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ELECTORAL TURNOVERS

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ABSTRACT

In most national elections, voters face a key choice between continuity and change. Electoral turnovers occur when the incumbent candidate or party fails to win reelection. To understand how turnovers affect national outcomes, we study all presidential and parliamentary elections held globally between 1946 and 2018. We document the prevalence of turnovers over time and estimate their effects on economic performance, human development, and the quality of democracy. Using a close-elections regression discontinuity design across countries, we show that turnovers improve country performance, especially in settings with weaker constraints on the executive. To explain these positive effects, we explore how electoral turnovers shape policy decisions, affect leader characteristics, reduce perceived corruption, and foster accountability.

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1 Introduction

In most societies, voting incumbents out is the only mechanism allowing citizens to peacefully replace their country's leadership. For this reason, electoral turnovers are fundamental to democracy, which Przeworski (1991) characterized as "a system in which parties lose elections." Despite this, economists have given little attention to the consequences of turnovers at the national level. Assessing the costs and benefits of turnovers is particularly relevant to current debates prompted by democratic backsliding and the rise of populism in many countries (Levitsky and Ziblatt, 2019; Guriev and Papaioannou, 2022).

This paper asks how power transitions caused by national elections shape country performance. Jones and Olken (2005) showed that, in autocracies, new leaders appointed after the death of their predecessor can change the growth trajectory of nations. Turnovers could give new impetus to a country's performance by bringing to power new leaders facing stronger incentives to perform (Persson and Tabellini, 2002; Ashworth, 2005; Ferraz and Finan, 2011). At the same time, the loss of political experience (Alt et al., 2011), the personnel instability (Akhtari et al., 2022), and the policy uncertainty (Alesina et al., 1996; Horowitz et al., 2009) induced by turnovers could be detrimental to economic performance.

To explore the impacts of power transitions caused by elections, we build a new dataset of national election results. Our dataset includes all presidential and parliamentary elections held around the world between 1946 and 2018. We estimate the impact of electing a challenger versus that of reelecting the incumbent on several dimensions of country performance, using a regression discontinuity design (RDD) across countries. Electoral turnovers are not random events and in particular may be more likely to occur after an economic downturn, making it difficult to attribute post-election differences in performance to the electoral outcome (Brender and Drazen, 2008; Fair, 2009; Nunn et al., 2018). By focusing on close elections in which the incumbent narrowly won or lost, our empirical strategy seeks to address this concern. Our paper is among the first to implement a close-elections RDD in a cross-country setting, a demanding empirical exercise which required assembling the largest possible database of national election results through a systematic process of identifying and validating available data sources.[1]

We define an electoral turnover as an electoral defeat of the incumbent candidate or party, namely an election where the candidate of the incumbency fails to secure a plurality of votes (in presidential elections) or a plurality of seats (in parliamentary elections). We identify an incumbent candidate or party across 2,489 national elections, including 1,817 parliamentary elections and 672 presidential elections. These elections constitute the main sample for our analysis. Figure 1 shows the worldwide prevalence of electoral turnovers since 1945. Importantly, our analysis distinguishes between *electoral turnovers* (electoral defeats of the incumbent, which may or may not lead to a change of leadership) and changes in the leadership of the executive branch resulting from elections. We refer to the latter as *executive turnovers.*

Our identification strategy assumes that elections won by incumbents are ex ante comparable to elections won by challengers. One important concern involves the potential ability of incumbents to manipulate election results. Under such manipulation, any effects of turnovers on performance could be driven by unobservable differences between elections that lead to a turnover, and those that do not. We present various identification checks to validate our empirical strategy, including the density test from

[1]One exception is Girardi (2020), who estimates the stock market impacts of partisanship across 758 national elections. Others have implemented close elections RDDs using data from local elections across multiple countries (e.g., Anagol and Fujiwara, 2016; Granzier et al., 2023).

Cattaneo et al. (2018) to detect electoral manipulation in close elections, and the permutation test from Canay and Kamat (2017). We also show that a range of baseline covariates are continuous across the RD cutoff, and we obtain similar results using the randomization inference procedure from Cattaneo et al. (2015). With these identification checks and our discussion of the challenges associated with estimating a RDD across countries, we extend to a cross-country setting the literature discussing the validity of RDDs in close elections (e.g., Eggers et al., 2015). While local elections have been the focus of close-elections RDDs, national elections are allegedly more consequential for the economic and democratic trajectory of countries, as national leaders have more policy tools at their disposal than local leaders.

Turnovers potentially affect a large number of outcomes. We first focus on four economic indicators that are natural measures of a country's performance (GDP per capita growth, inflation, unemployment, and trade intensity). We then ask whether the economic impacts of turnovers affect citizens' welfare, which we quantify in terms of human development. Finally, we check that the economic effects of turnovers are not overshadowed by a deterioration of democratic quality. To minimize the risk of finding false positives, we follow Kling et al. (2007) to compute an index of economic performance combining the four outcomes above, as well as a general index of performance combining economic performance with human development and the quality of democracy. To construct these indicators, we identified relevant variables from a variety of administrative sources, prioritizing sources with the best reliability and coverage.[2] Our main outcomes of interest are the changes in our measures of country performance over a typical four-year election cycle. For ease of interpretation, we normalize these outcomes such that estimates can be interpreted in terms of their standard deviation.

We first show that electoral turnovers improve performance along several dimensions, resulting in a 0.27 standard deviation (SD) improvement in economic performance, with the largest benefits measured on inflation and trade, and a 0.28 SD increase in our general index of performance. These positive effects are large in magnitude, robust to a range of robustness checks, and materialize gradually over time. The impact on performance tends to be larger in settings where governments face weaker constraints, namely in presidential elections, when checks and balances on the executive are weaker, when more power is vested in the executive leader, and in less democratic regimes. However, the point estimates are positive in all these subsamples, and differences across subsamples are generally non-significant. We then show that the effects of electoral turnovers are partly driven by *executive* turnovers in both presidential and parliamentary systems. In the latter, a defeat of the incumbent party leads to a discontinuous jump in the probability of an executive turnover. Having documented this relationship, we show that executive turnovers improve a country's index of performance by 0.34 SD. Overall, these results provide consistent evidence that changes in leadership caused by elections improve country performance.

One question raised by our approach is whether the positive impacts of turnovers only hold for close elections or extend to all national elections. Incumbents who struggle to win reelection may be worse performers than the average incumbent, and weak incumbents may encourage the strategic entry of high-quality challengers (Gordon et al., 2007; Ban et al., 2016). By focusing on close national elections, we might therefore be comparing unobservably low-quality incumbents to high-quality challengers. As long as the quality of incumbents and that of challengers do not jump discontinuously at the RD cutoff,

[2]Our focus is on outcomes measured one to four years after the election. We do not study the short-run response of financial markets, which has been explored by papers studying the left-right divide (Snowberg et al., 2007; Girardi, 2020).

this is not a concern in terms of identification of our main parameter of interest: how the election of a new leader or new party shapes country performance. However, it could mean that turnovers improve performance only when elections are close to begin with.

