Can Growth Stop the Far Right? Evidence from Investment Projects in Saxony-Anhalt

Hanno Hilbig*

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Abstract

The AfD's large gains in Saxony-Anhalt's 2026 election were accompanied by calls to address economic discontent through growth and investment. I examine whether major investments that were announced before the election slowed the AfD's gains. Using data on 86 large-scale investment projects, municipality-level electoral results and a synthetic difference-in-differences design, I find that the estimated increase in AfD vote share was about two percentage points smaller in municipalities with investment announcements compared to a weighted set of municipalities without them. However, this is only about one tenth of the roughly 23 percentage point statewide gain. My results therefore suggest limits to how much visible economic growth can mitigate the electoral success of far-right parties.

Can growth stop the far right? I examine whether visible local investment projects reduced the AfD's electoral gains between 2021 and 2026. In Saxony-Anhalt's 2026 state election, the AfD's vote share increased from 20.8 to almost 44 percent. In survey responses, about 54 percent of voters cited politics specific to the state of Saxony-Anhalt as decisive, compared with 38 percent who cited federal politics. The economy ranked among the leading issues of the election (Forschungsgruppe Wahlen, 2026). As a result, the result of the election has renewed calls to address economic discontent through growth and investment (Weber, 2025; Reuters, 2026; Tagesschau, 2026). Relatedly, a growing literature examines how economic conditions affect support for far-right parties. This includes evidence that import competition increased nationalist voting in Germany and that reduced access to public services increased far-right support in Italy (Dippel et al., 2022; Cremaschi et al., 2025). In addition, studies of regional development funding find reductions in far-right support in Europe and populist support in Italy (Gold and Lehr, 2025; Albanese et al., 2022).

In this report, I provide new evidence on the relationship between private investment and support for the AfD at the local level. In particular, I focus on investments in businesses. Major investment announcements have already co-occurred with rising AfD support in Saxony-Anhalt and elsewhere in eastern Germany (Hensel, 2024). I examine whether municipalities with investment announcements experienced smaller increases in far-right support than they would have in the absence of these projects.

To assess whether investment slowed the AfD's gains, I examine 86 investment projects announced in Saxony-Anhalt between the 2021 and 2026 state elections. My empirical

*hhilbig@ucdavis.edu

analysis draws on verified investment records and a panel of municipality-level electoral returns covering six state elections in Saxony-Anhalt. Using synthetic difference-in-differences, I compare electoral change in the 40 municipalities with investment announcements to a synthetic comparison group of 178 municipalities without announcements. The control observations are weighted to match the earlier electoral trajectory of investment municipalities across the five elections before investment. I focus on two main outcomes: (i) far-right votes as a share of valid list votes and (ii) far-right votes per eligible voter. In addition, I assess how the results vary across definitions based on project status and investment size.

Across these definitions, I find that investment reduced far-right vote shares by 2.0 to 3.5 percentage points (Table 1). The estimates remain negative for votes per eligible voter and when I restrict the analysis to realized or started projects. These results suggest that the AfD would have gained more support in investment municipalities in the absence of the projects. However, the main estimate of about 2 percentage points amounts to only about one tenth of the party's statewide gain of approximately 23 percentage points. Even in the two municipalities with individual investments of at least EUR 500 million, far-right vote shares increased only about 3.5 percentage points less than in the synthetic comparison. Further analyses show that adjusting for population reduces the main vote share estimate by about 50%. Additional adjustment for population density, employment and registered unemployment per resident, and prior employment growth produces little further change in the magnitude of the estimate (Appendix A.4). Taken together, these results indicate that visible investment slowed local AfD gains, but its effect was small relative to the party's statewide electoral gains.

This report contributes to debates about economic deprivation and the electoral effects of investment. Existing research examines the political consequences of public-service deprivation and regional development spending (Cremaschi et al., 2025; Albanese et al., 2022; Gold and Lehr, 2025; Heddesheimer et al., 2026). I complement this work by examining whether large-scale private investment slows far-right gains in the municipalities where projects are located.

1 Data and empirical strategy

I now describe the data and the empirical strategy. I first discuss the electoral data, then the investment records, and finally the estimation. I draw on municipality-level results for the six state elections held in 2002, 2006, 2011, 2016, 2021, and 2026. For the elections before 2026, I use historical results from the German Election Database (GERDA; Heddesheimer et al., 2025), harmonized to 2025 municipal boundaries. For 2026, I use the preliminary election file of the state statistical office. In total, I observe a balanced panel of 218 municipalities across six elections. I examine two outcomes: (i) far-right votes as a share of valid list votes and (ii) far-right votes per eligible voter. The second measure captures support relative to the full electorate, including those who did not vote. For the historical elections, I combine far-right

parties following GERDA's classification. For 2026, I use AfD list votes alone.[1]

1.1 Investment at the local level

I combine the electoral data with information on investment announcements at the municipality level. Here I draw on a September 8, 2026 export from Dezernat Zukunft's Investitionstracker, which contains 71 unique projects. To check and extend these records, I consult company announcements and official sources. The search covers 391 recipients of regional investment grants (GRW), supplemented by European Regional Development Fund (EFRE) records. Applying the sample restrictions described below excludes 16 original projects; the search adds 31 projects, yielding 86 eligible projects in 40 municipalities.

Figure 1 shows the geographic distribution of the investment projects and selected examples.

