

Aid, Blame, and Backlash: The Political Economy of Unpopular Aid

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Abstract

Not all aid is welcome. Aid targeted at minorities or other marginalized groups in recipient countries is a common donor priority. However, minority aid is unpopular in recipient countries due to persistent discrimination against out-groups and expectations of political favoritism from political representatives. Backlash against the presence of unpopular aid in recipient countries may cause majority-group members to blame their political representatives for allowing or acquiring unpopular aid. I develop a theory of how blame-attribution and donor-driven incentives to promote aid for vulnerable populations reduce trust in government. A case study of Kosovo illustrates the dynamic of political backlash against governments when aid to an unpopular minority is delivered by international actors. I test the theory on a novel dataset of aid projects in Kosovo by leveraging semi-random timing of aid project start and completion. I find that exposure to aid to marginalized groups negatively affects trust in local and national governments. Donor attempts to help vulnerable populations may lead to backlash that empowers anti-minority parties, making the political landscape of recipient countries more dangerous for the groups they sought to aid.

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1 Introduction

The Sustainable Development Goals (SDG) promote efforts to address “poverty, hunger, disease, unmet schooling, gender inequality, and environmental degradation.” (Sachs, 2012, 2206) Reducing inequality, a key subcomponent of all of these goals, requires addressing unequal access to services for and discrimination against minority (ethnic, religious, racial) groups. Most minority groups face inequality in aid recipient countries because of persistent discrimination and disenfranchisement (Gurr & Scarritt, 1989). Foreign aid is a key tool to address the SDGs and has been used to improve the status of minorities in recipient countries (Kretz, 2013; Savun & Tirone, 2011). Aid to minorities receives high praise in donor countries and serves the larger humanitarian goals that motivate much of the aid community (Heinrich & Kobayashi, 2020; Heinrich *et al.*, 2018). This aid is intended to improve the material and political circumstances of its minority recipients (Velasco, 2020; Bütthe *et al.*, 2012).

While the SDGs intend to uplift the lives of all people in developing countries, majority populations in recipient countries may not want to improve the lives of minority groups. If aid is seen as a zero-sum game, aid for minority groups comes at a cost of aid for majority groups (Baylouny, 2020). Even minority-targeted aid that comes at no cost to majority populations receives substantially less support than neutral or majority-targeted aid among majority-group constituents (Linos *et al.*, 2020). Aid to unpopular groups may be subject to protests and anti-minority activism by the majority population (Weiss & Bosia, 2013; Velasco, 2020).

Aid to out-groups may be politically-popular for donor countries, but for recipient countries it may impose political costs. Unpopular aid has consequences for its recipients. I develop a theory of blame-attribution, a corollary to the burgeoning literature on credit-claiming in aid (Cruz & Schneider, 2017; Guiteras *et al.*, 2015). Claiming credit for aid projects allows politicians to signal their capacity (ability to get aid from a donor) (Dolan, 2020; Ijaz, 2020) and priorities (preferences from aid allocation). The presence of aid to an

unpopular minority reveals a politician to be either weak and unable to prevent the allocation of unpopular aid or strong and choosing to allocate aid to an unpopular minority against the preferences of her constituents. I argue that the presence of unpopular aid reduces trust in local and national governments because of the signal it sends to constituents about their politician's capacity and priorities.

I test the argument on a novel set of aid projects from Kosovo. Kosovo is a top recipient of aid from OECD countries. Donor countries have made support to minority groups, particularly to Kosovar Serbs, a key feature of their engagement with the state (Doli & Koronica, 2013; Gjoni *et al.*, 2010; Papadimitriou *et al.*, 2007; Devic, 2006). Minority groups are over-represented in the amount of aid they receive relative to their population size: 8% of the population but 22% of the total aid projects.¹ Politicians in Kosovo typically publicize their relationships with aid donors as a sign of their ability to get additional resources for their community. Some politicians express frustration at the amount of funding for minority communities. As an aid-dependent country with contentious inter-group relations, Kosovo is a space in which we should expect to see backlash from aid to minority communities resulting in blame for political representatives and lower trust in government.

To measure the effect of unpopular aid on trust in government, I use public opinion data from the 2016 Life in Transition Survey in Kosovo. I identify the relative exposure of survey respondents to aid for minorities by calculating individuals' physical distance from the project and the amount of time they have been exposed to an aid project. While aid timing is non-random on a macro-scale (Kersting & Kilby, 2016; Kilby, 2005; Marx, 2017), I exploit plausibly-exogenous variation in timing due to bureaucratic idiosyncracies, conditional on covariates. I find evidence that exposure to minority aid projects decreases trust in recipient governments among survey respondents.

The paper proceeds as follows: I discuss the logic and consequences of donor-driven incentives to target aid at minority populations. I explore existing research on the politics

¹Population estimates from the OSCE. Aid project calculations by author.

of minority aid in recipient countries. I describe the phenomenon of credit-claiming for aid recipients and introduce its corollary for unpopular aid: blame-attribution. The case of aid to minority populations in Kosovo illustrates the dynamic of international support for unpopular aid and the political consequences for elected representatives in Kosovo. Using a national survey of citizens in Kosovo, I empirically test the hypotheses derived from my case study. Aid to Kosovar minorities is associated with decreases trust in local and national governments.

2 The Political Economy of Unpopular Aid

I review existing literature on aid allocation for minority populations. Donors have strong incentives to provide funding for minority groups. Recipients have incentives to accept minority aid even if it does not align with their aid priorities. The presence of minority aid may reduce trust in government as political representatives are blamed for acquiring unpopular aid.

2.1 Donors and Minority Aid

Donors aim to support targeting aid at out-groups and the poor.² Why these groups? Donors have humanitarian motivations to target the poor and marginalized (Heinrich & Kobayashi, 2020; Heinrich *et al.*, 2018; Lebovic & Voeten, 2009). Out-groups may be economically-disadvantaged as a function of their social isolation, making them a compelling target for humanitarian-motivated aid (Büthe *et al.*, 2012).

In some contexts, donors have particular affinity for a given out-group. Velasco (2020) points to aid for LGBT causes as driven by norms of donor countries that are more pro-LGBT rights. Vice-President Mike Pence, in what is widely viewed as an attempt to shore-up the conservative Christian base that helped elect the Trump-Pence ticket in 2016, directed

²(Briggs *et al.*, 2017) finds that aid *does not*, in fact, target the poorest. However, donors uniformly claim to target their aid at the poor.

USAID to target aid at Christian minority groups across developing countries despite cutting aid to most other groups/sectors.³ On the macro level, common language, religion, and colonial history link donor and recipient countries with more alike countries receiving greater volumes of aid (Schmid, 2000).

Donors also have incentives to promote aid to out-groups as part of democracy aid. Notions of multi-cultural, multi-ethnic democratic institutions influence Western donors' perceptions of what constitutes democracy, leading donors to support targeted aid for minorities as a form of nation-building and democracy promotion (Devic, 2006; Bush, 2015). Donors may also perceive some groups as out-groups based on out-group relations in their own countries or countries they have previously been involved with. This creates incentives for donors to design interventions that match social issues in familiar contexts without necessarily considering the cultural, economic, and social distinctions of recipient countries (Easterly, 2002; Börzel & Risse, 2004).

2.2 Recipients and Minority Aid

Why should recipient governments accept unpopular aid? General aid allows recipients to allocate funds in a manner they see fit. Aid targeted at a specific population reduces the flexibility of allocation by design. For some recipients, this restriction may actually be beneficial. Vreeland (2003) notes that some governments will accept IMF loans that require targeted improvements in financial systems in order to implement better economic policies without suffering political consequences. Recipients are able to “blame” the IMF and effectively tie their hands in the eyes of the public (Shim, 2020). Recipient governments may recognize that targeted aid for out-groups would also allow the governments to ensure funding for these groups and improve overall economic outcomes if they are able to claim a similar “hands-tied” situation.

Targeted aid is less fungible than general budget support aid. However, targeted aid may

³<https://www.propublica.org/article/how-mike-pences-office-meddled-in-foreign-aid-to-reroute-money-to-favored-christian-groups>

still allow recipients to transfer their own funds from the targeted sector to other priorities. Swaroop *et al.* (2000) find that foreign aid given to specific Indian states led the Indian federal government to allocate its own intra-governmental transfers away from targeted states and towards other, non-targeted states.⁴ In several top aid recipients, US military aid increases investment in unrelated private sectors (Khilji & Zampelli, 1994). For different countries, sector-specific foreign aid may be more or less fungible (Pettersson, 2007; Pack & Pack, 1993, 1990). Depending on domestic political context, targeted aid may still allow recipients to increase funding to their preferred sectors.

Recipients may expect targeted aid to harm them electorally (Vreeland (2003) notes that governments may reject IMF loans if they are unable to pass the buck on blame for stringent loan conditions) or may genuinely prefer to exclude out-groups from foreign aid financing. However, actual and perceived disparities in power between donors and recipients may make recipients unable to refuse certain types of aid. During the Cold War, it is widely accepted that recipients were able to extract greater amounts of aid from donors due to power struggles between the West and the Soviet Union (Dunning, 2004; Meernik *et al.*, 1998). The rise of China in relation to Western donors in the last decade has increased fears of the same forum-shopping for aid by recipients (Naidu *et al.*, 2010; Kohno *et al.*, 2020; Swedlund, 2017). Without outside aid options for recipients, donors can more credibly threaten to withdraw aid from recalcitrant recipients (De Mesquita & Smith, 2007). Recipients may fear that rejecting targeted aid for unpopular groups may lead donors to 1) reduce aid for other sectors or 2) reduce Western support for the recipient country in non-foreign-aid-related arenas.

