

# Populism, Promises, and Aid Withdrawal: The Case of ‘Kosova e Re’

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## Abstract

How does aid withdrawal affect the domestic politics of intended recipient countries? I argue that populist parties benefit from aid withdrawal events because the event validates their claims of the international community’s untrustworthiness. I use the case of Kosovo to trace the process through which the international community both built political coalitions of support for and triggered opposition to a World Bank-funded power plant, Kosova e Re. The governing coalition bore a political cost, and the populist opposition a political benefit, when support for the project was withdrawn. I use a spatial difference-in-differences design to identify the causal effect of this instance of aid withdrawal on political support for incumbent and opposition parties. Polling stations in the vicinity of the Kosova e Re project’s intended location see an increase in all opposition party vote shares, relative to polling stations further from the project’s intended location. Within the opposition, populist parties saw the largest increase in vote share. Aid withdrawal interacts with the domestic political cleavages of intended-recipient countries to benefit opposition parties, particularly those with populist ideologies.

Aid withdrawal happens (Swedlund, 2017). Donors promise more aid than they are able or willing to give; recipients fail to meet the conditions of aid and cannot receive it. While aid withdrawal is a strategic tool for donors to exert leverage on recipient states (De Mesquita & Smith, 2007; Bueno de Mesquita & Smith, 2009; Dunning, 2004; Kretz, 2013), the failure of aid projects may not always correspond to specific actions in recipient states (Bulíř &

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Hamann, 2003; Fielding & Mavrotas, 2005; Bulíř & Hamann, 2008; Celasun & Walliser, 2008; Fielding & Mavrotas, 2008; Hudson & Mosley, 2008; Kharas, 2008; Hudson, 2015). Donors may withdraw aid due to changes in their own domestic political circumstances, including budget shocks or political disruptions unrelated to circumstances in recipient countries (Bulíř & Hamann, 2003; Fielding & Mavrotas, 2005; Celasun & Walliser, 2008; O'Brien-Udry, 2020). In these cases, citizens in recipient countries may not be able to adequately parse whether or not aid was withdrawn intentionally, in response to recipient government actions, or unintentionally, as a result of donor-specific changes. How do intended recipient populations respond to the loss of aid?

When aid withdrawal occurs, recipient populations may update their beliefs about the quality or type of government that represents them (Lebovic & Voeten, 2009). If citizens believe it is their government's responsibility to acquire aid (Dolan, 2020; Ijaz, 2020; Young, 2009), the government's failure to do so may lead to a decrease in support for incumbents. The promise of aid and its subsequent withdrawal could generate audience costs for the recipient government by violating citizen expectations of receiving aid (O'Brien-Udry, 2020). The loss of aid may also negatively affect incumbents' ability to incur patronage benefits from its disbursement (Briggs, 2012). Both exogenous and endogenous aid withdrawals may result in negative citizen updating about the quality of their governing officials. However, politicians may be able to capitalize on aid withdrawal for political gain or minimize its effects. Shifting blame to donors for aid withdrawal events can be an effective tactic in countries where citizens may be primed to distrust donor countries.

I argue that blame-shifting is an effective mobilization tactic in the wake of aid withdrawal when political parties already have strong anti-internationalist credibility. Incumbents may be able to blame aid withdrawal on the international community, but may be limited in their use of this tactic if the international community's support had perviously been used to legitimize the government or aid projects. In other words, given the existence of incumbent

credit-claiming for aid projects, aid withdrawal may threaten the credibility of an incumbent government as well as prevent them from effectively shifting blame to the international community. Opposition parties can capitalize on aid withdrawal events in order to highlight the incapacity of incumbent governments and anti-internationalist parties will be most effective, and least encumbered by relationships to the international community, in using this tactic.

I illustrate this dynamic with a case study of the World Bank’s withdrawal of support for a coal power plant in Kosovo in 2018. I demonstrate how political parties responded to the shock of international support withdrawal differentially in line with their existing relationships to the international community. I then test for the causal effect of aid withdrawal on political support for incumbent and opposition political parties using a spatial difference-in-differences design. Populist opposition parties in particular benefit from the withdrawal of aid by international actors at the expense of incumbent parties.

## 1 The Domestic Politics of Aid Withdrawal

Aid may benefit recipient incumbent politicians (Cruz & Schneider, 2017; Young, 2009; Dolan, 2020; Guiteras *et al.*, 2015; Briggs, 2012, 2015; Jablonski, 2014; Knutsen & Kotsadam, 2020) or reduce support for incumbents (Tokdemir, 2017; Briggs, 2019; Knutsen & Kotsadam, 2020). In comparison to places that did not receive aid, several studies find that places that did receive aid supported incumbents at higher rates (Cruz & Schneider, 2017; Young, 2009; Jablonski, 2014). The mechanisms through which this occurs are patronage (Jablonski, 2014; Guiteras *et al.*, 2015), in which politicians reward supporters with greater access to aid and its benefits, and performance evaluation (Dolan, 2020), in which politicians use aid as an additional example of their capacity to provide public goods. Governments take deliberate steps to display the success of their acquired aid projects, particularly in the lead-up to elections (Marx, 2017; Kersting & Kilby, 2016).

When aid is withdrawn, governments no longer have the patronage or performance benefits of aid. Given government incentives to make aid visible and salient to their communities in order to reap electoral benefits, the absence of aid is notable. This observation holds regardless of the reason for aid withdrawal. If aid is withdrawn because the donors disapprove of actions taken by the recipient government, citizens may update their beliefs about the incumbent taking into account 1) the absence of aid and 2) increased awareness of international disapproval of government actions (built into this is a heightened awareness of government actions as well). If aid withdrawal is unrelated to recipient government actions, citizens may still draw conclusions about the efficacy of their incumbent government. Aid is still absent and citizens may speculate about the culpability of their governments in its disappearance.

Politicians may be able to promote anti-internationalist ideas in order to combat the negative signal sent by aid withdrawal for political or apolitical purposes. For example, US President Trump’s threats to withdraw aid from Pakistan and Palestine in 2018 drew backlash from political leaders in both states who sought to reframe the threat as a political ploy and played up anti-American sentiment: Mushahid H. Syed, the chairman of Pakistan’s Senate Defense Committee, said that “scapegoating Pakistan suits the American establishment to cover up the Pentagon’s failures” in Afghanistan.<sup>1</sup> Other aid withdrawal events may be responding to government actions that are broadly popular in the recipient domestic context. When several European countries and the US implemented aid cuts to Uganda in response to anti-gay legislation in 2014, the government responded with defiance in part because its population largely supported the law: government spokesperson Ofwono Opondo said, “Uganda is a sovereign country and can never bow to anybody or be blackmailed by anybody on a decision it took in its interests, even if it involves threats to cut off all financial

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<sup>1</sup><https://www.nbcnews.com/news/world/trump-s-threat-cut-aid-funds-pakistan-palestinians-triggers-back>

assistance.”<sup>2</sup> USAID notes that these avoidance tactics are common government responses to aid withdrawal such as reductions in food subsidies.<sup>3</sup>

However, politicians may be limited in their *ability* to blame internationals for aid withdrawal or other aid inconsistencies. Baylouny (2020) describes how Lebanese and Jordanian governments attempted to blame international donors for prioritizing Syrian refugees over native Jordanian and Lebanese populations, but this tactic failed when citizens noted inconsistencies in how governments promoted their capacity to implement aid projects to an international audience while claiming to be powerless towards their own citizens. For governments who have consistently sought to claim credit for their aid projects, passing blame on to international parties may be incredible to citizens (O’Brien-Udry, 2020). Governments may also not be *willing* to pass blame to internationals. If recipient governments highly value their relationship with international actors and feel they do not have leverage in these relationships, they may be less likely to bite the hand that feeds them.

