autocracies,” “electoral democracies,” and “liberal democracies.” We find that most respondents who choose “prefer not to say” are from “electoral autocracies.”
Finding #3. Devolution is not a panacea: leaders in federalized systems report higher levels of dissatisfaction with their country’s progress, particularly in delivery of basic services

There is a counterintuitive finding which, on the surface, flies in the face of conventional wisdom that devolution of authority to lower levels of government makes for more responsive governance (Ivanya & Shah, 2012). Respondents from countries with federal systems of government report a higher level of dissatisfaction with development progress than their peers in unitary systems. This is true across the board, but the
difference was most acute in the context of the delivery of basic public services. It is possible that this surprising result is actually more of a cautionary tale about the danger of devolving responsibilities for basic service delivery to local governments, without ensuring they have the resources and technical capacity to discharge those obligations effectively—the very definition of an unfunded (or underfunded) mandate.

Finding #4. Most often leaders’ views did not vary greatly based upon their development partners, but those who worked with multilaterals and the PRC were more optimistic

Beyond individual demographics and country characteristics, we also examined whether respondents’ views of progress appeared to vary on the basis of the development partners with whom they worked. We considered various possibilities, including differences between those who worked with bilateral versus multilateral partners, members of the OECD’s Development Assistance Committee versus South-South Cooperation providers, as well as those who did and did not work with specific bilateral actors. Most often the differences were not consequential, but in some cases there were areas of divergence in views that appeared to cut along the lines of the partners with whom leaders worked. The two most noteworthy examples are in comparing leaders who did and did not work with multilateral organizations, as well as the People’s Republic of China (PRC).

Some of the largest divergence in attitudes appeared between leaders who reportedly worked closely with multilateral organizations (defined in our survey as a respondent who said they had received advice or assistance from one or more multilateral organizations between 2016 and 2020) and those who did not (Figure 5). Respondents who worked with one or more multilateral development partners more frequently

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11 Although countries with federal systems of government represent less than one quarter of the countries in our survey, their distribution between income levels is similar to the distribution of the full group of countries, so the level of development is unlikely to explain these differences.

12 For example, there did not appear to be a substantial difference in attitudes between leaders who worked with the United States or at least one member of the Development Assistance Committee and those that did not work with these development partners.

13 In the 2020 Listening to Leaders Survey, respondents were asked two questions: (i) “Of the following intergovernmental organizations, development banks, and private foundations, which, if any, provided [you] with advice or assistance to support this initiative?” Multilaterals in the context of the survey included relevant agencies within the United Nations system, the Bretton Woods institutions (e.g., the World Bank Group, the International Monetary Fund), regional international finance institutions, etc. Respondents could also write in responses. For the full list of development partners, please see the accompanying Technical Appendix.
agreed that their country had made progress across all seven areas of development policy, but the difference was largest when it came to government accountability (+14 percentage points), macroeconomic stability (+10 percentage points), and business climate (+9 percentage points).

Several possible explanations could factor into why we see these differences. First, this could indicate that leaders working with multilaterals are seeing their countries benefiting from the established expertise of international finance institutions (IFIs), such as the World Bank Group or the International Monetary Fund, which specialize in helping countries build strong economic policies and institutions. Alternatively, this could reflect natural affinities. Leaders that are more concerned with policies related to public sector accountability, macroeconomic stability, and business climate may be more likely to partner with institutions that have comparative advantage in these areas. Finally, this could say something about selectivity on the donor side, if multilaterals are inclined to work with countries who are more open to reform, and/or already have a track record of progress in these areas. This explanation would align with IFIs’ traditional use of good governance conditionalities (e.g., transparency, anti-corruption, open markets) as prerequisites to unlock assistance.
Similarly large differences in attitudes between leaders that received advice or assistance from the People’s Republic of China (PRC) versus those who did not are also noteworthy and, in some ways, challenge conventional wisdom. As we observed with multilaterals, leaders who worked with the PRC also tended to agree that their country was making progress across all seven areas of development policy at higher rates than their peers. But the differences between these cohorts by policy area ranged from marginal to sizable. The most divergent results were in three areas: respondents who worked with the PRC were more likely to agree that their country had made progress on government accountability (+16 percentage points), physical security (+14 percentage points), and social inclusion (+9 percentage points) than those that did not (Figure 6). There were also sizable differences in attitudes between leaders that worked with at least one member of the BRICS (Brazil, Russia, India, China, South Africa). However, in examining this more closely, we think these results are likely driven by the PRC, given its substantially larger footprint (i.e., the share of countries and leaders with which it works) relative to the others.
These findings are counterintuitive in several respects. The PRC has attracted criticism for the opacity of its overseas development programs (Gelpen et al., 2021), raising concerns that its financing may create perverse conditions for local corruption (Horigoshi et al., forthcoming). The Chinese government’s traditional emphasis has been on hard infrastructure projects (Malik et al., 2021), rather than those emphasizing basic rights or human development (Horigoshi et al., forthcoming), and its treatment of ethnic minorities at home has received substantial negative press. Meanwhile, scholars have raised the possibility that Chinese state-directed financing could facilitate a diffusion of authoritarian norms that may indirectly worsen human security in the face of government repression (Gehring et al., 2022).