We conduct several exercises to show that the positive effect of turnovers likely extends away from the RD cutoff. First, we show that OLS estimates of the impacts of turnovers are also positive, even when we consider elections that are less close. Second, we look at a subsample of national elections involving "unlucky incumbents," namely elections conducted in a context of unfavorable global oil prices. These close elections likely occurred not as a result of poor incumbent performance, but due to global macroeconomic circumstances outside the incumbent's control (Arezki et al., 2022). We show that our main results largely hold in such contexts. Third, we implement the procedure from Angrist and Rokkanen (2015) to show that the effects of turnovers on performance are slightly smaller but remain positive and sizeable away from the RD cutoff, and thus are not just driven by election closeness.

We explore potential mechanisms behind these shifts in performance. First, the effects of turnovers on country performance appear driven in part by changes in policies: the effect of electing challengers on a measure of change in government intervention is 0.20 SD, which falls just short of statistical significance. Second, we ask whether the effects of turnovers result from a higher probability that leaders with different characteristics come into power, in line with citizen-candidate models (Osborne and Slivinski, 1996; Besley and Coate, 1997). Recent work shows how certain types of leaders have affected national performance throughout history (Dube and Harish, 2020; Ottinger and Voigtländer, 2021; Funke et al., 2023). However, we show that elected challengers are not disproportionately more left-wing, more populist, less liberal, or younger than reelected incumbents. We also find little evidence that the quality of elected leaders (proxied by subsequent electoral performance) jumps discontinuously after a turnover, and we show that our results hold when we restrict the sample to either challengers who never previously won an election or challengers who did, and who may be of higher quality.

Finally, we show that turnovers reduce perceived corruption and improve governance measured across different data sources. These effects increase over time: challengers become relatively less corrupt than reelected incumbents over the course of the subsequent term.[3] Building on insights from the literature on political agency (Besley, 2007), we conclude that mechanisms related to reputation and reelection concerns likely contribute to explain our results, together with related forces such as learning in corruption, delayed corruption, and a general erosion of power taking place after many years spent in office. Turnovers improve performance by helping to replace poorly incentivized and low-performing incumbents with new national leaders facing greater incentives to prove themselves to their electorate. This can also explain why the effects of turnovers are slightly larger close to the RD threshold: narrowly reelected incumbents may be more likely to expect an impending electoral defeat and thus face lower incentives to perform, relative to incumbents reelected with a wide margin.

By providing the first estimates of the impact of national electoral turnovers, our paper relates to the literature on the economic impacts of democracy. Others have shown that democratization affects the pace of policy reforms (Papaioannou and Siourounis, 2008; Giuliano et al., 2013) and economic growth (Rodrik and Wacziarg, 2005; Acemoglu et al., 2019). We show that democracy is not a sufficient condition

[3]One explanation for this could be constitutional term limits, which are generally more binding for reelected incumbents than for first-term leaders. Term-limited leaders likely face fewer incentives to perform well (Ferraz and Finan, 2011; Fouirnaies and Hall, 2021). However, we show that our results are unlikely to simply be driven by term limits (see Section 5.3).

to deliver good performance: the latter also requires a competitive electoral system allowing citizens to periodically replace their country's leadership. Furthermore, many regimes classified as hybrid or populist also hold elections (Guriev and Treisman, 2019). We focus on a phenomenon, electoral turnovers, which occurs across different types of political regimes.[4] By studying the impact of power transitions induced by elections, our results extend beyond the literature on the impacts of democratization.

Our results can also be interpreted in light of Olson (1984)'s seminal argument, itself echoing Hegel (1820), that stable societies eventually experience institutional sclerosis and economic stagnation, unlike societies that undergo deep structural changes as a result of wars and revolutions. While our analysis focuses primarily on power transitions occurring within a given set of institutions and political regime, it is possible that electoral turnovers also trigger a reshuffling of the governing elite and impede the formation of "distributional coalitions" which, in Olson's view, could undermine economic efficiency.

The paper proceeds as follows. We describe our data and empirical strategy in Sections 2 and 3, respectively. Section 4 presents our main results and Section 5 discusses mechanisms. Section 6 concludes.

2 Key Data Sources

Our dataset combines the results of all presidential and parliamentary elections conducted worldwide since World War II with detailed data on economic performance, policy outcomes, leader characteristics, and regime types. This section describes our approach; the Data Appendix provides additional details.

2.1 Data on Elections, Leaders, and Institutions

Elections and electoral results. Our complete dataset contains 4,072 national elections, including 1,110 presidential elections and 2,962 parliamentary elections. The latter include all unicameral parliaments and the lower chamber of bicameral parliaments in both presidential and parliamentary systems. To construct this database, we first identify all national elections held between 1946 and 2018 using the Varieties of Democracy (V-Dem) database (Coppedge et al., 2021) as our primary source. We complement V-Dem with the Parliaments and Governments (PARLGOV) database, the Manifesto Project, several handbooks by Dieter Nohlen and coauthors, the Database of Political Institutions (DPI), the Global Elections Database, and the Constituency-Level Elections Archive. Data Appendix A describes this data construction.

We then search for the results of each election. For this step, we rely on the aforementioned sources as well as Adam Carr's Psephos election archive, the African Elections Database, the European Elections Database, the Political Database of the Americas, the Inter-Parliamentary Union PARLINE database, the International Institute for Democracy and Electoral Assistance (IDEA) database, the International Foundation for Electoral Systems (IFES) election guide, and the National Archives presidential elections database. We prioritize sources which cover more elections, show fewer inconsistencies, and have been used more often in previous work.[5] Appendix Figure B.1 shows a comparison between our sample and preexisting databases as well as the number of elections collected from each source.

[4] Importantly, electoral turnovers are not associated with more democratization episodes or democratic reversals, and they also improve country performance when the election does not coincide with a regime change.

[5] Academic sources are lacking or incomplete for 13.7% of elections. In these cases, we collect the results from Wikipedia.

We collect data on vote shares for presidential elections and seat shares for parliamentary elections. We then systematically check data consistency within each source (Data Appendix A.4). In collecting parliamentary election results, we take into account the existence of ex ante coalitions officially formed before the election, as described in Section 3.1 and Data Appendix A.3. Overall, we retrieve election results for 97% of presidential elections and 97% of parliamentary elections identified in the first step.

Leaders and their parties. We link election results with information on leaders and political parties. First, we identify a head of state and a head of government for each country-year in our data (Data Appendix B). We then associate parties in our database of election results with parties in V-Parties, another dataset provided by V-Dem and containing various measures of party ideology (Data Appendix C). To retrieve data on the age of candidates, we link parties with their leaders, and we link these leaders as well as candidates in presidential elections with demographic information from their Wikidata pages.

Institutions and regimes. We also retrieve data on the regimes and rules under which elections take place. First, we divide the modern history of each country into regimes, allowing us to understand the role of each election (Data Appendix D). Second, we determine whether each election led to the nomination of a head of state, a head of government, or none of the two. Data Appendix E describes the rules used to determine the role of each election, as well as data quality checks. Third, we rely on the Comparative Constitutions Project (Elkins et al., 2021) to identify term limits (Data Appendix F).

2.2 Data on National Outcomes

In our analysis, we estimate the impact of electoral turnovers on measures of country performance falling into three broad categories: economic performance, human development, and the quality of democracy.[6] A detailed description of the rules we used to select these outcome variables is provided in Data Appendix G. Here, we provide a brief description.