Party ideology may explain some of the ability and willingness of governments to respond to aid withdrawal. Prior work has noted different party preferences regarding aid in donor states (Greene & Licht, 2018; Goldfien & O’Brien-Udry, 2021). The same holds for recipients: different party coalitions will have diverse constituencies that respond differently to aid’s presence and withdrawal. In particular, parties with strong ideological commitments to internationalism or anti-internationalism may differ in their relationship to aid. Parties that support international integration and promote their links to international actors (Ijaz, 2020) will be able to claim credit for aid as it related to their ideological commitments: connections to the international community have material benefits. In contrast, populist parties that value sovereignty and self-determination may be more likely to disapprove of aid despite its

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<sup>2</sup><https://www.reuters.com/article/us-usa-uganda-gay-announcement/u-s-cuts-aid-to-uganda-cancels-military-exercise-over-anti-gay-law-idUSKBN0EU26N20140619>

<sup>3</sup>[https://pdf.usaid.gov/pdf\\_docs/Pcaab024.pdf](https://pdf.usaid.gov/pdf_docs/Pcaab024.pdf)

material benefits. Anti-internationalist parties may be able to more effectively mobilize their constituents in the wake of aid withdrawal because it aligns with their ideological premise that the international community is neither helpful nor trustworthy.

The loss of aid can lead to a decline in incumbent support (Briggs, 2012; O’Brien-Udry, 2020). I extend this theory of aid loss to capture party politics. To whom do incumbents lose? I argue that anti-internationalist parties are uniquely able to capitalize on aid withdrawal as mistrust in the international community is a credo in their platform. Aid withdrawal validates the concerns of anti-internationalist parties and undermines the credibility of claims made by incumbent governments that had pledged to deliver upon their aid promises. In the following section, I examine how one aid project in Kosovo became the focal point of a political battle after the World Bank withdrew its support for the project.

## 2 Case Study: The World Bank and the Kosovo e Re Coal Power Plant

Kosovo is a case of extreme dependence on the international community for both economic support and security. Kosovo was released from Serbian rule in 1999 after an unsuccessful Albanian insurgency, a Serbian attempt at ethnic cleansing, and several months of NATO bombings of Belgrade. The nascent state declared independence in 2008 after almost a decade of provisional rule by the United Nations Mission in Kosovo. In the years since the NATO bombings, Kosovo has been one of the biggest beneficiaries of international aid per capita.<sup>4</sup> Given Kosovo’s proximity to the EU, Western donors have a vested interest in ensuring the stability and growth of the country (Papadimitriou *et al.*, 2007). The power asymmetry between Kosovo and its international donors and creditors makes it a convenient

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<sup>4</sup>The OECD puts Kosovo in the top 25% of aid recipients on a per-capita basis.

case study for the domestic political consequences of aid withdrawal.

The energy sector in Kosovo faced challenges after the war because it lacked safe, existing energy infrastructure and political disagreements with its neighbors, primarily Serbia, prevented easy import of energy. Blackouts and shortages were common in the decade leading up to independence and continue to this day. Two central power plants, Kosovo A and Kosovo B, continue to provide the majority of electricity to citizens despite running on coal. In the words of the *New York Times*, “Coal plants don’t come much dirtier than than Kosovo A.”<sup>5</sup> The idea of building a new power plant in lieu of or in addition to the renovation of the existing power plants was supported by the Government of Kosovo (before 2008 known as the Provisional Institutions of Self-Government, or PISG) and all of its international partners due to the economic and social costs of irregular power supplies.<sup>6</sup>

## 2.1 Commitment

In 2006, the World Bank officially partnered with the PISG<sup>7</sup> to address the demands on Kosovo’s electric grid.<sup>8</sup> The \$8.5 million grant for the Lignite Power Technical Assistance Project (LPTAP) was given in response to Kosovo’s request for support for their development agenda “by facilitating investments in key sectors of the economy with high growth potential.”<sup>9</sup> The World Bank was not asking for policy concessions from the PISG; the goals of the investors and grant recipient were in line.

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<sup>5</sup><https://archive.nytimes.com/www.nytimes.com/cwire/2011/07/11/11climatewire-us-on-both-sides-of-new-html?pagewanted=all>

<sup>6</sup>“Based upon data provided by the KEK [Kosovo Energy Company] Capacity Management Department, the percentage of unserved demand (the ratio of unserved energy to supplied energy plus unserved energy) was 14.03% in 2006.”(iv) [https://pdf.usaid.gov/pdf\\_docs/PBAAA300.pdf](https://pdf.usaid.gov/pdf_docs/PBAAA300.pdf)

<sup>7</sup>specifically the Ministry of Energy and Mining

<sup>8</sup><https://projects.worldbank.org/en/projects-operations/project-detail/P097635>

<sup>9</sup><http://documents1.worldbank.org/curated/en/935591468277479534/text/34953.txt>

In proposing the power plant, dubbed “Kosova e Re” [“New Kosovo”]<sup>10</sup>, the World Bank had to balance concerns about funding coal power in the 21st century and providing a stable source of electricity for Kosovars. From 2006 to 2017, the World Bank argued that coal was the most viable source of energy for Kosovo and therefore an exception to its own ban on funding coal power. World Bank president Dr. Jim Jong Kim stated in 2014, “Climate change and the coal problem is one thing, but the humanitarian issue is another, and we cannot turn our backs on the people of Kosovo who face freezing to death if we do not move.”<sup>11</sup> The cost of developing renewables exceeded that of coal, even when environmental and health spillover effects were included.<sup>12</sup> The Government of Kosovo (GOK) frequently cited the World Bank’s, and other international actors’, support for the use of coal as justification for the project; Minister of Economic Development Valdrin Lluka noted in early 2018 that “the ‘New Kosovo’ TPP is one of the few exceptions in the world that the World Bank has made to finance it, which will generate electricity from lignite.”<sup>13</sup>

Though all parties were in agreement as to the need for a stable energy supply, the US and the World Bank disagreed on how the GOK should allocate funds and time between renovat-

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<sup>10</sup>Originally the plant was called “Kosovo C” in reference to the existing Kosovo A and B plants but was rebranded to increase the distance between the unpopular and pollutant-generating plants and the new, “cleaner” plant. <https://www.gazetaexpress.com/lajme-pas-11-vitesh-plane-fillon-ndertimi-i-termocentralit-kosova-e-re-149883/>

<sup>11</sup><https://zeri.info/ekonomia/71994/kosova-c-a-eshte-ndonjehere-thengjilli-investim-i-paster/>  
<https://www.power-technology.com/features/featurekosovo-c-is-coal-ever-a-clean-investment-4767022/>

<sup>12</sup>“It is undisputed that the World Bank is no great proponent of coal energy, but it is also correct that Kosovo is an exception. Even though it is not a large country, it has the world’s fifth-largest lignite reserves. It is estimated that at least 10.9 billion tons are exploitable, which means that, with current consumption, there is enough coal for the next 1,500 years. At the same time, the preconditions for generating electricity from wind and hydro sources are unfavorable.” Olters, <https://www.worldbank.org/en/news/opinion/2014/08/07/example-how-things-should-not-be-done>

<sup>13</sup><https://www.koha.net/arberi/88769/lluka-flet-per-rendesine-e-termocentralit-kosova-e-re/>; Kosovo authorities say they have strong World Bank support for the construction of the “New Kosovo” power plant, and have warned that the project is in the final stages of finalization. The statements followed the World Bank’s letter sent to Economic Development Minister Blerand Stavileci, confirming that ‘support in principle is conditional on meeting all the necessary technical, economic, environmental, social, legal and financial criteria of the World Bank Group’. <https://www.evropaelire.org/a/28325140.html>



ing existing power plants and developing a new source of energy. The US was concerned that the transition period between relying on old coal power plants and developing the Kosova e Re plant, noting in 2006 that the US government would need to “provide technical assistance... until the transaction advisor is on board and will continue to work with UNMIK[the United Nations Mission in Kosovo], the PISG and the rest of the international community to ensure that Kosovo is well-prepared for the short-term that could complicate public acceptance of the necessarily medium-to-long-term perspective of the PISG-WB agreement.”<sup>14</sup> However, by 2009 the US was frustrated by the World Bank’s insistence on pursuing the Kosova e Re project despite the short term costs to the GOK.<sup>15</sup> The US government estimated that going forward with the new plant without ensuring “that a new energy sector transaction structure will succeed in attracting investors by the end of 2010” could result in up to 40% of Kosovo’s budget being diverted to energy imports and interim equipment costs with serious consequences for Kosovo’s stability. The disagreements between international actors almost led to the World Bank’s withdrawal from the project in 2009, which the US government stated “would be highly unfortunate, not least because the Bank will ultimately be instrumental in providing risk guarantees for the project, one of the issues highlighted by bidders in the recent round of discussions with the transaction adviser.” From early on in the project, the Bank’s involvement was considered vital for its ability to minimize the risk of the project to the GOK.