Finally, rejecting foreign aid may not be possible for recipient governments. Aid may be disbursed from donors to NGOs, leaving government preferences out of the picture (Dietrich, 2013). Blocking aid for NGOs is logistically difficult, risks antagonizing the international community, and cracking down on NGOs may generate a backlash effect in which NGOs

⁴In fact, the Indian federal government seems to have allocated **more** funds away from the targeted states than the amount of aid these states received, demonstrating a form of punishment for receiving aid.

are able to generate more revenue in response to being targeted (Chaudhry & Heiss, 2019; Christensen & Weinstein, 2013). Additionally, federalism in recipient countries may lead to a misalignment in preferences between local, state, and national priorities. National politicians and local politicians have different incentives to engage with international aid donors for aid to out-groups because their electoral constituencies are different (Swaroop *et al.*, 2000). For recipient countries in crises, either humanitarian or conflict-related, it may be difficult to monitor what aid enters the country and to reject unwanted aid (Swedlund, 2013; Carnegie & Dolan, 2015; Dany, 2020).

2.3 Blame and Backlash

Aid is a signal of government intent and competency for many aid-dependent countries. A growing literature on the phenomenon of credit-claiming in aid (Cruz & Schneider, 2017; Guiteras *et al.*, 2015) notes that recipient politicians may claim undeserved credit for the existence of aid in their locality. Even absent costly attempts by politicians to claim credit for aid, citizens in aid-dependent countries perceive attracting aid as a primary responsibility of their representatives (Dolan, 2020; Ijaz, 2020; Young, 2009). Politicians target aid to their constituents in order to bolster their chances at re-election (Briggs, 2012, 2014; Dreher *et al.*, 2021; ?). Results are mixed on whether or not aid benefits politicians politically. Knutsen & Kotsadam (2020) find positive effects of aid on incumbency while Briggs (2019) finds the opposite results. [SUMMARY

Donors too benefit from the signal their aid sends to recipient polities, allies, and their domestic constituencies (Milner & Tingley, 2010; Mawdsley, 2014). Aid to recipient countries can increase positive sentiment towards donors amongst recipients (Goldsmith *et al.*, 2014), signal a donor state's type or belonging to a certain tier of states in the international system (Crandall & Varov, 2016), and send a signal of priorities to their domestic constituents (Greene & Licht, 2018; Goldstein & Moss, 2005; Milner & Tingley, 2010). Additionally, in order to attract investment from private entities, aid foundations, and government bodies,

aid agencies have incentives to publicize their achievements in aid, making their dispersion of aid visible to both donor constituencies and recipients (Adam & Gunning, 2002).

Unpopular aid may reduce support for recipient incumbent politicians. If politicians in recipient localities are attributed credit for aid that the locality receives, they may also be attributed blame for the locality's unpopular aid. The logic of credit-claiming in aid implies the existence of blame-attribution for unpopular aid. I describe two main mechanisms through which unpopular aid may result in decreases in trust in government. First, the presence of unpopular aid may signal that a politician does not have the *capacity* to acquire popular aid from donors. Second, if citizens believe that a politician intentionally acquired unpopular aid from donors, the aid may signal a misalignment in political *priorities* between the politician and her constituents.

Capacity: Citizens may perceive the presence of unpopular aid as a donor imposition rather than a choice of their political representative. However, if this is the case, citizens may blame their political representative for being too weak to oppose unpopular aid or convince the donor community to provide popular aid. Unpopular aid may be a signal of political incompetence. Citizens who believe their political representative to be incompetent may update their beliefs about how much trust to put in their government.

Priorities: Citizens may believe their politicians were not weak but rather worked with donors to acquire unpopular aid. Unpopular aid, then, could signal distance between constituent priorities and their political representative's priorities. In cases where politicians have consistently claimed credit for aid projects (signaling their capacity to obtain projects), the presence of unpopular aid may signal that politicians are choosing to acquire aid for unpopular groups.

Both of these mechanisms predict a decrease in trust in government from citizens exposed to politically-unpopular aid projects. Opposition parties can use the existence of unpopular aid to elicit negative reactions to the incumbent political representatives. Decreasing trust in government is both a function of immediate citizen public opinion and of opposition

party incentives to publicize the existence of unpopular aid and to further associate this aid with the incumbent politician. Trust is posited to be a precursor to effective government policies, with decrease trust a sign of demand for political change and an opportunity for political radicalization (Miller, 1974; Citrin, 1974). Hetherington (1998) notes that “a public no longer possessed of a core trust in its political system is easily frightened by negative campaigns against broad new initiatives.”(804) Decreased trust provides an opening for political opportunists to capitalize on the discontent. If decreased trust is driven in part by minority aid, it is possible anti-minority politicians to come to power in the wake of this backlash.

Overall, aid can benefit the communities it targets, but can also produce backlash if the “wrong people” were targeted. A cash-transfer program targeting the poor in Niger sparked backlash against recipients due to suspicions about the targeting process, perceived biases against non-recipients (de Sardan *et al.*, 2015). International advocacy and pressure on aid recipient countries to support LGBT rights decreased support for LGBT rights due to “political homophobia,” backlash against international norm imposition (Weiss & Bosia, 2013; Velasco, 2020). Aid to Syrian refugees in Jordan and Lebanon has been the site of resentment and backlash amongst host populations (Baylouny, 2020; Christophersen & Thorleifsson, 2013). Paler *et al.* (2020) find that targeting aid to non-combatants in a post-conflict context is successful only when combatants, non-beneficiaries of the aid program, “are willing and able to challenge elite authority to try to appropriate a share of the aid for themselves.” (389) A summary of the evidence on interventions aimed at improving women’s livelihoods and agency finds huge mediating effects of gender norms. Men’s expectations of benefiting from programs limits the ability of programs to substantially increase women’s well-being (Chang *et al.*, 2020). Importantly, Lehmann & Masterson (2020) find that Syrian-targeted aid *reduces* violence towards Syrian refugees in Lebanon through the mechanism of sharing aid benefits directly and indirectly between host and refugee population. The relationship between aid and resentment is not linear and may affect different populations or

actors. I add to this growing literature on backlash to targeted community improvements by theorizing the existence of political blame attribution for politician representatives associated with minority aid programs.

3 Empirics

I study the association between exposure to minority aid projects and trust in government in the context of Kosovo. Kosovo, a country of just over 3 million people, has been the subject of international attention since 1998, when a Kosovar-Albanian insurgency fought against ethnic cleansing by the Serbian state, of which Kosovo was a part at the time. The insurgency drew international attention and support, culminating in the NATO bombings of Serbian troops and cities in 1999 and the subsequent withdrawal of Serbian troops from the territory of Kosovo. After 8 years as a UN protectorate, Kosovo declared independence from Serbia with much, though not all, of the international community's support.⁵ As an independent nation, Kosovo is a top recipient of international aid on a per capita basis. Figure 1 displays average per-capita aid by country from OECD donors. Kosovo, highlighted in red, is in the top 25% of aid recipients.

The conditions of Western support for Kosovo's independence, as well as any hope for the state to join the EU, include strong protections for minority populations within Kosovo, including Serbs (Economides & Ker-Lindsay, 2015). The Kosovar constitution is rated highly on its accommodations for minority populations. It was drafted by constitutional scholars in the US and EU and ratified by a Kosovar parliament dependent on Western donors for economic and military support (Lantschner, 2008; Doli & Korenica, 2013). Major political parties in Kosovo, composed primarily of former members of the Kosovo Liberation Army and the non-violent alternate governing body of the 1990s, face a trade-off between advocating for sovereignty and losing the support of donors (Jackson, 2018). The international

⁵Notable, countries with potential break-away regions of their own have refuse to recognize Kosovo's independence. For a full up-to-date list of countries that have recognized Kosovo, see <https://www.kosovothanksyou.com/>.

Global Aid Receipts 2015-2019

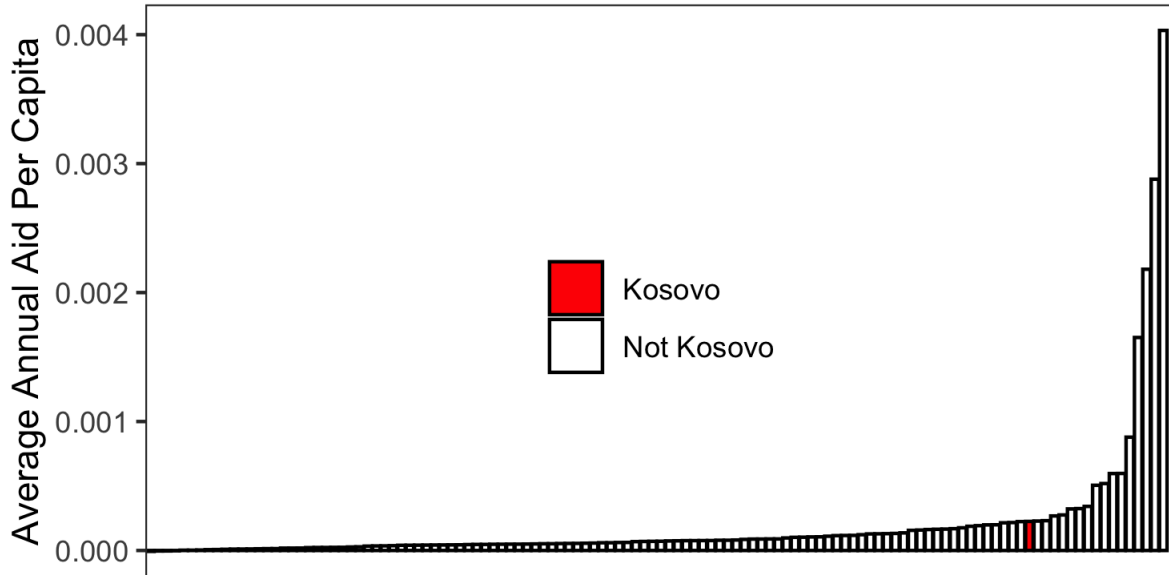


Figure 1: OECD aid to recipient countries, 2015-2019. Kosovo highlighted in red.

community's support for Serbs and other minorities in Kosovo is a consistent source of tension at the international level and between political parties within the nascent state (Devic, 2006). Kosovo's flag, for example, was designed by the EU and displays six stars for the six major ethnicities in Kosovo: Albanians, Serbs, Bosniaks, Turks, Romani, and Gorani. 92% of Kosovo citizens are Albanian. Yet, of the aid projects that Kosovo has received, 22% have targeted minority populations despite minorities constituting only 8% of the Kosovar population.