To measure economic performance, we use four authoritative indicators: GDP per capita growth from the Penn World Tables (Feenstra et al., 2015),[7] CPI inflation from the IMF, the unemployment rate from the ILO, and trade intensity, defined as the total value of imports and exports divided by GDP (measured by the World Bank). We selected these data sources after careful consideration of other available sources for each outcome, as they provide the most comprehensive coverage in terms of the number of national elections covered in our data. Nonetheless, in the Appendix, we probe the robustness of our results to using alternative data sources. To avoid results being driven by outliers (e.g., hyperinflation episodes or terms of trade swings), all the components of the economic performance index are winsorized at the 3rd and 97th percentiles. We check the robustness of our results to different ways of winsorizing and to trimming. For human development, we use the Human Development Index (HDI) from the UNDP. Finally, we rely on V-Dem's measures of the quality of democracy, including deliberative, egalitarian, liberal, participatory, and electoral democracy. We use the simple average of these five measures (which all vary between 0 and 1) to quantify the quality of democracy. Appendix Table B.1

[6] Appendix Tables D.1 to D.4 report results for a broader set of outcomes than those considered in our baseline analysis.
[7] We use version 9.0 of the Penn World Tables, which addresses the data issues highlighted by Johnson et al. (2013) (see Feenstra et al., 2015). In Appendix Table D.1, we show robustness to using alternative sources to measure GDP growth.

indicates the number of elections for which we have data on each outcome. Appendix Table C.1 shows that the fraction of observations with missing data is not significantly affected by turnovers.

3 Empirical Framework

This section presents our empirical strategy. We first define the key concepts of incumbency and electoral turnovers (Section 3.1). We then describe our sample (Section 3.2) and the construction of our outcome variables (Section 3.3). Section 3.4 presents our main empirical specification. Finally, we describe the alternative specification used to estimate the impact of turnovers in the executive branch (Section 3.5).

3.1 Defining Electoral Turnovers

Our analysis estimates the impacts of electoral turnovers using a RDD. To set up this design, we must identify which candidate or party represents the incumbency in each election. We then define electoral turnovers as a defeat of the incumbent candidate or party. This section describes how we construct these key variables for each type of election.

Presidential elections. In presidential elections, the incumbent is the individual or party which effectively held power at the time the election took place. To account for caretaker governments and transition periods, we use a flexible definition: we define the incumbent as the leader who held executive power for a period of at least 365 days in the two-year period before the election. The incumbent party is analogously defined as the party which held executive power for at least 365 days during the same period. Panel a of Appendix Table B.2 illustrates the implementation of this rule.

To account for all cases where the incumbent competes or has a clear designated successor, we consider that the incumbency is represented by: (1) the incumbent leader, if the leader is personally competing (56.3% of cases); (2) the candidate of the incumbent party, if the leader is not personally competing (39.4% of cases); (3) the candidate unambiguously designated as the representative of the ruling government, if neither the country leader nor any candidate from their party are competing (4.3% of cases).[8] Elections in which we cannot define a candidate of the incumbency are excluded from the analysis.

We then construct a treatment variable T equal to 1 if the incumbent candidate loses the election. The running variable X is equal to the margin of victory of the best ranked challenger, which is the difference between this challenger's and the incumbent's vote share. When the election features a runoff, we use the second round results to construct the running and treatment variables. If the incumbent did not compete in the second round, we do not define a running variable. For indirect presidential elections (including U.S. presidential elections), we use electoral college vote shares to define the running variable. Furthermore, we exclude elections where one candidate ran unopposed, elections which were not the last presidential election in the calendar year, indirect presidential elections which could easily be manipulated, as well as various types of inconsequential elections (Appendices A.1 and A.2 provide additional details).[9] We checked the validity of our key variables through an independent audit encom-

[8] When the election features two rounds, we check whenever possible that this support was expressed before the first round.

[9] In Appendix Figure C.1, we verify that electoral turnovers are not associated with a significantly different probability of exclusion from the sample following an inconsequential election. In Appendix Table D.5, we further show that our main

passing all elections with a running variable X between -15 and +15 percentage points and a subset of other elections (see Data Appendix H.4).

Parliamentary elections. In parliamentary elections, the incumbent party is the party which secured a plurality of seats in the previous election. Our definition is based on the results of the previous election because the available data do not systematically document how the composition of parliaments varies between national elections, for example through by-elections. Furthermore, note that only some parliamentary elections lead to the designation of a leader of the executive branch. Our baseline definition is based on seat shares, because the relative seat shares obtained by different parties may matter in and of themselves, independently of who controls the executive. This definition allows us to include parliamentary elections which are not associated with the designation of a member of the executive and which may nonetheless be impactful, such as the elections to the lower chamber of parliament in presidential systems (e.g., the U.S. House of Representatives).

We set the treatment variable T equal to 1 if the incumbent party fails to secure again a plurality. The running variable X is equal to the margin of victory of the best-ranked opposition party, i.e., the difference between the seat share of this party and the incumbent party. We again drop elections in which the incumbent party ran unopposed or obtained 100% of the seats, as well as elections to constitutional assemblies without any legislative power and elections where a fraction of parliamentary seats are appointed rather than elected (see Appendix A.1). Finally, we do not define a treatment variable in 23 elections where the incumbent and challenger parties obtained exactly the same number of seats.

As with presidential elections, we account for cases where the incumbent party has a clear successor. We also account for the existence of coalitions. We collected systematic evidence to identify coalitions and distinguish those officially formed before the election (ex ante) from those formed after the election (ex post). To compute seat shares, we group together parties belonging to the same ex ante coalition but we keep as separate the members of ex post coalitions, since these are endogenous to election results. Therefore, the candidate of the incumbency in parliamentary elections is: (1) the incumbent party when it participates in the election, or alternatively the coalition that the incumbent party is part of; (2) the party or coalition unambiguously designated as the representative of the ruling government if the incumbent party is not competing. As with presidential elections, we exclude elections in which we cannot define an incumbent party. When identifying the previous election, we exclude inconsequential elections, constitutional assembly elections, and elections that are not the last parliamentary election in a calendar year. We also impose that the previous election took place no more than ten years earlier. Additional details regarding the determination of the incumbent party are provided in Appendix A.3.

3.2 Sample Description

Overall, we are able to identify an incumbent candidate or party and to define a running and treatment variable in 672 presidential elections and 1,817 parliamentary elections. Accordingly, our main analysis sample includes a total of 2,489 national elections across 201 countries.[10] 59% of these elections are conducted under regimes classified as liberal or electoral democracies by V-Dem, and 26% of elections

results are robust to including inconsequential elections in our sample.

[10]Our sample includes a few autonomous territories which are not United Nations members (e.g., Greenland and Puerto Rico).

take place in OECD countries. Close to the threshold, when the running variable is comprised between -5 and 5 percentage points, the fractions of elections in democracies and in OECD countries increase to 84% and 39%, respectively. Figure 1 (a) shows the share of elections featuring an electoral defeat of the incumbency. Appendix Figure B.2 shows the geographic distribution of all elections we identified over the period, all elections included in our main analysis, and all elections with a turnover.