The GOK also considered withdrawing from the project several years earlier, in 2007, after a national election led to a change in power. The US spent months “trying to convince this government that adoption of the old government’s energy policy on Kosovo C (New

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<sup>14</sup>[https://wikileaks.org/plusd/cables/06PRISTINA545\\_a.html](https://wikileaks.org/plusd/cables/06PRISTINA545_a.html)

<sup>15</sup> “[The World Bank] acknowledge[s] the problems inherent in providing interim power for Kosovo, but believe[s] that the budgetary and political risks are manageable, particularly if Kosovo improves KEK[Korporata Energjetike e Kosovës, Energy Corporation of Kosovo] collections, eliminates the backlog of payment cases from the courts, and maintains upkeep on the existing plants.”

Kosovo) was a necessity. They are now not only convinced, but desperate to move ahead.” The new government, once behind the old government’s plan, “acknowledged that failure to ensure a successful outcome to this transaction in 2010 is politically unacceptable.” Successive governments and ministers of Economic Development<sup>16</sup> had announced imminent selection of companies for the contract and the beginning of construction on the plant. The involvement of the World Bank was a crucial selling point of the success of the project to the Kosovar media. One Minister of Economic Development in 2011 noted the frequent visits of World Bank vice-presidents as an indicator of the dedication of the organization to the project and “was convinced that the winning company the construction of the power plant would start the project in 2012 with the support of the World Bank.”<sup>17</sup>

## 2.2 Contention

The support of the World Bank extended not only to frequent contact with the GOK, but the Bank defended its project from scrutiny of both Kosovar media and civil society organizations (CSOs). In response to a report by CSOs titled “The Pathology of a Delay” which lampooned the Bank for its failure to implement the power plant a decade after the project was first proposed, the World Bank’s country manager for Kosovo, Jan-Peter Olters, described one of the central concerns of the CSOs as a “not particularly constructive coal-only vs. renewable-only confrontation, which was never at the core of the debate but made for nice newspaper headlines in Kosovo and elsewhere.”<sup>18</sup> Olters commented later in a 2013 opinion piece that the KOSID [Kosovo Civil Society Consortium for Sustainable Develop-

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<sup>16</sup>By 2009, the Ministry of Economic Development had subsumed the Ministry of Energy and Mining. <https://www.gazetaexpress.com/lajme-pas-11-vitesh-plane-fillon-ndertimi-i-termocentralit-kosova-e-re-149883/>

<sup>17</sup>“During this week, unlike many other countries, we have had the visit of three World Bank Group Vice-Presidents, who have in principle supported the construction of the New Kosovo Power Plant,” Beqaj said. <https://www.gazetaexpress.com/lajme-pas-11-vitesh-plane-fillon-ndertimi-i-termocentralit-kosova-e-re-149883>

<sup>18</sup><https://www.worldbank.org/en/news/opinion/2012/12/17/panel-discussion-forum-2015-pathology-of-a-del>

ment] and allied civil society organizations were attempting to “win” the energy debate and prevent Kosova e Re from being built, directly positioning the CSOs as opponents to the World Bank and the GOK.<sup>19</sup> The CSOs had questioned whether the World Bank’s expert reviews has taken into account local conditions: “numerous environmental and social-impact studies were conducted solely to conform to World Bank procedures but not with the intention to use the studies’ findings to better design and develop the package for the new plant. However, no studies were ever undertaken to examine how such a mega investment would impact Kosovo’s economic interests.”<sup>20</sup> Indeed, the World Bank’s own expert review noted that “the members of the Panel have a relatively limited knowledge of the situation in Kosovo,” though all experts in coal’s use in Europe and elsewhere.<sup>21</sup> KOSID took aim at both the World Bank and the GOK in its advocacy efforts. “We think, if the Government had been seriously committed to solving (the problems) in the energy sector, it could have been achieved with a much better combination of using energy efficiency and using alternative energy sources,” said Kushtrim Puka of KOSID in 2014.<sup>22</sup> A growing opposition party in Kosovo politics, Levisa Vetevendosja (Movement for Self-Determination, or LV) also allied itself against the project. LV branded itself as an anti-imperialist party whose main platform involved reducing international influence in Kosovo’s institutions (Visoka & Musliu, 2019). LV released a statement affirming the importance of developing a power source within Kosovo but questioning the international community’s involvement by insinuating that the US and other international actors had prevented a joint Kosovo-Albania power plant in fear

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<sup>19</sup><https://www.worldbank.org/en/news/opinion/2013/03/01/unnoticed-energy-consensus-jan-peter-olters>

<sup>20</sup><http://kfos.org/wp-content/uploads/2012/12/Pathology-of-a-Delay.pdf>

<sup>21</sup><http://pubdocs.worldbank.org/en/361181487182982989/Kosovo-Power-Project-Expert-Panel-Report.pdf>

<sup>22</sup><https://www.gazetaexpress.com/lajme-kosid-jo-ndertimit-te-termocentralit-kosova-e-re-7949/>

of fomenting pan-Albanianism.<sup>23</sup> The two sides of the debate about the power plant became the World Bank and the GOK versus CSOs and the opposition party.

In March 2017, the GOK signed a contract for the plant with ContourGlobal, a US-based company. A month before, in February 2017, the Minister of Economic Development stated:

“[the] long negotiating process with US company ContourGlobal and the World Bank has resulted in Bank support for the construction of the’ New Kosovo’ power plant... Now we have no obstacles. On the contrary, the top leaders of the World Bank are in favor of power plant construction and in support of the energy strategy with almost no backup at the moment when we adhere to everything we have agreed to, but also to the environmental and social segment related to the project.”<sup>24</sup>

The contract requires a publicly-owned intermediary company to purchase all electricity generated by the ContourGlobal-funded plant at a higher-than-market price. However, in April 2018, the new Minister of Economic Development, Valdrin Lluka emphasized the that “the Government of Kosovo will not spend a cent for this project from its budget. The private investor ContourGlobal will invest in the entire project, where 30% of its capital will be invested, while the rest will be provided by international financial institutions such as the World Bank, our key partner in this project.”<sup>25</sup> The price paid by Kosovars in electricity, which the Kosovo government had committed to buying, would depend on the loan rate given to ContourGlobal.<sup>26</sup> The World Bank, throughout the development of the project,

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<sup>23</sup> “Immediately after Kosovo’s declaration of independence, the Government of Albania expressed an interest in co-financing the Kosovo e Re Power Plant (then Kosovo C) project.” <https://www.vetevendosje.org/energjia-eshte-politike/>. I am unable to confirm the validity of this statement. There is evidence that the US at this time was worried about pan-Albanianism ([https://wikileaks.org/plusd/cables/09PRISTINA344\\_a.html](https://wikileaks.org/plusd/cables/09PRISTINA344_a.html)) but both the World Bank and the US emphasize the importance of energy cooperation between Kosovo and Albania in both internal documents and news publications.

