

Aid, blame, and backlash *

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Abstract

Donors use foreign aid to promote liberal values such as democracy and multiculturalism in developing countries. An under-explored dimension of foreign aid is aid to ethnic minorities. I show that donors explicitly target ethnic minority groups in countries across the world. How does foreign aid for ethnic minorities affect politics in recipient countries? I argue that minority aid comes at a cost (real and perceived) to ethnic majority groups; the blame for this aid is then placed on political representatives. Novel observational and experimental evidence finds three significant challenges to donor support for minority aid: 1) minority aid reduces the amount of general aid, 2) citizens oppose politicians who acquire minority aid and support anti-minority parties, and 3) citizens are willing to forgo substantial aid to prevent minority aid targeting. Donor attempts to help vulnerable populations may lead to backlash that empowers anti-minority actors, making the political landscape of recipient countries more dangerous for the groups they sought to aid.

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1 Introduction

Foreign aid is thought to improve democracy and human rights through conditionality, facilitating liberal reforms in line with Western donors' preferences (??). Donors use foreign aid to actively reward countries that pursue reforms to include women and minority groups in politics (?). Going even further, many donors directly target aid at the groups they intend to help (???). Foreign aid to out-groups receives high praise in donor countries and serves the larger humanitarian goals that motivate much of the aid community (??). This aid is intended to improve the material and political circumstances of its disempowered recipients (??).

Aid to out-groups may be politically popular for donor countries, but for recipient countries, it may impose political costs. If aid is seen as a zero-sum game, aid for minority groups comes at a cost of aid for majority groups (?). 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 (?). Aid to unpopular groups may be subject to protests and anti-minority activism by the majority population (??).

Targeting aid has consequences for its recipients. I develop a theory of blame-attribution. The presence of aid targeted at an unpopular minority may result in jealousy from the majority community, leaving them to lower their support for the government. In line with the credit-claiming literature (??), aid to minorities may also reveal 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 (???).

This paper makes several significant theoretical and empirical contributions to the literature on foreign aid, global ethnic politics, and popular backlash against liberalism. First, I provide the first systematic evidence of international development organizations explicitly allocating aid to ethnic minorities cross-nationally and sub-nationally. Aid to ethnic mi-

norities is not a minor phenomenon and has been overlooked in previous scholarship. With novel subnational data from Kosovo, I show that ethnic minority aid is not additive; that is, minority aid comes at a cost to general or ethnic majority aid. The finding that aid may be substituted across ethnic groups adds an important dimension to studies of race in international relations (?); foreign preferences for ethnic targeting alter the composition of ethnic relations in international development.

Second, I combine subnational data on aid in Kosovo with a new dataset of geolocated polling stations in the country. Aid to ethnic minorities before an election is associated with a significant drop in vote share for incumbent politicians. Politicians from liberal parties are particularly vulnerable to this shock; politicians from illiberal parties are unaffected. The costs of minority aid for recipient governments add useful nuance to the literature on aid and legitimacy (????); the government's association with aid can *decrease* legitimacy in previously unexplored ways.

Third, in a novel conjoint experiment fielded in Kosovo, I find that ethnic majority members are willing to give up high-value aid packages to avoid aid targeted to ethnic minorities. The amount of aid majorities are willing to forgo depends on the type of ethnic minority: aid to highly politicized minorities is much less likely to be approved than aid to less salient minority groups. Fielding the experiment amongst aid recipients provides new and important evidence of the salience of both foreign aid and political divisions in developing contexts (?).

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 of minority aid in recipient countries. I describe the phenomenon of credit-claiming for aid recipients and introduce its corollary for unpopular targeted aid: blame-attribution. Using data from the World Bank, I show that projects across the world are explicitly targeted at ethnic minorities. The case of aid to minority populations in Kosovo illustrates the

dynamic of international support for targeted aid and the political consequences for elected representatives in Kosovo. I combine several novel data sources to test the effect of ethnic minority aid on real-world political outcomes in Kosovo. I then turn to experimental evidence to confirm the internal validity of these results. The paper makes a strong contribution to advancing our knowledge of how international actors' best intentions may backfire, harming the very groups they sought to help.

2 The Political Economy of Unpopular Aid

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 approval for government as political representatives are blamed for acquiring aid targeted at minority populations.

2.1 Donors and Minority Aid

Donors aim to support targeting aid at out-groups and the poor.¹ Why these groups? Donors have humanitarian motivations to target the poor and marginalized (???). Out-groups may be economically-disadvantaged as a function of their social isolation, making them a compelling target for humanitarian-motivated aid (?).

In some contexts, donors have particular affinity for a given out-group. ? points to aid for LGBT causes as driven by norms of donor countries that are more pro-LBGT 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 USAID to target aid at Christian minority groups across developing countries despite cutting aid to most

¹(?) finds that aid *does not*, in fact, target the poorest. However, donors uniformly claim to target their aid at the poor.

other groups/sectors.² On the macro level, common language, religion, and colonial history link donor and recipient countries with more alike countries receiving greater volumes of aid (?).

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 (??). 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 (??).

2.2 Recipients and Minority Aid

Why should recipient governments accept aid targeted at unpopular groups? 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.³ For some recipients, this restriction may actually be beneficial. ? 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 (?). 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.

²<https://www.propublica.org/article/how-mike-pences-office-meddled-in-foreign-aid-to-reroute-money-to-favored-christian-groups>

³Though, as ? notes, targeted aid is still subject to political influence.

Targeted aid is less fungible than general budget support aid. However, targeted aid may still allow recipients to transfer their own funds from the targeted sector to other priorities. ? 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 (?). For different countries, sector-specific foreign aid may be more or less fungible (???). 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 electorally⁵ 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 (??). 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 (???). Without outside aid options for recipients, donors can more credibly threaten to withdraw aid from recalcitrant recipients (?). 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.

Aid to minorities may be beneficial to recipients if the minority group forms a salient voting bloc for incumbent political parties. ? finds that Indian politicians take efforts to prevent anti-Muslim riots when Muslim voters are important to their electorate. ?, ?, and ? all note that patronage benefits may be targeted at swing voters (including out-groups)

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.

⁵? notes that governments may reject IMF loans if they are unable to pass the buck on blame for stringent loan conditions.

when co-ethnics or in-groups have few outside voting options. The political costs of majority group disapproval of aid allocation to minorities may be outweighed by the political benefits of acquiring out-group voting blocs.

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 (?). 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 are able to generate more revenue in response to being targeted (??). 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 (?). 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 (???).

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 (??) 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 (???). Politicians target aid to their constituents in order bolster their chances at re-election (????). Results are mixed on whether or not aid benefits politicians politically. ? find positive effects of aid on incumbency while ? finds the opposite results.

Donors too benefit from the signal their aid sends to recipient polities, allies, and their domestic constituencies (??). Aid to recipient countries can increase positive sentiment towards donors amongst recipients (?), signal a donor state's type or belonging to a cer-

tain tier of states in the international system (?), and send a signal of priorities to their domestic constituents (???). 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 (?).

Aid targeted at unpopular groups 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. In a standard retrospective voting model, the exposure to minority aid may result in majority group citizens' disapproval of the government. As an extension of the work on credit-claiming and aid, I describe two additional 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.

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 (?). 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 (??). Aid to Syrian refugees in Jordan and Lebanon has been the site of resentment and backlash amongst host populations (??).⁶ Generally, lack of local input on the function of foreign aid can generate lower support for the government (??).

Ethnic minority 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. This leads me to my first hypothesis.

H1: Foreign aid to ethnic minority groups will reduce ethnic majority group support for incumbent politicians.

I draw an important distinction between ethnic groups that are politicized and those that are not. Theoretically, aid targeted towards politically salient ethnic minorities should be more likely to induce backlash than aid targeted towards less salient minority groups. Humanitarian aid to separatist ethnic groups, for example, has been used to relaunch political and military challenges by rebel groups (?). However, even aid politically excluded groups may produce backlash. For example, ? demonstrate that aid agencies receive fewer individ-

⁶Importantly, ? 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.

ual 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.

H2: Foreign aid to ethnic minority groups will produce greater backlash when targeted at politically salient groups than politically irrelevant groups.

The World Bank, an organization that explicitly aims for apolitical lending in order to eradicate world poverty, targets 3% of its aid projects to ethnic minorities overall. But, in a given year, up to 8% of projects may have a component dedicated to ethnic minorities (see Figure ??). As World Bank projects are approved by recipient country officials, the probability of these projects targeted ethnic minorities should be much lower than for other international development agencies, such as USAID, which rely much less on recipient government approval. These data are a hard test of the frequency with which aid agencies target minorities, particularly politicized ethnic minorities. In project evaluations by the World Bank’s Internal Evaluation Group (IEG), which are in-depth, field-informed reports on a subset of Bank-implemented projects (?), the ethnic minority issues are a constant feature in the “lessons learned” from a given evaluation.⁷

In some countries, up to 30% of projects are explicitly targeted to minority groups. Figure ?? shows the top thirty countries in which World Bank projects are targeted at ethnic minorities. The countries with minority projects span all continents and include some of the largest recipients of World Bank projects (Kenya, Bangladesh). I focus on one of these countries, Kosovo, to understand the political economy of ethnic minority aid.

⁷Projects are not randomly evaluated: a number of factors influence whether a given program receives in-depth evaluation by the World Bank’s Independent Evaluation Group (IEG) including geopolitical relevance, volume of aid flows, and existence of other projects to be evaluated (?).

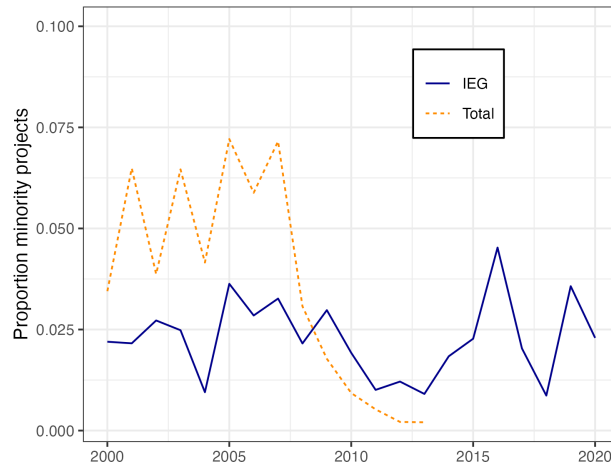


Figure 1: *Frequency of minority-targeted projects*: Proportion of total projects implemented by the World Bank or evaluated by the IEG that target minority groups. Blue solid line represents IEG projects; orange dotted line represents total World Bank projects.