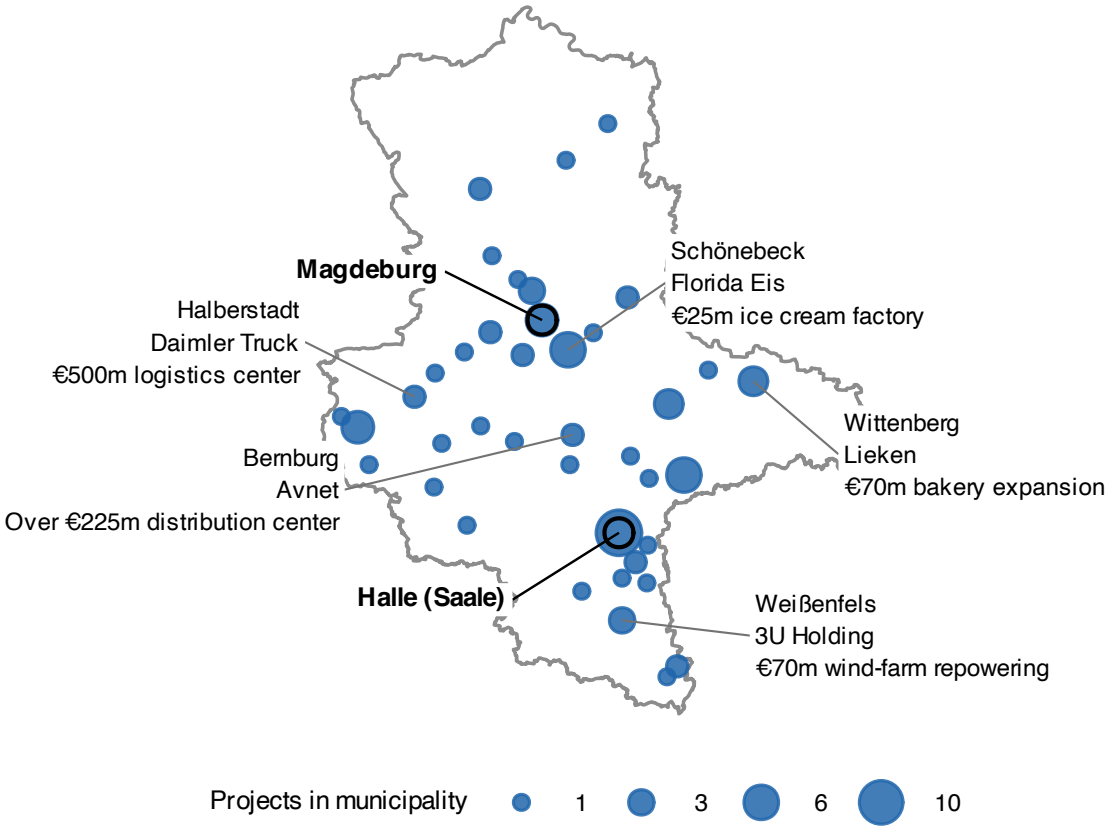

Figure 1: Investment projects in Saxony-Anhalt

Notes: Points mark 40 municipality centroids and represent 86 projects; point area shows project counts. Black rings identify Magdeburg and Halle. Investment data: Dezernat Zukunft, checked and supplemented. Boundaries: BKG via Opendatasoft, dl-de/by-2-0.

[1]Sources: GERDA and Statistical Office of Saxony-Anhalt. I use GERDA's historical results harmonized to 2025 municipal boundaries. Historical far-right votes combine AfD, DVU, NPD, REP, and Die Rechte. Of these parties and their successors, only the AfD contested the 2026 state-list vote.

Based on these records, I classify municipalities as treated if they have at least one investment announcement first reported after June 6, 2021 and before September 6, 2026. I exclude projects that were initially announced and then cancelled. This definition yields 40 investment municipalities and 178 comparison municipalities without such an announcement. To assess whether the results depend on project status and investment size, I consider four alternative definitions: realized or started projects, and individual investments of at least EUR 50 million, EUR 100 million, or EUR 500 million. To identify realized or started projects, I combine recorded status and start dates with independent evidence of implementation before the election. Projects need not be completed to count towards the "realized or started" category. For the amount thresholds, I require a reported amount or documented lower bound at one site and exclude other investment municipalities from the analysis. All five definitions retain the same 178 comparison municipalities.

The projects cover both new facilities and expansions of existing sites. Examples include Daimler Truck's EUR 500 million logistics center in Halberstadt and Wacker's mRNA production center in Halle, both of which opened before the election. Other projects were still under construction, including Lieken's EUR 70 million bakery expansion in Wittenberg and Florida Eis's EUR 25 million factory in Schönebeck.[2]

Evidence from selected cities shows that my dataset includes projects that are large relative to typical local investment. In Halle, six projects have combined budgets of approximately EUR 442.5 million, compared with average annual industrial investment of EUR 33.8 million during 2016–2020. Their budgets thus amount to approximately thirteen times the historical annual average. In Dessau-Roßlau, the Merz project alone amounts to approximately 72 percent of average annual industrial investment. Appendix B.2 describes these comparisons.

Local project histories provide further evidence on the scale of these investments. The city of Halberstadt described Daimler Truck's logistics center as the largest investment in its history. In Halle, Wacker's investment of over EUR 100 million in its mRNA production center was described by the state investment agency as the largest company investment to date at the Weinberg Campus technology park. In Schönebeck, Mercury described its new engineering and manufacturing center, with an initial investment of EUR 25 million, as the largest single investment in the company's history.[3]

1.2 Research design

To estimate the effects of investment, I use synthetic difference-in-differences (SDID), following Arkhangelsky et al. (2021). Let Y_{it} denote far-right votes divided by valid votes or eligible voters in municipality i at election t. The sets $\mathcal{T}$ and $\mathcal{C}$ contain investment and comparison municipalities, respectively, with $N_{\mathcal{T}} = |\mathcal{T}|$. I estimate outcomes as proportions and multiply estimates by 100 to express effects in percentage points. With 2026 as the only election after

[2]Project sources: Daimler Truck, Wacker's 2024 annual report, MDR on Lieken, and City of Schönebeck.

[3]Sources: City of Halberstadt, state investment agency on Wacker, and the groundbreaking announcement quoting Mercury's director.

investment, I estimate models of the following form:

$$\widehat{\tau} = g_{2026} - \sum_{t<2026} \widehat{\lambda}_t g_t, \qquad g_t = \frac{1}{N_{\mathcal{T}}} \sum_{i \in \mathcal{T}} Y_{it} - \sum_{i \in \mathcal{C}} \widehat{\omega}_i Y_{it}. \tag{1}$$

The parameter $\widehat{\tau}$ yields the estimated effect of investment. It measures the change in the electoral gap between investment municipalities and their synthetic comparison. The nonnegative comparison weights $\widehat{\omega}_i$ match the investment municipalities' earlier electoral trajectory, allowing a difference in levels. The nonnegative election weights $\widehat{\lambda}_t$ make a weighted average of earlier outcomes approximate 2026 outcomes among comparison municipalities, also allowing a common level difference. Each set of weights sums to one, and investment municipalities' 2026 outcomes do not enter weight selection. I use the `synthdid` package's default regularization to penalize concentrated weights and limit overfitting. For inference, I use standard errors based on 1,000 municipality placebo replications and report two-sided p-values based on a normal approximation.

This specification subtracts the weighted earlier electoral gap from the gap observed in 2026. Investment municipalities are, on average, larger than comparison municipalities; all eleven largest municipalities in the state have announcements. I emphasize that level differences in far-right support are accommodated by the design. My key identification assumption is that, without investment, the gap between investment municipalities and their weighted comparison in 2026 would have equaled the election-weighted average gap before investment. This assumption also requires that anticipation or spillovers do not affect the comparison. I present earlier electoral trajectories in Figure 2 and estimate a placebo effect for the 2021 election, i.e. prior to investment, in Appendix A.1. I address differences in municipality size in Appendix A.4.

2 Results

2.1 Main estimates

I present the results from the SDID analysis in Table 1. I find that far-right support increased less in investment municipalities than in their synthetic comparison. For any announcement, the estimated reduction is 2.02 percentage points in vote share and 2.38 points in votes per eligible voter. Across the five investment definitions, the reductions in vote share range from 2.0 to 3.5 percentage points. The estimates remain negative when I restrict the analysis to realized or started projects or to larger investments. To put these magnitudes in perspective, the AfD gained approximately 23 percentage points statewide between the 2021 and 2026 elections. The main estimate hence amounts to less than one tenth of the statewide gain.

While the vote share estimates are negative across all five definitions, the confidence interval for investments of at least EUR 500 million includes zero. I note that this specification contains only two investment municipalities. In Figure 2, I present the electoral trajectories of investment municipalities and their synthetic comparison, together with the election weights, for any announcement and for realized or started projects.