<sup>24</sup> <https://www.evropaelire.org/a/28325140.html>

<sup>25</sup> <https://zeri.info/ekonomia/195929/qeveria-e-kosoves-sdo-te-shpenzoje-nga-buxheti-i-saj-per-kosoven->

<sup>26</sup> <https://www.koha.net/arberi/70234/kredia-per-kosoven-e-re-mund-te-rrite-cmimin-e-rrymes-per-qytetar>

had assured Kosovo and foreign investors of a partial risk guarantee that would allow access to low interest loans.<sup>27</sup> In ContourGlobal’s announcement of a search process for construction companies for its newly-acquired power plant investment, it stated “The process of selection is a two-stage international competitive tender following applicable World Bank Procurement Guidelines.”<sup>28</sup> Despite the heavy involvement of the World Bank in the project from its inception, the World Bank had not officially guaranteed its support for the power plant before the contract with ContourGlobal was signed. The Minister of Economic Development explained that they “signed the contract without a response from the World Bank because they have been waiting for it for ten years.”<sup>29</sup>

## 2.3 Withdrawal

The World Bank officially withdrew its support for the power plant in October 2018, twelve years after it had first agreed to work with the GOK to develop the Lignite Protection Technical Assistance Project (LPTAP).<sup>30</sup> The least-cost option for energy in Kosovo, when factoring in environmental and health costs, had become renewable sources, whose price had plummeted since the plant had first been proposed.<sup>31</sup> Importantly, the World Bank did not withdraw its support from the ‘Kosovo e Re’ project because of the GOK’s failure to make policy concessions to the Bank. The World Bank did require specific political acts from the GOK, including improvements in rule of law, stabilization, and governance. These and similar policy concessions were also required by other donors, including USAID, who did not withdraw their support from the project. However, ultimately the World Bank did

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<sup>27</sup><https://www.evropaelire.org/a/termocentrali-kosova-e-re/29937934.html>

<sup>28</sup><https://www.contourglobal.com/press-release/kosovo-epc-procurement-release>

<sup>29</sup><https://www.koha.net/arberi/122303/shoqeria-civile-i-rekomandon-qeverise-te-paguaje-penalltine-dhe->

<sup>30</sup><https://uk.reuters.com/article/worldbank-kosovo/world-bank-pulls-out-of-kosovo-coal-power-plant-pro>

<sup>31</sup><https://www.worldbank.org/en/country/kosovo/brief/energy-in-kosovo>

not support the 'Kosovo e Re' project because of the rising cost of coal with respect to renewables. The CSOs declared that they had "won the battle with the World Bank" and anticipated that other financial institutions would follow suit and withdraw support as well in the wake of the announcement.<sup>32</sup> The EBRD, which had previously refused to support the project, immediately reiterated its stance against the use of coal.<sup>33</sup> the Ministry of Economic Development claimed to be talking to "several banks from Japan, America and China to guarantee the investment of one of the four companies competing for the construction of Kosova e Re."<sup>34</sup> The Kosova e Re plant is estimated to be the largest foreign investment in Kosovo. Without the World Bank's promise of low-interest loans, some of this cost will likely be passed on to consumers.<sup>35</sup> The outgoing Minister of Trade and Industry, Bajram Hasani, predicted that the withdrawal of the World Bank would be disastrous for Kosovo "because it is not only said because of alternative energy, but also shows uncertainty, that Kosovo is an unsafe place for investment and fear or now the real possibility is that this investment will fail completely because the moment the World Bank has withdrawn, and I expect other institutions to withdraw."<sup>36</sup> The costs of the World Bank's withdrawal were both immediate in investor confidence and long-term in consumer energy prices.

The GOK refused to cancel its contract with ContourGlobal. The Acting Minister of Economic Development Valdrin Lluka estimated a loss of 20 million euros in penalties from

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<sup>32</sup><https://www.evropaelire.org/a/kosova-e-re-ndertohet-pa-mbeshtetjen-e-bankes-boterore/29538226.html>

<sup>33</sup><https://www.evropaelire.org/a/kosova-e-re-ndertohet-pa-mbeshtetjen-e-bankes-boterore/29538226.html>

<sup>34</sup><https://www.koha.net/arberi/122303/shoqeria-civile-i-rekomandon-qeverise-te-paguaje-penalltine-dhe->

<sup>35</sup>"The World Bank said last year that it would not support the construction of a new coal-fired power plant, even though years ago the bank had promised to issue some kind of risk guarantee, which would allow the investor to obtain low interest loans." <https://www.evropaelire.org/a/termocentrali-kosova-e-re/29937934.html>

<sup>36</sup><https://zeri.info/ekonomia/220569/ende-e-paqarte-e-ardhmja-e-termocentralit-kosova-e-re/>

breach of contract if the GOK were to withdraw.<sup>37</sup> Prime Minister Ramush Haradinaj insisted that the plant be built “in order to produce energy in the local market,” as importing electricity from Kosovo’s neighbors is still prohibitive both politically and economically.<sup>38</sup> Civil society activists estimate that the losses from the contract’s cancellation would be more than offset by the gains in health and environmental standards as well as the chance to find cheaper electricity from alternative sources.<sup>39</sup>

## 2.4 Election

In congruence with the CSOs, opposition party leader of LV made the ContourGlobal contract central to their campaign in the 2019 parliamentary elections. The official LV website demanded that a new government take steps on its first day towards “the cessation of any activity associated with the new power plant in Kosovo.”<sup>40</sup> LV claims that their microphones were shut off during a government meeting when presenting “damaging information” about the ContourGlobal contract.<sup>41</sup> The outgoing government has warned that the project would fail and Kosovo would pay the penalty for reneging on its contract without reaping any of the benefits of the deal if the opposition comes into power in the October 2019 elections.<sup>42</sup> CSO activists have urged all parties in the election to clarify their stances on the power plant.<sup>43</sup> The two camps, pro and anti, have been defined by the stances of the outgoing government (pro) and the opposition (anti), as outlined in Table 1.

The opposition defeated the ruling party handily in the October 2019 elections. LV made

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<sup>37</sup><https://www.koha.net/arberi/183031/kosova-e-re-deshton-nese-ne-pushtet-vijne-kundershtaret-e-ketij->

<sup>38</sup><https://kossev.info/svetska-banka-nece-finansirati-novu-elektranu-na-ugalj-na-kosovu>

<sup>39</sup><https://www.gazetaexpress.com/lluka-paralajmeron-deshtimin-e-kosoves-se-re/>

<sup>40</sup><https://www.vetevendosje.org/zgjedhje-te-reja-menjehere-qeveria-e-dorehequr-te-nderprese-veprintari>

<sup>41</sup><https://www.koha.net/arberi/153068/levizja-vetevendosje-publikon-8-arsye-pse-duhet-te-ndalet-marrev>

<sup>42</sup><https://www.koha.net/arberi/183031/kosova-e-re-deshton-nese-ne-pushtet-vijne-kundershtaret-e-ketij->

<sup>43</sup><https://www.koha.net/arberi/182318/shoqeria-civile-kerkon-nga-partite-politike-ne-gare-per-zgjedhje>

Party	Ideology	Stance	Status
PDK	Center-right	Move forward with Kosovo e Re, tax pollution and increase green investment <sup>a</sup>	Incumbent
AAK-PSD	Right-wing/Social democrat <sup>b</sup>	Move forward with Kosovo e Re <sup>c</sup>	Incumbent
NISMA-AKR-PD	Left/Center-left <sup>d</sup>	Move forward with Kosovo e Re, adjusting for health/environmental concerns <sup>e</sup>	Incumbent
LV	Left	Oppose building Kosovo e Re <sup>f</sup>	Opposition
LDK	Center/Center-right	Unclear <sup>g</sup>	Opposition

Table 1: *Party stances towards Kosovo e Re*: 2019 electoral platforms related to the Kosova e Re power plant.

<sup>a,c,e</sup> <https://balkaninsight.com/2019/10/03/kosovo-elections-education-health-environment-and-rights/>

<sup>b</sup> AKR, Aleanca për Ardhmërinë e Kosovës or Alliance for the future of Kosovo, is a right-wing conservative party; PSD, Partia Socialdemokrate e Kosovës or the Social Democratic Party of Kosovo, is a left-wing social democratic party.