Donors explicitly target minority communities in Kosovo in their projects and promotional material. The USAID's official website from 2012-2017 proclaimed one of its major achievements as "Community-based programs that have rehabilitated and built community infrastructure, engaged young people and supported businesses in minority areas of Kosovo."⁶ In the of the coronavirus pandemic, the EU has emphasized the importance of aid for Roma and other vulnerable populations in the Western Balkans: "The EU quickly pro-

⁶<https://2012-2017.usaid.gov/kosovo>

vided vulnerable individuals, such as Roma, with essential food and hygiene packages, and will continue supporting the elderly, children, victims of domestic violence, and minorities to ride out the crisis”⁷Aid has been tied explicitly to the benefit of Serbian communities with the goal of communicating US support for minority rights. For example, a leaked diplomatic cable stated the importance of using aid to highlight the US’s commitment to the Serbian community in Kosovo.

On December 12 [2006], COM traveled to north Mitrovica to preside over a ceremony marking the completion of a USAID-funded major renovation project at the Sveti Sava elementary school, serving an exclusively Serb population. The \$100,000 project, implemented through the International Organization for Migration (IOM) and carried out by a Kosovo Serb construction firm from Gracanica, included extensive repairs to a leaking roof and damaged walls and installation of new thermopane windows, as well as brand new flooring, bathroom facilities and a playground for the children.

The event was covered extensively by local Serb and Albanian media. In his remarks at a special school assembly convened for the inauguration, the school principal praised the U.S. for its support of the project, citing the quality of the work and the speed with which it was carried out (the renovation was completed within one month of the contract being finalized). COM thanked him, assuring those watching that “the U.S. Government believes that there must always be a strong and vibrant Serb community in Kosovo with full legal rights and with special protection for their cultural and religious sites.”⁸

Aid to Kosovar Serbian communities is particularly contentious because the international community is actively supporting an out-group whose association with the Serbian state is

⁷https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/coronavirus_support_wb.pdf

⁸https://wikileaks.org/plusd/cables/06PRISTINA1071_a.html

both a painful reminder of a violent past and a current impediment to economic progress and European integration. As an out group, Kosovar Serbs speak a different language (Serbian), practice a different religion (members of the Serbian Orthodox Church), and can be considered a different race.⁹ They engage with separate political institutions, have separate money (the Serbian dinar; Kosovar Albanians use the Euro), and live primarily in geographically-isolated areas. Kosovo has received 2.4 billion Euros of aid in the last fifteen years; 8% of this aid is targeted at Serbian municipalities or communities despite Serbs comprising only 4% of the population of Kosovo.¹⁰ Albanians, according to their elected representatives, are jealous of the fact that the international community prioritizes Serbs for foreign aid.¹¹ Albanians, according to their elected representatives, are jealous of the fact that the international community prioritizes Serbs for foreign aid.¹² This perception may color interactions in which ethnicity has not been the basis for inequalities. A Serbian mayor of a Serbian-majority community told me, “An Albanian who moved to the municipality in 2012 complained to the newspapers that Albanian villages don’t have paved roads. But everyone doesn’t have paved roads, not just Albanians. How is it discrimination if he decided to move on top of a mountain with no paved roads?”¹³

However, Serbs are not the only community that have benefitted on paper from additional attention from the international community. Kosovo’s consociational democratic structure provides reserved seats for the largest minority ethnic groups in Kosovo (Doli & Korenica, 2013). These groups face a trade-off between building alliances with Serbs to promote minority-focused policies and exposing themselves to anger and resentment from majority Albanian populations as a result of this association, living in “enclaves within enclaves”- endlessly marginalized and discriminated against” (Visoka, 2008, 163). Human Rights Watch’s 2019 report noted “Roma, Ashkali, and Balkan Egyptians continue to face

⁹Race is, of course, a constructed concept. Here, however, it is made relevant by the racial politics of the collapse of Yugoslavia in the 1990s.

¹⁰Authors calculations for aid and OSCE for population.

¹¹Author’s interview 3/12/19.

¹²Author’s interview 3/12/19.

¹³Author’s interview 12/21/2018

problems acquiring personal documents, affecting their ability to access health care, social assistance, and education. There was no visible or reported progress towards integration of these minority communities.”¹⁴ These ethnic groups are targeted by about 13% of aid projects but are only 4% of the population of Kosovo. Other social groups also face social barriers and are targeted by donors in Kosovo. Less than 0.05% of projects are targeted at LGBTQ+ populations, who are also known to suffer discrimination in Kosovo.¹⁵ Catholic Albanians, who face discrimination in some settings, are the beneficiary of roughly 0.001% of aid projects in Kosovo.

While Serbs are the most politically-contentious recipients of aid in Kosovo, aid to other minority groups may also be disputed. For example, Linos *et al.* (2020) demonstrate that aid agencies receive fewer individual donations when they highlight Roma as beneficiaries of aid than Greeks (the majority population in the study). Importantly, this aid allocation comes at no cost to the majority Greek population. Unpopular aid, then, may be unpopular because minority groups are perceived as acquiring more aid in a zero-sum game (leaving less aid for the majority group) or because the majority group perceives the minority group as less-deserving of the amount of aid they do get. Both the zero-sum model of aid allocation and the relative deprivation model should result in the same observable implications.

I expect that aid to any minority group will produce backlash against political representatives and reduce trust in government because majority group constituents expect politicians to acquire aid for their in-group. Aid to the out-group either represents less aid for the in-group or relative deprivation of the in-group. In either case, **(H1)** trust in government should decrease as exposure to unpopular aid increases.

3.1 Research Design and Data

Aid to unpopular groups is not allocated randomly. Indeed, the nature of targeted aid is to specifically distribute aid based on the characteristics of its recipients. I conduct an

¹⁴<https://www.hrw.org/world-report/2019/country-chapters/serbia/kosovo>

¹⁵<https://www.hrw.org/world-report/2019/country-chapters/serbia/kosovo>

observational study of the relationship between aid project exposure and trust in government. In this study, I exploit plausibly exogenous variation in the *timing* of aid project start and completion to calculate the “dosage” of an aid project received by an individual at a given moment in time. As Kersting & Kilby (2016) and Kilby (2005) have demonstrated, the timing of aid project implementation and disbursements is not random with regard to national elections. Donors engage in “electioneering” that fast-tracks aid disbursements to favored countries in the year before a national election. Marx (2017) shows that incumbent politicians expedite completion of large-scale, visible World Bank projects in the year before a national election.

However, within a given year and a given country, the exact timing of aid could be exogenous to events in a recipient country. Bureaucratic idiosyncrasies of the donor, recipient, and other individuals and organizations involved in the aid project provide some randomness unrelated to political events. World Bank officials, for example, describe how budget issues from Bank principles may result in disruptions to project planning and implementation such as transferring the project between different units at the Bank.¹⁶ Donor priorities may shift in response to domestic politics, prompting shifts in aid priorities that result in disruptions to planned aid timings (O’Brien-Udry, 2020). For example, the Global Gag Rule and freeze of US funding for reproductive services after the election of Republican presidents often generates logistical costs for aid agencies that planned to implement or continue projects related to reproductive health. (Bednar, 2010; gag, 2007; Pugh *et al.*, 2017; van der Meulen Rodgers, 2018). These costs extend beyond projects targeted at reproductive health; one policy change by a prominent donor can disrupt planned and ongoing projects in other sectors due to additional administrative burdens and need to find additional funding.¹⁷ Brookings writes that “Foreign aid is not like a water reservoir ready to flow with a turn of the tap. Rather, it is like a business or a sports team, requiring planning and strategies, hiring and developing the right staff skills, soliciting grants and contracts, designing part-

¹⁶Author interview 5.27.2020.

¹⁷Author interview 5.22.2020.

nerships, providing management and oversight, monitoring and evaluation, feedback, and learning.”¹⁸ Disruptions to any part of the logistically-intensive supply chain of aid could result in delays in the receipt of aid that have no relation to the conditions of the recipient. Under the assumption of random timing of aid project start and completion, the results of this study can be considered causal.

I use a single-country study of subnational aid projects in Kosovo to identify the correlation between exposure to minority aid projects and trust in government. Variation in project timing due to national elections, the outcome identified as a significant predictor of aid project timings by Kersting & Kilby (2016), is held constant. While Kosovo may get more or less aid closer to its national election due to the timing of elections in countries that are more important to aid donors, the single-country study removes this confounding factor in comparative aid allocation. Unlike Marx (2017), I use a multi-donor sample of projects. Variation in aid bureaucracy management and relationships between donors and Kosovo may add additional variation my measure of aid project timing. I extract data on the timing and location of aid projects from Kosovo’s Aid Management Platform (see Appendix A). Aid is “minority aid” if the title or description of the aid project include key words related to minorities in Kosovo.¹⁹

I measure outcomes based on the third Life in Transition Survey (LITS III). This survey, implemented over the course of 2016, is the third iteration of a European Reconstruction and Development Bank (EBRD) project to understand the changing political landscape of post-communist countries. Respondents were selected using a random-walk procedure and the timing, within the survey year, of measuring the survey outcomes is random. The survey is conducted across a battery of countries and the timing is pre-determined by the concerns of the LITS team, unrelated to political events in a given country. The primary outcome

¹⁸<https://www.brookings.edu/blog/up-front/2018/06/04/erratic-budget-processes-threaten-us-foreign-aid/>

¹⁹Aid is defined as “minority aid” if it includes the following keywords in the title, description, or objectives of the project: “minority,” “vulnerable,” “serb,” “egyptian,” “roma,” “bosnia,” “lgbt,” “marginalized,” “rae,” “catholic,” “croat,” “turk,” or “multi-ethnic.”