Several explanations are possible for why leaders who work with the PRC feel more positive about their country’s progress on government accountability, social inclusion, and physical security. First, these leaders may have had lower baseline expectations in these policy areas, such that their expectations for reforms are less exacting than their peers. Second, this could speak more to the inherent strength of domestic institutions in these leaders’ countries—which create an enabling environment for progress on accountability, inclusion, and security—than it does the contributions of the PRC. Alternatively, it could be that leaders are deriving value from their partnerships with the PRC in ways that are indeed aiding progress in these areas. For example, AidData (2022) has tracked the PRC’s past provision of scholarships and training to improve the capacity of law enforcement and justice officials in the Global South, as well as support in humanitarian crises and disasters (Southerland, 2019).

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14 This includes tying funding to the use of Chinese firms without open procurement processes, discouraging disclosure of lending terms, and sourcing project ideas directly from political leaders, rather than working through established bureaucracies and vetting processes.
15 In a 2022 AidData survey of African leaders, roughly half of respondents felt the PRC’s support for development projects had worsened corruption in their countries (Horigoshi et al., forthcoming). The survey included leaders from both North Africa and sub-Saharan Africa.
16 In the same 2022 AidData survey of African leaders, over 45 percent of respondents saw the PRC as their preferred partner when it came to hard infrastructure projects in areas such as energy, transport and telecommunications (Horigoshi et al., forthcoming). Comparatively, they were less likely to turn to the PRC for support in the softer sides of development (e.g., governance, rule of law, health, education, social protection).
17 For more information, please see the technical assistance to Africa indicator within AidData’s China Global Public Diplomacy Indicators Dataset, Version 1.6. https://www.aiddata.org/data/chinas-global-public-diplomacy-indicators-dataset-version-1-6
In this chapter, we examined how leaders—both inside and outside of government—think about their country’s progress across seven facets of development: an open and accountable government (Accountability); jobs to keep the workforce productively employed (Jobs); consistent delivery of basic public services (Services); development policies inclusive of all social groups (Inclusion); stable macroeconomic environment to foster sustainable economic growth (Macroeconomics); a favorable business environment for the private sector (Business); and basic physical security (Security). We also discussed the extent to which the perceptions of leaders converge and diverge on the basis of individual attributes, the characteristics of the countries in which they live, as well as the development partners with whom they work. In Chapter 3, we turn from progress to a discussion of constraints that leaders said they faced most often in advancing reforms.
3. Capacity

What key constraints do leaders see as hindering progress in achieving their goals?

In this chapter, we take a deeper look at how leaders think about the key constraints that hinder their country's progress across seven different facets of development: government accountability, job creation, service delivery, social inclusion, macroeconomic policy, business climate, and physical security. Building upon their assessments of the state of development in their country, we asked respondents to the 2020 Listening to Leaders Survey to identify the areas in which they were most dissatisfied and select from the following reasons as to why they felt more progress had not been made:

1. This is not a priority in national plans;
2. This is a national priority, but there are insufficient resources for reforms;
3. This is a national priority, resources are sufficient, but reforms have not been implemented well

In this chapter, we present four key insights into how leaders think about key constraints to progress:

1. Insufficient resources and poor implementation create unfunded mandates, habitually undercutting progress against named priorities
2. Leaders see high levels of corruption as a binding constraint with far-reaching consequences—not only affecting resourcing, but also priorities and implementation
3. Leaders say capacity gaps are most acute among political appointees and emphasize people over structural concerns, except when it comes to local governments
4. Commitment to reform starts from the top and broad coalitions can create bottom-up pressure, but don’t forget professional associations and the private sector

Finding #5. Insufficient resources and poor implementation create unfunded mandates, habitually undercutting progress against named priorities

Strikingly, the majority of leaders do not view lack of prioritization as the most important hurdle they need to overcome to advance reforms in any of the seven areas of development (Figure 7). Instead, respondents were most likely to select either insufficient resources or poor implementation of reforms as their top explanation for the lack of progress. Governments may have a hard time crowding in adequate capital and expertise to do what they say they want to do in their national plans, especially in the face of limitless priorities and limited resources. Alternatively, governments may identify something as a token priority in name to appease a constituent or funder, but are unwilling to devote the political or financial capital needed to take reforms forward. In either case, a named priority absent sufficient resources or implementation capacity is unlikely to bring about change.

Nevertheless, there are two areas in which the lack of prioritization could be more important: roughly one-third of respondents selected this as a key constraint when it came to promoting an open and accountable government (36 percent) and social inclusion (33 percent). It stands to reason why this might be the case, as reforms in these areas represent a greater threat to the livelihoods of those who benefit from the status quo (e.g., rent-seeking bureaucrats, dominant socio-economic groups), while the benefits of reform for the average citizen appear abstract or distant from their everyday lives. In this equilibrium, the status quo becomes much more difficult to dislodge absent a strong, grassroots push for change.
Leaders’ top reasons for the lack of progress were quite durable across countries and stakeholder groups. On issues of economic development (e.g., jobs, business climate, macroeconomic policy), leaders routinely selected insufficient resources as their greatest challenge over poor implementation or lack of prioritization, regardless of region or income level. Similarly, the insight that a lack of prioritization was more of a concern for government accountability and social inclusion than other areas of reform also held true across regions (Figure 8). Leaders from LAC countries were most adamant about this lack of prioritization—an unexpected finding in a region which boasts a high number of active members of the Open Government Partnership.\(^{18}\)