<sup>d</sup> PD, Partia e Drejtësisë or the Justice Party, is a socially-conservative religious party but is junior partner in this coalition.

<sup>f</sup> <https://www.vetevendosje.org/zgjedhje-te-reja-menjehere-qeveria-e-dorehequr-te-nderprese-veprimtarite>

<sup>g</sup> “Vetëvendosje hopes for the failure of this agreement, while the LDK does not have a clear position on it.” <https://www.lipjaninews.com/lvv-ja-e-ldk-ja-pa-plan-per-kosoven-e-re/>



major gains in political power at the expense of the incumbent PDK party.<sup>44</sup> However, the new government, initially formed between LV and LDK, collapsed shortly after it was formed in February. In part due to this internal political turmoil, ContourGlobal officially withdrew from the project on May 17, 2020.<sup>45</sup> The company released a statement saying, “As a result of the political situation in Kosovo since July, our development project is incapable of reaching its required milestones by the required project completion date in May 2020 so the project cannot proceed.”<sup>46</sup> The CSOs celebrated the victory but LV was unable to reap the political benefits of the news after falling from power.<sup>47</sup> The future of the coal plant in Kosovo remains unseen.

Ultimately, the World Bank rescinded its support because of an exogenous drop in alternative energy pricing, not because of actions or lack thereof on the part of the Government of Kosovo. The World Bank’s support of the policy and efforts to push back against CSOs created a relevant political cleavage for Kosovo elections that allowed the government and opposition parties to make the coal plant into a wedge issue in the 2019 elections. The initial issue of the need for domestic energy generation has never been in dispute in Kosovo politics, but the World Bank’s initial support for the power plant led the governing party to make the plant a salient issue in its campaign messaging. The visibility and importance of the project for governing party supporters created an opening for the opposition party to take a stance against the project in-line with its anti-imperialist message. The 2019 election campaign in Kosovo demonstrates how party platforms evolve to incorporate the events of aid withdrawal

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<sup>44</sup><https://balkaninsight.com/2019/11/07/kosovo-final-election-result-confirms-vetevendosje-victory/>

<sup>45</sup><https://prishtinainsight.com/contourglobal-kosova-e-re-will-not-proceed/>

<sup>46</sup>[https://www.contourglobal.com/sites/default/files/2020-03/fy\\_2019\\_results\\_presentation\\_vfinal.pdf](https://www.contourglobal.com/sites/default/files/2020-03/fy_2019_results_presentation_vfinal.pdf), pg 24

<sup>47</sup>Albin Kurti, the leader of LV, calls his ouster from government by the designs of a coalition of rival parties a “parliamentary coup d’etat” primarily orchestrated by US special envoy for Kosovo and Serbia, Richard Grenell. <https://www.npr.org/2020/06/06/863771374/after-unprecedented-strains-with-longtime-friend-u-s-kosovo-has-a-new-government>

in line with political ideologies. Anti-imperialist parties benefit from aid withdrawal events while center parties remain tied to the international community.

### 3 Research Design

In order to identify a causal effect of aid withdrawal on support for political actors, I employ a spatial difference-in-differences model. I geolocate each polling station in Kosovo and calculate the distance from the polling station to the proposed power plant.<sup>48</sup> The outcome of interest is the number of votes for each political party at each polling station. In other words, each political party is analyzed in comparison to itself and its previous polling outcomes. I analyze only national election outcomes. The Kosova e Re power plant was a centrally-coordinated project; therefore, national elections should be the outcome of interest.<sup>49</sup>

The key assumption that underlies the spatial difference-in-differences strategy is that people living closer to the proposed power plant will be differentially affected by the withdrawal of international funding for the plant. Given that Kosova e Re is the largest proposed power generator in the history of Kosovo, its effect on power production will not be localized. Municipalities further from the plant, such as Peja in the far West and Kamenica in the far East, will benefit equally from electricity generation. Electrification, here, does not drive differential exposure to aid withdrawal. The potential fiduciary costs of moving forward with the plant without international funding are also diffuse: higher electric prices would be passed on to all consumers of electricity in Kosovo regardless of location.<sup>50</sup>

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<sup>48</sup>See Appendix C for more information about this methodology.

<sup>49</sup>See Springman (2021) for a discussion of credit-attribution for aid projects at different levels of government and Baldwin & Winters (2021) for citizens' ability to accurately attribute credit for aid projects given government bureaucratic roles and capacity.

<sup>50</sup>The one exception to this assertion is the northern Serb-majority municipalities of North Mitrovica, Zvečan, Leposavić, and Zubin Potok. These municipalities are not fully under Kosovo control and KEK is unable to collect electric bills in these locations. Effectively, Kosovo subsidizes electricity consumption for these municipalities to avoid ethnic conflict.

Instead, people in the vicinity of the plant are likely to benefit from jobs created during the construction of the new plant and expansion of lignite mining in the area as well as potential short-term environmental benefits from the decommissioning of Kosovo A, a major source of air pollution in the area. The costs paid by people local to the Kosova e Re area include greater concentration of environmental damage and exposure to pollution from the coal plant and potential displacement due to mining activity. Withdrawal of international support for the plant due to environmental concerns, then, should affect people in the vicinity of the proposed plant through the mechanisms of 1) resentment towards the incumbent parties that had promised jobs and benefits from the Kosova e Re plant and 2) reification of the opposition's arguments that the project was unsafe and the incumbent government irresponsible. I do not fully adjudicate these two mechanisms. However, the first mechanism, loss of patronage, does not predict specific changes in party voting other than incumbent to opposition. Either LV or LDK, the primary opposition parties, would benefit from this mechanism. The second mechanism, backlash against incumbents, suggests that we should see an increase in specifically LV vote share as this opposition party made the failure of Kosova e Re a key feature of its election campaign.

The World Bank withdrew support for Kosova e Re in November 2018. National elections were called in mid-2019 when Prime Minister Ramush Haradinaj (AAK) resigned after being summoned for questioning by the Hague's Kosovo Specialist Chambers and Specialist Prosecutor's Office. The timing of these elections is unrelated to the collapse of the incumbent government. Unable to form a new coalition within the required 60 days, elections were scheduled for October 2019. As Figure 1 demonstrates, the formerly dominant PDK, which had been in power for the prior decade, and other "War Wing" parties (AKR, AAK) lost ground to the opposition parties LV and LDK.

As the regional patterns of voting differ dramatically with some parties featuring regional hubs of support (for example, KDTP is a Turkish party that dominates the Turkish