Table 1: Project Summary Statistics

		General	Minority
Start	Mean	2014-09-16	2014-08-16
	Median	2015-03-07	2015-03-01
	SD	637	498
End	Mean	2016-09-24	2016-12-26
	Median	2016-09-07	2017-02-09
	SD	322	698
Municipalities (number)	Mean	1.7	3.9
	Median	1	1
	SD	1.58	5.40
Commitments	Mean	1708175.0	851988.4
	Median	49702.5	42613.0
	SD	4636521	1924653
Disbursements	Mean	1316540.0	871950.6
	Median	48321	42613
	SD	3979870	1959908
Number of projects		76	40

Note that the end project dates exclude all ongoing projects.

measures of interest are trust in local and national governments.



Figure 2: *Map of aid project locations and survey respondents:* Aid projects are indicated by black circles and locations are indicated by black crosses.

I subset the data to projects that were started or completed in the 365 days before the

LITS survey was implemented (calculated per respondent). By limiting the analysis to the year before the survey, I eliminate most of the data but also reduce potential for the data to be driven by macro-trends in aid timing as opposed to micro-level variation. I also limit the sample to individuals and aid projects within 15,000 meters of each other. I expect that aid projects closer to an individual respondent will be salient and constitute a stronger test of my theory of exposure to aid projects based on timing.

I measure exposure to aid projects by calculating the number of days in the 365 before a respondent has been interviewed that a project has been active. Projects started closer to the time of the interview are considered lower-exposure than projects started further from the time of the interview. Intuitively, most projects that start at a given time will continue for several months.²⁰ For example, an individual would be exposed to a project for 200 days if a project was started 200 days before the interview, but only 50 days if the project was started 50 days before the interview. Projects that are started further from the date of interview constitute higher exposure levels. However, different projects may disburse funds and implement project components at different rates, making project start a noisy measure.

In contrast, projects *ended* further from the time of the interview should constitute a *lower* dosage of exposure to the aid project. This premise is based on the presumption that the salience of the aid project fades after its completion. For example, a project ended 200 days before the interview would be considered lower dosage for a respondent while a project started 50 days before an interview would be considered higher dosage. If a project finished many months ago, it should be less salient than a project that only recently finished.

Figure 3 depicts projects started in the 365 days before an interview (A & B) and ended in the 365 days before an interview (C & D). B constitutes lower dosage of a project than A because the respondent has been exposed to A for a greater amount of time. C constitutes lower exposure than D because project D happened more recently and should be more salient to the memory of the respondent. All four of these projects are drawn from the sample of

²⁰The median length of a project in my sample is 550 days, or just over a year and a half.

projects included in the analyses.²¹

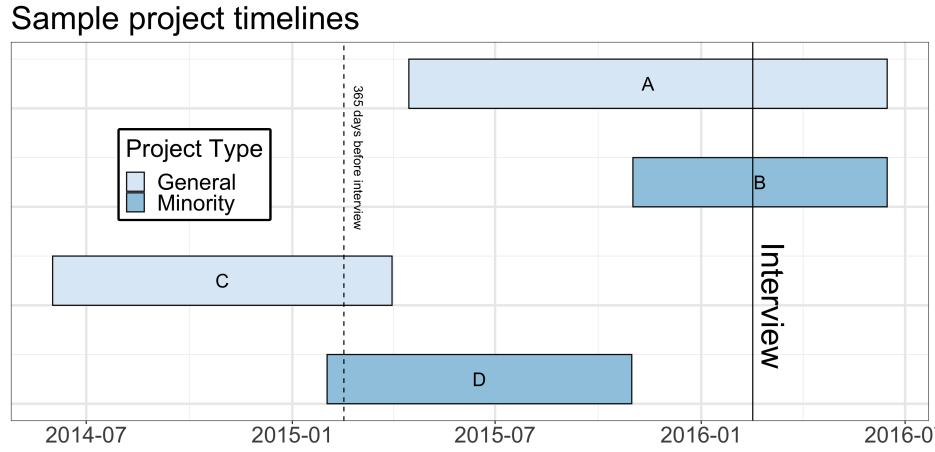


Figure 3: Sample timelines

To test my hypothesis that greater exposure to minority aid projects is associated with a decrease in support for the government, I use OLS to identify estimates of the average treatment effect of exposure to general and minority aid projects. Here, i is each individual respondent and j is each aid location. Standard errors are clustered at the individual and project level. I examine two primary outcomes: national government trust and local government trust (measured on a scale of 1 -5). X_{ij} is a battery of covariates. The assumption of randomness of project timing is conditional on characteristics of the project and the individual respondent. *Distance* controls for the individual’s distance (in meters) from the aid project. Individuals closer to the project can be considered “more exposed.” *Lights* is a measure of nighttime lights from the National Oceanic and Atmospheric Administration, accessed through the Aiddata geoquery database. This measure proxies for level of development in a given municipality. *Rainfall* and *Temperature* measure annual average precipitation and air temperature, respectively, as gathered by the University of Delaware

²¹The projects, “Radio campaign against illegal migration of Kosovars to the EU”, “Youth multi-ethnic Assembly”, “Institutional framework for the local economic development in Zubin Potok municipality”, and “Supporting Reconciliation in Kosovo through the Renovation of the Orthodox Chapel in Mitrovica Municipality”, respectively, can be found in the list of projects in Appendix B under project numbers 83, 115, 51, and 107.

and accessed through Aiddata.²² *Population* figures are best estimates of the municipal populations by the OSCE.²³ *Area* is the territorial area of a given municipality in kilometers squared from the Government of Kosovo.²⁴ *Incumbent won (Mayor)* and *Incumbent won (Municipal Assembly)* are booleans that take on the value of 1 when the previous mayor or municipal assembly majority party won re-election in the most recent election. *Project (count)* and *Project (lag count)* are the number of active projects in a given municipality in a given year (or previous year). *Disbursements (log, lag)* and *Commitments (log, lag)* are the total value of municipal aid project disbursements and commitments made in the previous year, logged. For the equations estimating I estimate the regressions with and without this battery of covariates.

$$Trust_gov_ij = \beta_{1ij}Days_from_project_start + \beta_{2ij}Minority_aid + \beta_{3ij}Days_from_project_start * Minority_aid + \mathbf{X}_{ij} + \epsilon_{ij} \quad (1)$$

$$Trust_gov_ij = \beta_{1ij}Days_from_project_end + \beta_{2ij}Minority_aid + \beta_{3ij}Days_from_project_end * Minority_aid + \mathbf{X}_{ij} + \epsilon_{ij} \quad (2)$$

When I estimate the effect of aid project start (1), I expect β_3 to be negative for trust in government. Projects begun or implemented further away from the outcome measure

²²The administrative boundaries in the *Lights*, *Rainfall*, and *Temperature* data are outdated. 10 additional municipalities, 6 Serbian and 4 Albanian, were carved from existing municipalities in 2010. I use the ratio of the area of these new municipalities to the area of the municipalities from which the new municipalities were carved to calculate the *Lights*, *Rainfall*, and *Temperature* for the new municipalities.

²³Census data from Kosovo is highly politicized and the most recent census in 2011 featured a boycott by Kosovar Serbs and other minorities, resulting in poor data quality for official records. (Musaj *et al.*, 2015) The OSCE's municipal reports are the most detailed accounting of municipal populations available.

²⁴http://kryeministri-ks.net/wp-content/uploads/2018/03/Raport\Faktografik\Matja_e_territorit_te_Republikes_se_Kosoves_032017.pdf

constitute a *higher* dosage of exposure to the aid project. Increased exposure to minority projects should be associated with a decrease in trust in government. In contrast, for the effect of aid project completion (2), β_3 should be positive. Projects ended further from the time of outcome measurement should constitute a *lower* dosage of exposure to the aid project. This premise is based on the presumption that the salience of the aid project fades after its completion. Therefore, as more days have pass since the completion of a project, trust in government should increase for individuals exposed to minority projects. The sign for β_3 should be opposite that of β_1 (the estimate for exposure to general aid projects) as exposure general aid projects should be associated with greater trust in government per the traditional credit-attribution framework.

I also estimate a generalized additive model (GAM) to recover the dose response functions for individuals exposed to general and minority aid projects. GAM is an appropriate estimation tool when we expect that the relationship between two variables will be best characterized by a non-parametric function. The independent variable in my analysis is exposure to an aid project, proxied by the number of days since a project was started or completed, and it is reasonable to expect that dosage responses may vary. I expect that the association between project exposure and trust in government will regress to the mean over the 365 period as both general and minority projects become less salient.

$$Trust_{gov_{ij}} = g(Days_from_project_start) + \beta_{2ij}Minority_aid + h(Days_from_project_start)t * Minority_aid + \mathbf{X}_{ij} + \epsilon_{ij} \quad (3)$$

$$Trust_{gov_{ij}} = g(Days_from_project_end) + \beta_{2ij}Minority_aid + h(Days_from_project_end) * Minority_aid + \mathbf{X}_{ij} + \epsilon_{ij} \quad (4)$$

3.2 Results

The reported results represent preliminary analysis of the data. The results will be expanded to include a fuller set of controls, sensitivity analysis, and robust measures of causal dose response functions. As expected, higher exposure to aid projects is associated with a decrease in trust in local and national governments. Table 2 displays results for the effect of project starts on trust in government. Individuals are more exposed to an aid project if it has been operating for a longer period of time (started earlier). The effect is significant at the 15% level for national government trust (5% with controls), but is insignificant for local governments. Given variation in the number of transactions (commitments and disbursements) that occur during the lifetime of a project, project start is a noisy measure of exposure to aid projects but is the best available proxy for beginning exposure to aid projects.

Table 3 shows that trust in government (local and national) increases after aid projects end. For respondents exposed to minority aid projects, trust in government increases (relative to non-minority projects) when more time has passed after the end of the project. In contrast, for non-minority projects, trust in government decreases after aid projects end. These results are consistent with a theory of credit and blame attribution in which governments are attributed credit for popular aid and blame for unpopular aid.

