

# The political economy of asset ownership: Evidence from the global power sector\*

Philip Fliegel<sup>†</sup>, Achim Hagen<sup>‡</sup>, Alex Stomper<sup>§</sup>

January 16, 2026

## Abstract

In this paper, we investigate how political shocks affect asset ownership in the global power sector. Therefore, we gather a unique dataset on 2 million global power plant-year observations including ownership information over time. In a difference-in-differences setting on the power plant level, we leverage the highly surprising first presidential election of Donald Trump as a quasi-exogenous change of the political orientation in the U.S. We find that foreign investors are more likely to sell brown US power plants to home-investors compared to a control group of global power plants. The effect is sizeable: the likelihood of this asset transaction increases by more than 8 percentage point for a given power plant, relative to the control group. Conversely, home investors buy less green US power plants after the election shock, while foreign investors from liberal countries increase green power plant purchases. We explain our results by the interplay between the political distance of different investor groups to the new US ideology, as well as the transition risk of the power plants.

**Keywords:** Political risk, climate transition risk, power plants, DiD, NLP

---

\* We thank Daniel Streitz, Tobias Berg, Waldermar Marz, Tobias Tröger, Suphi Sen, Karol Kempa, Marie-Theres von Schickfus, Costanza Tomaselli, Anne Schönauer, Lukas Rischen, Marc Bohnet and participants of the Financial Regulation Going Green 2025 workshop and the IWH Halle-HU Junior Seminar in Finance for helpful comments and suggestions. We thank Brielle Wels, Biswajit Palit, Cosima van Mierlo and Linus Pfeiffer for great research assistance. We acknowledge funding by the German Federal Ministry of Education and Research (BMBF) under grant 01UU2205A.

<sup>†</sup> Humboldt University Berlin - PECan. E-mail: [philip.fliegel@hu-berlin.de](mailto:philip.fliegel@hu-berlin.de).

<sup>‡</sup> Humboldt University Berlin - PECan. E-mail: [achim.hagen@hu-berlin.de](mailto:achim.hagen@hu-berlin.de).

<sup>§</sup> Humboldt University Berlin. E-mail: [alex.stomper@hu-berlin.de](mailto:alex.stomper@hu-berlin.de).