\(^{18}\) This comes as a surprise, as 16 of the 25 surveyed LAC countries are active members of the Open Government Partnership. As a member, each government is required to submit an action plan with civil society that specifies concrete commitments to improving openness and accountability in government. These may suggest that leaders want to see more prioritization in this policy area outside of this partnership, or that sufficient prioritization in this field looks different from OGP membership and efforts.
Some areas of divergence are worth highlighting. Parliamentarians were more likely than other respondents to view lack of prioritization as an impediment for social inclusion (+30 percentage points) and physical security (+16 percentage points), as well as blaming lack of improvement in the business climate to poorly implemented reforms (+19 percentage points). Surprisingly, given their income levels, respondents from MENA countries were most likely to identify insufficient resources, rather than poor implementation or lack of prioritization, as a greater challenge to promoting social inclusion. This raises the possibility that insufficient resources to support policy reform in
one area may not always be due to the size of the funding envelope, but other reasons that perpetuate misallocation of those resources.

Finding #6. Leaders see high levels of corruption as a binding constraint with far-reaching consequences—not only affecting resourcing, but also priorities and implementation.

In a follow-on question, we asked respondents to identify what they saw as the root causes underlying the symptoms they identified as impediments to reform—insufficient resources (Figure 9), poor implementation (Figure 10), or lack of prioritization (Figure 11). One reason is top-of-mind for leaders: high levels of corruption. This single explanation was almost always the most selected root cause leaders gave for the lack of progress, chosen by between 44 and 79 percent of respondents, regardless of the area of development policy under consideration or the impediments they previously identified. Relatedly, leaders also frequently identified poor financial management as another important binding constraint, particularly in contributing to insufficient resources (43 to 55 percent) and poor implementation (22 to 44 percent).

Taken together, these results reinforce a hypothesis we posed previously: insufficient resources may be more of a challenge of misallocation of resources, either by design (in the case of corruption) or as an oversight (in the case of poor financial management). If anything, this finding underscores the importance of public financial management and anti-corruption programs which build technical capacity and political will within governments and non-governmental watchdogs to support responsible use of public funds.
Unfortunately, this is an area in which development partners are surprisingly tone deaf, as capacity-building solutions focused on corruption and financial mismanagement are grossly underfunded. According to Organization for Economic Cooperation and Development (2021) estimates, only 1.6 percent of financing from its club of advanced economies from 2014 to 2018 was directed towards capacity building, including anti-corruption efforts and public financial management training.

Policy conditionalities, which tie the provision of aid to government anti-corruption commitments or public financial management reforms, have gone out of favor in recent years. Yet, in a previous report, we found that leaders have a revealed preference for projects with conditionalities over those without (Custer et al., 2021), perhaps because these terms provide political cover to pursue reforms that leaders want to advance anyway and offer financial benefits to offset potential opposition.
Beyond issues of responsible financial management, societal norms and group dynamics also appear to have an outsized impact on the lack of reform progress. Lack of government commitment to do more was another popular root cause to explain the poor implementation (Figure 10) and lack of prioritization of reforms (Figure 11) in national plans (chosen by between 35 and 61 percent of respondents). Yet, leaders also recognize that those outside of government can have an outsized impact on reform.

Leaders cited socio-cultural norms, whether in the form of active resistance to change or apathy with regard to the status quo, as a root cause for lack of progress in areas such as social inclusion, physical security, and service delivery. Moreover, respondents said there is not enough pressure from non-government actors to influence government policy priorities (Figure 10) and ensure effective implementation of reforms (Figure 11), particularly in areas related to social inclusion, open and accountable government, as well as physical security. Leaders also mentioned the role of market failures, when private sector actors do not enter into areas they deem unprofitable, as another reason why there may be insufficient resources available.
Figure 10. Leaders’ reasons why reforms have not been implemented well across seven development priorities

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</thead>
<tbody>
<tr>
<td></td>
<td>36%</td>
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<td>52%</td>
<td>35%</td>
<td>34%</td>
<td>10%</td>
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<td>9%</td>
<td>17%</td>
<td>14%</td>
<td>8%</td>
</tr>
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<td>79%</td>
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<td>14%</td>
<td>24%</td>
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<td>6%</td>
</tr>
<tr>
<td>Macroeconomic Stability</td>
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<td>31%</td>
<td>64%</td>
<td>13%</td>
<td>44%</td>
<td>16%</td>
<td>13%</td>
<td>3%</td>
<td>16%</td>
<td>15%</td>
<td>8%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>44%</td>
<td>30%</td>
<td>53%</td>
<td>26%</td>
<td>26%</td>
<td>16%</td>
<td>12%</td>
<td>6%</td>
<td>19%</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>47%</td>
<td>29%</td>
<td>61%</td>
<td>20%</td>
<td>22%</td>
<td>25%</td>
<td>15%</td>
<td>3%</td>
<td>18%</td>
<td>11%</td>
<td>10%</td>
</tr>
<tr>
<td>Social Inclusion</td>
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<td>12%</td>
<td>32%</td>
<td>33%</td>
<td>24%</td>
<td>7%</td>
<td>15%</td>
<td>18%</td>
<td>7%</td>
</tr>
<tr>
<td>Sufficient Jobs</td>
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<td>39%</td>
<td>44%</td>
<td>26%</td>
<td>32%</td>
<td>15%</td>
<td>19%</td>
<td>7%</td>
<td>18%</td>
<td>16%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Notes: For those respondents who selected “this is a national priority, resources are sufficient, but reforms have not been implemented well” for the lack of development progress, respondents were asked a follow-up question to identify why they thought this was the case. Respondents could select their top three answers from a list of 10 key constraints, as well as an other (write-in) option. The graphic shows the percentage of respondents who selected a given constraint as explaining why reforms have not been implemented well in each of the seven areas of development policy. Source: AidData’s 2020 Listening to Leaders Survey.
Figure 11. Leaders’ reasons why a development area is not a priority in national plans