These results show a relationship between exposure to aid projects and trust in government. Minority aid project exposure decreases trust in government. The results are causal under the assumption of random timing of aid project start and end. It is possible that a confounder exists such that project timing is caused by an external event that also causes changes in trust in government. However, even if a given confounder affected both start and end of projects, the direction of the effect on trust in government is different for start (negative) and end (positive) of (minority) aid projects. Additionally, all of the covariates in Models 3, 4, 7, and 8 show the same direction for both project start and project end (see Appendix X). The consistency of effects of the covariates in both sets of models provides some support that exposure to (minority) aid projects is driving the changes in trust in

Table 2: Project start and trust in government

	<i>Dependent variable:</i>			
	National	Local	National	Local
	(1)	(2)	(3)	(4)
Days since project start	0.001 (0.0005)	0.001 (0.0008)	0.0004 (0.0003)	0.0001 (0.0004)
Minority	0.240 (0.175)	0.446*** (0.304)	0.120 (0.07)	0.027 (0.100)
Days since project start * Minority	-0.001* (0.0006)	-0.002 (0.001)	-0.001 (0.0004)	-0.0003 (0.0005)
Distance			0.00002* (0.000009)	-0.00000 (0.00000)
Lights			0.127* (0.054)	0.283*** (0.065)
Rainfall			0.0002 (0.0002)	0.0005 (0.0003)
Temperature			-0.052** (0.017)	-0.101*** (0.021)
Population (log)			0.068 (0.067)	0.180* (0.075)
Area (log)			0.111 (0.064)	0.087 (0.095)
Incumbent won (Mayor)			-0.268** (0.088)	-0.436** (0.14)
Incumbent won (Municipal Assembly)			0.010 (0.082)	0.010 (0.118)
Project (count)			0.011** (0.004)	0.011* (0.0054)
Project (lag count)			-0.008*** (0.005)	-0.009 (0.0065)
Disbursements (log, lag)			-0.533*** (0.145)	-0.541* (0.219)
Commitments (log, lag)			0.558*** (0.165)	0.515* (0.029)
Constant	2.260*** (0.129)	2.582*** (0.021)	0.486 (0.821)	0.792 (0.971)
Observations	19,394	19,551	12,044	12,153
R ²	0.007	0.008	0.087	0.165
Adjusted R ²	0.006	0.008	0.086	0.164

Note: *p<0.05; **p<0.01; ***p<0.001

Table 3: Project end and trust in government

	<i>Dependent variable:</i>			
	National (1)	Local (2)	National (3)	Local (4)
Days since project end	-0.002*** (0.00034)	-0.003*** (0.0005)	-0.001 (0.000065)	-0.002** (0.0006)
Minority	-0.901*** (0.13)	-1.559*** (0.199)	-0.527* (0.243)	-0.783** (0.238)
Days since project end * Minority	0.002*** (0.000034)	0.003*** (0.0005)	0.001 (0.000065)	0.002** (0.0006)
Project length	-0.0001 (0.00008)	-0.0001 (0.0001)	-0.0001 (0.00005)	-0.0001 (0.00007)
Distance			0.00002** (0.000007)	-0.00000 (0.00000)
Lights			-0.145 (0.148)	-0.184 (0.118)
Rainfall			0.001 (0.00051)	0.001* (0.0005)
Temperature			0.034 (0.027)	-0.097* (0.043)
Population (log)			0.300*** (0.052)	0.324*** (0.047)
Area (log)			-0.567* (0.244)	0.045 (0.281)
Incumbent won (Mayor)			-0.328* (0.127)	-0.662** (0.201)
Incumbent won (Municipal assembly)			0.025 (0.097)	-0.290 (0.178)
Projects (count)			0.031*** (0.003)	0.040*** (0.0048)
Projects (lagged count)			-0.017*** (0.004)	-0.034*** (0.006)
Disbursements (log, lag)			-0.168 (0.126)	-0.117 (0.102)
Commitments (log, lag)			0.136 (0.079)	0.257*** (0.078)
Constant	2.787*** (0.135)	3.355*** (0.189)	2.025 (1.741)	-2.310 (1.511)
Observations	4,830	4,900	3,533	3,582
R ²	0.047	0.089	0.101	0.171
Adjusted R ²	0.046	0.089	0.097	0.167

Note:

*p<0.05; **p<0.01; ***p<0.001

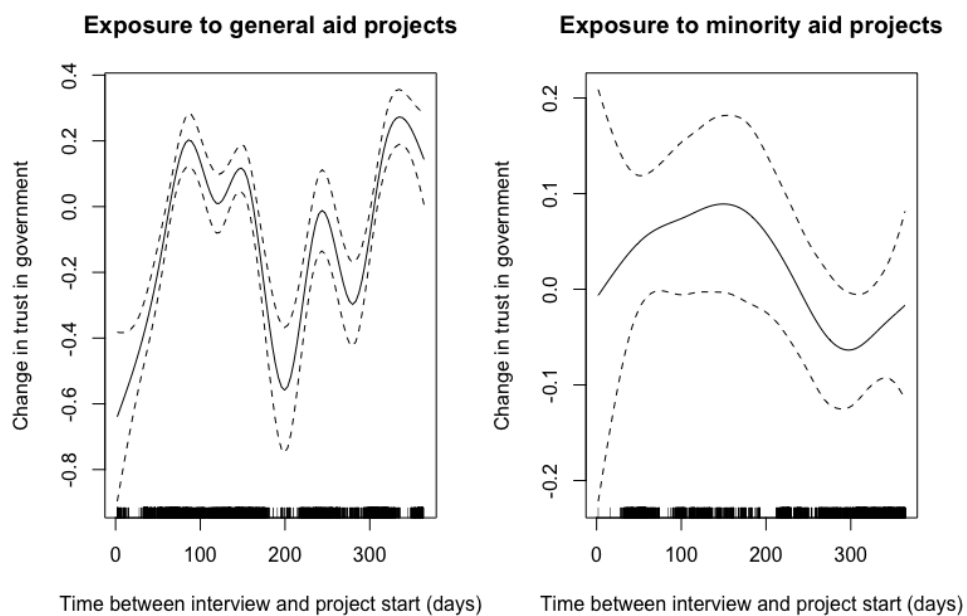
government.

The results for the GAM estimation are reported in Figure 4. The results are largely consistent with OLS estimates of the association between project end timing and trust in government. The relationship between trust and project start timings is less clear, a finding also consistent with the OLS estimates. Overall, dosage of exposure to aid projects does regress to the mean over time.

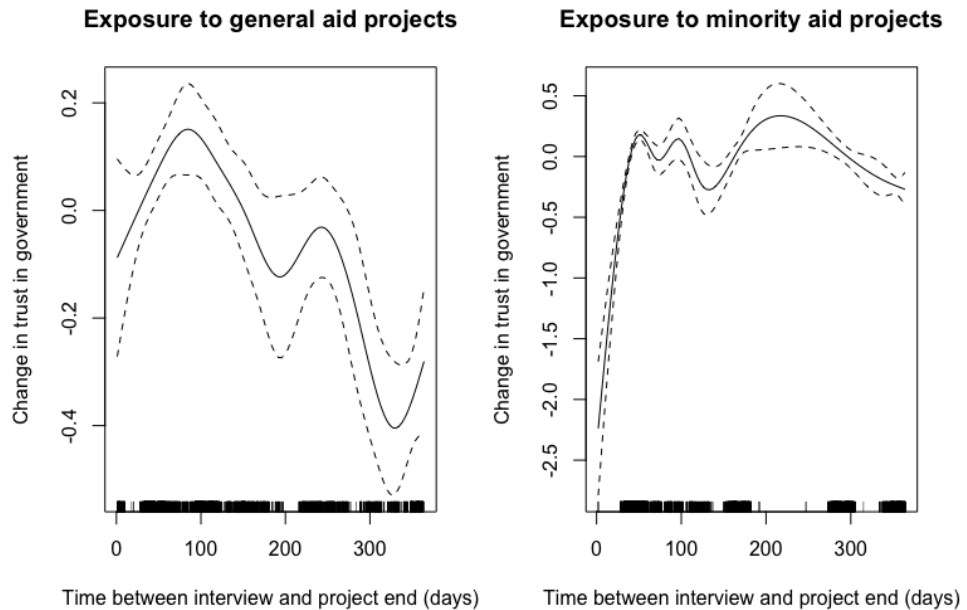
4 Conclusion

Minority aid may be popular among donors, but it may have pernicious consequences for recipient politicians. I provide evidence that exposure to minority aid projects is associated with a decreased trust in recipient governments. However, this association does not persist over time. However, disruptions in trust in government due to minority aid projects may produce windows of opportunity for political entrepreneurs with anti-government or anti-minority sentiments to gain power.

This paper does not call for an end to aid targeted at minorities. The appropriate counterfactual of no aid to minorities is a harrowing prospect for vulnerable groups who receive little support from their countries' governments. Minority aid has many benefits overlooked by this paper, including economic and political empowerment. Indeed, the lack of a durable association between exposure to minority projects and trust in government suggests that the long-term benefits of minority aid may outweigh the temporary costs. The costs of this aid, however, should not be understated. Lack of attention to the political consequences of favoring, or perceived favoring, of minority groups could result in further disenfranchisement of these minority populations. Understanding how and why politicians may be blamed for aid is crucial to better developing aid programs that do not cause political harm.



(a) Exposure to project start



(b) Exposure to project end

Figure 4: GAM estimations of dosage response functions

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5 Kosovo Aid Management Platform

The data for aid in Kosovo from 2004-2020 was scraped from the Kosovar government’s Aid Management Platform (AMP) (<https://amp-mei.net/portal/>). The AMP “ a project of the Ministry of European Integration of the Government of Kosovo, funded by the European Union Office in Kosovo (EUO) and implemented by Development Gateway International.”²⁵ As part of Kosovo’s ongoing negotiations with the European Union to promote its accession to membership, the AMP was created to transparently and accurately document the inflow of aid from countries and donor organizations to Kosovo.

The dataset takes the following form each row is a project in a specific municipality by a specific donor. If the project only has one donor and takes place in one municipality, the project is represented by a single row. If it has two donors and two municipalities, the project is represented by four rows. I calculate the proportion of funding going to each municipality by multiplying the disbursements and commitments of each donor by the percentage listed in the “Location” tab. If no percentage is listed, I assume the funding is equally divided among municipalities.