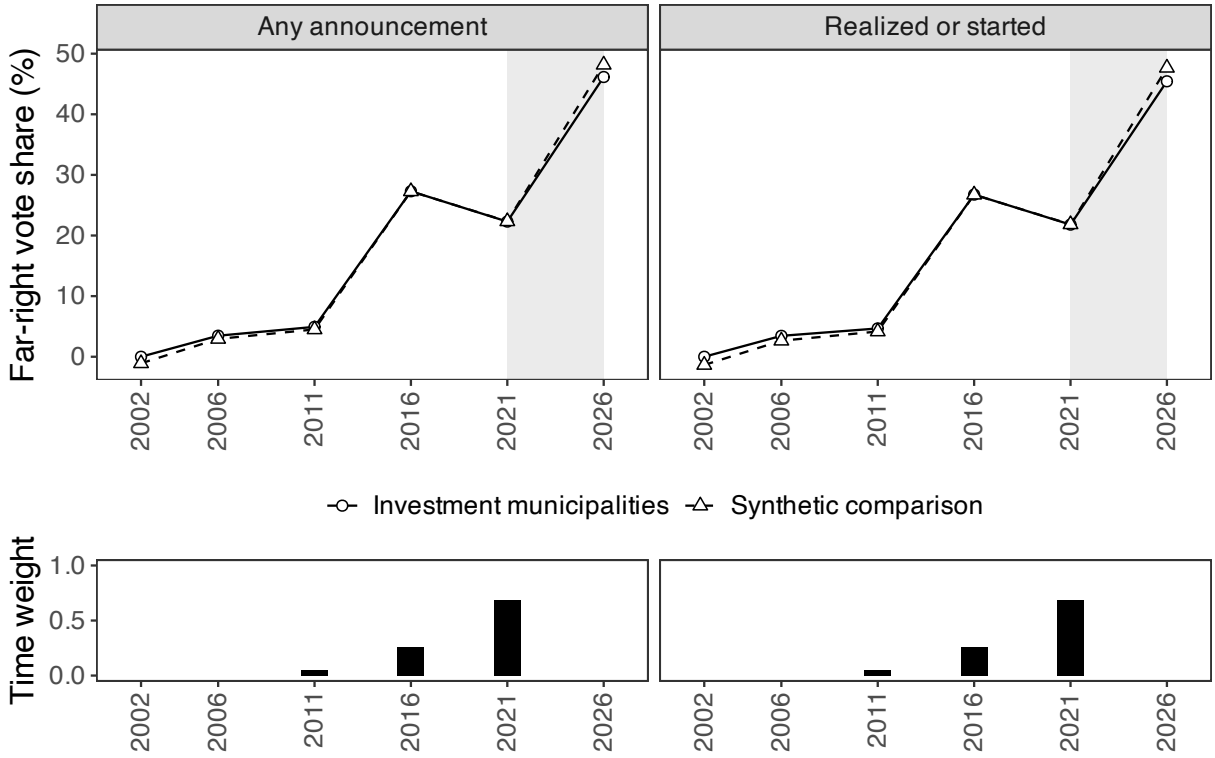

Figure 2: Electoral trajectories and election weights

Notes: Far-right vote shares are equally weighted across investment municipalities. The synthetic comparison is shifted by the SDID pre-election level adjustment. Shading marks 2021–2026; lower panels show election weights.

Beyond far-right support, I further examine votes for other parties and for the state and federal incumbent parties, measured as shares of eligible voters (Appendix B.1). I find suggestive gains for the Greens, while the CDU, SPD and incumbent coalition estimates are imprecise and become smaller after population adjustment. Finally, I emphasize that municipality-level returns cannot show whether the results discussed here reflect (i) mobilization, (ii) demobilization or (iii) switching between parties. To distinguish these explanations, I would need individual-level panel data, which, as of the most recent version of this report, is not available yet.

2.2 Validity checks

I conduct several robustness checks to examine alternative explanations for the smaller far-right gains in investment municipalities. First, private investment may be negatively correlated with changes in AfD support if firms actively avoid places where the party is gaining. I therefore compare prior voting in investment municipalities and their synthetic comparison group (Table A2). I find that AfD support was lower in municipalities that received investments. However, vote share trends between 2016 and 2021 were largely comparable: AfD support fell by about three percentage points in both groups. Trends in

Table 1: Investment announcements and far-right voting

Investment definition	Vote share	Per eligible voter	Investment municipalities	Reduction as % of statewide gain
Any announcement	-2.02***	-2.38***	40	8.8%
	(0.50)	(0.48)		
Realized or started	-2.23***	-2.62***	32	9.7%
	(0.54)	(0.49)		
EUR 50m or more	-2.44***	-2.62***	14	10.6%
	(0.76)	(0.72)		
EUR 100m or more	-2.37**	-2.50**	7	10.3%
	(1.09)	(1.00)		
EUR 500m or more	-3.48*	-4.21**	2	15.1%
	(1.95)	(1.88)		
178 comparison municipalities; five earlier elections				

Notes: SDID effects on far-right shares of valid list votes and votes per eligible voter are in percentage points. Announcements fall between the 2021 and 2026 elections; cancelled projects are excluded. Amount thresholds apply to individual projects. The final column divides the absolute vote share effect by the 23-point statewide gain. Investment municipalities receive equal weight. Standard errors in parentheses use 1,000 municipality placebos. Stars use unadjusted two-sided normal p-values: $^{*}p < 0.10$, $^{**}p < 0.05$, $^{***}p < 0.01$.

the combined vote share of far-right parties were also similar in the two groups. I further test whether recent AfD gains predict subsequent investment announcements using federal and European elections (Table A3). In unadjusted specifications, recent AfD gains are negatively associated with subsequent investment. After economic adjustment, these associations become positive in most specifications. Across elections, I do not find consistent evidence that firms avoid municipalities where AfD support is growing.

Further, I test whether municipalities that later received investment already experienced smaller far-right gains before the announcements. I retain the investment classifications, exclude the 2026 election and re-estimate SDID with 2021 as the outcome election and the four elections from 2002 to 2016 as earlier periods (Appendix A.1). I refer to these estimates as the 2021 placebos throughout the report. I consistently find that the placebo estimates are much smaller than the 2026 estimates across the five investment definitions. Their absolute magnitudes average 35% of the corresponding 2026 estimates for vote share and 53% for votes per eligible voter.

Second, I address the concern that the results depend on individual municipalities. To do this, I separately omit each investment municipality and each of the five highest-weight comparison municipalities and re-estimate the models. All 240 estimates remain negative (Appendix A.3). However, I note that the estimate for investments of at least EUR 100 million is sensitive to the inclusion of Halle.

Third, I examine whether municipality size and prior labor market characteristics account for the electoral differences. Investment municipalities are larger than comparison munici-

palities, and larger municipalities may have resisted the AfD's gains for reasons unrelated to investment. Excluding the three largest cities or adjusting for population reduces the estimated effects, although the estimates remain negative (Appendix A.4). I also add controls for population density, employment and registered unemployment per resident, and prior employment growth. The main vote share estimate is -1.04 percentage points, with most of the reduction coming from population adjustment. The corresponding 2021 placebo intervals include zero under both investment definitions and for both outcomes (Figure A3).