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<thead>
<tr>
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<td>8%</td>
<td>27%</td>
<td>15%</td>
<td>14%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Government Accountability</td>
<td>61%</td>
<td>25%</td>
<td>75%</td>
<td>18%</td>
<td>14%</td>
<td>28%</td>
<td>2%</td>
<td>18%</td>
<td>7%</td>
<td>13%</td>
</tr>
<tr>
<td>Macroeconomic Stability</td>
<td>60%</td>
<td>28%</td>
<td>66%</td>
<td>14%</td>
<td>9%</td>
<td>25%</td>
<td>3%</td>
<td>16%</td>
<td>10%</td>
<td>17%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>39%</td>
<td>19%</td>
<td>54%</td>
<td>37%</td>
<td>27%</td>
<td>33%</td>
<td>12%</td>
<td>16%</td>
<td>8%</td>
<td>19%</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>56%</td>
<td>40%</td>
<td>58%</td>
<td>21%</td>
<td>16%</td>
<td>18%</td>
<td>4%</td>
<td>18%</td>
<td>13%</td>
<td>21%</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>60%</td>
<td>32%</td>
<td>42%</td>
<td>11%</td>
<td>38%</td>
<td>31%</td>
<td>4%</td>
<td>16%</td>
<td>16%</td>
<td>13%</td>
</tr>
<tr>
<td>Sufficient Jobs</td>
<td>41%</td>
<td>36%</td>
<td>61%</td>
<td>36%</td>
<td>10%</td>
<td>23%</td>
<td>5%</td>
<td>23%</td>
<td>14%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Notes: For those respondents who selected not a priority in national plans as their explanation for the lack of development progress, respondents were asked a follow-up question to identify why they thought this was the case. Respondents could select their top three answers from a list of 9 key constraints, as well as an other (write-in) option. The graphic shows the percentage of respondents who selected a given constraint as explaining why national plans did not identify reforms as a priority in each of the seven areas of development policy. Source: AidData’s 2020 Listening to Leaders Survey.

Finding #7. Leaders say capacity gaps are most acute among political appointees and emphasize people over structural concerns, except when it comes to local governments

For roughly one-third of respondents, on average, lack of government capacity is a perennial concern and root cause affecting lack of prioritization or poor implementation of policy reforms. They also cited domestic resource mobilization as a challenge, particularly the design and enforcement of tax laws, selected by 21 and 32 percent of respondents. Although it may be tempting to view capacity as more an issue related to career civil servants and remedied through traditional civil service reform efforts, leaders instead pointed to lack of capacity among political appointees at much higher rates than any other government actor. Over 80 percent of respondents viewed political appointee capacity as a binding constraint when it came to prioritizing agenda items.
within national development strategies, and 70 percent said this was also a factor in the poor implementation of reforms (Figure 12).

Figure 12. Who within government do leaders think lacks capacity for reforms?

Percentage of respondents who said that reforms were...

<table>
<thead>
<tr>
<th>Government Actor</th>
<th>Were not a priority</th>
<th>Had insufficient resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Appointees</td>
<td>81%</td>
<td>70%</td>
</tr>
<tr>
<td>Civil Servants</td>
<td>51%</td>
<td>58%</td>
</tr>
<tr>
<td>(National)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Government</td>
<td>40%</td>
<td>54%</td>
</tr>
<tr>
<td>Parliamentarians</td>
<td>50%</td>
<td>52%</td>
</tr>
<tr>
<td>Judiciary</td>
<td>32%</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Notes: For those respondents who selected that the government lacks capacity to support reforms as a key constraint to the lack of development progress, respondents were asked a follow-up question to identify who in government lacked that capacity. Respondents could select their top three answers from a list of 6 different government actors, as well as an other (write-in) option. The graphic shows the percentage of respondents who selected a given actor as lacking capacity. This is further disaggregated out by respondents who identified that reforms were not a national priority versus those that identified that there were insufficient resources to support reforms. Source: AidData’s 2020 Listening to Leaders Survey.