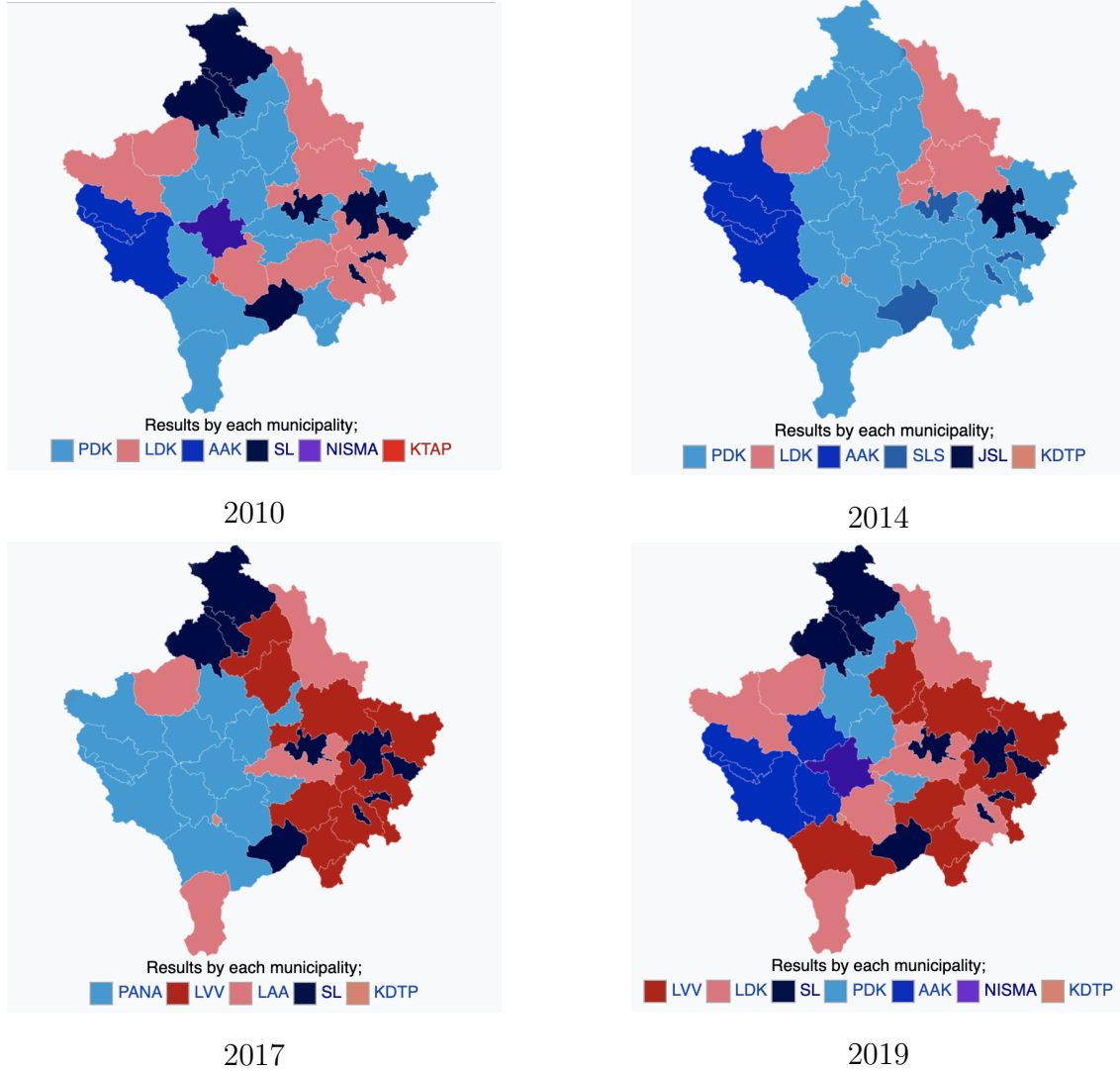


Figure 1: *Kosovo election results by party*: Party winners by municipality. Note: screenshots from Wikipedia. Future drafts will include handmade maps.

municipality of Mamusha each election cycle), I do not conduct my main analysis on the full sample of Kosovar polling stations (see Figure 2). This could lead to distortions due to regional party loyalties rather than less exposure to the effects of aid withdrawal. As such, I limit my sample of polling stations to those within 50km of the proposed plant. Instead of using a continuous treatment of distance, I divide the sample into “close” and “far” polling stations. Polling stations within 5km of the plant are considered “close” and constitute the

treated group in my analysis. Analysis of the full Kosovo sample is available in Appendix ??.

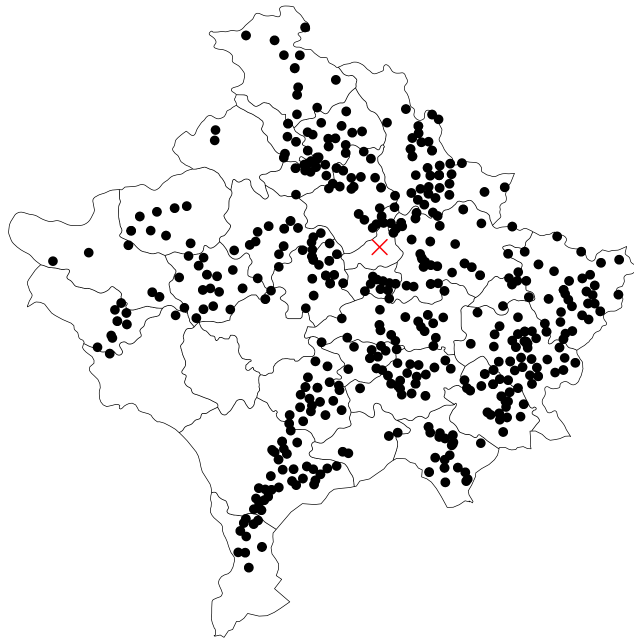


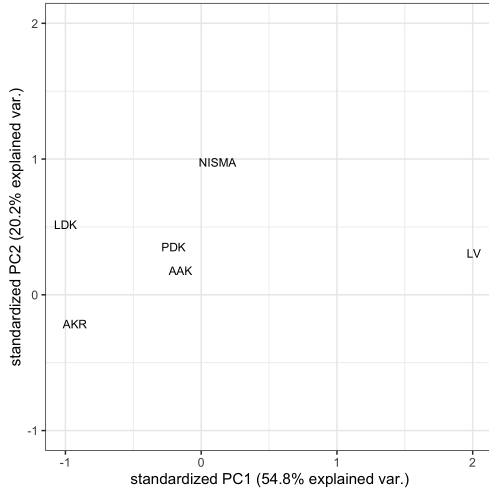
Figure 2: *Polling stations*: Location of polling stations (black dots) and planned Kosova e Re power plant (red X).

I also conduct a principal components analysis (PCA) of party ideology using expert scores from the VDEM-Parties database. Figure 3 displays the results for the first two principal components which combined explain 75% of the variation between parties. LV is a clear outlier on the first principal component, as is clear from the left panel. The right panel displays the ideological components that drive the PCA analysis. LV scores high on anti-elitism, populism, and “people-only”<sup>51</sup> party characteristics. In comparison, LDK is in the vicinity of all of the major incumbent parties (PDK, AAK, AKR, NISMA) on both dimensions. These PCA results suggest that LDK and LV could benefit electorally as

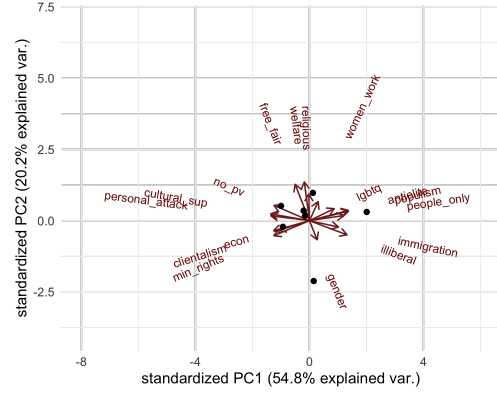
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<sup>51</sup>VDEM-Parties described this variable as answering the question “Do leaders of this party glorify the ordinary people and identify themselves as part of them?”

opposition parties (for this is the only dimension upon which LDK differs from the other centrist parties) and that LV may also benefit from its ideological distinction from these main parties.



Party PCA locations



PCA ideological components

Figure 3: *PCA*: Principal components analysis on policy dimensions of Kosovo political parties. First two principal components reported.

## 4 Results

Table 2 presents the main difference-in-difference specifications. LDK, PDK, AKR, NISMA, the incumbent parties and major opposition party, see a decrease in vote share in polling stations close to the planned Kosova e Re power plant. LV, the only party to explicitly call for the discontinuation of the project, sees a 3 percentage point ( $p = 0.00$ ) increase in vote share in close polling stations. Unexpectedly, LDK decreases its vote share by 3 percentage points ( $p = 0.00$ ) in close polling stations. AAK, a major contender in Obiliq politics to which the mayor of the municipality belonged at the time of the election, increases its vote share by percentage points in close polling stations. This latter finding is unexpected as AAK's national figure, PM Ramush Haradinaj, was a major proponent of the power plant.

Figure 4 shows parallel trends for the four theoretically-important parties in the analysis.