Fourth, I examine whether the results depend on very recent announcements, which leave little time for construction or operation before the election. Excluding announcements in the six months before the election leaves negative estimates (Appendix A.5). With twelve and twenty-four month cutoffs, the announcement vote share estimates remain similar to the main results. The result therefore does not strongly depend on announcements close to the election.

Finally, I test whether the main result is attenuated because some municipalities in the control group are themselves partially exposed to investment. Workers in these municipalities commute to municipalities with investment projects. If this indirect exposure also reduces AfD support, including these municipalities in the control group would lead me to underestimate the investment effect. I therefore re-estimate the main models after excluding control municipalities with documented high commuting exposure to investment municipalities (Appendix A.6). I find that the results remain similar. If anything, the estimated reductions in vote share become slightly larger, while the estimates for votes per eligible voter change little. This pattern is consistent with attenuation through commuting exposure, although the exclusion also changes the composition of the control group. Even the largest point estimate, a reduction of about 2.7 percentage points, remains small relative to the AfD's statewide gain of approximately 23 percentage points.

3 Discussion

Can visible economic growth stop the far right? My evidence from Saxony-Anhalt suggests that visible investment slowed local far-right gains, but the estimated effects are small relative to the party's overall advance. I present new evidence from the 2026 state election, in which the AfD gained approximately 23 percentage points. Empirically, I focus on 86 investment projects announced between the 2021 and 2026 elections, drawing on verified investment records and a panel of municipal electoral returns covering six elections. Using synthetic difference-in-differences, I find that investment reduced far-right vote shares by 2.0 to 3.5 percentage points across definitions based on project status and investment size. The main estimate amounts to about one tenth of the AfD's statewide gain.

In further checks, I find no consistent evidence that investment decisions negatively correlate with prior AfD vote share growth, and additional robustness checks for commuting-related spillovers, announcement timing and the influence of individual municipalities do not overturn the main results. I note that adjusting for population roughly halves the main vote share estimate, which suggests that some of the effect may stem from the fact that investment

tends to occur in larger cities. Additionally adjusting for population density, employment and registered unemployment per resident, and prior employment growth produces little further change (Appendix A.4). Taken together, my results are most consistent with fairly small estimated electoral effects of large private investment. This holds for announcements, projects that had already started or been realized, and projects with very large investment volumes.

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Appendix contents

A Validity checks

A.1 Fit and earlier electoral trends

To assess whether earlier electoral divergence accounts for the results in Table 1, I refit each model using the four elections from 2002 to 2016 and treat 2021 as a placebo. I exclude 2026 entirely and estimate new weights and regularization. In Table A1, I find negative placebo estimates that are smaller than the main estimates. To compare magnitudes, I divide the absolute 2021 placebo estimate by the absolute 2026 estimate for each investment definition and take the unweighted mean separately for each outcome. Subtracting these earlier differences from the 2026 estimates would require assuming that they persisted unchanged.

Table A1: Earlier fit and estimates for the 2021 placebo election

	Vote share		Per eligible voter	
Investment definition	2021 placebo	RMSE	2021 placebo	RMSE
Any announcement	-0.53 (0.44)	0.57	-1.03*** (0.32)	0.60
Realized or started	-0.67 (0.46)	0.74	-1.19*** (0.36)	0.68
EUR 50m or more	-1.03 (0.68)	0.69	-1.72*** (0.51)	0.82
EUR 100m or more	-0.89 (0.93)	0.59	-1.57** (0.70)	0.67
EUR 500m or more	-1.37 (1.76)	0.81	-2.01 (1.28)	0.84

Notes: The 2021 SDID placebos are refitted using four earlier elections; treated 2021 outcomes do not determine weights. RMSE measures the main model's level-adjusted fit over 2002–2021. Values are percentage points, with standard errors in parentheses. Outcomes and inference follow Table 1.

A.2 Political selection into investment

To assess political selection into investment, I compare the preceding AfD vote share and electoral change using the original vote share model's municipality weights. I report AfD-specific returns separately from the historical far-right aggregate used in Table 1. Investment municipalities had lower prior support, but their preceding electoral changes were close to those of the synthetic comparison (Table A2).

Table A2: Prior voting in investment municipalities and their synthetic comparison

	Investment	Comparison	Difference
Any announcement (40 investment municipalities)			
AfD vote share, 2021	22.00	23.12	-1.12
AfD change, 2016–2021	-3.17	-2.94	-0.23
Far-right change, 2016–2021	-5.00	-4.95	-0.05
Realized or started (32 investment municipalities)			
AfD vote share, 2021	21.51	22.89	-1.39
AfD change, 2016–2021	-3.15	-2.93	-0.22
Far-right change, 2016–2021	-4.95	-4.89	-0.06

Notes: Entries are percentage points. Investment municipalities receive equal weight; the 178 comparisons use the original SDID vote share weights. Differences are investment minus comparison. AfD returns are party-specific; the far-right aggregate follows Table 1.

To examine whether political selection accounts for the estimates in Table 1, I test whether recent AfD gains predict subsequent investment. Drawing on municipal returns from GERDA, I examine the 2021 federal, 2024 European and 2025 federal elections separately. For each election, I regress an indicator for subsequent investment jointly on AfD vote share and its change since the preceding election of the same type. I estimate each model with and without the five economic controls described in Appendix A.4, using 2020 levels and employment growth between 2016 and 2020. I include investment municipalities only when their earliest qualifying announcement definitely follows the index election. This reduces the 40 announcement municipalities to 33, 15 and 12 across the three elections; the corresponding started or realized samples fall from 32 to 25, eight and five. All models retain the original 178 comparison municipalities.[4]

The estimates vary across elections and adjustment choices (Table A3). The negative growth coefficients following the 2021 federal election become positive after economic controls. Growth coefficients following the later elections are imprecise, and the adjusted coefficients on the level of AfD support are also statistically insignificant. I do not find consistent evidence that firms avoid municipalities where AfD support is growing.

[4]For these checks, I use nine project announcement dates established by an additional source audit. Five municipalities retain unresolved earliest announcement dates and are excluded. Other investment municipalities never enter the comparison group. Election returns and economic controls are observed for every municipality meeting these timing rules.