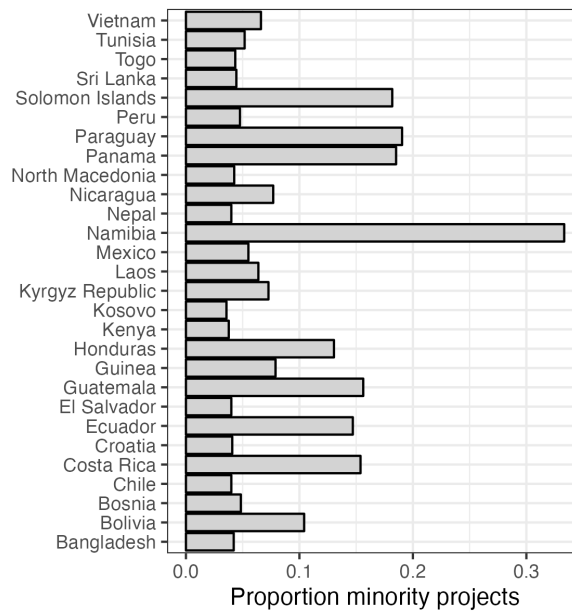


Figure 2: *Top 30 countries with minority-targeted projects*: Proportion of total projects evaluated by the IEG that target minority groups. Thirty countries with the largest proportion of IEG-rated projects that target minorities displayed.

3 Context

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. As an independent nation, Kosovo is a top recipient of international aid on a per capita basis.⁸

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 (?). 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 (??). 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 (?). The international 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 (?).

Donors explicitly target minority communities in Kosovo in their projects and promotional material. The USAID's official website 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."⁹ The emphasis on minority rights in Kosovo has been driven by the international community with

⁸The country is in the top 25% of aid recipients on a per-capita basis according to OECD data.

⁹<https://2012-2017.usaid.gov/kosovo>

the purpose of protecting minorities writ large, but especially defending the rights of the Serbian population in order to ease the relationship between Kosovo and Serbia (?). Serbia uses concern about the welfare of Kosovar Serbs as a cudgel with which to claim both its authority over Kosovo and the necessity of Serbian state involvement in the Kosovar state (??). Albanians, according to their elected representatives, are jealous of the fact that the international community prioritizes Serbs for foreign aid.¹⁰ Non-Serbs in Kosovo believe the international community favors Serbs in order to maintain peace in the region (?).¹¹ 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.¹³

While Serbs are the most politically-contentious recipients of aid in Kosovo, aid to other minority groups may also be disputed. lized and discriminated against” (?, 163). Human Rights Watch’s 2019 report noted ““Roma, Ashkali, and Balkan Egyptians continue to face 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 In the wake 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 provided vulnerable individuals, such as Roma, with essential food and hygiene packages, and will continue supporting the elderly, children, victims of domestic

¹⁰Author’s interview 3/12/19.

¹¹This perception may color interactions in which ethnicity has not been the basis for inequalities. One Serbian mayor of a Serbian-majority community stated, “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?”¹²

¹³Authors calculations for aid and OSCE for population.

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

violence, and minorities to ride out the crisis”¹⁵ 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.¹⁶ Catholic Albanians, who face discrimination in some settings, are the beneficiary of roughly 0.001% of aid projects in Kosovo. The presence of both highly politicized (Serb) ethnic minorities and less politicized (primarily Roma) ethnic minorities make Kosovo a useful test for the theory of ethnic minority aid backlash.

4 Data

I construct a novel dataset of aid projects in Kosovo from the country’s Aid Management Platform, which was active from 2008 to 2021. These data include a wealth of information about aid projects implemented in the time period, including descriptions of each project and data on the logistics of implementation (location, dates, commitments and disbursements, implementor and beneficiary identities, etc.). For a full description of the data, see Appendix ???. I explicitly identify aid as belonging to ethnic minorities if the intended beneficiaries are Serbian or Roma.¹⁷ Figure ?? shows the proportion of projects started in a given year that are targeted at ethnic minorities.

Do donors compensate “losers” when targeting ethnic minorities? Figure ?? shows the average number of projects started in a given municipality in a given month by target

¹⁵https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/coronavirus_support_wb.pdf

¹⁶<https://www.hrw.org/world-report/2019/country-chapters/serbia/kosovo>

¹⁷While other ethnic minorities (Turks, Bosniaks, Croats, and Gorani) are present in Kosovo, these other groups are 1) less likely to be targeted by international aid and 2) have more complex relationships to Kosovar politics. Therefore, for the sake of clarity of theoretical expectations and data quality, I limit the ethnic minority sample to Serbs and Roma (who are also grouped with Ashkali and Egyptian communities per Kosovar politics).

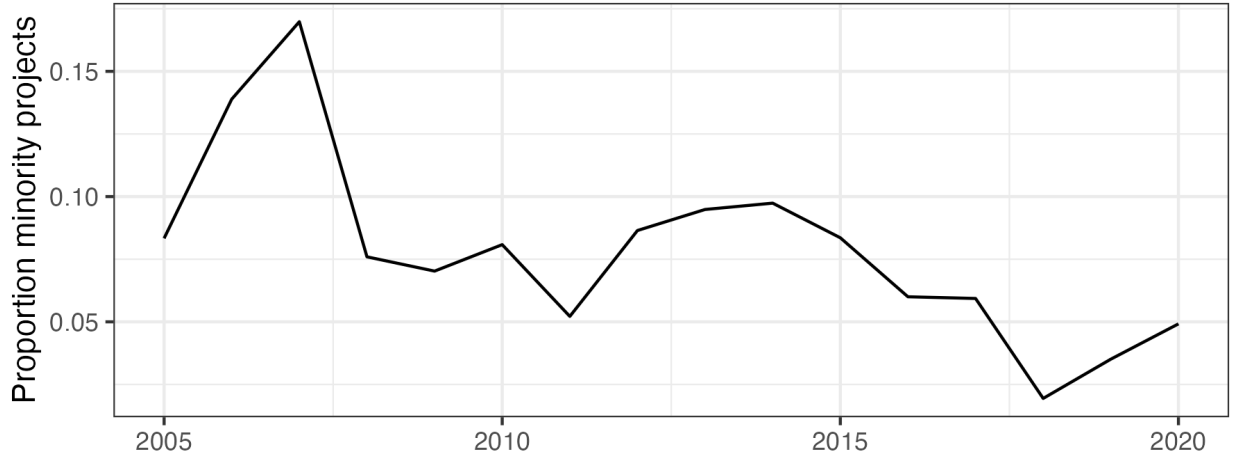


Figure 3: *Proportion of new projects targeted at Roma or Serbs in a given year.*

beneficiary. As more projects are targeted towards Serbs and Roma, the number of projects targeted towards the general population appears to decrease.

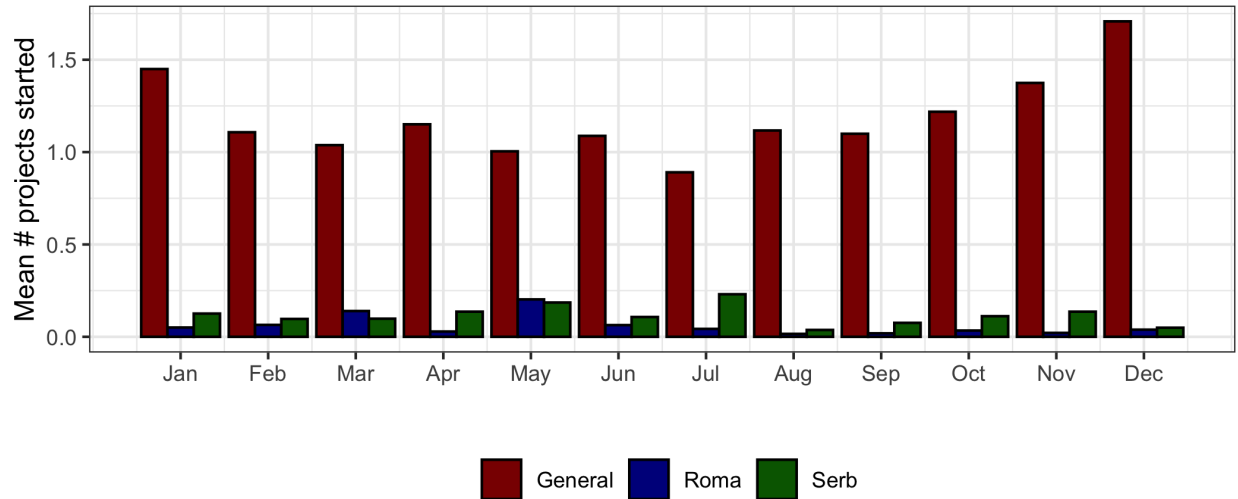


Figure 4: *Average # of projects started in a given month in a given municipality:* Number of general, Roma, or Serb projects started in a given month in a given municipality.

I test this formally by examining the number and value of aid projects targeted at the general population when a project is aimed at Roma or Serb communities. In the first model, I look at donor effects. In other words, when donor A starts a project in municipality B in

month C that is targeted towards Roma, how many and what value projects are they likely to begin in the same municipality-month for the general population? I repeat the analysis by sector, as donors may coordinate and divide sectoral responsibilities amongst themselves. Finally, overall, when any donor in any sector funds a project for minorities, how does this affect the number and value of projects for the general population?

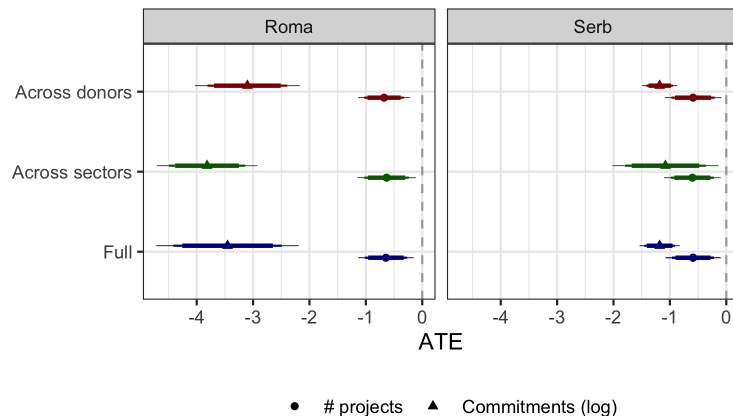


Figure 5: *Probability of starting a non-minority project in the same month as a minority project*: Association of minority projects with non-minority projects in a given municipality.

