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- ▶ Green industry growth could spur economic development

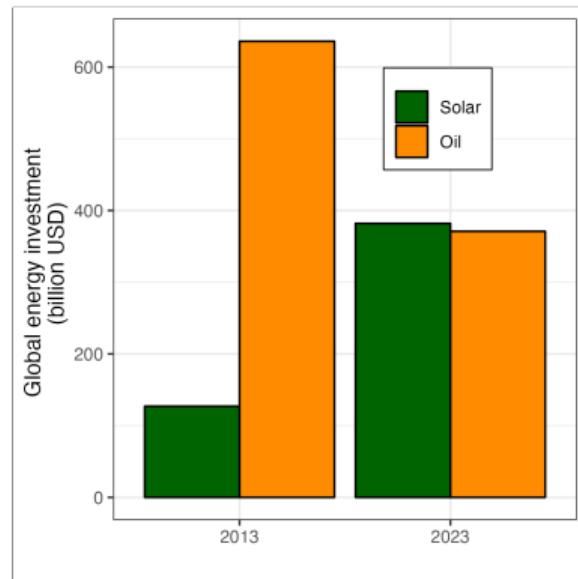
Growing effort to “green” international development finance

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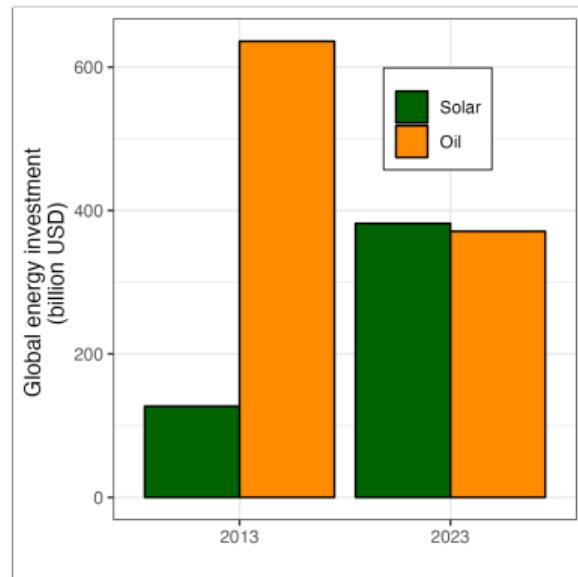
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2. Halt funding for fossil fuels

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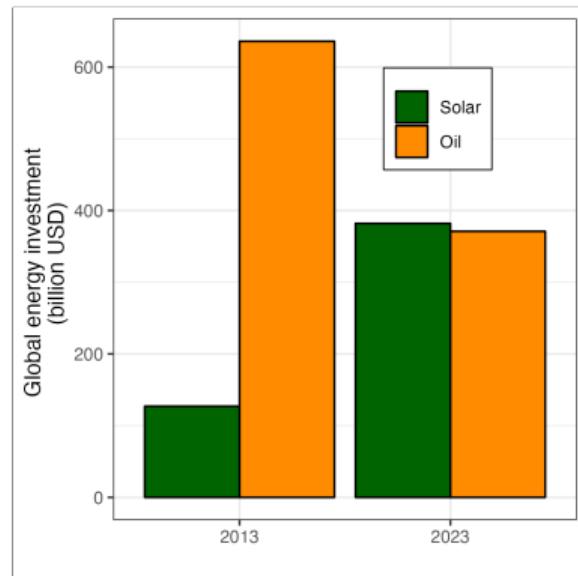
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3. Withdraw existing pledges?



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Development consequences of the internationally led energy transition

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Big picture:

Development consequences of the internationally led energy transition

- ▶ Mobilize fossil fuel constituencies against green energy
- ▶ Inequitable effects of transition *within* developing countries

Stylized facts

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**Internationally driven energy transitions change political preferences
through politicians’ links to donors**





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- ▶ 2019: Elections in Kosovo

Three parties:

- ▶ LDK
- ▶ PDK
- ▶ LV

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- ▶ **LV** → Anti-international, populist, have always opposed coal plant, pledge renewable investment

Spatial difference-in-differences



Coal plant location (red triangle)



Renewable energy locations (large black dots)

Units: polling stations

Time: national elections

Treatment: polling stations close to energy sources *after* withdrawal

Outcome: vote share for party in time t for polling station i

Key identifying assumptions: policy on energy more salient:

1. close to different energy sources
2. in the wake of aid withdrawal

Results

	Party	Intl affiliation	“Green”	Close to coal	Close to renewables
1	LDK	Pro	Pro		
2	PDK	Anti	Anti		
3	LV	Anti	Pro		

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Internationally led energy transitions generate political distributional effects through domestic political cleavages.

Just Energy Transition Partnerships

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- ▶ Development of local “green” industries also benefits global north if integrated into global value chains

South Africa

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2022 South Africa begins Just Energy Transition Partnership

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- ▶ phase out coal power, install renewables

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2023: Delays in decommissioning coal power?



2024 general elections in South Africa

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former CEO of Eskom



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Joko Widodo questions west's 'commitment' to helping developing countries cut climate emissions



Alec Russell and Mercedes Ruehl in Nusantara NOVEMBER 6 2023

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Published on 03/12/2023, 10:12am

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Vietnamese prime minister Pham Minh Chinh addressing the plenary session at Cop28. Photo: COP28 / Christopher Pike

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'Green nationalism' endangers the global energy transition

Also in today's newsletter, the US clean energy jobs boom continued in 2022



The Inflation Reduction Act is a prime example of 'Bidenomics', the latest buzzword for the president's economic philosophy of using government funding to spur private investment and growth. © AP

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Myles McCormick, Amanda Chu and Miguel Johnson JULY 6
2023

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Discussion Questions

1. How do the politics of decarbonization differ in the developing world?
2. How does attention to climate in donor countries affect the global south?
3. How do events like the war in Ukraine affect JETPs?
4. What role do electric grids play in the energy transition?
5. How do events in Kosovo compare to South Africa and Indonesia?