Table A3: Recent AfD gains and subsequent investment

	Investment	AfD change		AfD level	
Election	municipalities	(1)	(2)	(1)	(2)
Any subsequent announcement					
Federal 2021	33	−13.27***	9.81**	−5.80*	−0.66
		(4.45)	(4.37)	(3.44)	(3.12)
European 2024	15	−4.24*	2.07	−3.74	−3.05
		(2.56)	(2.03)	(2.54)	(2.87)
Federal 2025	12	−5.50	−3.13	−3.13	−2.01
		(3.66)	(3.60)	(2.64)	(2.80)
Subsequent announcement, realized or started by September 2026					
Federal 2021	25	−13.48***	7.31**	−6.23*	−1.89
		(3.79)	(3.66)	(3.26)	(3.01)
European 2024	8	−2.43	2.05	−2.66	−2.60
		(1.52)	(1.38)	(2.39)	(2.72)
Federal 2025	5	−1.89	0.02	−2.03	−2.06
		(2.67)	(3.11)	(2.58)	(2.89)
Economic controls		No	Yes	No	Yes

Notes: Linear probability coefficients give the percentage-point difference in subsequent investment probability for five points of AfD support or prior change. Each model includes level and change jointly. Municipalities receive equal weight; adjustment variants use identical samples. HC3 standard errors are in parentheses. Stars use unadjusted two-sided normal p-values: * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

A.3 Dependence on individual municipalities

To examine whether individual municipalities drive the results in Table 1, I omit each investment municipality and, separately, each of the five comparisons with the largest original weights in each model. I refit SDID after every omission. All 240 estimates remain negative (Figure A1). I exclude Intel's cancelled project from treatment. Omitting Magdeburg, which has other eligible projects, changes the main vote share estimate from −2.02 to −1.85 percentage points. The main model's comparison weights are dispersed, with approximately 174 effective comparison municipalities out of 178.[5]

For the EUR 500 million definition, the investment sample contains only Halberstadt and Wittenberg. Omitting either leaves one investment municipality and all 178 comparisons. With Halberstadt alone, I estimate −3.17 percentage points for vote share and −4.10 per eligible voter; with Wittenberg alone, the estimates are −3.79 and −4.19, respectively. The EUR 100 million estimate is sensitive to Halle: omitting the city reduces the vote share effect from 2.37 to 0.82 percentage points in absolute value.

[5]The effective number is $1/\sum_{i \in \mathcal{C}} \widehat{\omega}_i^2$; it equals the comparison sample size when weights are equal.

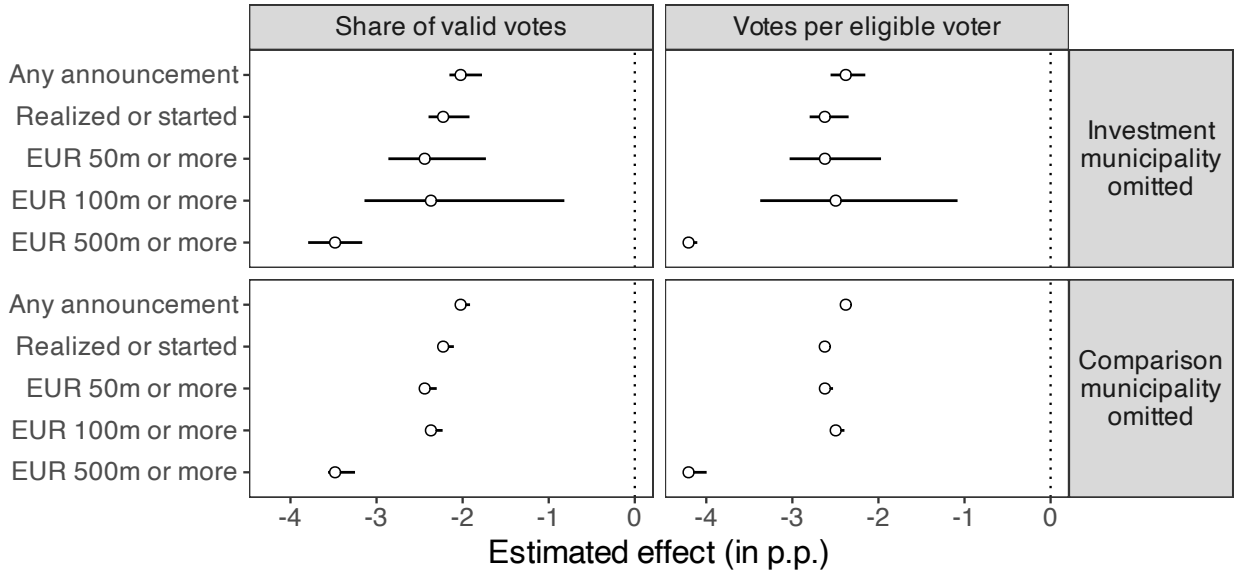

Figure A1: Estimates after omitting individual municipalities

Notes: SDID estimates are refitted after omitting each investment municipality or one of the five highest-weight comparisons. Circles mark main estimates; lines span omission estimates, not confidence intervals. Effects are percentage points; outcomes and investment definitions follow Table 1.

A.4 Population and economic adjustment

I examine whether the effects reflect greater resistance to the AfD in urban areas. Using 2021 population, I exclude Halle, Magdeburg, and Dessau-Roßlau together and, separately, adjust 2026 outcomes for the comparison municipalities' relationship between log population and electoral change since 2021. I then refit SDID. Both checks retain all 178 comparisons. Population measures municipality size, not density or urban status. Excluding cities changes which municipalities the estimates describe. All eleven largest municipalities have investment announcements, so the data offer limited comparisons for these cities. In Figure A2, the main vote share estimate remains negative but becomes substantially smaller under both checks.