Although there are myriad capacity shortfalls to consider, leaders tended to emphasize the importance of people over structural, systems, or technological gaps. They identified a dearth of general leadership and management acumen as a cross-cutting issue, selected by between 34 and 60 percent of respondents depending upon the government actor in question (Figure 13). Personnel management was also specifically identified as a concern by roughly one-third of leaders, on average. Perhaps consistent with the observation that leaders from federalized systems of government were more
dissatisfied with their country’s development progress, respondents identified stronger systems and organizational capacity as being somewhat more important for local levels of government. This makes sense in light of the increased demands placed upon local authorities when responsibilities for front-line service delivery are devolved from the central to subnational level without adequate attention to building local capacity.

Figure 13. What types of capacity do leaders think government actors lack most?

<table>
<thead>
<tr>
<th></th>
<th>Systems</th>
<th>Workload</th>
<th>Personnel</th>
<th>Structural</th>
<th>Organizational</th>
<th>Role</th>
<th>Leadership or Management</th>
<th>Technological</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political Appointees</td>
<td>35%</td>
<td>8%</td>
<td>42%</td>
<td>24%</td>
<td>29%</td>
<td>34%</td>
<td>60%</td>
<td>13%</td>
<td>2%</td>
</tr>
<tr>
<td>Civil Servants (National)</td>
<td>38%</td>
<td>17%</td>
<td>44%</td>
<td>25%</td>
<td>34%</td>
<td>27%</td>
<td>49%</td>
<td>24%</td>
<td>2%</td>
</tr>
<tr>
<td>Local Government</td>
<td>44%</td>
<td>8%</td>
<td>41%</td>
<td>28%</td>
<td>41%</td>
<td>21%</td>
<td>49%</td>
<td>26%</td>
<td>1%</td>
</tr>
<tr>
<td>Parliamentarians</td>
<td>35%</td>
<td>7%</td>
<td>43%</td>
<td>26%</td>
<td>24%</td>
<td>36%</td>
<td>52%</td>
<td>15%</td>
<td>4%</td>
</tr>
<tr>
<td>Judiciary</td>
<td>51%</td>
<td>18%</td>
<td>39%</td>
<td>31%</td>
<td>26%</td>
<td>21%</td>
<td>34%</td>
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<td>5%</td>
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<tr>
<td>Other</td>
<td>45%</td>
<td>8%</td>
<td>28%</td>
<td>36%</td>
<td>23%</td>
<td>23%</td>
<td>50%</td>
<td>12%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Notes: For those respondents who selected that the government lacks capacity to support reforms as a key constraint to the lack of development progress, respondents were asked a follow-up question to identify what type of capacity each government actor lacked. Respondents could select their top three answers from a list of 8 dimensions of capacity, as well as an other (write-in) option. The graphic shows the percentage of respondents who selected a given capacity gap by government actor. Source: AidData’s 2020 Listening to Leaders Survey.

Finding #8. Commitment to reform starts from the top, broad coalitions can create bottom-up pressure, but don’t forget professional associations and the private sector

When it comes to lack of government commitment to reform, leaders clearly see this as a problem stemming from top-level political leadership. More than 60 percent of respondents identified lack of commitment on the part of the incumbent executive branch leadership in their country (i.e., the current administration) as relatively more
consequential to explaining the lack of progress in reforms across all seven areas of development policy Figure 14. Roughly half of leaders, on average, identified civil servants (47 percent) and parliamentarians (49 percent) as also lacking commitment.

Figure 14. Who within the government do leaders think lacks commitment for reforms?

<table>
<thead>
<tr>
<th>Development Policy Area</th>
<th>Previous Administrations</th>
<th>Current Administration</th>
<th>Civil Servant (national)</th>
<th>Local Government</th>
<th>Parliamentarians</th>
<th>Judiciary</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Climate</td>
<td>29%</td>
<td>77%</td>
<td>32%</td>
<td>34%</td>
<td>47%</td>
<td>40%</td>
<td>6%</td>
</tr>
<tr>
<td>Government Accountability</td>
<td>22%</td>
<td>76%</td>
<td>38%</td>
<td>23%</td>
<td>53%</td>
<td>33%</td>
<td>11%</td>
</tr>
<tr>
<td>Macroeconomic Stability</td>
<td>37%</td>
<td>65%</td>
<td>52%</td>
<td>37%</td>
<td>44%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>24%</td>
<td>64%</td>
<td>50%</td>
<td>40%</td>
<td>53%</td>
<td>22%</td>
<td>9%</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>32%</td>
<td>71%</td>
<td>51%</td>
<td>46%</td>
<td>47%</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>22%</td>
<td>62%</td>
<td>61%</td>
<td>41%</td>
<td>48%</td>
<td>21%</td>
<td>7%</td>
</tr>
<tr>
<td>Sufficient Jobs</td>
<td>26%</td>
<td>63%</td>
<td>47%</td>
<td>51%</td>
<td>52%</td>
<td>17%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Notes: For those respondents who selected that the government lacks commitment to support reforms as a key constraint to the lack of development progress, respondents were asked a follow-up question to identify who in government lacked that commitment. Respondents could select their top three answers from a list of 6 different government actors, as well as an other (write-in) option. The graphic shows the percentage of respondents who selected a given actor as lacking commitment by each of the seven development policy areas. Source: AidData’s 2020 Listening to Leaders Survey.