<i>Dependent variable: Proportion vote</i>								
	LV	LDK	PDK	AAK	AKR	NISMA	PD	SL
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Close	0.046*** (0.007)	0.052*** (0.005)	-0.014 (0.012)	0.012** (0.005)	0.004 (0.003)	0.043*** (0.008)	0.067*** (0.004)	-0.042*** (0.003)
Post-2018	0.039*** (0.003)	-0.019*** (0.004)	-0.093*** (0.004)	-0.042*** (0.003)	-0.110*** (0.004)	-0.128*** (0.007)	-0.125*** (0.005)	0.115*** (0.007)
Close *								
Post-2018	0.031*** (0.003)	-0.034*** (0.004)	-0.012*** (0.004)	0.094*** (0.003)	-0.020*** (0.004)	-0.059*** (0.008)	-0.083*** (0.005)	-0.111*** (0.007)
Observations	3,194	3,194	3,194	3,194	1,546	1,546	3,194	1,546

Table 2: *Proportion vote per polling station by party*: Close defined as less than 5km from planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Subset of polling stations within 50km of proposed plant. Conley standard errors in parentheses.

## 5 Conclusion

Aid withdrawal is a promise broken by donors. Donors pledged aid to recipients and then rescinded this pledge, either for political or apolitical reasons. However, it is also a promise broken by recipient governments to their citizens. Citizens expect aid (Dolan, 2020). When recipients are unable to provide aid that they have already claimed credit for acquiring, citizens punish them for this transgression (Briggs, 2012). While incumbents are punished for the withdrawal event, not all opposition parties benefit equally from this event. I demonstrate in a case study and spatial difference-in-differences analysis that populist parties are most able to mobilize public opinion in their favor in response to aid withdrawal. Aid withdrawal validates the world view of anti-internationalist parties who are then able to attract voters

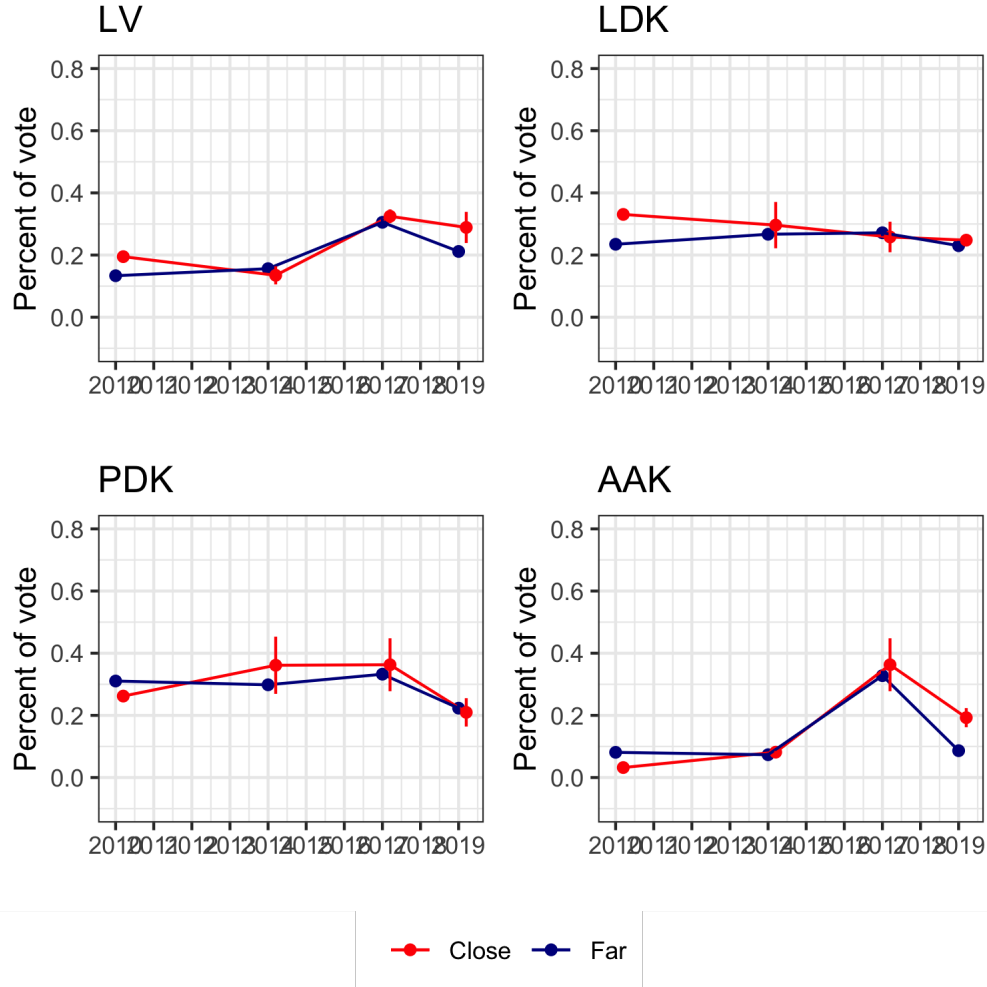


Figure 4: *Parallel trends*: Graphical depiction of difference-in-difference results for select parties.

in light of this new evidence.

These results have implications for the study of aid allocation and withdrawal. The party politics of aid in recipient countries is understudied; while we know that incumbents and opposition parties are differentially affected by aid events, we know little about how party ideology interacts with these events. A large literature looks at donor ideology and party politics as it related to aid allocation amounts and strategies (Dietrich, 2016; Greene & Licht, 2018; Brech & Potrafke, 2014; Bearce & Tirone, 2010; Allen & Flynn, 2018), but recipient party politics have received comparatively less attention (Goldfien & O'Brien-Udry,



2021). Future research should more closely attend to aid's interaction with ideology.

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## A Robustness

<i>Dependent variable:</i>								
	LV	LDK	PDK	AAK	AKR	NISMA	PD	SL
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Close	0.063*** (0.008)	0.062*** (0.005)	0.003 (0.009)	−0.008 (0.009)	0.016*** (0.004)	0.039*** (0.008)	0.070*** (0.004)	−0.046*** (0.005)
Post-2018	0.043*** (0.002)	−0.017*** (0.003)	−0.089*** (0.003)	−0.058*** (0.004)	−0.101*** (0.004)	−0.135*** (0.008)	−0.125*** (0.004)	0.096*** (0.007)
Close *								
Post-2018	0.027*** (0.002)	−0.037*** (0.004)	−0.016*** (0.003)	0.109*** (0.005)	−0.029*** (0.004)	−0.052*** (0.008)	−0.084*** (0.004)	−0.093*** (0.007)

*Note:* \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 3: *Proportion vote per polling station by party:* Close defined as less than 5km from planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Full sample of polling stations. Conley standard errors in parentheses.

<i>Dependent variable:</i>								
	LV	LDK	PDK	AAK	AKR	NISMA	PD	SL
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Distance	−0.00000*** (0.00000)	−0.00000*** (0.00000)	−0.00000*** (0.00000)	0.00000*** (0.00000)	−0.00000*** (0.00000)	−0.00000 (0.00000)	−0.00000*** (0.00000)	0.00000** (0.00000)
Post-2018	0.053*** (0.004)	−0.038*** (0.005)	−0.094*** (0.007)	−0.022*** (0.004)	−0.129*** (0.007)	−0.136*** (0.008)	−0.158*** (0.006)	0.143*** (0.006)
Distance *								
Post-2018	−0.00000*** (0.00000)	0.00000*** (0.00000)	0.00000 (0.00000)	−0.00000*** (0.00000)	0.00000*** (0.00000)	0.00000 (0.00000)	0.00000*** (0.00000)	−0.00000*** (0.00000)

*Note:* \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 4: *Proportion vote per polling station by party:* Distance is a continuous measure from polling station to planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Full sample of polling stations. Conley standard errors in parentheses.