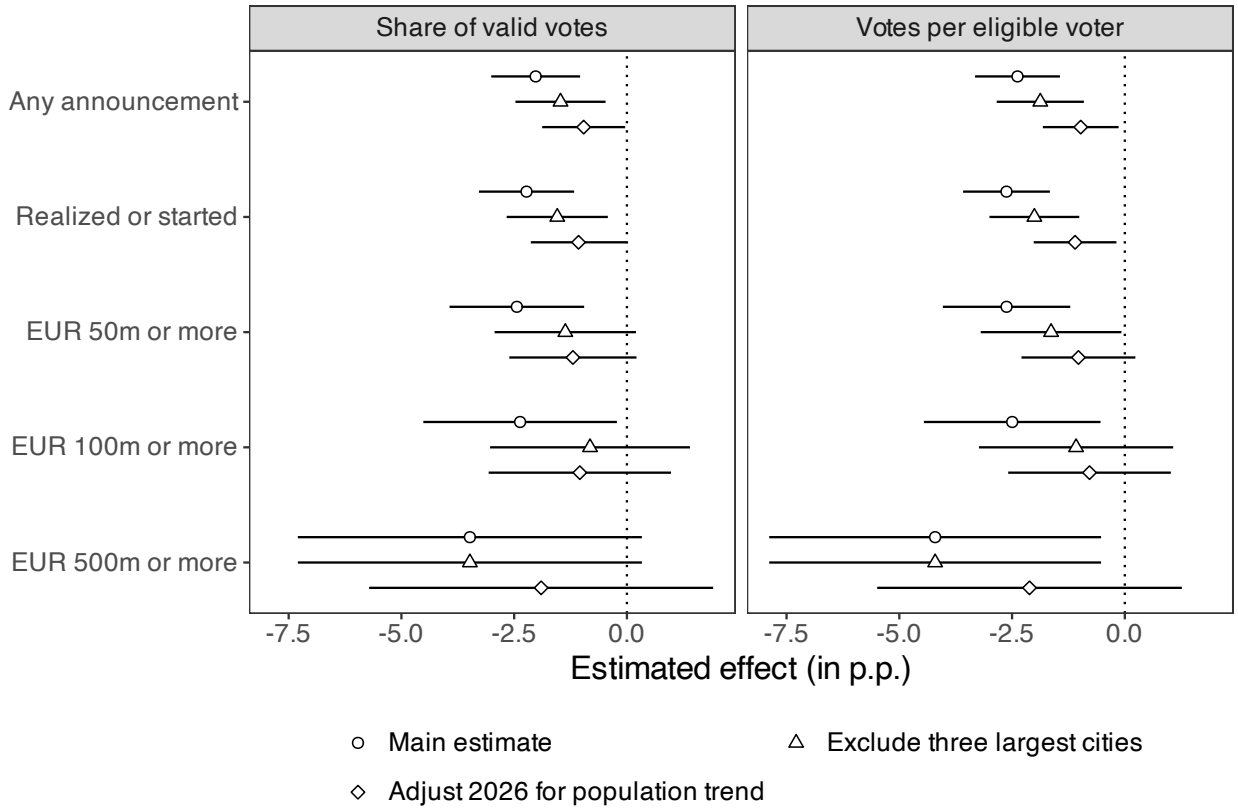

Figure A2: Sensitivity to municipality size

Notes: SDID effects are in percentage points. Population adjustment uses the comparison-group relationship between log 2021 population and subsequent electoral change, extrapolating to larger municipalities. Pointwise 95% intervals use 1,000 municipality placebos, refitting the adjustment in each draw. Outcomes follow Table 1.

I extend the population adjustment to assess whether earlier economic conditions and voting account for the differences in Table 1. The economic covariates are log population and density, employed residents and registered unemployed per resident, and preceding growth in resident employment. In a separate sensitivity check, I also add the preceding far-right vote share and its change since the prior election. I estimate the relationship between these covariates and electoral change among comparison municipalities. I use that relationship to adjust outcomes in the election being evaluated, leaving earlier outcomes unchanged, and then refit SDID. All variants retain 40 announcement or 32 started/realized municipalities and the original 178 comparisons.

For 2026, economic levels refer to 2020 and employment growth to 2016–2020; political measures use 2021 support and its change since 2016. For the held-out 2021 exercise, the corresponding years are 2015 and 2011–2015 for economic conditions, and 2016 and 2011–2016 for voting. Employment is social-insurance employment by residence; registered unemployment is the annual average. Population is from official municipal statistics, and density uses municipal polygon area in an equal-area projection. Labor-market covariates come from the Federal Employment Agency's Arbeitsmarkt kommunal. For the 2026 estimates, Figure A3 uses 2020 population, whereas the separate municipality-size check in Figure A2 uses 2021 population.

The economic adjustment reduces the electoral estimates, but all 2026 estimates shown remain negative and statistically significant at the 5% level (Figure A3). Adding electoral history changes the 2026 vote share estimates only modestly, to -0.89 percentage points (95% CI: $[-1.85, 0.08]$) for announcements and -0.98 ($[-2.02, 0.07]$) for started or realized projects. The largest reduction occurs with population adjustment.

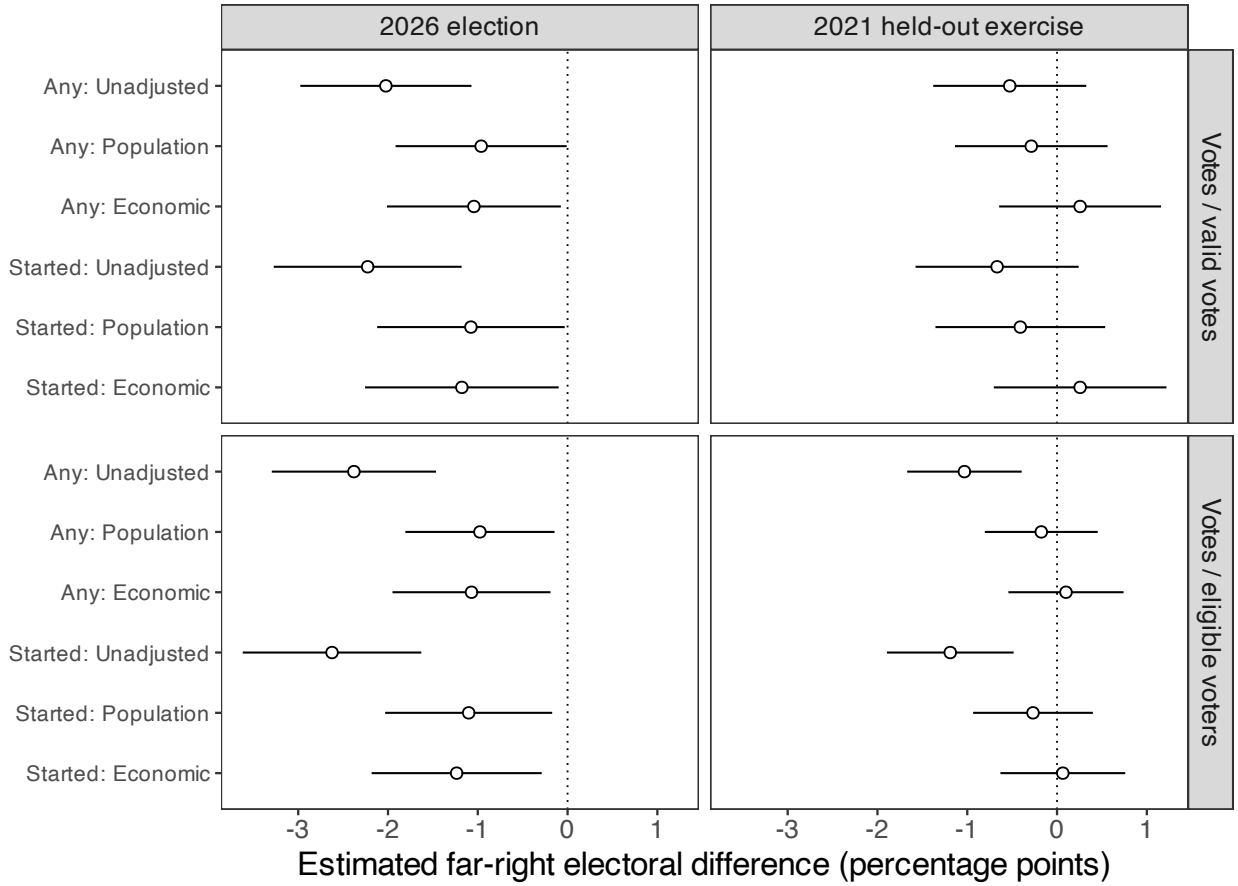

Figure A3: Electoral estimates after population and economic adjustment

Notes: SDID effects are in percentage points. Adjustment variants use identical samples and equally weighted investment municipalities. Pointwise 95% normal intervals use 1,000 municipality placebos, refitting adjustments and both weight sets. The 2021 exercise excludes later outcomes and covariates. Outcomes and investment definitions follow Table 1; covariate dates are given in Appendix A.4.

A.5 Alternative investment samples

To assess whether additions to the export or recent announcements drive the results in Table 1, I separately restrict the analysis to corrected original-export records and announcements before March 6, 2026. The estimates remain negative under both restrictions (Table A4).