Figure ?? shows the specifications by type of minority. Receiving a Roma or Serb project is associated with a lower number and cost of general projects in a given municipality-month. The cost for Roma projects appears to be greater than that for Serbs, though both are negative and statistically significant. Aid for minorities appears to come at a cost of 1 to 3 projects for majority groups.

In the next section, I turn to the question of the effect of minority aid on electoral outcomes.

5 Study 1: electoral outcomes

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 ob-

servational 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 implementation to calculate the “dosage” of an aid project received by an individual at a given moment in time. As ? and ? 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. ? shows that incumbent politicians expedite completion of large-scale, visible World Bank projects in the year before a national election.

However, within a short time period and a given country, the exact timing of aid implementation is plausibly 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.¹⁸ Donor priorities may shift in response to domestic politics, prompting shifts in aid priorities that result in disruptions to planned aid timings. 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. (????). 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.¹⁹ 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 implementation,

¹⁸Author interview 5.27.2020.

¹⁹Author interview 5.22.2020.

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 ?, is held constant. While Kosovo may be the beneficiary 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 ?, I use a multi-donor sample of projects. Variation in aid bureaucracy management and relationships between donors and Kosovo adds additional variation my measure of aid project timing. I use the Kosovo AMP data for the location, timing, and identity of aid projects. I use survey data and polling station data to measure effects of aid on electoral outcomes and political attitudes.

I geolocate polling stations in Kosovo for local elections in 2007, 2009, 2010, 2012, 2014, 2015, 2017, and 2019. Figure ?? shows the geolocated polling stations. Combined with the aid data, I identify the polling stations that are exposed temporally and geographically to an ethnically targeted project aid project. Geographically, I use two measures: distance between polling station and aid project and municipal co-location of polling station and aid project. Temporally, polling stations are classified as “currently exposed” if they are proximate to an ethnic minority aid that started in the year before an election. I also identify polling stations that will be exposed to ethnic minority aid in the year after an election and polling stations that will not be exposed to ethnic minority aid in the year prior to or after the election.

The outcome of interest is incumbent party vote share. I estimate the models separately for two . The first model estimates the effect of targeted aid in a simple pre-post design: targeted aid before an election versus targeted aid after an election.

$$Outcome_i = \beta_i Post - exposure + \mathbf{X}_i + \epsilon_i \quad (1)$$



Figure 6: *Kosovo polling stations geolocated*

Target	# projects	# municipalities			Cost (commitments, USD)		
		Min	Max	Mean	Min	Max	Mean
Non-ethnic	740	1	37	2.1	0	35000000	827083
Roma	52	1	30	2.6	0	9500000	718658
Serb	84	1	30	2.9	0	7253114	473354
Full sample	867	1	37	2.2	0	35000000	788184

Table 1: *Aid project descriptive statistics*: Descriptive statistics for aid projects start in the year before or after municipal elections.

Municipal fixed-effects and poll fixed-effects are shown. All models include municipal covariates as aid is targeted at the municipal level: `Nighttime lights+1` as a measure of municipal development. `log(Population+1)`, `log(Area)`, and `log(Population/Area+1)` are measures of population size, rural communities, and population density. `log(Precipitation (mean)+1)` and `log(Temperature (mean) +1)` account for variation in weather and climate. All models include time fixed effects and a dummy variable for whether or not the municipality is majority-minority. In the first model, Conley standard errors account for spatial autocorrelation between polling locations.

The first model accounts for the effect of minority aid but has clear selection issues: the types of municipalities that receive minority aid differ from the types of municipalities that do not receive minority aid. I therefore also estimate, separately, the selection effect of aid by measuring the difference in incumbent vote share for municipalities that do receive aid projects in the year following an election and those that do not receive any minority aid projects in the year before or after an election.²⁰

$$Outcome_i = \beta_i Minority + \mathbf{X}_i + \epsilon_i \quad (2)$$

The models here uses the same battery of covariates and robust standard errors clustered by municipality. I use a *t-test* to determine the differences between the two models. By

²⁰All municipalities receive non-targeted aid before and after each election.

subtracting the selection effect (Eq ??) from the causal and selection effect (Eq ??), I am able to isolate the causal effect of minority aid on incumbent vote share conditional on the assumption of exogenous project timing.

A key limitation of both models is the fact that, post-election, local politicians may be able to influence the implementation of minority or non-minority aid projects. While pre-election timing of aid projects can reasonably be assumed as-if-random, post-election aid projects may not be if newly-elected mayors change the proposed timelines of aid projects. Several mayors in Kosovo specifically noted that aid projects depend on national approval (Interview 3/12/19, Interview 3/14/19), which leaves aid project timing more independent of mayoral influence. The short time window, one year before and one year after, lends additional credibility to the assumption of low mayoral influence on post-election aid timing. I examine the issue of selection effects in greater depth in Appendix section ??.

5.1 Study 1 results

Table ?? depicts the results of the pre-post models. Polling stations exposed to minority aid before an election are less likely to vote for the incumbent than polling stations exposed to aid after the election. The incumbents who implement minority aid projects are roughly half a percentage point less likely to be re-elected.

The results for the difference in the pre-post (causal and selection) model and post-no aid (selection) model are depicted in Table ??. The results are largely consistent with the pre-post model; minority aid before an election is associated with a 1.5 percentage point decrease in incumbent vote share.

But whom do voters then turn to? I estimate the pre-post model with vote share outcomes for two parties: PDK (henceforth *illiberal*) and LDK (henceforth *liberal*). The illiberal party is led by military veterans from the war against Serbia and is known for its anti-minority stances, particularly against Serbs in Kosovo. The liberal party is led by the leaders of the

	(1)	(2)
Pre-election	-0.004 (0.002) [0.000]	-0.004 (0.002) [0.000]
Fixed FX	Year, Municipality	Year, Poll
Covariates?	✓	✓
Num.Obs.	10267	10267
R2	0.690	0.311

Table 2: *Pre-post models*: Association of pre-election aid with incumbent vote share. Model 1 uses year and municipality fixed effects; Model 2 uses poll and year fixed effects. Robust standard errors clustered by municipality are in parentheses; Conley standard errors in brackets.

	(1)	(2)
Difference-in-differences	-0.015 (0.005) [0.000]	-0.014 (0.006) [0.000]
Fixed FX	Year, Municipality	Year, Poll
Covariates?	✓	✓
Num.Obs. (Pre-post)	9354	9354
Num.Obs. (Post-none)	15396	15396
R2	0.690	0.311

Table 3: *Difference-in-differences models*: Association of pre-election aid with incumbent vote share. Model 3 uses year and municipality fixed effects; Model 4 uses poll and year fixed effects. Robust standard errors clustered by municipality are in parentheses; Conley standard errors in brackets.

	Illiberal	Liberal
Pre-election	-0.001 (0.004) [0.001]	-0.011 (0.008) [0.000]
Num.Obs.	10937	10053
R2	0.587	0.538
RMSE	0.15	0.14
Std.Errors	by: municipality	by: municipality
Fixed FX	Year, Municipality	Year, Municipality
Covariates?	✓	✓

Table 4: *Pre-post models by party*: Association of pre-election aid with party vote share. Both models use year and municipality fixed effects; Robust standard errors clustered by municipality are in parentheses; Conley standard errors in brackets.

peaceful resistance to Serbia’s war in Kosovo and is known for its ties to the international community. Table ?? shows the association of minority aid pre-election for the vote share of these two parties.

The liberal party sees a statistically and substantially significant decrease of one percentage point in its vote share when a municipality receives minority aid before an election.²¹ This finding suggests that citizens are less likely to vote for parties who are friendly with the international community, and potentially more likely to attract minority aid, when their locality receives minority aid. Aid to minorities may disempower the parties that are more likely to implement pro-minority policies.

Appendix ?? shows that the effect of minority aid is driven by projects targeted at Roma individuals. The results are robust to the exclusion of covariates. Models using separate data for parliamentary elections show the same substantive effects. To address concerns about the exogeneity of aid timing and elections, I replicate the design of ? using a nationally representative survey implemented by the European Bank for Reconstruction and Development. Appendix ?? shows that survey respondents recently exposed to minority aid

²¹Appendix ?? breaks this finding down further to show that the liberal party sees the largest decrease when it is not in power.

are less supportive of the government, have higher levels of discriminatory attitudes against out-groups, and are less likely to support international actors including non-governmental organizations (NGOs) and foreign investors.

To account for potential threats to causal influence with observational data, I turn to experimental data. Moving from the polling station level to individual data also allows me to disaggregate voters by ethnicity. Polling station data may include minority voters whose preferences and responses to different types of aid (?), confounding the analysis.

6 Study 2: experimental evidence

To account for the threats to causal inference in the observational tests, I field a conjoint experiment on Kosovar citizens. The survey experiment allows me to randomly assign citizens to view information about some forms of aid projects. The characteristics of the sample projects are orthogonal to the characteristics of the respondents, giving a clean identification of the effect of information on different kinds of aid projects on citizen preferences. The survey allows me to answer two questions: first, do citizens differentiate between aid targeted to minorities and to the general populations? Second, if so, does the type of ethnic minority matter?

I ran a 1500 person survey in Kosovo with a local firm, Riinvest, using computer-assisted personalized interviews (CAPI) in March 2023. Appendix ?? describes the experiment and population in-depth. The experimental design was preregistered at EGAP [REDACTED]. Descriptively, I measure the preferences of respondents²² for minority versus general aid. Respondents read the following text six times.

Would you prefer a 10000 € project targeted at the whole population or a [5000-
50000] € project targeted at the [Roma/Serb] population?

²²For the main analysis, I subset the data to only Albanian respondents.

Each respondent only reads about aid targeted to a single group, e.g. one respondent will read about different amounts of money for only Roma projects while another will read only about Serbs. The minority project takes on random values between 5,000 and 50,000 Euros at 1,000 Euro intervals. The value of the general aid project is fixed at 10,000 Euros. If citizens see no difference between general aid projects and minority aid projects, we would see horizontal lines with a sharp discontinuity at 10,000 Euros: the higher value project would be selected in each pair regardless of identity.