3.3 Outcome Variables

We explore how turnovers affect national outcomes. To compare the level of an outcome Y before and after an election E taking place in country c and year t_E, we compute the difference between the average level of Y in the four years following the election and the level of Y in the year before the election:

$$\underbrace{\Delta Y_E}_{\text{Improvement over the election cycle}} = \underbrace{\left(\frac{1}{k}\sum_{\tau=1}^{k} Y_{c,t_E+\tau}\right)}_{\text{Post-election average of the outcome}} - \underbrace{Y_{c,t_E-1}}_{\text{Pre-election value of the outcome}}$$

This definition allows us to control for large differences in levels across countries and time periods and to increase the precision of our estimates. In our baseline analysis, we use $k = 4$ since the modal distance between elections of the same type in a country is four years. To make estimates comparable across outcomes, we standardize the ΔY_E. In the Appendix, we report a wide range of checks verifying the robustness of our results to using different values of k and to replacing the pre-election value of the outcome with the average over the last three years before the election.

Building indices. Electoral results potentially affect a large number of outcomes, which raises the problem of multiple testing. To minimize the risk of overrejecting the null hypothesis and to gain statistical power, we group the ΔY_E constructed above for our four economic outcomes (GDP per capita growth, inflation, unemployment, and trade intensity) into an index equal to the unweighted average of the four standardized variables, following Kling et al. (2007). When a component is missing, we do not include it in the average (i.e., we do not impute a value). Furthermore, we adjust the sign of the components such that higher values of the index reflect better outcomes. Thus, inflation and unemployment enter negatively in the index. We use the same method to aggregate this economic index and the standardized ΔY_E of human development and democracy into the general index of country performance.

3.4 Regression Discontinuity Estimation

Effects of an electoral defeat of the incumbent. We estimate the effects of an electoral defeat of the incumbent with the following RD equation, using one observation per election:

$$\Delta Y_E = \alpha + \beta_1 X_E + \beta_2 X_E T_E + \gamma T_E + \varepsilon_E, \tag{1}$$

where X_E, the running variable, is the victory margin of the best-ranked challenger and $T_E = \mathbb{1}(X_E > 0)$, as described in Section 3.1. ΔY_E measures the difference in outcomes between the post-election average and the pre-election value (see Section 3.3). Equation (1) is estimated with the non-parametric method

of Calonico et al. (2014). Using this method, we report the standard RD point estimate γ and the robust standard error as well as the p-value associated with the robust confidence interval for γ.[11] In our baseline estimation, we use the MSE-optimal bandwidth from Calonico et al. (2014). When looking at the general index of country performance, this bandwidth includes 859 national elections, corresponding to a bandwidth size of 14.3 percentage points.[12]

In our exploration of mechanisms, we also estimate alternative versions of equation (1) where we use $|\Delta Y_E|$ as the outcome (i.e., the absolute value of the difference in outcomes between the post-election average and the pre-election value). Finally, we compare the RD point estimates of γ in equation (1) with the corresponding estimates obtained via OLS, without controlling for the running variable X_E. In this case, the point estimates do not have a causal interpretation and may instead capture other factors which are endogenous to the occurrence of an electoral turnover.

3.5 Turnovers in the Executive Branch

Electoral turnovers often, but do not always trigger a change of executive leader. While in presidential elections, electoral and executive turnovers generally coincide, the same may not be true for parliamentary elections. First, only slightly over half of the parliamentary elections in the sample lead (in a constitutional sense) to the designation of an executive leader. Second, in these elections, electoral turnovers usually trigger an executive turnover, but this is not always the case. For example, an incumbent party that loses a parliamentary election may be able to retain executive power by forming a different coalition after the election. To determine whether an election led to an executive turnover, we define a country's leader and leading party before (resp. after) the election as the individual and party which led the executive during a period of at least 365 days in the two years before (resp. following) the election. Panel b of Appendix Table B.2 illustrates this rule, and Data Appendix H provides further details.

We then define an executive turnover T^x as the nomination of a new executive leader. This variable is set to 0 (meaning that an executive turnover did *not* take place) if: (1) the leader before and after the election are identical; (2) the leading party before and after the election are identical; or (3) the leading party before the election did not compete and instead supported the leading party after the election. If none of these conditions holds, we set T^x as equal to 1. If we are unable to define a leading party before the election (e.g., because the leader was an independent) or after the election, we do not define T^x. Figure 1 (b) shows the evolution of the frequency of turnovers in the executive branch since 1945.

Figure 2 (a) shows the impact of electoral turnovers on executive turnovers in parliamentary elections that lead to the designation of an executive leader. We use T^x as the dependent variable in a specification in the form of equation (1). We observe a large upward jump (of 38 percentage points) at the threshold, indicating that executive turnovers are much more likely to occur when the challenger party obtained slightly more seats than the incumbent party. This result generalizes a finding from Fujiwara and Sanz (2020) to the entire world and reflects the norm that the party with a plurality of seats generally has priority over the formation of a new government. Naturally, we observe an even larger jump (of 62

[11] In Appendix Table D.6, we show that our results are robust to clustering standard errors at the country $\times$ year level.

[12] This bandwidth is well within the range of the bandwidths used in other close election RDDs. Note that the exact size of the MSE-optimal bandwidth from Calonico et al. (2014) depends on the dependent variable considered. Across our main outcomes, the number of elections included in the bandwidth varies between 562 and 1,193 (see Table 1).

percentage points) when we also include presidential elections (Figure 2 (b)). Thus, the effects of electoral turnovers on country performance are likely to be mediated in part by executive turnovers.

Some of our analyses seek to isolate the effects of executive turnovers. There, we restrict the sample to presidential and parliamentary elections leading to the designation of an executive leader. These analyses use a distinct running variable, X^x, equal to the margin of victory of the best ranked challenger over the leader or leading party before the election. To estimate the effect of executive turnovers, we rely on a fuzzy RDD in which T^x is intrumented with the assignment variable $A^x = \mathbb{1}(X^x > 0)$.[13] This specification relies on the following exclusion restriction: the defeat of the leading party only affects outcomes through the higher probability of an executive turnover. Since this assumption is unlikely to hold in some settings, we also report reduced-form estimates in addition to the fuzzy RDD results. The RD, first stage, and reduced-form equations are shown in Appendix A.3.

Examples. To illustrate the definitions above, we provide some examples below and in Appendix A.4:

- **1977 Indian parliamentary elections**. The Indian National Congress (INC) had won by a landslide in the preceding 1971 elections, and its leader Indira Gandhi was Prime Minister before the election. In 1977, the alliance centered around the INC won 34.7% of the seats, while the Janata alliance won 63.6% of the seats. After the election, Morarji Desai of the Janata party became Prime Minister. For this election, we have $X = X^x = 29.0\%$ and $T = T^x = 1$ (there was an electoral defeat of the incumbency and a turnover in the executive branch).
- **2000 U.S. presidential election**. The incumbent leader was Bill Clinton from the Democratic party, which was represented by Al Gore in the election. Gore lost with 266 out of the 538 electoral college votes (49.4%) to George W. Bush, who won 271 votes (50.4%). For this election, we have $X = X^x = 0.9\%$ and $T = T^x = 1$ (there was an electoral defeat of the incumbency and a turnover in the executive branch).
- **2007 French presidential election**. The incumbent leader was Jacques Chirac from the UMP party. He did not compete in the election, but the UMP candidate (Nicolas Sarkozy) did and won with 53.1% of the vote. Here, the running variable is $X = X^x = -6.2\%$ and the treatment is $T = T^x = 0$ (there was an electoral win of the incumbency and no turnover in the executive branch).
- **2011 Danish parliamentary election**. The Venstre party won a plurality of seats in 2007, and the incumbent head of government (Lars Løkke) was from the Venstre. The Venstre party won a plurality of seats in the 2011 elections (with 26.3% of seats), and the Social Democrats party ranked second (with 24.6% of seats), but the head of government after the election was Helle Thorning-Schmidt from the Social Democrats. Here, we have $X = X^x = -1.7\%$. However, we have $T = 0$ and $T^x = 1$ (there was an electoral victory of the incumbency and a turnover in the executive branch).