## B Principal Components Analysis

	<i>Dependent variable:</i>							
	LV (1)	LDK (2)	PDK (3)	AAK (4)	AKR (5)	NISMA (6)	PD (7)	SL (8)
Distance	0.0000 (0.00000)	-0.00000*** (0.00000)	-0.00000*** (0.00000)	0.00000*** (0.00000)	0.00000* (0.00000)	-0.00000*** (0.00000)	-0.00000*** (0.00000)	0.00000*** (0.00000)
Post-2018	0.080*** (0.004)	-0.040*** (0.008)	-0.073*** (0.005)	-0.055*** (0.005)	-0.107*** (0.009)	-0.162*** (0.007)	-0.184*** (0.008)	0.104*** (0.010)
Distance * Post-2018	-0.00000*** (0.00000)	0.00000** (0.00000)	-0.00000*** (0.00000)	0.00000*** (0.00000)	-0.00000 (0.00000)	0.00000*** (0.00000)	0.00000*** (0.00000)	0.00000 (0.00000)
<i>Note:</i>								*p<0.1; **p<0.05; ***p<0.01

Table 5: *Number of votes per polling station by party:* Distance is a continuous measure from polling station to planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Full sample of polling stations. Conley standard errors in parentheses.

	<i>Dependent variable:</i>							
	LV (1)	LDK (2)	PDK (3)	AAK (4)	AKR (5)	NISMA (6)	PD (7)	SL (8)
Distance	0.0001 (0.0001)	-0.001*** (0.0001)	-0.001*** (0.0002)	0.0002** (0.0001)	-0.0001 (0.0001)	-0.0005*** (0.0001)	-0.001*** (0.0001)	0.0004*** (0.0001)
Post-2018	133.424*** (10.707)	91.404*** (6.726)	108.996*** (10.271)	6.744 (5.532)	-20.183*** (3.191)	-35.434*** (2.299)	-44.205*** (2.458)	75.429*** (7.122)
Distance * Post-2018	0.001** (0.001)	0.001*** (0.0002)	-0.001** (0.0002)	0.001*** (0.0002)	0.0003*** (0.0001)	0.001*** (0.0001)	0.001*** (0.0001)	0.0001 (0.0002)
<i>Note:</i>								*p<0.1; **p<0.05; ***p<0.01

Table 6: *Number of votes per polling station by party:* Distance is a continuous measure from polling station to planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Sample of polling stations within 50km of proposed plant. Conley standard errors in parentheses.

	<i>Dependent variable:</i>							
	LV	LDK	PDK	AAK	AKR	NISMA	PD	SL
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Close	14.838*** (2.485)	21.456*** (1.649)	-4.802 (4.047)	3.657*** (1.355)	2.477** (1.220)	11.896*** (2.008)	22.919*** (1.087)	-7.337*** (0.612)
Post-2018	166.979*** (7.323)	133.350*** (3.854)	92.931*** (3.612)	34.755*** (2.375)	-9.979*** (1.542)	-13.561*** (2.047)	-15.459*** (1.911)	80.009*** (5.314)
Close *								
Post-2018	31.404*** (8.213)	-10.585** (4.397)	-14.078*** (3.760)	90.245*** (2.937)	-12.187*** (1.528)	-21.606*** (2.243)	-32.629*** (1.949)	-72.120*** (5.324)

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 7: *Number of votes per polling station by party:* Close indicates polling stations within 5km of planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Sample of polling stations within 50km of planned plant. Conley standard errors in parentheses.

	<i>Dependent variable:</i>							
	LV	LDK	PDK	AAK	AKR	NISMA	PD	SL
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Close	21.125*** (2.892)	25.677*** (1.688)	2.676 (2.798)	-1.236 (2.225)	6.791*** (1.361)	11.910*** (2.060)	25.183*** (0.960)	-8.064*** (1.009)
Post-2018	148.666*** (6.901)	127.896*** (2.838)	82.368*** (3.334)	38.361*** (3.733)	-7.962*** (1.537)	-15.843*** (2.030)	-15.491*** (1.483)	72.511*** (6.418)
Close *								
Post-2018	49.717*** (7.867)	-5.132 (3.519)	-3.515 (3.539)	86.639*** (4.090)	-14.205*** (1.524)	-19.324*** (2.233)	-32.597*** (1.534)	-64.622*** (6.431)

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 8: *Number of votes per polling station by party:* Close indicates polling stations within 5km of planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Full sample of polling stations. Conley standard errors in parentheses.



	<i>Dependent variable:</i>							
	LV	LDK	PDK	AAK	AKR	NISMA	PD	SL
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Distance	−0.001*** (0.0001)	−0.001*** (0.0001)	−0.001*** (0.0001)	0.0004*** (0.0001)	−0.0004*** (0.00004)	−0.0002*** (0.0001)	−0.0005*** (0.00004)	0.0001** (0.0001)
Post-2018	191.259*** (7.001)	127.886*** (7.911)	121.861*** (7.912)	15.570** (6.818)	−18.095*** (2.931)	−19.365*** (1.930)	−29.109*** (2.153)	98.316*** (6.752)
Distance *								
Post-2018	−0.001*** (0.0002)	−0.00001 (0.0002)	−0.001*** (0.0001)	0.001** (0.0003)	0.0003*** (0.00005)	0.0001 (0.0001)	0.0004*** (0.00004)	−0.001*** (0.0002)

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Table 9: *Number of votes per polling station by party:* Distance is a continuous measure from polling station to planned Kosova e Re plant. Post-withdrawal is an indicator for elections after the 2018 withdrawal of support for the plant. Full sample of polling stations. Conley standard errors in parentheses.

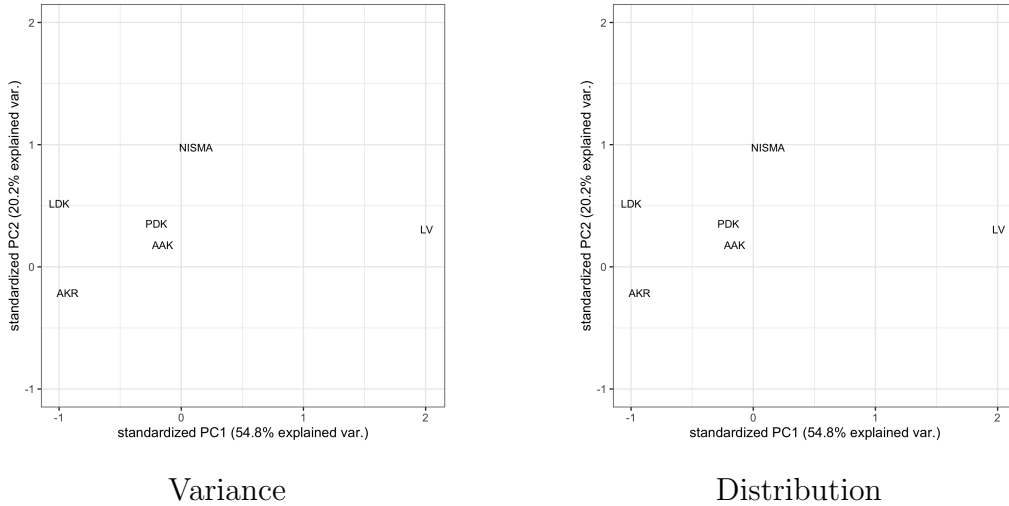


Figure 5: *PCA features:* Cumulative variance and distribution of PCA.

## C Location

I geolocate polling stations in Kosovo using data on polling location names from Kosovo's Central Election Commission.<sup>52</sup> I run a script to find the latitude and longitude of these stations. The location of the Kosovo e Re plant can be found in World Bank documents.<sup>53</sup> Polling results from individual stations are also available from Kosovo's Central Election Commission.

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<sup>52</sup><https://www.kqz-ks.org/an/zgjedhjet-e-pergjithshme/>

<sup>53</sup><http://documents1.worldbank.org/curated/en/705681468047083379/pdf/636990ISDS0K00power0project.pdf>