6.1 Study 2 results

Figure ?? shows the proportion of respondents selecting minority, as opposed to general, projects based on the value of the minority project. The value of the general project is fixed at 10,000 Euros, as indicated by the vertical dashed line. However, in line with theoretical predictions, respondents are never more likely to select a project targeted at minorities than a general aid project, regardless of the cost of each project. Respondents are willing to take up to a 40,000 cut in the amount of aid received in order to ensure that the aid goes to the general population rather than a minority group.

Respondents are more likely to prefer Roma projects as the cost of the Roma project increases, but the likelihood of selecting a Serbian project remains flat. Figure ?? shows fitted values of the probability of selecting a minority aid project by project value. Again, respondents are more sensitive to the price of Roma projects than Serb projects.

These results are consistent with two stylized facts from the theory and observational evidence. First, majority groups prefer general aid to minority-targeted aid, even when the aid to minorities is more substantial. Second, the type of minority matters. While Roma face discrimination in Kosovo, they are less demonized and less of a political threat than

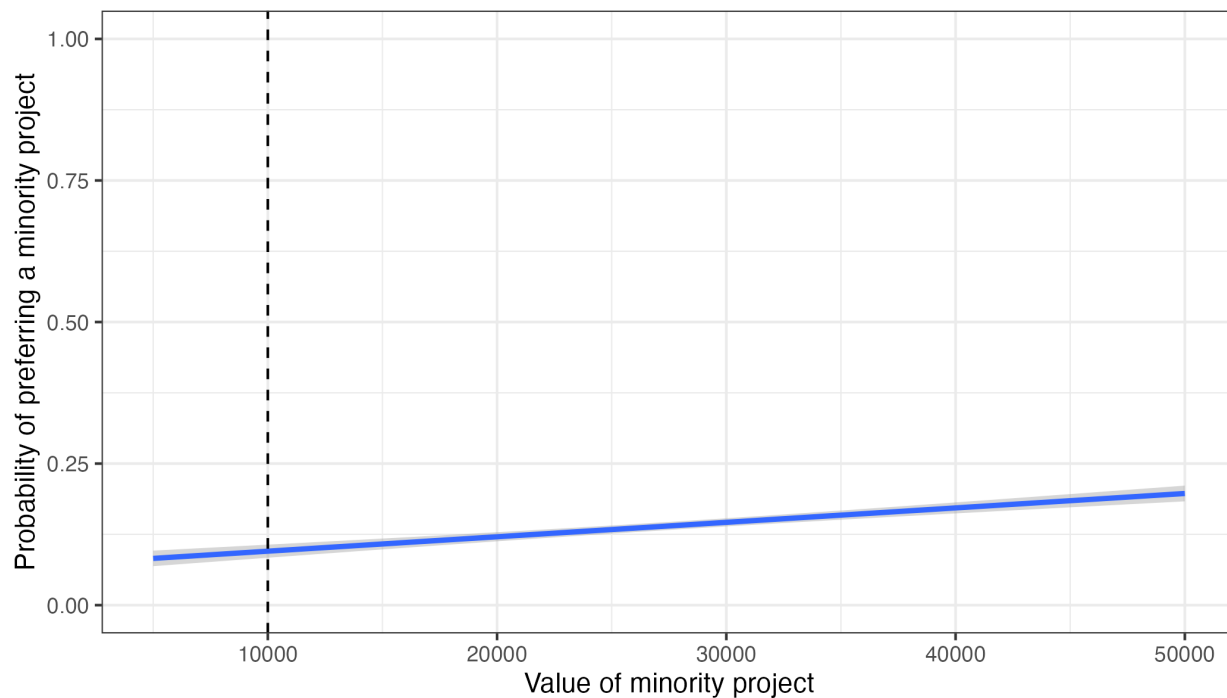


Figure 7: *Minority aid by value*: Probability that a given respondent will select a minority aid project (vs a general aid project valued at 10,000 Euros) by value of minority aid project.

Serbs. As such, Albanians have quite inelastic demand for Serbian aid while their demand for Roma aid is more price-sensitive.

The differences between responses to Serbian and Roma aid provide important scope conditions for the theory. Aid to politically sensitive out-groups should be easily identified as generating backlash. While Kosovo is a particularly strong case of ethnic tension, salient ethnic groups exist in many countries and may reproduce these dynamics. The Roma results are heartening in that respondents are sensitive to price; this shows that majority citizens may perceive some benefit to the targeting of aid either for themselves or, benevolently, for the Roma. However, as the preference for Roma projects never exceeds that for general projects despite increases in project size, the conjoint confirms that majority groups disapprove of aid to even politically neutral groups of ethnic minorities. Theoretically, ethnic minorities even outside of post-conflict states may face barriers to international support as

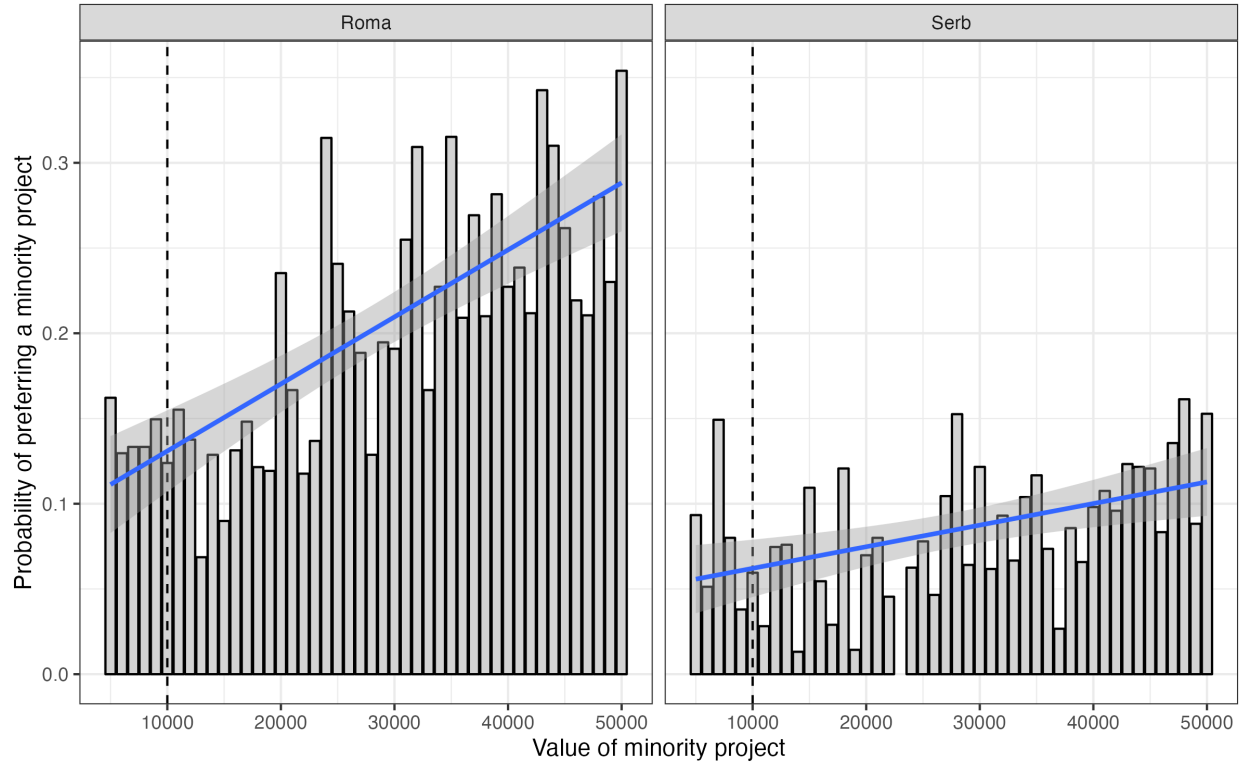


Figure 8: *Minority aid by value and type*: Probability that a given respondent will select a minority aid project (vs a general aid project valued at 10,000 Euros) by value of minority aid project and minority type, Roma or Serb.

a result of domestic discrimination.

Robustness tests in Appendix ?? account for respondent characteristics with equivalent results. The results are robust to multiple attention checks. Heterogenous effects, reported in Appendix ??, provide additional evidence that Roma may be considered less threatening, and more “deserving,” of aid than Serbs.

7 Conclusion

Minority aid is neither uncommon nor benign. Many countries across the globe frequently receive aid projects targeted at ethnic minority constituents. But this paper shows that ethnic minority aid comes at a cost to donors, (majority) recipients, and domestic politics in recipient countries. For donors, ethnic minority aid can disempower their allies in recipient country politics, making it more difficult to influence the direction of these countries in the future. For recipients, minority aid replaces general aid in their communities, potentially limiting their ability to benefit from the aid. For the domestic polity writ large, incumbents receive fewer votes when their localities receive ethnic minority aid. 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 loss of power for incumbent politicians. Minority aid projects may produce windows of opportunity for political entrepreneurs with anti-government or anti-minority sentiments to gain power.

The paper contributes to a larger discussion on race and development in international relations. When donor preferences are misaligned with recipients’, the costs can be substantial for beneficiaries and non-beneficiaries alike (???). Donors’ visions for particular forms of race relations may actively interfere with domestic politics and stymie democratic growth.

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 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.”²³ 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.

²³<https://amp-mei.net/portal/node/11>

B Interviews

Table 5: List of Kosovo interviews

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

	Roma		Multiethnic	
	(1)	(2)	(3)	(4)
Pre-election	-0.007 (0.007) [0.001]	-0.009 (0.009) [0.000]	-0.004 (0.003) [0.001]	-0.005 (0.004) [0.001]
Fixed FX	Year, Municipality	Year, Poll	Year, Municipality	Year, Poll
Covariates?	✓	✓	✓	✓
Num.Obs.	7448	7448	7984	7984
R2	0.718	0.285	0.742	0.365

Table 6: *Pre-post models by ethnic target*: Association of pre-election aid with incumbent vote share. Models 1 and 3 use year and municipality fixed effects; Model 2 and 4 use poll and year fixed effects. Robust standard errors clustered by municipality are in parentheses; Conley standard errors in brackets.