[13] For parliamentary elections it is possible to have $X^x \neq X$. Indeed, when we estimate the effects of electoral turnovers, the incumbent party is defined using the results of the previous election while when we focus on executive turnovers, the leading party is defined based on which party held executive power in the two-year period before the election. Furthermore, it is possible to have $T^x \neq T$, for instance because the head of government appointed following a parliamentary election is not necessarily affiliated with the party which won a plurality of seats.

4 Main Results

This section presents our main results. We first report identification checks and placebo tests to verify the validity of our RDD (Section 4.1). We then present our main results showing a positive effect of turnovers on country performance (Section 4.2), as well as robustness checks (Section 4.3). Finally, Sections 4.4 and 4.5 discuss endogeneity and external validity.

4.1 Identification Checks

Implementing a RDD in a sample of close national elections raises many challenges, including a concern of sorting at the threshold. Incumbents may be able to manipulate election results, in a way that would systematically benefit them and hurt challengers. If this occurred, we would observe a discontinuous drop in the density of our running variable (the victory margin of the best-ranked challenger) across the threshold (McCrary, 2008).

To address these concerns, we first implement the density test from Cattaneo et al. (2018). Figure 3 reports this density test for all elections (panel a), presidential elections (panel b), and parliamentary elections (panel c). We find no evidence of manipulation in the full sample (p-val. = 0.748) and in the subsamples of presidential and parliamentary elections (p-val. = 0.177 and 0.720, respectively).[14] Furthermore, in Appendix Figure C.2, we find no evidence of manipulation among elections in democracies, elections in autocracies, and elections assessed as free and fair by V-Dem (panels a, b, and c). However, the density test fails for elections assessed as not free and fair (panel d). We keep these elections in the main sample because the negative jump in the density of the running variable could be due to endogenous retrospective coding instead of actual manipulation: experts may be more likely to rate an election as not free and fair because it was won by the incumbent. Reassuringly, Appendix Table D.7 shows that our main results are robust to dropping these elections from the analysis.[15]

We then present a variety of placebo tests showing that the treatment has no impact on our outcomes of interest measured in pre-election years. Appendix Tables C.2 to C.4 report these tests with outcomes measured in levels for years $t_E - 1$, $t_E - 2$, and $t_E - 3$, while Appendix Tables C.5 and C.6 report these tests in year-on-year differences. In Appendix Table C.7, we show that turnovers are uncorrelated with decade and region dummies. We also find no jump at the threshold for the time elapsed since the last treatment, the running variable in the previous election, and the value of the treatment in the previous election (Appendix Figure C.3). We further fail to reject the null hypothesis of continuity of the distribution of a large set of pre-election covariates at the cutoff, using Canay and Kamat (2017)'s permutation test, either in our full sample or in the subsamples of presidential, parliamentary, free and fair, and non free and fair elections (see Appendix Table C.8).

[14] In parliamentary elections, bunching at the threshold could be more likely to occur in small parliaments, where it may be easier for a party to win a plurality of seats by manipulating results or exerting additional effort in tangential constituencies. However, the median number of seats in parliaments in our sample is relatively high (127 seats), and we continue to find no evidence of manipulation of the running variable when focusing on parliamentary elections with fewer than 60 seats, which corresponds to the 25th percentile of the distribution (Appendix Figure C.2 (f)). Appendix Table D.8 further shows that the impact of electoral turnovers on performance is robust to excluding parliamentary elections with fewer than 60 seats.

[15] In addition, we obtain similar results when focusing on elections following a previous free and fair election (Appendix Table D.9). The logic behind this sample restriction is that the assessed fairness of the previous election predicts the fairness of the present election (with a 0.72 correlation) but it should not be endogenous to the present treatment.

4.2 Main Results: Effects of Electoral and Executive Turnovers

We now study the consequences of electoral turnovers. Table 1 presents RD estimates of the effect of γ from equation (1). Our outcomes of interest are the standardized index of economic performance (combining GDP per capita growth, inflation, unemployment, and trade), human development, democracy, and the general index of country performance. Figure 4 presents the corresponding RD plots.

Electoral turnovers improve country performance along all dimensions, although estimates are statistically significant for only some of these dimensions. As shown in Table 1, an electoral defeat of the incumbent results in a 0.27 SD improvement in economic performance. This is mainly driven by a decrease in both inflation and unemployment and an increase in trade intensity.[16] The effect of turnovers on GDP per capita growth is positive but small in magnitude and non-significant. We also estimate positive and large effects of turnovers on human development (0.20 SD), but this point estimate falls short of statistical significance at conventional levels.[17] Finally, our general index of country performance increases by 0.28 SD after an electoral turnover, which is significant at the 1% level. In Appendix Table D.10, we also report estimates measured in natural units. These estimates can be compared to the mean and standard deviations of the outcomes of interest (Appendix Table B.3).

The positive effect of turnovers on democracy is also large (0.19 SD) and significant. We interpret this estimate with caution because experts responsible for the retrospective evaluation of democratic quality may be influenced ex post by the occurrence of a turnover. Nonetheless, the effect of turnovers on the general index of performance remains large and significant (0.35 SD, see Appendix Table D.8) when excluding democracy from the construction of this index. In addition, in Appendix Table D.4, we find consistent effects on democratic quality across a wide range of independent sources and indicators, including dichotomous measures of democratic quality from the academic literature (Cheibub et al., 2010; Boix et al., 2018), and indicators which consider other dimensions than electoral democracy and are thus less likely to be directly affected by the occurrence of an electoral turnover.[18] Furthermore, we test whether turnovers affect the likelihood of observing large changes in democratic quality in the period following the election, which may reflect specific events that are distinct from the election itself and capture the subsequent evolution of democratic institutions, as perceived by experts. We find a negligible effect on the probability of a large positive shock but a substantial negative effect of -12.0 percentage points, which is significant at the 5% level, on the probability of a large negative democratic shock, suggesting that turnovers prevent democratic backsliding that would occur under reelected incumbents. Finally, we find positive effects using sources which code democratic quality in real time (Freedom House) and thus cannot be affected by endogenous retrospective expert coding or recall bias.

[16] Turnovers increase trade intensity measured in the World Bank data, our preferred data source, by 0.25 SD (significant at the 5% level). We find effects of 0.06 SD and 0.18 SD (not significant, and significant at the 10% level) when using data from CEPII and the WTO (see Appendix Table D.2). We further measure positive effects on globalization indices from Gygli et al. (2019), suggesting that electoral turnovers are accompanied by an effort to intensify exchanges with the rest of the world.