²⁵<https://amp-mei.net/portal/node/11>

6 List of projects

	Title	Com.	Dis.	Start	End	Municipalities	Organizations	Minority?
1	'Prepared, saved' - Child-centered Disaster Risk Reduction	19731.00	21208.00	2014-09-15		Fushe Kosove, Gjakova, Mitrovica	United Nations Children's Fund	No
2	"WASTE WATER TREATMENT PLANT" in Gjakova	8000000.00	4629000.00	2013-11-26		Gjakova	Swiss State Secretariat for Economic Affairs	No
3	2015 Remix Band Program	12960.00	12960.00	2015-05-01		Mitrovica	Embassy of Netherlands	No
4	A Hope for Children with Disabilities 2	18650.00	18650.00	2015-09-01		Rahovec	Embassy of Netherlands	No
5	Action for Municipal Leadership	295666.00	264327.00	2015-01-23	2018-12-31	North Mitrovica, Zubin Potok, Zvecan	European Union Office, Norway	No
6	Advancing Kosovo Together Local Solutions	6167680.00	6481067.00	2014-01-10	2018-07-30	North Mitrovica, Zubin Potok, Zvecan, Gjilan, Gracanica, Istog, Klina, Klokot, Novoberde, Obiliq, Partesh, Peja, Ranillug, Shterpce, Vushtrri	United States Agency for International Development	Yes
7	After School Support to RAE Children and Creation of Employment Opportunities for RAE Youth (Implemented by NGO Voice of RAE)	49955.00	49955.00	2014-03-01		Fushe Kosove, Gracanica, Obiliq, Ferizaj, Kamenica, Lipjan, Podujeve, Prishtina, Shtime, Suhareka	Embassy of Finland in Kosovo	Yes
8	AGRO	13956599.00	10332129.00	2015-03-13		Prishtina	United States Agency for International Development	No
9	Always Together	9181.00	9181.00	2014-12-01	2015-03-31	Lipjan	United Kingdom of Great Britain and Northern Ireland	Yes
10	Assistance and Support for GVB Victims in More Aware and Tolerant Kosovar Society	14400.00	14400.00	2015-11-01		Peja	Embassy of Netherlands	No
11	Back home – and now? Sustainable reintegration of returnees and vulnerable families in Kosovo	360000.00	360000.00	2015-12-01		Mitrovica, Ferizaj, Prishtina	Austrian Development Agency	Yes
12	Basic Education Program	12498212.00	11932468.00	2010-08-30	2016-09-30	Gjakova	United States Agency for International Development, Government of Kosovo	No
13	Block by Block – Prishtina (Urban Regeneration)	147244.00	48642.00	2015-04-15		Prishtina	UN Habitat	No
14	Building a Better Future for Citizens of Fushe Kosove/Kosovo Polje and Obiliq/c -UNDP	863171.00	873656.00	2012-09-01	2016-12-31	Fushe Kosove, Obiliq	Municipality of Fushe Kosova, United Nations Development Programme	Yes

15	Building a Better Future for Citizens of FushëKosovë/Kosovo Polje and Obiliq/Obilic: WHO	165709.00	156305.00	2012-09-01		Fushe Kosove, Obiliq	World Health Organization	Yes
16	Building a Better Future for Citizens of FushëKosovë/Kosovo Polje and Obiliq/Obilic: Participation, Protection and Multi-Ethnic Partnerships for Improved Education, Health and Sustainable Livelihood -UNFPA Part	127635.00	112902.00	2012-09-01		Fushe Kosove, Obiliq	United Nations Population Fund	Yes
17	Building a better future for the citizens of FusheKosove/KosovoPolje and Obiliq/Obilic: UNICEF Part	266723.00	244593.00	2012-09-01		Fushe Kosove, Obiliq	United Nations Children's Fund	Yes
18	Building and Reinforcing Inclusive Communities in Kosovo (BRICK)	354987.00	354987.00	2015-09-15		North Mitrovica, Gjilan, Istog, Novoberde, Peja, Shterpece	United States Department of State	Yes
19	Capacity Development in the Basic Education Sector in Kosovo (CDBE), Phase III	9500000.00	9486267.00	2015-02-01	2018-12-31	Fushe Kosove, Gjilan, Klina, Ferizaj, Prishtina, Kacanik	German Government	Yes
20	Car Free Day 2015 - Green Bike Ride	6105.00	6105.00	2015-01-01		Mitrovica	Embassy of Netherlands	No
21	Climbing on the Berim Rocks - Dare to Imagine,Institute for Territorial Economic Development (InTER),	59950.00	59950.00	2015-03-01		Zubin Potok	Embassy of Finland in Kosovo	No
22	Conference "Cultural Cooperation, Reconciliation and Return"	10200.00	10200.00	2015-09-03		Mitrovica	Embassy of Netherlands	Yes
23	Construction of High Security Prison	18110301.00	14720037.00	2010-11-13		Podujeve	European Union Office, Government of Kosovo	No
24	Counselling services for the LGBT community in Prishtina	22470.00	22470.00	2015-11-01		Prishtina	Embassy of Netherlands	Yes
25	Disappearance of the illiteracy	12500.00	12500.00	2015-11-01		Prishtina	Embassy of Netherlands	No
26	District Heating Company in Prishtina (Bmz nr. 2009 65 723) (2020 60 085 EU-IPF MW Kosovo)	27500000.00	26556513.00	2011-11-14		Prishtina	European Union Office, German Government, KfW, Lux-Development, Sweden	No
27	ECD services Mapping	30563.00	4078.00	2014-09-01		Fushe Kosove, Gjakova, Obiliq	United Nations Children's Fund	No
28	EcoFriend - Green Art Center, GAC	50000.00	50000.00	2015-03-01		Prishtina	Embassy of Finland in Kosovo	No

29	EDI - Empowerment of Kosovo minorities through Education, Dialogue and Involvement in the municipal decision-making process (EDI phase II)	450000.00	438619.00	2016-03-01		Fushe Kosove, Obiliq, Lipjan, Shtime	Austrian Development Agency	Yes
30	Education and awareness raising on property ownership and inheritance rights	12030.00	12030.00	2015-05-15		Gjilan, Ferizaj	Embassy of Netherlands	Yes
31	Education and professional training in the PVPT Rehabilitation Center	10800.00	10800.00	2016-09-01		Prishtina	Embassy of Netherlands	No
32	EIDHR 2012 - Mitrovica Rock School 2014-2015	150000.00	147685.00	2013-12-25		Mitrovica, North Mitrovica	European Union Office	No
33	EIDHR 2012 - Strengthening the community mobilization potentials of CSOs in northern Kosovo	114803.00	111590.00	2013-12-31		North Mitrovica, Zubin Potok, Zvecan	European Union Office	No
34	Empowerment and Reintegration of Victims of Violence	17200.00	17200.00	2015-12-01		Prizren	Embassy of Netherlands	No
35	Engagement for Equity	2980826.00	3826298.00	2015-04-10	2020-11-30	Prishtina	United States Agency for International Development	Yes
36	Enhancing Access to and Retention in Education for Vulnerable and Disadvantaged Children	65426.00	73415.00	2013-05-01		Fushe Kosove, Istog, Klina, Obiliq, Peja, Ferizaj	United Nations Children's Fund	Yes
37	Equal Access to Justice	23537.00	23537.00	2015-06-10		Novoberde, Vushtrri, Kamenica, Podujeve, Decan, Malisheve	Embassy of Netherlands	No
38	Establishment of structures for sustainable fruit production in Kosovo	180880.00	156145.00	2013-11-01		Gjilan	Austrian Development Agency	No
39	EU Community Stabilization Programme (EU-CSP) I and II phase	4731985.00	4414086.00	2010-05-01		Fushe Kosove, Gjakova, Mitrovica, Rahovec, North Mitrovica, Zubin Potok, Zvecan, Gjilan, Gracanica, Istog, Klina, Klokot, Novoberde, Obiliq, Partesh, Peja, Ranillug, Shterpce, Vushtrri, Ferizaj, Kamenica, Lipjan, Prishtina, Suhareka, Prizren, Dragash, Mamusha, Skenderaj, Viti	European Union Office	Yes
40	Evaluation of School Performance – A Way towards Inclusion, Equity and Quality in Education	27889.00	10082.00	2014-10-01		Fushe Kosove, Istog, Klina, Obiliq, Peja, Ferizaj	United Nations Children's Fund	Yes

41	EXIT for Peace Tour	28691.00	28691.00	2015-08-07	2017-09-30	Gracanica	Royal Norwegian Embassy in Prishtina	Yes
42	Facilitation of voluntary return of displaced (RAE) families from FYROM to Kosovo through ARP (Alternative Return Package)	285000.00	272879.00	2015-07-15	2017-06-30	Gjilan, Prishtina	Office of the United Nations High Commissioner for Refugees	Yes
43	FemArt - 3rd Edition of Regional Women Artists Festival	11700.00	11700.00	2015-10-01		Prishtina	Embassy of Netherlands	Yes
44	Festival HAPU	1500.00	1500.00	2015-09-06	2017-07-21	Prishtina	France	No
45	FRAABAAC PERSPECTIVES	1000.00	1000.00	2016-07-29	2016-07-31	Prishtina	France	No
46	Garden of Peace	12905.00	12905.00	2015-06-15		Rahovec	Embassy of Netherlands	Yes
47	Heritage preservation-City of Gjilan	1500.00	1500.00	2015-09-22	2016-06-06	Gjilan	France	No
48	I Think Green (Implemented by NGO Green Art Center-GAC)	49400.00	49400.00	2014-03-01		Prishtina	Embassy of Finland in Kosovo	No
49	Increasing access to Finance and Creating Jobs in Northern Kosovo	825286.00	0.00	2012-01-01		North Mitrovica, Zubin Potok, Zvecan	Norway	No
50	Increasing awareness on dangerous in trafficking in human beings and illegal migration	8145.00	8145.00	2015-03-01		Gjakova	Embassy of Netherlands	Yes
51	Institutional framework for the local economic development in Zubin Potok municipality	73755.00	76511.00	2014-06-01	2015-03-31	Zubin Potok	United Kingdom of Great Britain and Northern Ireland	No
52	International Day of Fight Against AIDS	1915.00	1915.00	2015-11-30		Prishtina	Embassy of Netherlands	No
53	IPA 2009 - "Construction of Multi-Purpose Facilities in Mitrovicë/Mitrovica" - Kosovo	10799859.00	5420654.00	2012-03-16		Mitrovica	European Union Office	No
54	IPA 2010 - Construction of Municipal Social and Economic Infrastructure - Phase VII a	1569590.00	2490990.00	2014-01-31		Zubin Potok, Zvecan	European Union Office	No
55	IPA 2011 - Agro System Zubin Potok (ASZP)	370000.00	369995.00	2013-02-28		Zubin Potok	European Union Office	No
56	IPA 2011 - Zubin Potok Tourism Development	381722.00	373671.00	2013-02-01		Zubin Potok	European Union Office	No
57	IPA 2012 - Start-up business for all	207894.00	201804.00	2013-12-31		North Mitrovica, Zubin Potok, Zvecan	European Union Office	No
58	IPA 2012 - 2014/354-659 - 'Supportive business environment for women start-ups in North and South Mitrovica'	368782.00	172118.00	2014-12-12	2016-12-12	Mitrovica	European Union Office	No