	Roma		Multiethnic	
	(1)	(2)	(3)	(4)
Difference-in-differences	-0.002 (0.002) [0.000]	-0.002 (0.000) [0.000]	0.0147 (0.003) [0.000]	0.0149 (0.006) [0.000]
Fixed FX	Year, Municipality	Year, Poll	Year, Municipality	Year, Poll
Covariates?	✓	✓	✓	✓
Num.Obs. (Pre-post)	2103	2103	6556	6556
Num.Obs. (Post-none)	12847	12847	17201	17201
R2	0.718	0.285	0.742	0.365

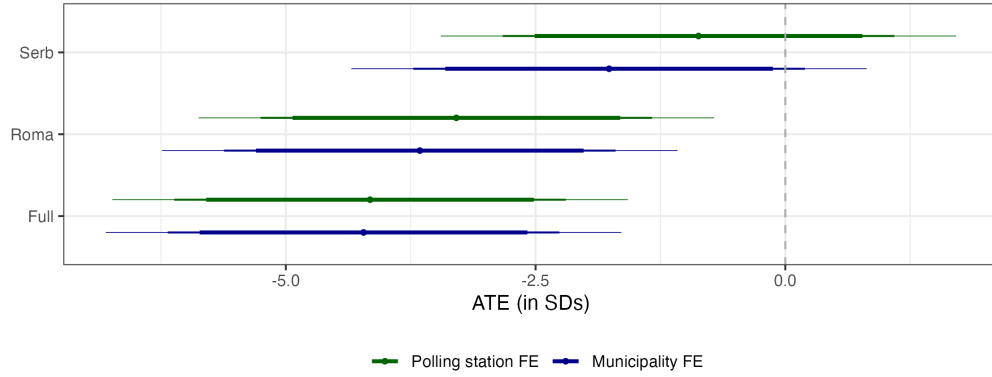


Figure 9: *Parliamentary election results (Pre-post)*: Association of pre-election aid with incumbent vote share. Model 3 uses year and municipality fixed effects; Model 4 uses poll and year fixed effects. Conley standard errors.

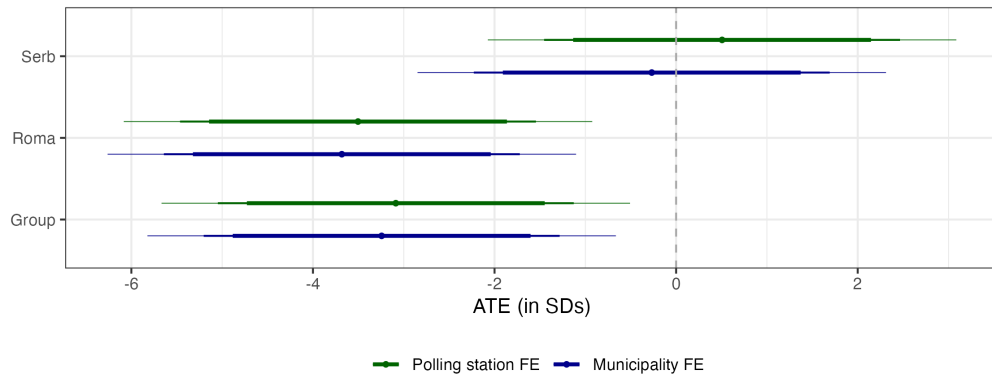


Figure 10: *Parliamentary election results (Difference-in differences)*: Association of pre-election aid with incumbent vote share. Model 3 uses year and municipality fixed effects; Model 4 uses poll and year fixed effects. Conley standard errors.

	Illiberal	Illiberal	Liberal	Liberal
Pre-election	-0.008 (0.003)	-0.007 (0.003)	0.000 (0.000)	0.000
Num.Obs.	6222	6222	2938	2938
R2	0.332	0.676	0.311	0.670
RMSE	0.16	0.11	0.16	0.11
Std.Errors	by: municipality	by: municipality	by: municipality	by: municipality
Fixed FX	Year, Municipality	Year, Municipality	Year, Poll	Year, Poll

Table 7: *Pre-post models by incumbent party*: Association of pre-election aid with incumbent vote share. Models 1 and 3 use year and municipality fixed effects; Models 2 and 4 use poll and year fixed effects. Robust standard errors clustered by municipality are in parentheses; Conley standard errors in brackets.

	Illiberal	Illiberal	Liberal	Liberal
Pre-election	0.005 (0.005)	0.005 (0.005)	-0.013 (0.007)	-0.011 (0.008)
Num.Obs.	4381	4381	6899	6899
R2	0.536	0.862	0.439	0.693
RMSE	0.10	0.05	0.13	0.10
Std.Errors	by: municipality	by: municipality	by: municipality	by: municipality
Fixed FX	Year, Municipality	Year, Municipality	Year, Poll	Year, Poll

Table 8: *Pre-post models by non- incumbent party:* Association of pre-election aid with incumbent vote share. Models 1 and 3 use year and municipality fixed effects; Models 2 and 4 use poll and year fixed effects. Robust standard errors clustered by municipality are in parentheses; Conley standard errors in brackets.

	(1)	(2)
Pre-election	-0.001 (0.000)	0.000 (0.001)
Covariates	-	-
Fixed effects	Year, Poll	Year, Municipality

Table 9: *Pre-post models without covariates:* Association of pre-election aid with incumbent vote share. Model 1 uses year and municipality fixed effects; Model 2 uses poll and year fixed effects. Conley standard errors in parentheses.

	(1)	(2)
Pre-election	-0.007 (0.005)	-0.008 (0.008)
Num.Obs.	107	107
R2	0.757	0.757
Std.Errors	by: municipality	by: municipality
Fixed effects	Year, Municipality	Year, Municipality
Covariates	✓	-

Table 10: *Pre-post models with aggregate municipality vote:* Association of pre-election aid with incumbent vote share. Models 1 and 3 use year and municipality fixed effects; Models 2 and 4 use poll and year fixed effects. Conley standard errors in parentheses.

C Electoral outcomes

C.1 By ethnic target

C.2 Parliamentary elections

C.3 By incumbent party

C.4 Robustness

C.5 Strategic aid and election timing

Around planned elections, when politicians have the time to advocate for earlier and later start dates for aid projects, ethnic minority aid projects may start later from the election than general aid. Figure ?? depicts timing of minority and general aid projects in relation to elections. Fewer minority aid projects are started in the months leading up to the election than earlier in the year before the election. This figure represents a conservative estimate of the relationship between minority aid project timing and elections; most studies examine aid at the annual level and do not consider within-year aid effects.

Electoral incentives do change the timing of both Serb and Roma projects when politicians are able to plan in advance. Abstracting from political motivations and ability to affect ethnic minority project timing, these findings suggest that elections have the potential to warp the efficacy of the projects. If project timelines impact the ability of implementors to successfully move forward with the project (????), ethnic minority aid projects may be less effective as a result of this political interference.

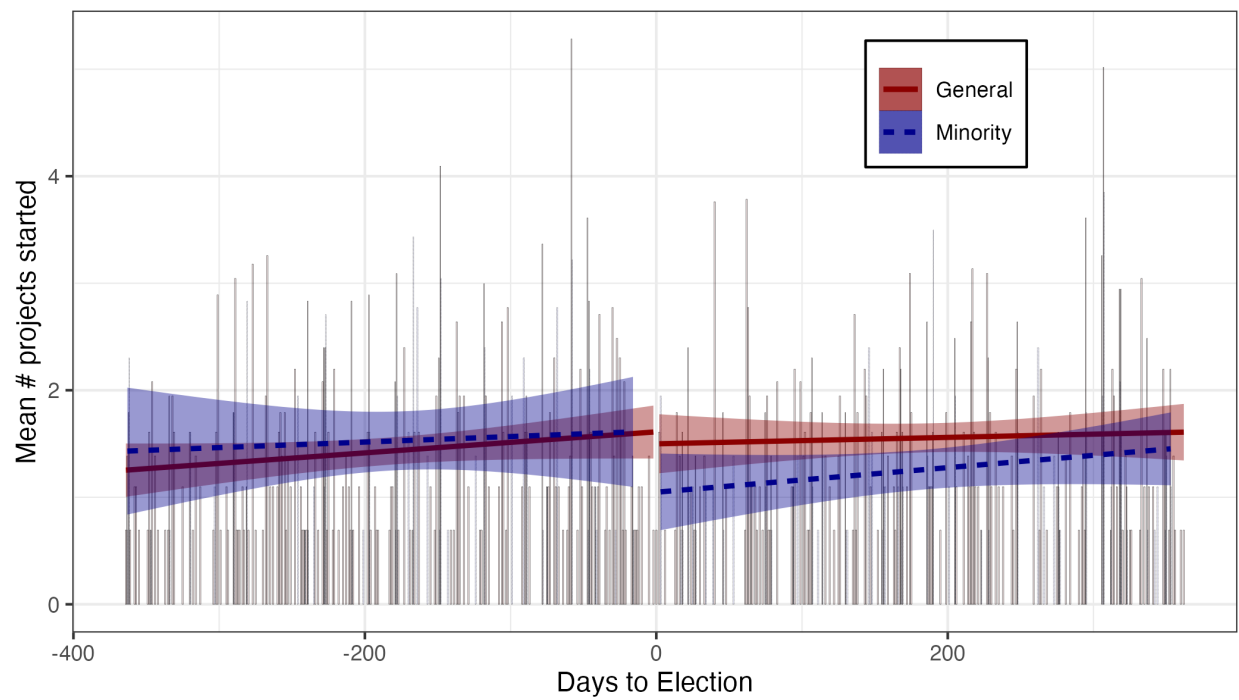


Figure 11: *Minority aid timing*: Histogram of number of general and minority aid projects started in the year before a planned election. OLS lines fitted to the data include 95% confidence intervals.

D LITS III

I combine individual survey data from the third Life in Transition Survey (LITS III) with subnational aid data from Kosovo. This survey, implemented over the course of 2016 is a European Reconstruction and Development Bank (EBRD) project to understand the changing political landscape of post-communist countries.²⁴ 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.