However, leaders also feel that actors outside of government have important roles that they could play in moving the needle on reforms by creating positive pressure from the bottom-up on senior officials and civil servants. Non-governmental organizations, in particular, were identified by over 90 percent of respondents as well positioned to affect change across all seven development policy areas (Figure 15). They also felt the same about the general public.
Yet, noticeably, perhaps the biggest take-away from Figure 15 is the opportunity to galvanize a broad and diverse coalition of pro-reform voices across myriad groups—including NGOs and citizens, but expanding to professional associations, media, think tanks and academia, the private sector, and religious groups—all of which respondents viewed as also well positioned to mobilize support for change. These views prove durable even when we compare attitudes of those within and outside of government,\(^{19}\) which is good reason to believe that these perspectives are realistic, rather than wishful thinking of those more removed from government decision-making.

Figure 15. Who do leaders think is best-positioned to create pressure for reforms?

<table>
<thead>
<tr>
<th>Business Climate</th>
<th>NGOs/CSOs</th>
<th>General Public</th>
<th>Think Tanks/Academia</th>
<th>Professional Associations</th>
<th>Media</th>
<th>Private Sector</th>
<th>Religious Groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>94%</td>
<td>97%</td>
<td>90%</td>
<td>93%</td>
<td>95%</td>
<td>93%</td>
<td>92%</td>
</tr>
<tr>
<td>Government Accountability</td>
<td>97%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
<td>95%</td>
</tr>
<tr>
<td>Macroeconomic Stability</td>
<td>96%</td>
<td>91%</td>
<td>89%</td>
<td>90%</td>
<td>89%</td>
<td>88%</td>
<td>88%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>98%</td>
<td>99%</td>
<td>96%</td>
<td>95%</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>95%</td>
<td>92%</td>
<td>96%</td>
<td>94%</td>
<td>95%</td>
<td>97%</td>
<td>89%</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>100%</td>
<td>96%</td>
<td>94%</td>
<td>95%</td>
<td>95%</td>
<td>94%</td>
<td>94%</td>
</tr>
<tr>
<td>Sufficient Jobs</td>
<td>98%</td>
<td>98%</td>
<td>93%</td>
<td>96%</td>
<td>94%</td>
<td>96%</td>
<td>95%</td>
</tr>
</tbody>
</table>

Notes: Respondents were asked who was best positioned to create pressure to increase the priority of reforms in each of the seven areas of development policy. The graphic shows the percentage of respondents who selected a given actor as best positioned to create pressure for reform, by area of development policy. Source: AidData’s 2020 Listening to Leaders Survey.

There is another important reason why engaging the private sector and professional associations is particularly important: these were the two groups that leaders most often called out as being in opposition to reforms across four areas (Figure 16).\(^{20}\) Over half of respondents said the private sector was opposed to reforms to improve public service

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\(^{19}\) In examining the breakdown between government and non-government responses, the only areas that differ by 10 percentage points or more are professional associations and private sector, by those who emphasize the macroeconomic sector.

\(^{20}\) We excluded the other three policy areas from this analysis due to sample sizes below our desired threshold for disaggregation.
delivery, business climate, access to jobs, and ensure an open and accountable government. Similarly, professional associations (including labor unions and student groups) were selected by the majority of respondents as being opposed to reforms in business climate, access to jobs, and accountable government. Notably, while there are economic dimensions to all four policy areas, the opposition of these actors has far-reaching influence well beyond the economic realm. This is concerning, as both the private sector and professional associations, can often be an afterthought in efforts to promote good governance reforms.

Figure 16. Who do leaders think is most opposed to reforms?

<table>
<thead>
<tr>
<th>Policy Area</th>
<th>NGOs/CSOs</th>
<th>General Public</th>
<th>Think Tanks/Academia</th>
<th>Professional Associations</th>
<th>Media</th>
<th>Private Sector</th>
<th>Religious Groups</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Climate</td>
<td>16%</td>
<td>35%</td>
<td>14%</td>
<td>56%</td>
<td>29%</td>
<td>54%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Government Accountability</td>
<td>19%</td>
<td>12%</td>
<td>5%</td>
<td>51%</td>
<td>35%</td>
<td>64%</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Macroeconomic Stability</td>
<td>40%</td>
<td>24%</td>
<td>14%</td>
<td>53%</td>
<td>38%</td>
<td>18%</td>
<td>32%</td>
<td>15%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>30%</td>
<td>44%</td>
<td>4%</td>
<td>65%</td>
<td>14%</td>
<td>40%</td>
<td>15%</td>
<td>24%</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>10%</td>
<td>31%</td>
<td>11%</td>
<td>27%</td>
<td>46%</td>
<td>53%</td>
<td>47%</td>
<td>8%</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>42%</td>
<td>20%</td>
<td>6%</td>
<td>44%</td>
<td>19%</td>
<td>71%</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>Sufficient Jobs</td>
<td>22%</td>
<td>13%</td>
<td>12%</td>
<td>63%</td>
<td>18%</td>
<td>53%</td>
<td>19%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Notes: Respondents were asked which groups were in greatest opposition to reforms in several areas of development policy. The graphic shows the percentage of respondents who selected a given actor as the strongest opponents to reform in each area of development policy. Source: AidData’s 2020 Listening to Leaders Survey.