59	IPA 2012 - EU Grant Scheme for the North - Aronia production and refrigerating unit support for the Zvecan Municipality	28000.00	28000.00	2013-12-24		Zvecan	European Union Office	No
60	IPA 2012 - EU Grant Scheme for the North - Borcani village rural development Trought the production of the organic food	29870.00	29870.00	2013-12-24		Zvecan	European Union Office	No
61	IPA 2012 - Farmers cooperative development	321468.00	307515.00	2013-12-31		Zvecan	European Union Office	No
62	IPA 2012 - Pedestrian Zone in Mitrovica	2130382.00	2130293.00	2014-04-30		Mitrovica	European Union Office	No
63	IPA 2012 - Support to Agribusiness of the Gjilan/Gnjilane Region	463178.00	144583.00	2014-12-11	2016-08-16	Gjilan	European Union Office	No
64	IPA 2013 - Beautiful Kosovo II	5000000.00	1982552.00	2013-12-18		North Mitrovica, Zubin Potok ,Zvecan	European Union Office	No
65	IPA 2013 - EU-Mitrovicë/a RAE Support Initiative II (EU-MRSI II) Closure of Leposavic/q Camp	1530000.00	1515530.00	2013-05-21		Mitrovica	European Union Office	Yes
66	Joint Domestic Violence Program Phase 2 North UN-WOMEN Part	260194.00	225212.00	2015-04-01		North Mitrovica, ZubinPotok, Zvecan	Finland,United Nations Women	No
67	Joint Program on Domestic Violence in Kosovo Ph2 North UNFPA Part	199376.00	146547.00	2015-04-01	2017-12-31	North Mitrovica, Zubin Potok, Zvecan	United Nations Population Fund,Finland	No
68	Joint Programme on Domestic Violence in Kosovo Phase 2 North UNICEF Part	130924.00	132127.00	2015-04-01		North Mitrovica, Zubin Potok, Zvecan	Finland	No
69	Let's Do Tourism Together - Utilisation of Tourism Potentials for Generating Incomes in Rural Areas	0.00	3000.00	2016-04-15	2017-01-31	Zubin Potok	Embassy of Finland in Kosovo	No
70	Mitrovica goes green - GREEN Festival - 5th edition	12250.00	12250.00	2015-06-01		Mitrovica	Embassy of Netherlands	No
71	Modernisation of Pristina's urban transport system	10000000.00	1790000.00	2016-06-24		Prishtina	European Bank for Reconstruction and Development	No
72	Multi-ethnic project afrodite	7384.00	5907.00	2014-03-15		Gjakova	Embassy of Netherlands	Yes
73	Multiethnic Training and Development Center in Podujeva	35271.00	35271.00	2015-09-29	2017-03-21	Podujeve	Royal Norwegian Embassy in Prishtina	Yes
74	Municip. Spatial Planning Support Programme in Kosovo	7585997.00	7395201.00	2005-11-01	2016-12-31	Mitrovica, Rahovec, Gjilan, Gracanica, Partesh, Peja, Feriza, Prizren, Malisheve, Mamusha, Junik	Sweden	No

75	Participation Karel Bredenhorst ESMA 2016	2500.00	2500.00	2016-07-08	2016-07-17	Prishtina	Embassy of Netherlands	No
76	PEU CSSF YUP 0003009/Assist the establishment of the Business Development and Consulting Office within Jakova Innovation Centre to boost regional economic development of the Municipality of Gjakova and create new business opportunities	27644.00	26916.00	2015-07-01	2015-12-31	Gjakova	United Kingdom of Great Britain and Northern Ireland	No
77	PEU CSSF YUP 0003022/Establishing the Pristina Business Hub and Career Counselling Centre	87419.00	93831.00	2015-07-01	2016-03-01	Prishtina	United Kingdom of Great Britain and Northern Ireland	No
78	PEU CSSF YUP 0003025/Engaging with the Kosovo Chamber of Commerce and Kosovo Investment and Enterprise Support Agency to deliver an After Care Survey for Foreign Direct Investment to deliver prosperity benefits to Kosovo and the UK	25057.00	26663.00	2015-09-01	2015-12-31	Prishtina	United Kingdom of Great Britain and Northern Ireland	No
79	PEU CSSF YUP 0003027/Support NGOs to work with women entrepreneurs in strengthening their entrepreneurship capacities in order to increase the percentage of women in the Kosovo active labour force, reduce poverty, and prevent socio-economic migration.	50061.00	53728.00	2015-11-01	2015-12-31	Gjakova	United Kingdom of Great Britain and Northern Ireland	No
80	Post-Teaching Program for Roma, Ashkali and Egyptian Children	10115.00	10115.00	2015-08-20		Gjakova	Embassy of Netherlands	Yes
81	Protecting Children from Violence in School	88019.00	33444.00	2014-06-20		Fushe Kosove, Gjakova, Gjilan, Obiliq, Peja, Ferizaj, Prishtina	United Nations Children's Fund	No
82	Publication of the illustrated magazine "Yekhipe - Unity"	10942.00	10942.00	2015-04-15		Prizren	Embassy of Netherlands	Yes
83	Radio campaign against illegal migration of Kosovars to EU	24920.00	24920.00	2015-11-01		Prishtina	Embassy of Netherlands	Yes
84	Radio campaign against illegal migration of Kosovars to the EU	9780.00	9780.00	2015-04-15		Prishtina	Embassy of Netherlands	No
85	REDO Graphic design conference	5200.00	5200.00	2015-10-10		Prishtina	Embassy of Netherlands	No

86	REDO International Graphic Design Conference	4000.00	4000.00	2016-10-07	2016-10-09	Prishtina	Embassy of Netherlands	No
87	Regional Environmental Center	2500.00	2500.00	2015-07-01	2015-07-30	Prishtina	France	No
88	Return and Reintegration of displaced Roma, Ashkalia and Egyptian Communities	1543416.00	1555780.00	2013-07-15		Prishtina	European Union Office	Yes
89	Revitalization of Trepca: Finding Policy Paths to Define its Property Status Model and Supporting a Transparent Policy-led Public Discourse on its revitalization.	38893.00	38893.00	2014-04-01	2015-03-31	Mitrovica	United Kingdom of Great Britain and Northern Ireland	No
90	Roma, Ashkali, Egyptians (RAE) Housing and Integration Project (RAE-HIP) in Gjakova/Djakovica- Phase III	500000.00	500000.00	2013-06-01	2014-05-31	Gjakova	Austrian Development Agency	Yes
91	Rural Economic Sustainability Initiative - RESI	1800000.00	1740000.00	2016-09-01		Novoberde, Ranillug, Kamenica, Prishtina	Austrian Development Agency	No
92	Shelter services for victims of domestic violence and victims of trafficking	12498.00	12498.00	2015-03-01		Gjilan	Embassy of Netherlands	No
93	Sport as a means of empowering women	10880.00	10880.00	2015-03-01		North Mitrovica, Prishtina	Embassy of Netherlands	Yes
94	Sport4Tolerance	10860.00	10860.00	2015-03-01		Mitrovica, Gracanica, Peja, Kamenica, Shtime, Kacanik, Mamusha, Skenderaj	Embassy of Netherlands	Yes
95	Sport4Youth 2014 (Implemented by NGO Sport Sans Frontières-SSF)	52130.00	52130.00	2014-03-01		Mitrovica, Gracanica, Peja, Shterpce, Kamenica, Prishtina, Shtime, Kacanik, Mamusha, Skenderaj	Embassy of Finland in Kosovo	Yes
96	Strengthening of Socio-Economic inclusion of communities in Municipality Leposavic and Mitrovica South through the professionalization of agriculture and rural tourism sector	77196.00	80887.00	2014-05-01	2015-03-31	Mitrovica	United Kingdom of Great Britain and Northern Ireland	Yes
97	Strengthening the Institutional Response to Domestic Violence in northern Kosovo, (implemented by NGO AKTIV)	49985.00	49985.00	2014-04-01		North Mitrovica, Zubin Potok, Zvecan	Embassy of Finland in Kosovo	No
98	Strengthening the Rule of Law in northern Kosovo through education and cooperation of law students	20402.00	20402.00	2014-05-01	2015-02-28	Mitrovica	United Kingdom of Great Britain and Northern Ireland	Yes
99	Support for Rural Entrepreneurship	19999.00	19999.00	2015-06-10		Gracanica	Embassy of Netherlands	Yes