I use a standard pre-post design to measure the effects of minority aid on political attitudes. The key causal assumption here is that the timing of aid projects is unrelated to the timing of the fielding of the survey. I subset the data to projects which officially began in the year before or after the LITS survey was implemented (calculated per respondent). By limiting the analysis to the year before or after 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 a given municipality. Aid projects closer to an individual respondent should be more salient and constitute a stronger test of my theory than aid projects further from an individual. I use a simple pre-post design that compares individuals exposed to aid projects before being interviewed with people about to be exposed to aid projects (?). Every individual in the sample is or will be exposed to an aid project, but the timing of the exposure is assumed to be random relative to the survey. See Appendix ?? for a description of the individual-level data from LITS III by treatment condition.

²⁴Two other LITS surveys were conducted in Kosovo in 2010 and 2012. However, neither of these surveys includes subnational geolocation data that would allow models to control for spatial autocorrelation, a key concern in measuring the effects of aid.

I estimate the following equation.

$$Outcome_i = \beta_i Post - exposure + \mathbf{X}_i + \epsilon_i \quad (3)$$

Here, i is each individual. X_i is a battery of covariates and ϵ_i is the error term. At the individual level, covariates include **Gender**, **Age**, and **Religion** of the recipient. At the municipal level, covariates include **Nighttime lights+1**, $\log(\text{Population}+1)$, $\log(\text{Area})$, $\log(\text{Population}/\text{Area}+1)$, $\log(\text{Precipitation (mean)}+1)$ and $\log(\text{Temperature (mean)} +1)$.²⁵I conduct the analysis amongst the sample of Albanian respondents exposed to minority aid before or after the LITS interview. I do not examine the results for minority respondents because the sample is underpowered and minority respondents may have differential expectations of their political representatives that would violate the monotonicity assumption.²⁶

The model is analyzed in two subsets based on respondent exposure to different types of aid projects: projects aimed explicitly at Roma and/or Serbs (minority) and projects aimed explicitly at multiethnic coalitions (multiethnic). The main outcomes of interest are valuations of the performance of and change in the performance of the national government. For each outcome, a value of one indicates a low evaluation and five a high evaluation.

I expect that aid to any minority group will produce backlash against political representatives. Specifically, minority aid will reduce support for and trust in government.

²⁵I do not include municipality fixed effects in these models . The LITS survey enumerators travel around the country and interview members of the same municipality in the span of a few days. The temporal variation in the model is generated between municipalities.

²⁶I present results using minority respondents in Appendix ?? but note that these results should be viewed with caution given the above threats to inference.

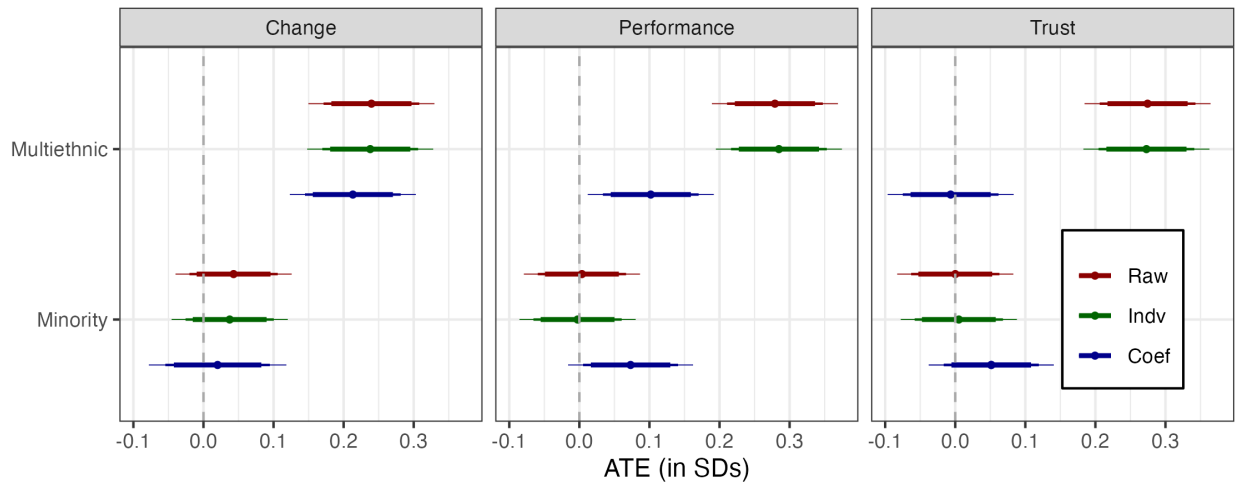


Figure 12: *Evaluations of local government*: Pre-post models for the effect of minority aid on respondent ratings of local government performance, change in local government performance, and trust in local governments. Point estimates and 95% robust standard errors presented. Standard errors clustered at the municipal level.

		None (N=1035)		Post (N=400)		Pre (N=679)	
		Mean	Std. Dev.	Mean	Std. Dev.	Mean	Std. Dev.
gender		0.5	0.5	0.5	0.5	0.5	0.5
age		42.8	16.0	45.4	16.6	43.1	16.3
municipality		N	Pct.	N	Pct.	N	Pct.
	Decan	40	3.9	40	10.0	0	0.0
	Ferizaj	75	7.2	0	0.0	5	0.7
	Gjakova	40	3.9	40	10.0	40	5.9
	Gjilan	80	7.7	0	0.0	0	0.0
	Gracanica	40	3.9	0	0.0	0	0.0
	Istog	20	1.9	0	0.0	0	0.0
	Junik	20	1.9	0	0.0	0	0.0
	Kacanik	0	0.0	0	0.0	20	2.9
	Kamenica	40	3.9	0	0.0	40	5.9
	Klina	20	1.9	0	0.0	0	0.0
	Leposaviq	40	3.9	0	0.0	0	0.0
	Lipjan	0	0.0	60	15.0	0	0.0
	Malisheve	20	1.9	0	0.0	0	0.0
	Mamusha	0	0.0	0	0.0	20	2.9
	Mitrovica	40	3.9	0	0.0	40	5.9
	NorthMitrovica	20	1.9	0	0.0	1	0.1
	Novoberde	20	1.9	0	0.0	0	0.0
	Obiliq	20	1.9	20	5.0	0	0.0
	Peja	120	11.6	0	0.0	116	17.1
	Podujeve	60	5.8	0	0.0	0	0.0
	Prishtina	140	13.5	0	0.0	137	20.2
	Prizren	0	0.0	180	45.0	180	26.5
	Rahovec	0	0.0	40	10.0	40	5.9
	Shterpce	20	1.9	0	0.0	0	0.0
	Shtime	0	0.0	20	5.0	20	2.9
	Skenderaj	20	1.9	0	0.0	20	2.9
	Viti	40	3.9	0	0.0	0	0.0
	Vushtrri	80	7.7	0	0.0	0	0.0
	Zvecan	20	1.9	0	0.0	0	0.0
language	Albanian	1017	98.3	367	91.8	619	91.2
	Other	5	0.5	26	6.5	36	5.3
	Serbian	13	1.3	7	1.8	24	3.5
religion	NONE	0	0.0	0	0.0	1	0.1
	CATHOLIC	36	3.5	0	0.0	8	1.2
	MUSLIM	836	80.8	400	100.0	667	98.2
	ORTHODOX	159	15.4	0	0.0	1	0.1
	OTHER	2	0.2	0	0.0	2	0.3
	Refusal	2	0.2	0	0.0	0	0.0

D.1 Balance table

D.2 Additional outcomes

Does minority aid reduce support for minorities? I use a question aimed at eliciting expressions of intolerance and negative outgroup sentiment to answer this question. Respondents are asked “On this list are various groups of people. Could you please mention any that you would not like to have as neighbours?” If respondents mention people of a different race as a group of people they would prefer not to have as a neighbor, this answer is coded as 1 for the respondent, 0 otherwise. Figure ?? depicts the likelihood that a person expressed anti-minority sentiment, as proxied by unwillingness to have a person of a different race as their neighbor, after exposure to minority aid. Across all model specifications and samples, I find an increase in anti-minority sentiment when individuals are exposed to minority aid.

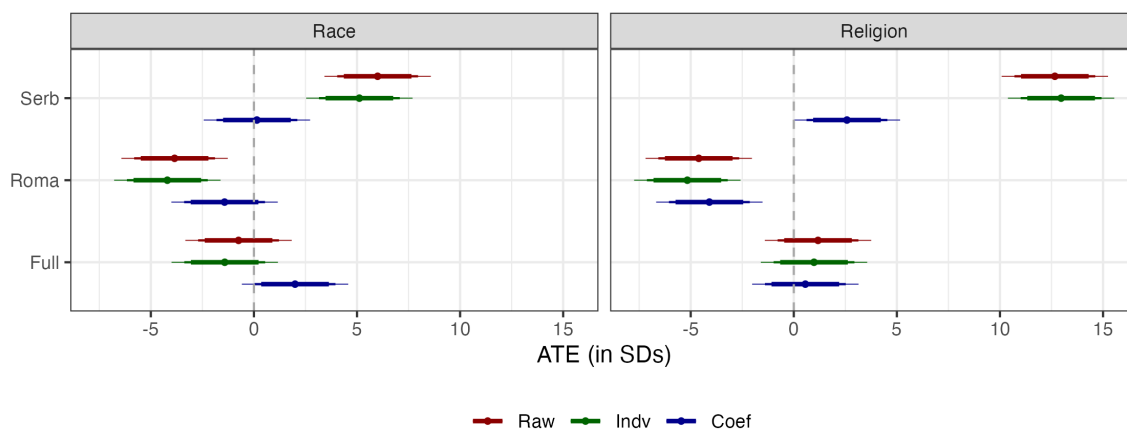


Figure 13: *Anti-minority results*: probability of selection a person of a different race (left) or religion (right) as someone a respondent would not like to have as a neighbor. Point estimates and 95% robust standard errors presented. Standard errors clustered at the municipal level.

Does minority aid reduce support for international actors? I use respondent answers to levels of trust in different actors to unpack the question. Across several specifications, minority aid reduces trust in international actors.