In this chapter, we probed deeper to understand how leaders thought about the greatest obstacles hindering their country’s progress across our seven reform areas: government accountability, sufficient jobs, public services, social inclusion, macroeconomics, business climate, and physical security. We asked respondents to consider both surface-level symptoms (i.e., lack of prioritization, insufficient resources, poor implementation), as well as underlying root issues that might explain the lack of progress. Their insights not only help us define the problem, but also give rise to some
ideas about ways to alleviate these constraints in future. Up to this point, our focus in Chapters 2 and 3 has primarily been on domestic actors—both inside and outside of government. In Chapter 4, we broaden the aperture to ask leaders to share their views on the most constructive role for international actors when it comes to supporting locally-led reform efforts.
4. Cooperation

How can international actors best support locally-led development?

In this chapter, we turn to answer the question that motivated this research. How can international actors best support locally-led development? Bilateral aid agencies, multilateral development banks, international non-governmental organizations, and multinational corporations have numerous ways in which they can come alongside countries in the Global South to advance reforms. But not all of these modalities may be equally effective in overcoming constraints or as responsive to what leaders say they need to achieve their goals. We asked respondents to the 2020 Listening to Leaders Survey to make recommendations for where international actors could make the most constructive difference in seven areas of development policy. They could select from the following response options:

- Provide financial support (e.g., grants, loans) (Financing)
- Provide training to local staff (e.g., providing relevant knowledge or skills) (Training)
- Provide advice or input on the design of programs and/or policies (Design)
- Provide advice or input on implementation of programs and/or policies (Implementation)
- Mobilize domestic actors to exert pressure on the government or other relevant parties (Domestic Pressure)
- Mobilize international actors to exert pressure on the government or other relevant parties (External Pressure)
- Raise awareness of the issue among individuals or organizations best positioned to take action (Awareness Raising)
- None: This is a domestic problem and domestic actors need to solve it (No Role)
In this chapter, we provide two recommendations based upon what leaders want from their international counterparts:

1. International actors should adapt assistance to fit leaders’ diagnosis of key constraints: financing to crowd-in resources, advocacy to mobilize pressure, expertise to improve implementation

2. International actors should be responsive to the appetite of leaders in fragile states to mobilize pressure on those blocking reforms in all areas, but emphasize financing to improve jobs

Recommendation #1. International actors should adapt assistance to fit leaders’ diagnosis of key constraints: financing to crowd-in resources, advocacy to mobilize pressure, expertise to improve implementation

Most leaders agreed that there was a role for international actors to play in supporting their country’s progress across all seven areas of development policy (Figure 17). Only a small minority (between 3 and 9 percent) said that a given policy area was strictly a domestic problem for countries to solve on their own. Roughly 40 percent of leaders, on average, said their countries would benefit from a variety of contributions from international actors in supporting reforms, including financing, technical assistance on both design and implementation of programs or policies, training, and awareness-raising. But leaders also felt that the optimal role for international actors varied on the basis of the problem domestic reformers were trying to solve and their diagnoses of the key constraints to progress.
Figure 17. Leaders’ preferred role for international actors, by development policy area

<table>
<thead>
<tr>
<th></th>
<th>Mobilize domestic pressure</th>
<th>Mobilize international pressure</th>
<th>Provide design advice</th>
<th>Provide financial support</th>
<th>Provide implementation advice</th>
<th>Provide training to locals</th>
<th>Raise awareness among those able take action</th>
<th>No role, this is a domestic problem</th>
<th>Other (please specify)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Climate</td>
<td></td>
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<td></td>
<td>25%</td>
<td>31%</td>
<td>42%</td>
<td>49%</td>
<td>41%</td>
<td>38%</td>
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<td>4%</td>
</tr>
<tr>
<td>Government Accountability</td>
<td>39%</td>
<td>50%</td>
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<td>40%</td>
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</tr>
<tr>
<td>Macroeconomic Stability</td>
<td>27%</td>
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<td>41%</td>
<td>46%</td>
<td>41%</td>
<td>44%</td>
<td>37%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Physical Security</td>
<td>24%</td>
<td>25%</td>
<td>40%</td>
<td>41%</td>
<td>41%</td>
<td>39%</td>
<td>37%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>Service Delivery</td>
<td>27%</td>
<td>35%</td>
<td>37%</td>
<td>35%</td>
<td>39%</td>
<td>40%</td>
<td>40%</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Social Inclusion</td>
<td>31%</td>
<td>36%</td>
<td>41%</td>
<td>39%</td>
<td>39%</td>
<td>39%</td>
<td>43%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Sufficient Jobs</td>
<td>20%</td>
<td>18%</td>
<td>43%</td>
<td>53%</td>
<td>40%</td>
<td>46%</td>
<td>34%</td>
<td>6%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Notes: Respondents were asked about which roles international actors were best positioned to play in supporting reforms in seven areas of development policy. The graphic shows the percentage of respondents who selected a given type of support from an international actor. Respondents could select up to three response options in each policy area. Source: AidData’s 2020 Listening to Leaders Survey.

In areas where respondents felt that the root issue was lack of prioritization, such as government accountability and social inclusion (see Chapter 3), there was greater interest in seeing international actors take an advocacy role in mobilizing domestic (31-39 percent) or international actors (36-50 percent) to exert pressure on those blocking reforms. Strikingly, although leaders welcomed financing in many areas, they were least enthusiastic about this form of support when it came to strengthening government accountability (26 percent). This could be a reflection of their concerns regarding corruption, as external funding may create perverse incentives for wealth-maximizing officials to game the system with impunity.