[17] The UNDP's Human Development Index is the geometric mean of three components measuring income, life expectancy, and education. Because income is similar to GDP per capita, which we include separately in our economic performance index, we show effects on each of these three components separately in Appendix Table D.3. All point estimates are positive and the effect on the geometric mean of life expectancy and education is larger, if anything, than the baseline effect.

[18] Specifically, we find effects of 0.13 to 0.20 SD on all five independent dimensions of democracy included in V-Dem's overall index: electoral democracy, egalitarian democracy, liberal democracy, participatory democracy, and deliberative democracy.

Heterogeneity. Figure 5 shows the positive effects of turnovers across a variety of subsamples, including elections held across different world regions, before and after 1990, and under different types of political regimes and electoral systems. Table 2 reports heterogeneous effects along three key dimensions. First, we look at presidential and parliamentary elections separately. We find positive and significant effects in both subsamples, with slightly larger effects for presidential elections (columns 2 vs. 3).

Second, we ask whether effects are larger when the incumbent leader is nominally on the ballot or not (columns 4 vs. 5). This is theoretically ambiguous. On the one hand, individual incumbents tend to have accumulated valuable government experience, and replacing them may be costly for the country, thus reducing the positive effects of turnovers. On the other hand, reelection incentives may be stronger for individual candidates who represent the incumbency but are distinct from the outgoing leader, thus also mitigating the adverse effects of keeping the incumbent party in power. Overall, we find very similar estimates of the effects of turnovers across both subsamples.

Third, columns 6 and 7 show that the positive effects of turnovers are larger in contexts with weaker checks and balances, measured using the average of two V-Dem indices (judicial and legislative constraints on the executive). Appendix Table E.1 provides additional evidence that turnovers matter more when the executive faces fewer internal and external constraints: namely when more power is vested in the executive leader, measured using several V-Dem indices (see Data Appendix D.2)[19] and when the country is less exposed to globalization, which we quantify using trade intensity, and which can constrain economic policy through trade agreements, currency unions, and the free movement of capital. For each dimension of heterogeneity, we consider the value of the variable in the year before each election, compute the median among elections for which the running variable is under 15 percentage points in absolute value, split the sample between elections above and below the median, and estimate equation (1) separately in each subsample. Differences across these subsamples, however, are generally non-significant.

In Appendix Table E.3, we further split our sample between democracies and autocracies and between OECD and non-OECD countries. Overall, turnovers have a positive effect across these subsamples. Finally, we assess how the effects of turnovers vary with the tenure of the incumbent. The repetition of turnovers in a short timeframe may generate instability (e.g., see Gratton et al., 2015), and the risk of power erosion may be higher when incumbents have been in office for a long time, leading to larger effects of turnovers. On the other hand, long-tenured incumbents may have accumulated more experience, making it costly to replace them. In line with this second prediction, we find that the effects of turnovers tend to be larger when less time has elapsed since the last turnover (Appendix Table E.3, column 5 vs. column 6) and when there was a turnover in the previous election (column 7 vs. column 8). However, these differences may be driven by other differences in the composition of these two samples and they are not statistically significant.

Dynamic Effects. We further assess how the effects of electoral turnovers evolve over time. We estimate the following RD equation for each year after the election, i.e., each value of $\tau \in \{-2, 0, 1, 2, 3, 4, 5\}$:

$$Y_{c,t_E+\tau} - Y_{c,t_E-1} = \alpha_\tau + \beta_{1,\tau} X_E + \beta_{2,\tau} X_E T_E + \gamma_\tau T_E + \varepsilon_{E,\tau} \tag{2}$$

[19] This measure can only be defined when the election leads to the designation of a member of the executive.

Figure 6 reports the estimated γ_τ's. The estimates of γ_{-2} correspond to the effect of turnovers on outcomes measured two years before the election and can be interpreted as placebo tests. These estimates are small in magnitude and non-significant, as expected. Furthermore, we find that the effects of turnovers are initially small, but increase over time. This is especially the case for economic performance and the overall index of performance, which increase gradually until the third year after a turnover. Appendix Figure E.1 corroborates these findings with separate RD plots for the general index of performance and for each year after the election. Overall, these dynamic patterns indicate that it takes a few years for electoral turnovers to impact country-level outcomes.[20] Consistent with these dynamic results, using data from Carlin et al. (2019), we find that turnovers improve the approval ratings of the elected leader after a few years spent in office (see Appendix Figure E.3).

Executive Turnovers We further explore the impacts of turnovers in the executive branch, using the fuzzy RDD approach described in Section 3.5. Table 3 shows the first stage, second stage, and reduced form results, and Appendix Figure E.4 shows reduced form RD plots. The effects of executive turnovers are similar to those of electoral turnovers in the main sample. They are slightly less precisely estimated since the exclusion of parliamentary elections that do not lead to the designation of a member of the executive decreases the sample size. Nevertheless, to the extent that the effects of electoral turnovers are driven by leadership changes in the executive branch, one would expect executive turnovers to have larger effects than electoral turnovers. Our results are generally consistent with this expectation: executive turnovers increase the index of economic performance and the general index of performance by 0.37 and 0.34 SD respectively, as compared to effect sizes of 0.27 and 0.28 SD for electoral turnovers.[21]

Examples. Recent world history provides examples illustrating the positive impacts of turnovers. Appendix G discusses case studies from four national elections held in Brazil (2014), Germany (2005), Israel (1992), and the U.S. (1992). The 2014 Brazilian presidential election was won by the incumbent president, Dilma Rousseff from the Workers' Party, with a 3% margin. Rousseff's reelection was quickly followed by a deterioration of economic performance driven by rapidly rising inflation (Appendix Figure G.1) and the unfolding of a major corruption scandal. Rousseff's tenure ended with a controversial impeachment procedure in 2016. By contrast, the close election victory of the CDU-CSU in Germany's 2005 federal election, which led to Angela Merkel's appointment as the new German chancellor, fostered important social policy reforms and improvements in overall performance (Appendix Figure G.2). The turnovers induced by the 1992 U.S. presidential election and the Labour party's 1992 electoral victory in Israel similarly delivered notable benefits. In the first case, the new U.S. President Bill Clinton managed during his first term to restore budget balance, to keep interest rates low, to promote an economic expansion, and to implement a major tax reform—the introduction of the earned income tax credit—with beneficial impacts on the economy as a whole (Appendix Figure G.3). In the latter case, the new Israeli Prime Minister Yitzhak Rabin (who previously also governed between 1974-77) achieved marked improvements in

[20] Turnovers could also affect the timing of the next election, which would affect the interpretation of estimates in this section. However, there is no significant effect on the number of years until the next election (Appendix Figure E.2, panel a).

[21] Remember that the sample of elections used to estimate the effects of executive turnovers is a subset of the main sample since it only includes elections that lead to the designation of a leader of the executive branch. Therefore, the fact that the fuzzy RDD effects of executive turnovers are larger than the effects of electoral turnovers is not mechanical.

economic performance induced by major investments in infrastructure and education funded by defense spending cuts (Appendix Figure G.4). Appendix G provides additional details on these examples.

4.3 Robustness

In the Appendix, we show that our results are robust to numerous specification changes and alternative ways of constructing our outcome variables. Here we provide a brief overview of these checks.