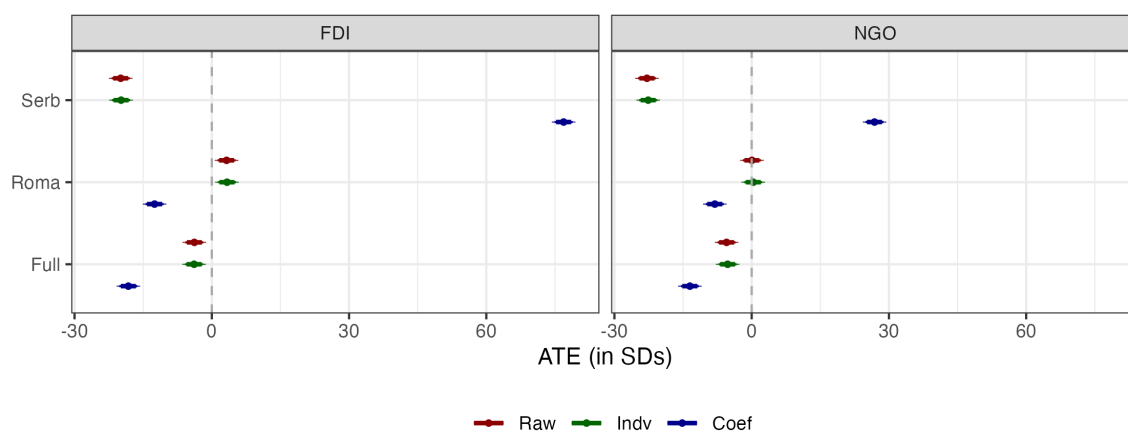


Figure 14: *International results*: trust in foreign investors (left) and NGOs (right) by exposure to minority aid before the LITS III survey. Point estimates and 95% robust standard errors presented. Standard errors clustered at the municipal level

E Survey

You are invited to participate in a research study that will take approximately 15 minutes to complete. You will be asked to answer some questions about yourself and your preferences. There is no known or anticipated risk to you for participating in it. Participation in this study is entirely voluntary. You are free to decline participation, terminate it at any time for any reason, or refuse to answer any individual question without penalty or loss of compensation. The researcher will not know your name and no identifying information will be associated in any way with your survey responses. Therefore, the survey is anonymous. If at any time you have questions or concerns about the study or your rights or well-being as a research subject, contact [REDACTED]. If you would like to speak to someone other than the researchers to discuss problems or concerns, to discuss situations where a member of the research team is unavailable or to discuss your rights as a research participant, you can contact the [REDACTED]

Do you accept?

	Unique (#)	Missing (%)	Mean	SD	Min	Median	Max
age	62	0	1989.6	14.1	1698.0	1993.0	2006.0
education	8	0	4.8	1.7	1.0	5.0	8.0
income	6	0	3.5	1.2	1.0	3.0	6.0
ethnicity	9	0	1.3	1.5	1.0	1.0	10.0
gender	4	0	1.5	0.5	1.0	1.0	4.0
party_member	2	0	1.8	0.4	1.0	2.0	2.0
vote_local	2	0	1.2	0.4	1.0	1.0	2.0
vote_parl	2	0	1.2	0.4	1.0	1.0	2.0
urban	5	0	3.3	1.2	1.0	3.0	5.0
employed	2	0	1.4	0.5	1.0	1.0	2.0

Table 11: Survey respondent characteristics

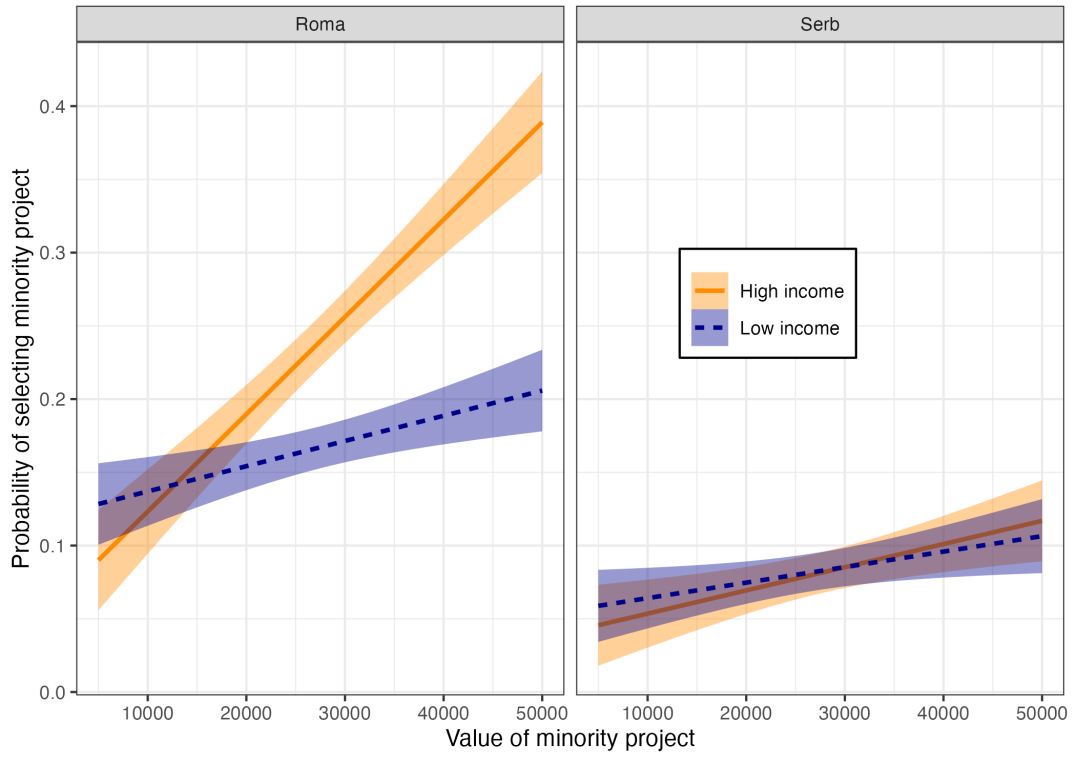


Figure 15: *Low vs High Income*

	Manipulation check 1	Manipulation check 2	Both
	(1)	(2)	(3)
(Intercept)	0.065 (0.023)	0.050 (0.017)	0.064 (0.023)
Roma	0.026 (0.029)	0.034 (0.024)	0.024 (0.029)
Serb	-0.033 (0.026)	-0.019 (0.021)	-0.040 (0.026)
amount	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Roma \times amount	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Serb \times amount	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Num.Obs.	6876	8628	6528
R2	0.042	0.054	0.048
RMSE	0.34	0.33	0.33
Std.Errors	by: _id	by: _id	by: _id

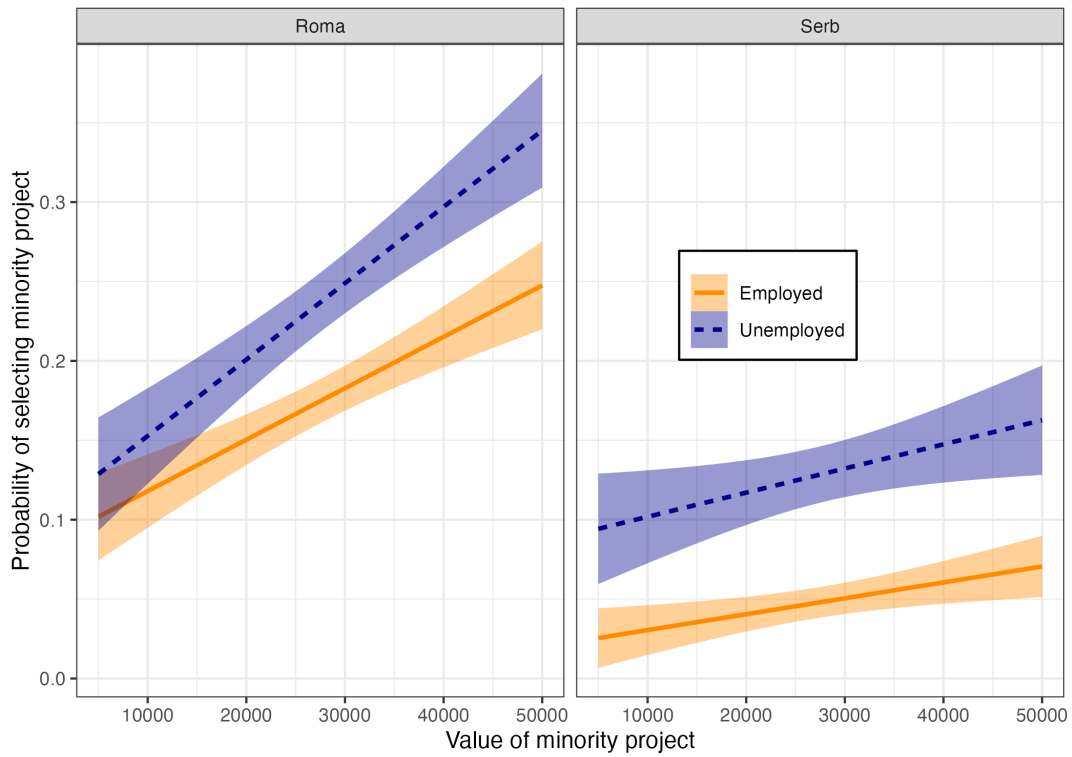


Figure 16: *Employment*

	(1)
(Intercept)	-0.300 (0.877)
Roma	0.022 (0.024)
Serb	-0.022 (0.022)
amount	0.000 (0.000)
age	0.000 (0.000)
gender	0.015 (0.013)
location	0.001 (0.001)
income	0.024 (0.006)
education	-0.006 (0.004)
urban	-0.009 (0.006)
employed	0.053 (0.014)
Roma \times amount	0.000 (0.000)
Serb \times amount	0.000 (0.000)
Num.Obs.	9216
R2	0.062
R2 Adj.	0.061
AIC	6053.8
BIC	6153.6
RMSE	0.34
Std.Errors	by: _id

Table 12: *Survey with covariates*: Survey results including respondent covariates.