Comparatively, demand for external financing was far higher in areas where respondents felt that the root issue was insufficient resources, such as macroeconomic
policy (46 percent) or jobs (53 percent). Understandably, there was less appetite for international actors to play an advocacy role in areas where there was already a groundswell of domestic support for reforms. Finally, leaders placed a relatively higher premium on accessing international expertise via training or technical advice in areas such as service delivery, where they felt that poor implementation was the major factor undercutting reforms.

Recommendation #2. International actors should be responsive to the appetite of leaders in fragile states to mobilize pressure on those blocking reforms in all areas, but emphasize financing to improve jobs.

State capacity can vary greatly in terms of a government’s ability to deliver basic public services and ensure the physical security of their citizens. As a case in point: the World Bank (2020) identified 37 countries and semi-autonomous territories on its list of fragile states and conflict-affected situations for the year in which the 2020 Listening to Leaders Survey was conducted. According to the Fund for Peace (n.d.), fragility is often seen in the erosion of a government’s legitimate authority to control territory, use force, make collective decisions, provide public services, and interact with other states within the international community. It stands to reason, therefore, that the enabling environment for reform in any of our seven areas of development policy is likely impacted by a country’s level of fragility. By extension, leaders from more or less fragile states may have different needs and expectations for the type of support they want most from international actors.

With this in mind, we used a country’s Fragile States Index (FSI) classification as a departure point to examine whether and how attitudes towards international support differed by a country’s level of fragility. Both groups emphasized the importance of external financing in policy areas largely constrained by insufficient resources, such as jobs and macroeconomic policy. But leaders in more fragile states placed even greater weight on this contribution than those in less fragile contexts. Leaders from more fragile states generally had greater appetite for international actors to engage in activities that create pressure on those blocking reforms by mobilizing domestic and external actors,
than did those in less fragile contexts. This held true across almost all sectors, with the exception of jobs.

In this chapter, we asked leaders to identify the roles that international actors were best positioned to play in supporting reforms in their countries, across seven areas of development policy, and considering state fragility. The majority of leaders see international assistance as relevant and welcome, but encouraged international actors to adapt their efforts to fit leaders’ diagnosis of key constraints: financing to crowd-in resources, advocacy to mobilize pressure, and expertise to improve implementation. In Chapter 5, we conclude with a recap of lessons learned and key insights from the report.

5. Conclusion

If international actors—from bilateral aid agencies and multilateral development banks to private philanthropies and multinational corporations—are to live up to their rhetoric of supporting locally-led development, they must learn to see from the perspectives of their counterparts in the Global South. This report drew upon the experiences of nearly 7,000 public, private, and civil society leaders at the forefront of pushing forward reforms in 141 countries to answer three critical questions. How do leaders assess progress in advancing their national development goals (Progress)? What key constraints do leaders see as hindering progress in achieving their goals (Capacity)? How can international actors best support locally-led development (Cooperation)?

The Aid Reimagined report provided 360-degree feedback for international actors to adapt assistance to help partner countries plan, fund, and implement solutions to their own development challenges:

- In Chapter 2, we identified sufficient jobs and government accountability as two policy areas in which leaders were most dissatisfied with their country’s progress. Although officials were somewhat more optimistic, the lived experiences of our leaders largely tracked with objective measures of political legitimacy and technocratic governance, increasing the likelihood that their impressions are based upon a realistic assessment of progress in their countries.
In Chapter 3, we highlighted that leaders pinpointed corruption and poor financial management as contributing to misallocation of resources. Lack of capacity, particularly among political appointees, inhibited effective implementation of reforms. Leaders argued that greater leadership acumen and personnel management was necessary across the board, but that local governments would also benefit from better organizational and structural capacity. Lack of commitment was a problem stemming from top political leadership, but leaders thought non-government actors could do more to mobilize pressure from the bottom-up to push forward lagging reforms in areas such as social inclusion and government accountability.

In Chapter 4, we demonstrated that there is clearly demand for assistance of various types, but the optimal role for international actors appears to vary on the basis of the key constraints leaders have identified in a given policy area. Mobilizing domestic or international pressure is welcome when lack of prioritization is the primary challenge (e.g., government accountability, social inclusion). Demand for external financing was higher when leaders felt the root issue was insufficient resources (e.g., macroeconomic policy, jobs). They were most interested in accessing international expertise via training or technical advice in areas where poor implementation was the major constraint (e.g., service delivery).

We hope these insights are informative for international actors to deploy resources, form partnerships, and measure success in ways that are responsive to what leaders from the Global South say they need. It is not only the responsible thing to do, but also the smart thing to do, as survey respondents point to strong in-country relationships, the ability to mobilize resources and expertise, and alignment with national development priorities as what they look for in their preferred partners (Custer et al., 2021).
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About AidData
AidData is a research lab at William & Mary’s Global Research Institute. We equip policymakers and practitioners with better evidence to improve how sustainable development investments are targeted, monitored, and evaluated. We use rigorous methods, cutting-edge tools and granular data to answer the question: who is doing what, where, for whom, and to what effect?

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