Changing the post-election period and the pre-election baseline. Our main results in Table 1 and Figure 4 compare the post-election average of each outcome to the value of the same outcome measured in the year before the election. Instead of using the average of the four post-election years to measure post-election outcomes, we also estimate equation (1) including three, five, seven, and ten years in the post-election period. We further show that the results are robust to adding the year of the election to the post-election period. Appendix Tables D.11 to D.15 report these checks separately for each outcome of interest and for the general index of country performance, constructed with and without the democracy index. In addition, we show in Appendix Table D.16 that these results are robust to using the average of the three pre-election years instead of the pre-election year as the baseline period. Namely, we define $\Delta Y_E = \left(\frac{1}{4}\sum_{\tau=1}^{4} Y_{c,t_E+\tau}\right) - \left(\frac{1}{3}\sum_{\tau=1}^{3} Y_{c,t_E-\tau}\right)$.

Winsorizing. To avoid results being driven by extreme events (e.g., hyperinflation episodes), changes in measurement, or data errors, we winsorize the components of the economic performance index (GDP per capita growth, inflation, unemployment, and trade) at the 3rd and 97th percentiles. Appendix Tables D.11, D.14, and D.15 show that our results are unchanged when we winsorize less (at the 1st and 99th percentiles) or more (at the 5th and 95th percentiles), and that our results are robust to trimming instead of winsorizing.

RD bandwidth and specification. We check the robustness of our results to five deviations from the baseline RD specification choices in Calonico et al. (2014). First, in Appendix Tables D.11 to D.15, we show that including geographical region and decade fixed effects does not affect our estimates. Appendix Table D.17 shows that controlling for pre-election outcomes also does not change our results, though it slightly increases the precision of our estimates. Second, in Appendix Tables D.11 to D.15 we obtain very similar estimates with a bandwidth twice larger or twice smaller than the optimal bandwidth used in our baseline estimation. Third, we show that our results are robust to using a second order local polynomial instead of the default local linear regression of Calonico et al. (2014). Fourth, we show robustness to different choices of kernel. Finally, Appendix F shows that our results are robust to using the independent randomization inference procedure from Cattaneo et al. (2015).

Construction of the general index. In Appendix Table D.8, we show that our results for the general index are robust to alternative constructions of this index, namely: excluding each of the components in turn; only keeping elections for which we have data on all components; using a weighted index à la Pocock (1997), which gives less weight to components which are more correlated with each other; defining the general index as the simple average of all outcomes used in the components instead of the

simple average of the components; excluding observations in large geographical regions; and excluding observations in each decade of the sample.

Restricting to major elections. Many countries, including the U.S., hold both presidential and parliamentary elections. In these cases, our main sample includes both types of elections. Appendix Table D.8 shows that our results are robust to restricting the sample to major elections in each country, namely presidential elections in presidential systems, and parliamentary elections in parliamentary systems.

Excluding elections coinciding with a regime change. Turnovers might improve outcomes by fostering an immediate change in the nature of the political regime in a direction that tends to promote performance. However, such episodes are unlikely to explain our results since turnovers do not lead to a discontinuous jump in the likelihood of a regime change in the year of the election (see Appendix Figure C.4). In addition, our results are robust to excluding these elections from the sample: the impact of turnovers remains nearly identical (0.27 SD) in this case (Appendix Table D.8).[22]

Alternative outcomes and data sources. To choose our main outcomes, we prioritized data availability and reliability. Appendix Tables D.1 to D.4 show additional results for a wider set of outcomes. For example, we show that our results are unchanged when we use growth in GDP instead of GDP per capita growth, and that electoral turnovers decrease poverty and have no discernible effects on inequality.

4.4 Comparing RD with OLS estimates

Figure 7 reports OLS estimates of the effects of electoral turnovers alongside our baseline RD estimates. The OLS estimates can be interpreted as difference-in-differences estimates since we difference out each outcome with its value in the year preceding the election, as in the RD estimation. We report OLS estimates across windows of different sizes around the RD cutoff, ranging from 2.5 to 100 percentage points. In line with our RD results, the OLS estimates indicate that turnovers are associated with greater performance. Moreover, OLS estimates in small windows around the cutoff are of similar magnitude as RD estimates: turnovers in elections settled with a victory margin of 5 p.p. or less increase both economic performance and overall performance by approximately 0.20 SD. The effects on human development and democracy are also positive and statistically significant for these elections. These estimates provide further support to the key result that turnovers are beneficial to the countries that experience them.

OLS estimates remain positive, but their magnitude is smaller than that of RD estimates when we use larger estimation windows. Several forces could lead to these differences. To identify our main parameter of interest, namely the change in country performance caused by the electoral defeat of an incumbent candidate, the ideal experiment would be a hypothetical randomization of the electoral outcome across many national elections. In the absence of a randomized experiment, a simple comparison of outcomes estimated via OLS between elections won by challengers and those won by incumbents will likely fail to recover our parameter of interest. There are at least two sources of endogeneity to consider. First, latent unobserved variables (e.g., adverse economic circumstances) might affect both incumbents'

[22] Appendix Figure C.5 further shows that electoral turnovers do not affect the likelihood of concomitant constitutional events, defined as the adoption of a new constitution or constitutional amendment.

reelection prospects and future performance. For example, OLS estimates might be downward biased if economic decline before the election is associated with both lower reelection probabilities for incumbents and a further degradation of performance after the election. Second, the characteristics of, and incentives faced by reelected incumbents and elected challengers may differ, relative to those candidates who are defeated. This could also shape performance after the election.

Under the identification assumptions of RD, our empirical strategy addresses the first concern: by construction, economic conditions and other variables that may affect a country's performance after the election should be identical on both sides of the threshold. By contrast, OLS estimates will fail to eliminate this bias. To some extent, the RD design also addresses the second concern as it ensures that the characteristics of reelected and defeated incumbents vary smoothly at the threshold, and likewise for the characteristics of elected and defeated challengers.[23] Instead, in the OLS estimation, the subsets of candidates of either type present on the left and on the right of the threshold may differ from each other, including along unobservable dimensions.

A second factor that may lead to different effect sizes between RD and OLS estimates obtained using non-close elections relates to the characteristics of elected leaders in close elections, as well as the varying extent of accountability forces for candidates with different victory margins. Close national elections may feature specific types of candidates: incumbents may be negatively selected, and weak incumbents might incentivize high-quality challengers to compete. By focusing on close national elections, we may therefore be comparing unobservably weak incumbents with unobservably strong challengers. In addition, incumbents reelected with a narrow margin may face worse incentives than incumbents who easily win reelection, if the close victory margin signals to these incumbents a high probability of losing the subsequent election. This could mean that turnovers improve performance only when elections are close. If true, this interpretation has implications both for the mechanisms responsible for the effects of turnovers and for the external validity of the RD effects. We now investigate the external validity of our results and return to the exploration of mechanisms in Section 5.