Table A4: Estimates using alternative investment samples

Investment definition	Vote share	Per eligible voter	Municipalities
Corrected original export only			
Any announcement	-2.21***	-2.43***	29
	(0.56)	(0.51)	
Realized or started	-2.48***	-2.64***	19
	(0.63)	(0.64)	
Announcements before March 6, 2026			
Any announcement	-1.94***	-2.37***	35
	(0.53)	(0.48)	
Realized or started	-2.30***	-2.73***	29
	(0.56)	(0.51)	

Notes: SDID effects are in percentage points. All models retain 178 comparisons; excluded investment municipalities never become controls. Standard errors in parentheses use 1,000 municipality placebos. Outcomes and stars follow Table 1.

I further restrict announcements to dates strictly before September 6, 2025 or September 6, 2024. One year-only 2024 announcement crosses the latter cutoff; Table A5 reports both classifications. The table gives the investment sample sizes, and all variants retain 178 comparisons. The 2026 estimates remain negative throughout. All six vote share placebo intervals include zero, while five of six eligible-voter placebo intervals lie below zero. These cutoffs compare different investment cohorts, not the effect of an additional year of exposure. An early announcement does not establish that a project operated throughout the interval.

Table A5: Electoral estimates with earlier announcement cutoffs

		2026		Held-out 2021	
Cutoff	Treated	Vote share	Per eligible	Vote share	Per eligible
Any announcement					
		−2.19***	−2.58***	−0.33	−0.94***
12 months	31	(0.55)	(0.51)	(0.46)	(0.35)
		−2.54***	−2.65***	−0.33	−0.85**
24 months: definite	20	(0.66)	(0.63)	(0.56)	(0.43)
		−2.30***	−2.52***	−0.31	−0.78*
24 months: possible	21	(0.61)	(0.61)	(0.58)	(0.42)
Realized or started					
		−2.47***	−2.89***	−0.60	−1.07***
12 months	27	(0.57)	(0.55)	(0.51)	(0.38)
		−2.80***	−3.02***	−0.71	−1.07**
24 months: definite	19	(0.67)	(0.64)	(0.58)	(0.43)
		−2.53***	−2.87***	−0.67	−0.99**
24 months: possible	20	(0.64)	(0.61)	(0.57)	(0.44)

Notes: SDID effects are in percentage points. The possible 24-month sample includes one uncertain 2024 announcement; the definite sample excludes it. Investment municipalities receive equal weight; all 178 comparisons remain. Standard errors use 1,000 municipality placebos. The 2021 exercise excludes later outcomes. Outcomes and stars follow Table 1.

A.6 Commuting exposure

I examine commuting exposure in two ways. First, I compare municipalities without direct investment that have higher and lower commuting exposure, using 2024 flows (Table A6). Second, I re-estimate the direct investment effects after excluding comparisons with documented high exposure in June 2020 (Figure A4). The largest negative vote share estimate occurs at the highest tested exposure cutoff, at −1.03 percentage points. However, I also find a positive estimate of 0.88 points for votes per eligible voter at the 40% cutoff, with a confidence interval excluding zero. Eleven of the twelve intervals include zero. Taken together, these estimates provide inconclusive evidence on commuting spillovers.

Table A6: Commuting exposure to investment municipalities

Cutoff	Vote share [95 % CI]	Per eligible voter [95 % CI]	Exposed	Comparison
10%	-0.06 [-1.21, 1.09]	0.28 [-0.83, 1.40]	145	33
20%	0.01 [-0.83, 0.85]	0.46 [-0.32, 1.24]	105	73
30%	-0.34 [-1.73, 1.05]	0.31 [-0.95, 1.56]	79	99
40%	0.31 [-0.67, 1.30]	0.88** [0.02, 1.74]	45	133
50%	-0.31 [-1.84, 1.23]	0.15 [-1.34, 1.64]	14	164
55%	-1.03 [-2.96, 0.91]	-0.35 [-2.29, 1.58]	8	170

Notes: SDID compares municipalities without direct investment above and below each commuting cutoff. Exposure is the share of resident workers commuting to investment municipalities. The 2024 data cover ten destinations per municipality and may understate exposure. Brackets show 95% intervals from 1,000 municipality placebos, except at 10% and 20%, which use the jackknife. Outcomes and stars follow Table 1.

To assess whether commuting exposure among comparison municipalities affects the main estimates, I exclude municipalities whose June 2020 commuting exposure lower bound exceeds 20%. Exposure is the share of employed residents working in any of the 40 investment municipalities. Suppressed or incomplete flows prevent exact classification in some municipalities. I exclude a comparison only when the observed flows establish that more than 20% of its employed residents work in investment municipalities. This restriction removes 103 of the original 178 comparisons. The remaining 75 include 19 with exposure demonstrably at or below 20% and 56 with uncertain classifications. I retain the original investment municipalities and refit the main specification. All four 2026 estimates remain negative and statistically significant, while the four corresponding 2021 placebo intervals include zero. The main result therefore does not depend on including comparisons with documented high commuting exposure.