100	Support of Local Environmental Action Plans in Kosovo 2011-2014	1579964.00	1607314.00	2011-05-12		Fushe Kosove, Mitrovica, Gracanica, Istog, Klokot, Obiliq, Partesh, Ranillug, Shterpce, Vushtrri, Podujeve, Decan, Mamusha, Junik	Sweden	Yes
101	Support to Impl. of the Forest Policy and Strategy Ph2 UNDP Part	148718.00	148288.00	2015-05-01	2017-11-30	North Mitrovica, Zubin Potok, Zvecan	Finland	No
102	Support to inclusive education reform (Implemented by Kosovo Association for Promotion of Inclusive Education- KAPIE)	49420.00	49420.00	2014-03-01		Prishtina	Embassy of Finland in Kosovo	No
103	Support to Kvinna till Kvinna's Programme in Kosovo during 2012-2014	2252877.00	2276322.00	2012-01-02		Fushe Kosove, Mitrovica, Gjilan, Obiliq, Prishtina, Viti	Sweden	Yes
104	Support to Preventing Violent Extremism in Kosovo	15000.00	15000.00	2016-11-01	2017-05-01	Gjilan	Italian Ministry of Foreign Affairs	No
105	Support to TV Mitrovica	5069.00	5069.00	2016-08-18	2017-03-17	Mitrovica	Royal Norwegian Embassy in Prishtina	No
106	Support Women to Enhance Incomes through Production Quality of the Agribusiness products in Kosovo	30000.00	33580.00	2016-04-01	2017-03-31	Prishtina	Embassy of Finland in Kosovo	No
107	Supporting Reconciliation in Kosovo through the Renovation of the Orthodox Chapel in Mitrovica Municipality	237000.00	189597.00	2015-02-01	2015-10-31	Mitrovica	Embassy of Turkey	Yes
108	Taste Europe	500.00	500.00	2016-05-09	2016-05-09	Prishtina	Embassy of Netherlands	No
109	TEDxPrishtina (Joan de Boer)	4500.00	4500.00	2015-12-11		Prishtina	Embassy of Netherlands	No
110	TEDxPrizren	4100.00	4100.00	2015-06-27		Prizren	Embassy of Netherlands	No
111	Volunteer support to healthy families in a healthy environment (The Ideas Partnership - TIP)	48000.00	48000.00	2015-03-01		Fushe Kosove, Istog, Obiliq	Embassy of Finland in Kosovo	No
112	Women together in support to Brussels Agreement (RWL SEE)	32880.00	32880.00	2015-03-01		Mitrovica, Gracanica, Novoberde, Shterpce	Embassy of Finland in Kosovo	Yes
113	Young Entrepreneurs Program	4846047.00	4624950.00	2010-09-10		Prishtina	United States Agency for International Development	No
114	Youth education on cultural heritage	5350.00	5350.00	2016-05-15		Prizren	Embassy of Netherlands	Yes
115	Youth multi-ethnic Assembly	14040.00	14040.00	2015-11-01		Rahovec	Embassy of Netherlands	Yes
116	Youth Multi-ethnic Assembly - Phase 2	14040.00	14040.00	2015-11-01		Rahovec	Embassy of Netherlands	Yes

7 Interviews

Table 5: List of interviews

Interview #	Date	Location	Profession
1	December 2018	Kosovo	Mayor
2	December 2018	Kosovo	Deputy Mayor
3	December 2018	Kosovo	Mayor
4	December 2018	Kosovo	Deputy Mayor
5	December 2018	Kosovo	Mayor
6	December 2018	Kosovo	Deputy Mayor
7	December 2018	Kosovo	Deputy Mayor for Communities
8	December 2018	Kosovo	Deputy Mayor
9	December 2018	Kosovo	Deputy Mayor for Communities
10	December 2018	Kosovo	Mayor
11	December 2018	Kosovo	Mayor
12	December 2018	Kosovo	Mayor
13	December 2018	Kosovo	Mayor
14	December 2018	Kosovo	Mayor
15	December 2018	Kosovo	Mayor
16	March 2019	Kosovo	Mayor
17	March 2019	Kosovo	Deputy Mayor
18	March 2019	Kosovo	Deputy Mayor for Communities
19	March 2019	Kosovo	Mayor
20	March 2019	Kosovo	Mayor
21	March 2019	Kosovo	Deputy Mayor for Communities
22	March 2019	Kosovo	Mayor
23	March 2019	Kosovo	Mayor
24	March 2019	Kosovo	Mayor
25	March 2019	Kosovo	Deputy Mayor
26	March 2019	Kosovo	Mayor
27	March 2019	Kosovo	Deputy Mayor
28	May 2019	Kosovo	Bilateral donor official
29	June 2019	Kosovo	Multilateral donor official
30	June 2019	Kosovo	Kosovo government official
31	June 2019	Kosovo	Bilateral donor official
32	June 2019	Kosovo	Multilateral donor official
33	June 2019	Kosovo	Multilateral donor official
34	June 2019	Kosovo	Bilateral donor official
35	June 2019	Kosovo	Bilateral donor official
36	June 2019	Kosovo	Kosovo research agency

8 Anticipatory Effects

Do respondents anticipate aid timing events? I estimate whether respondent trust in government is influenced by project events that happen after the interview (up to one year after). Table displays results for trust in government for anticipatory exposure to aid project start and end. There does not appear to be an anticipatory effect of aid timings on trust in government. Standard errors in parenthesis and clusters at the individual and project levels.

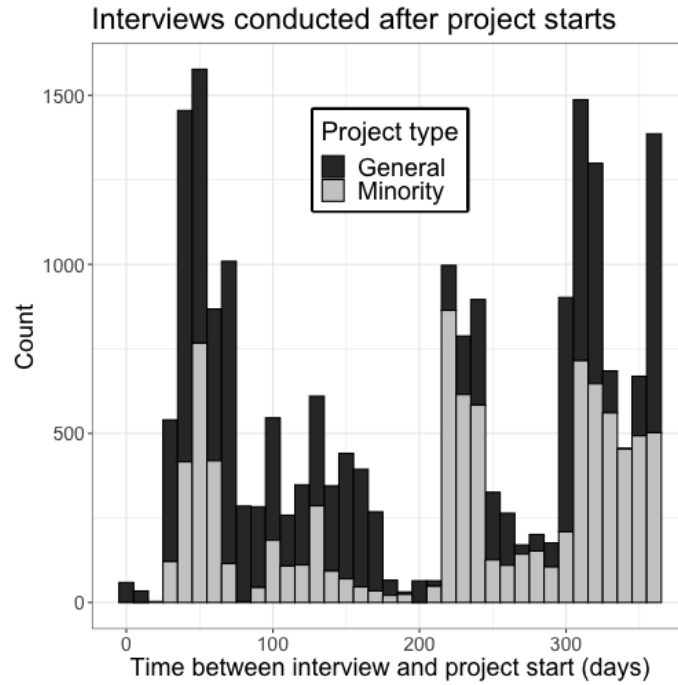
Table 6: Anticipatory effects of aid timing

	<i>Dependent variable:</i>			
	Trust in national government			
	(1)	(2)	(3)	(4)
Days since project start	0.001 (0.0006)	0.0002 (0.0003)		
Days since project start * Minority	0.0002 (0.0005)	0.001 (0.0005)		
Days since project end			0.001 (0.0005)	0.0002 (0.0004)
Days since project end * Minority			-0.001 (0.0006)	-0.0002 (0.0011)
Minority	-0.072 (0.116)	0.049 (0.197)	-0.254* (0.123)	-0.079 (0.272)
Length			-0.00002 (0.00009)	0.00001 (0.00001)
Distance		0.00002 (0.00001)		0.00001 (0.00001)
Lights		0.149 (0.091)		0.118 (0.114)
Rainfall		0.0001 (0.0002)		0.0003 (0.0004)
Temperature		-0.004 (0.023)		-0.009 (0.059)
Population (log)		-0.050 (0.063)		-0.055 (0.062)
Area (log)		-0.010 (0.173)		-0.085 (0.082)
Incumbent won (Mayor)		-0.226** (0.085)		-0.401*** (0.064)
Incumbent won (Municipal assembly)		-0.032 (0.122)		-0.180 (0.193)
Projects (count)		-0.003 (0.005)		0.048* (0.021)
Projects (count, lag)		0.009* (0.004)		-0.029 (0.019)
Disbursements (log, lag)		0.658 (0.402)		-0.079 (0.520)
Commitments (log, lag)		-0.600 (0.382)		0.231 (0.528)
Constant	2.440*** (0.137)	1.508 (0.843)	2.517*** (0.122)	0.827 (1.093)
Observations	7,405	4,458	5,775	3,000
R ²	0.008	0.093	0.010	0.069
Adjusted R ²	0.007	0.090	0.009	0.064

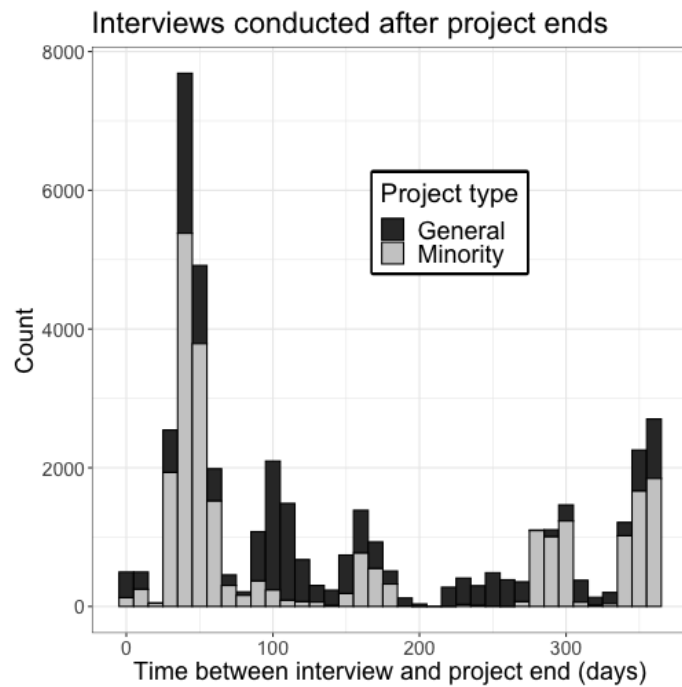
Note:

*p<0.05; **p<0.01; ***p<0.001

9 Histogram of responses and projects



(a) Exposure to project start



(b) Exposure to project end

Figure 5: Histograms of exposure to project events by interview timing