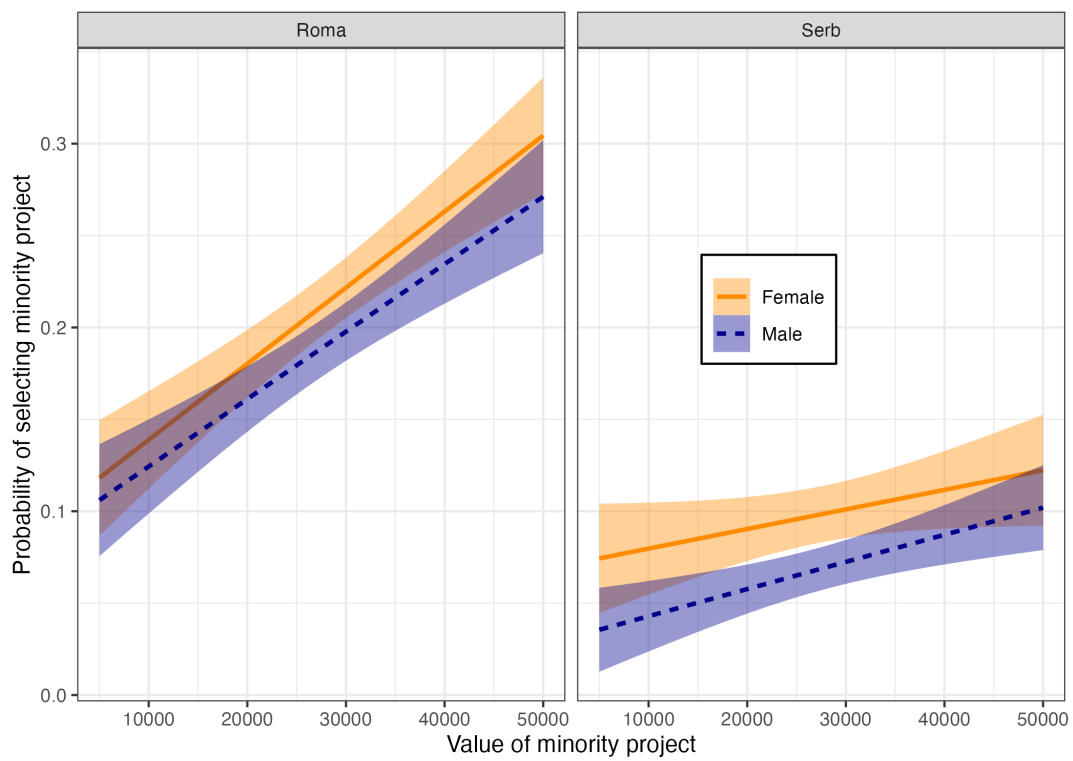


Figure 17: *Gender*

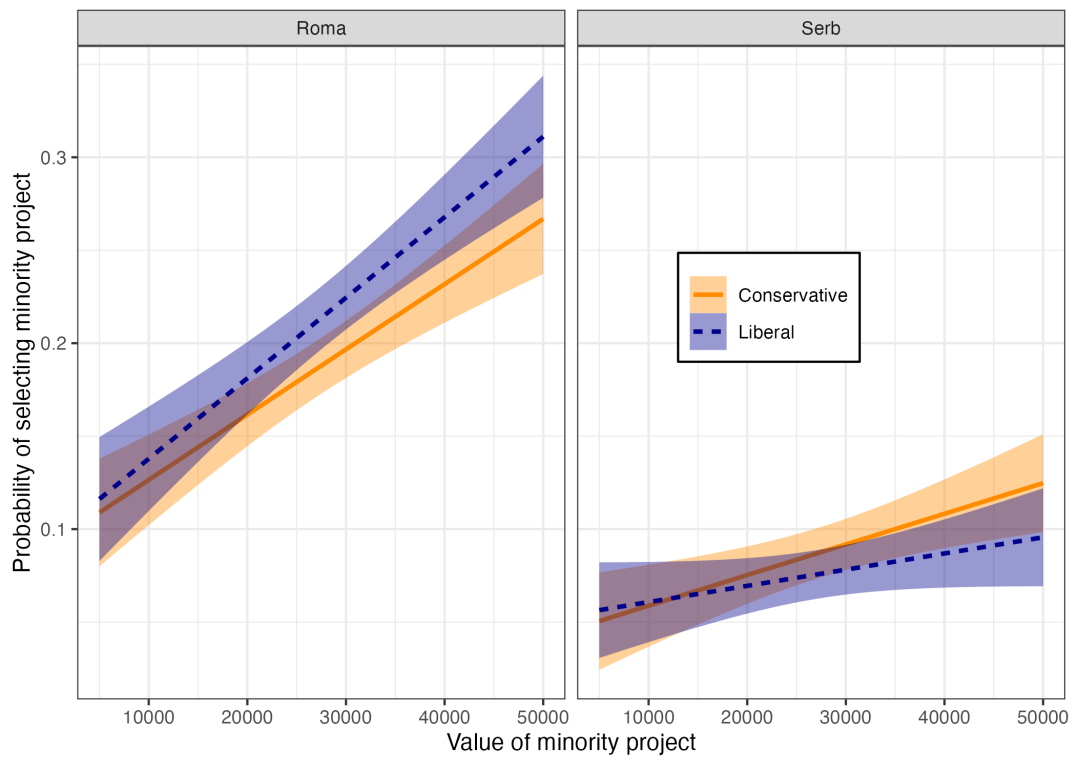


Figure 18: *Ideology*

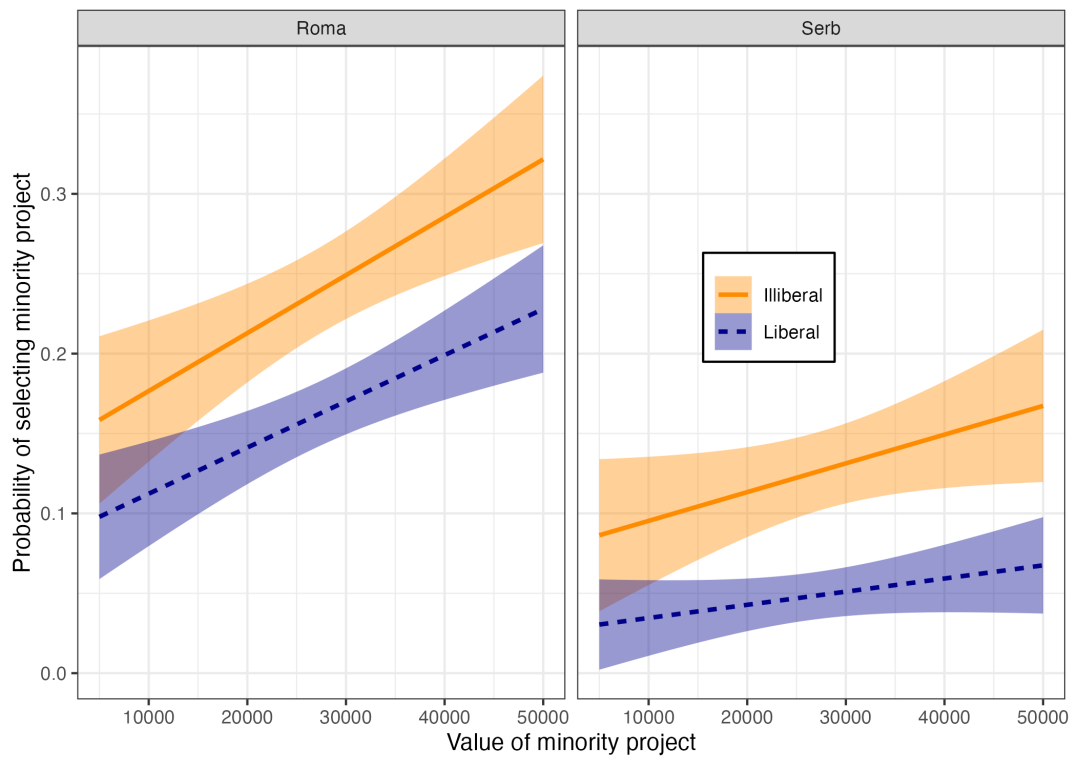


Figure 19: *Party ID*

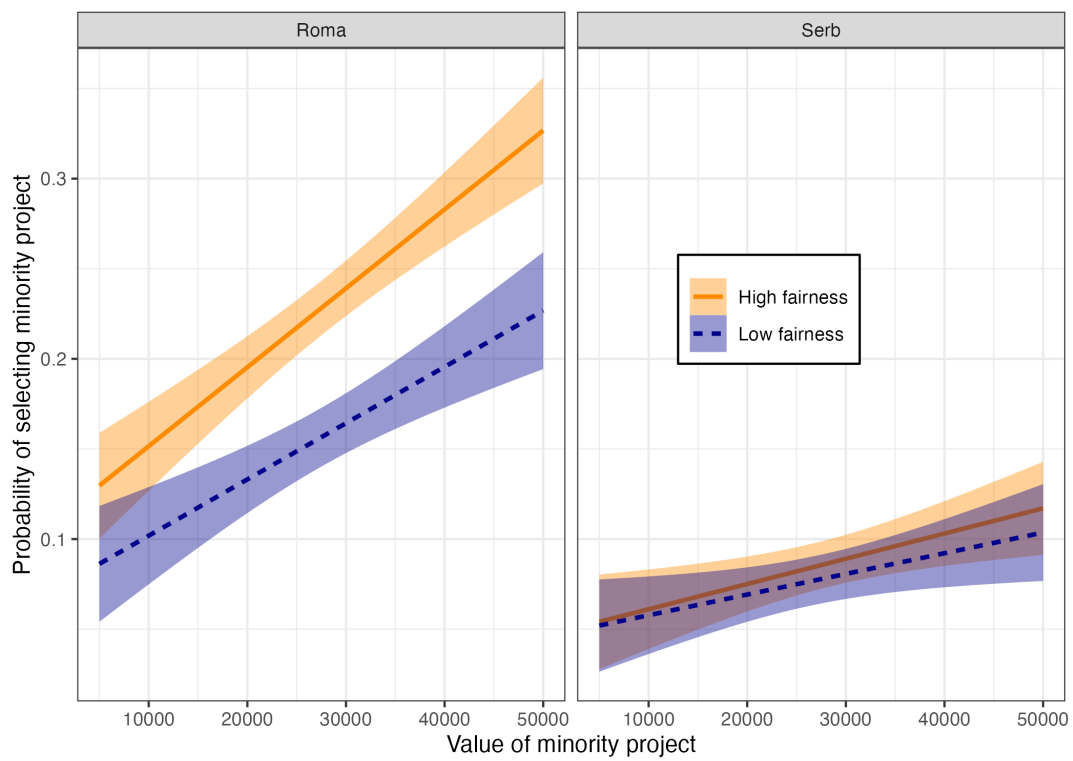


Figure 20: *Fairness*