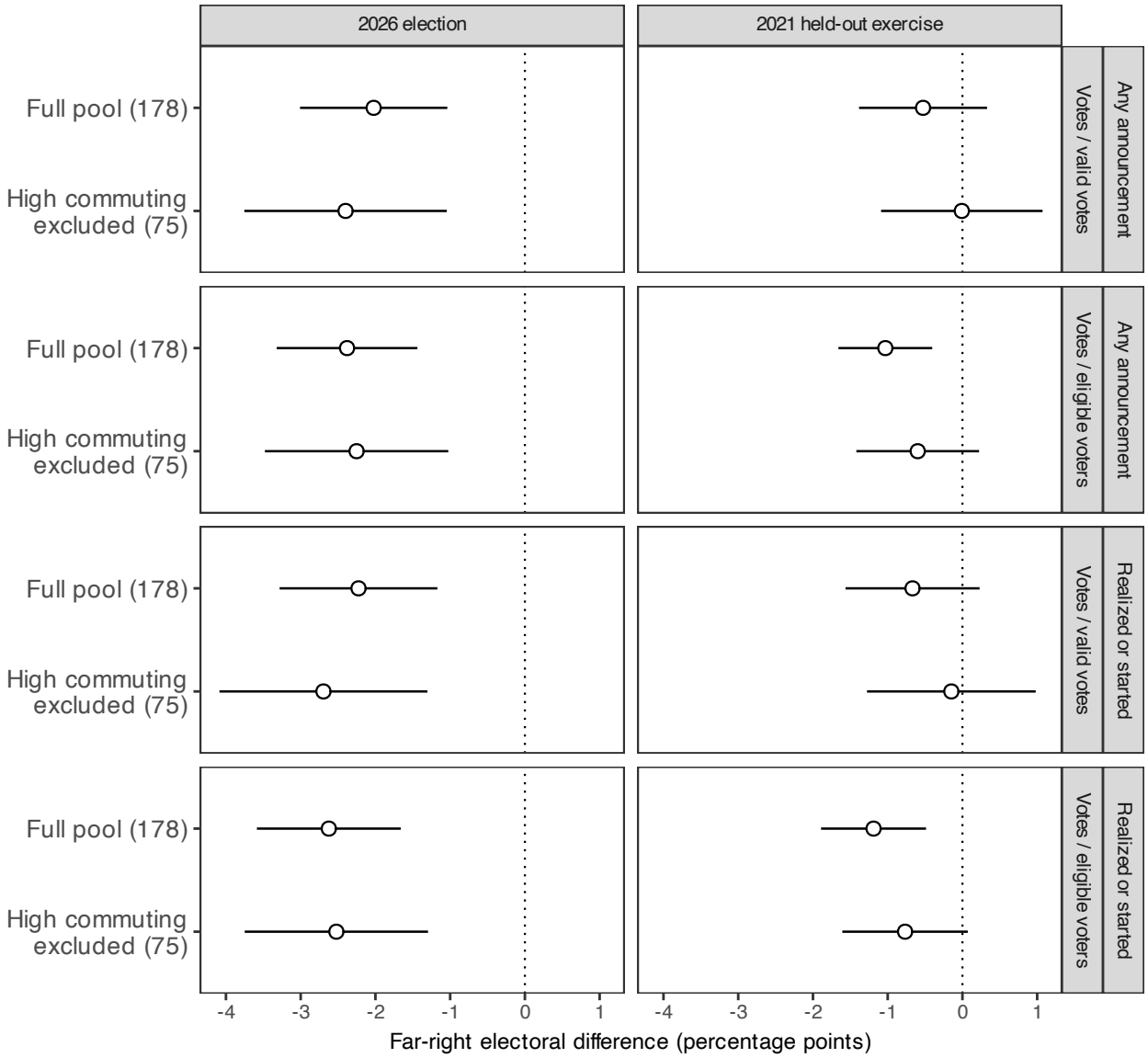

Figure A4: Electoral estimates after excluding high-commuting comparisons

Notes: SDID effects are in percentage points. Excluding comparisons with a June 2020 exposure lower bound above 20% leaves 75 of 178, including 56 with uncertain exposure. Investment municipalities receive equal weight. Pointwise 95% normal intervals use 1,000 municipality placebos, refitting both weight sets. Outcomes and investment definitions follow Table 1.

B Additional analyses

B.1 Party votes and incumbent support

I extend the analysis in Table 1 to individual parties and the combined support of state and federal incumbent parties, measuring votes as a share of eligible voters. All outcomes use the municipality and election weights from the far-right-votes-per-eligible model. For each target election, I identify the parties governing immediately beforehand and sum those same parties' votes in every earlier election, regardless of who governed at the time. Figure A5 presents estimates under both investment definitions, before and after population adjustment, together with the corresponding 2021 placebo estimates.

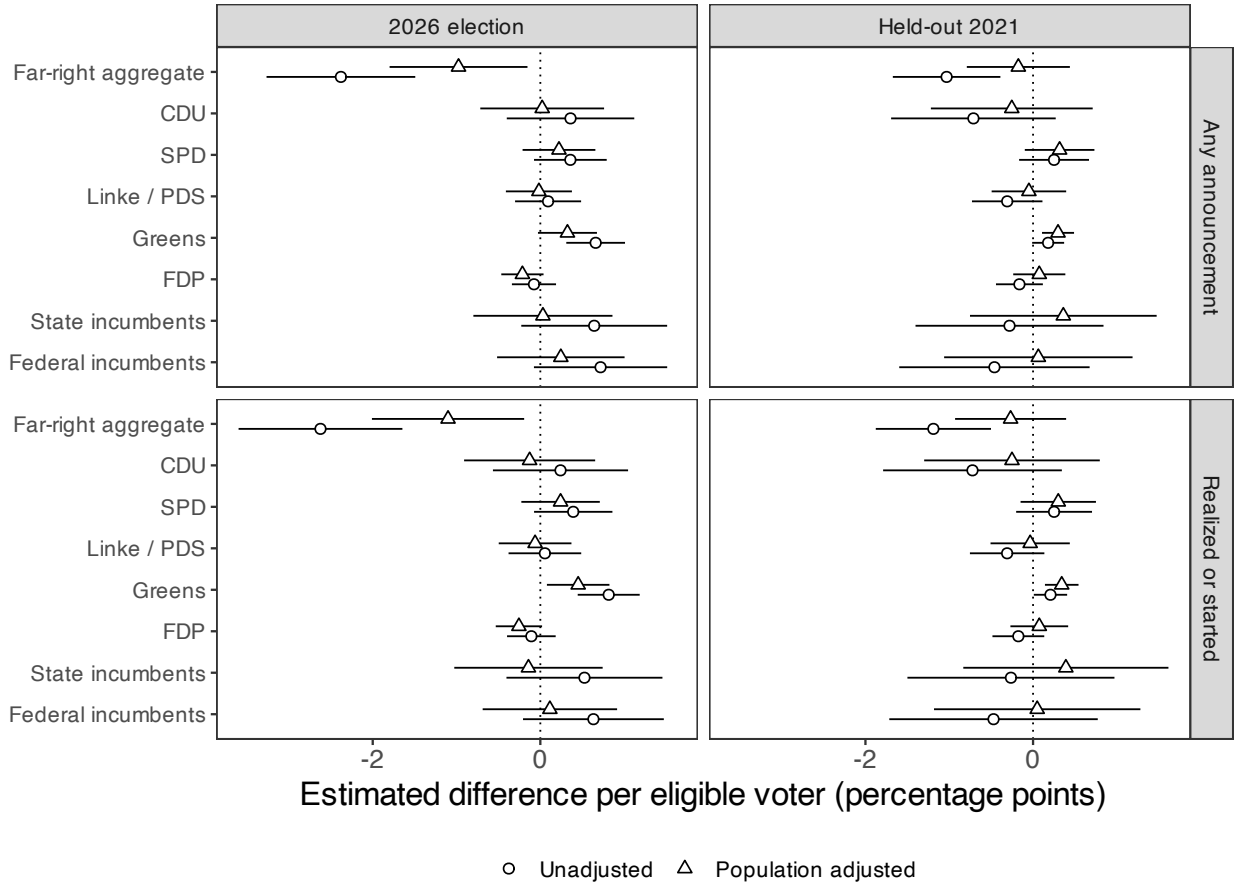

Figure A5: Party votes and incumbent support

Notes: SDID effects are percentage points of eligible voters. State incumbents are CDU/SPD/FDP for 2026 and CDU/SPD/Greens for 2021; federal incumbents are CDU/SPD in both. Membership stays fixed across earlier elections. All outcomes share the far-right model's weights. Population adjustment uses 2020 for 2026 and 2015 for 2021. Pointwise 95% normal intervals use 1,000 shared municipality placebos, refitting adjustments and weights and summing party effects within draws. The 2021 exercise excludes 2026.

B.2 Historical investment comparisons

To put project scale in perspective, I compare total project budgets in Halle and Dessau-Roßlau with average annual industrial investment during 2016–2020. Systematic public data on private investment are not available for all municipalities in the sample. The industrial statistics cover manufacturing and mining within the official survey's reporting population. Project budgets cover the entire investment, rather than expenditure realized before the election. All comparison amounts are expressed in 2020 euros using the national gross fixed capital formation deflator.[6]

[6]Sources: official investment reports and the national gross fixed capital formation deflator.