4.5 External Validity

The RDD allows us to estimate a local effect of electoral turnovers: specifically, we measure the effect of turnovers for elections *exactly* at the cutoff. As mentioned in Section 3.2 and shown in Appendix Figure B.3, elections close to the threshold are more likely to be held in more developed and democratic countries, and in contexts with slightly more favorable economic conditions. To assess the external validity of our results, we implement two exercises. First, building on Arezki et al. (2022), we look at a subsample of "unlucky incumbents" who run for reelection in a context of unfavorable global oil prices. Second, we follow Angrist and Rokkanen (2015) to estimate RD treatment effects in a larger window around the cutoff.

Global oil prices. To explore the possibility that our results are driven by a selection of low-quality incumbents at the RD threshold, it is informative to look at national elections that happened to be close not as a result of poor incumbent performance, but due to factors outside the incumbent's control.

[23] This does not preclude the possibility that the characteristics of *elected leaders* might vary discontinuously at the RD threshold. We explore this possibility in Section 5.2.

Incumbents are often penalized by their electorate when elections take place in the aftermath of an oil shock (Arezki et al., 2022), possibly because voters over-attribute observable outcomes to leaders or fail to take into account these adverse circumstances (Glaeser and Ponzetto, 2017). Unfavorable global oil prices thus provide exogenous variation affecting the occurrence of close national elections. While some incumbents struggle to get reelected because of their own poor performance, other unlucky incumbents face stiffer competition due to adverse oil prices. In Appendix Table E.4, we estimate the effects of turnovers in elections conducted in a context of unfavorable oil prices. We first compute the annual growth in the worldwide price of crude oil g_t using the World Bank Commodity Price Data. Distinguishing between oil-importing and oil-exporting countries, we then associate an election taking place at time t_E with the following variable:

$$s_E = \frac{1}{2}\text{OilNetImporter}_{c,t_E}(g_{t_E-1} + g_{t_E-2}),$$

where g_t corresponds to the annual growth in the worldwide price of crude oil from the World Bank's World Integrated Trade Solution (WITS) dataset, and $\text{OilNetImporter}_{c,t}$ is a variable equal to 1 for net oil importers and to -1 for net oil exporters.

We then show how the estimated effects of electoral turnovers change when we restrict the sample to contexts that were increasingly unfavorable to the incumbent, i.e., when the s_E variable is above the sample median, in the top tercile, and in the top quartile (Appendix Table E.4, columns 2 to 4). As expected, the running variable is on average 2 percentage points higher when s_E is above the median than when s_E is below the median: unfavorable oil prices tend to improve the performance of challengers. Yet, the positive effects of turnovers hold in all subsamples, with effect sizes slightly smaller than in the full sample of elections and ranging between 0.13 and 0.16 SD. Column 5 further shows the effects following the 1973, 1979, and 2007-08 global economic crises. Effects on economic performance and on the general index are actually larger there than in the full sample, and they are significant at the 1% and 10% level, respectively. In sum, the incumbents who are closely reelected under adverse global economic circumstances also tend to perform worse than counterfactual challengers.

Estimating effects away from the cutoff. Appendix Table E.5 and Appendix Figures E.5–E.6 report results from the procedure of Angrist and Rokkanen (2015). This procedure relies on a testable conditional independence assumption (CIA): in a window around the cutoff, potential outcomes are assumed to be mean-independent of the running variable conditional on a set of controls. We focus on the [-10pp,+10pp] window, which encompasses about 30% of elections in our sample. In Appendix Figure E.5, we test the CIA hypothesis and fail to reject its validity for our main outcomes. We then construct two CIA-based estimators: the first is a linear reweighting estimator discussed by Kline (2011), and the second is a version of the Hirano et al. (2003) propensity score estimator. Appendix Table E.5 reports these estimates. We find effects which are all positive and consistent with our main results, although smaller in magnitude. On average, elections won by the challenger by 10 percentage points at most increase the general index by 0.17–0.20 SD. These results indicate that the effects of electoral turnovers are not limited to elections at the threshold. The effects may be particularly important for close elections, but we fail to reject equality of the Calonico et al. (2014) and CIA-based estimates for all outcomes.

5 Mechanisms

We now explore potential mechanisms explaining the positive effect of turnovers. We first ask whether differences in performance come from shifts in economic policy (Section 5.1). We then explore the role played by candidate characteristics (Section 5.2) and political accountability (Section 5.3).

5.1 Policy Changes

A likely channel driving the effects of turnovers is that challengers may implement different *policies* than incumbents would have in the counterfactual electoral outcome. Thus, we first ask whether turnovers foster more change in economic policy, proxied by the level of government intervention in the economy. We consider four measures of intervention: government expenditure, tax revenue, national debt (all measured as a share of GDP), and a standardized index combining these outcomes.[24]

Appendix Figure E.7, panel a, shows that the effect of turnovers on the *level* of government intervention is small and non-significant across all four measures. However, challengers could still enact new policies that are better tailored to the country's needs, whereas incumbents prefer the status quo. For instance, challengers might increase government intervention (relative to incumbents) during economic downturns and reduce it when the economy is overheating. Such mechanisms would only be captured by the effect of turnovers on *non-directional* outcomes.

Accordingly, we estimate again equation (1) using as our dependent variable the absolute value of the difference between the post-election average and the pre-election value of each policy measure. We find positive effects of turnovers on changes in government expenditure, national debt, and tax revenue. The latter effect (but not the two others) is significant at the 10% level (Figure E.7, panel b). The effect on the overall change in government intervention, of 0.20 SD, is at the margin of significance (p-val. = 0.113). In Appendix Table E.6, we show additional results on the absolute value of the difference of various types of economic policies, including a measure of central bank independence (Garriga, 2016), government expenditure composition (Ortiz-Ospina, 2016), taxation composition from the World Bank, and financial liberalization (Abiad et al., 2010).[25] Most estimates (23 out of 27) in this table are positive, suggesting that policy shifts take place across a range of dimensions. Overall, this suggests that non-directional differences in the policies implemented by incumbents and challengers might contribute to the positive effect of turnovers.

In Appendix Table E.2, we provide additional evidence supporting this interpretation: we show that elected challengers deliver achievements that are better suited to their country's needs. The beneficial effects of turnovers on inflation and unemployment are concentrated in contexts where these indicators are particularly deteriorated. When inflation in the pre-election year is high (above the sample median), turnovers decrease inflation by 0.91 SD, while the corresponding effect is 0.06 SD when pre-election inflation is low (columns 1 and 2). Similarly, when unemployment in the pre-election year is high, turnovers are associated with a 0.70 SD drop in unemployment, while the corresponding effect is -0.04

[24] Government intervention is typically one of the key policy levers that newly elected leaders employ to improve economic performance early in their tenure. In the U.S., Franklin D. Roosevelt passed most of the New Deal legislation within his first 100 days in office, while major economic stimulus bills were adopted in the early days of several recent presidencies.

[25] Appendix Table E.7 reports the corresponding directional effects. While some estimates are statistically significant, as one would expect, we do not find robust evidence that electoral turnovers systematically move policies in one direction or another.

SD when unemployment is low (columns 3 and 4). Turnovers also seem to be more beneficial when leaders have more policy leverage. As shown in columns 5 and 6, the effect of turnovers on inflation is larger (-1.02 SD) when the independence of the central bank before the election is low than when it is high (-0.48 SD).

5.2 Candidate Ideology and Quality

The effects of turnovers on performance and policy may result from differences in the characteristics of elected leaders. For this to be the case, leader characteristics need to be systematically different after an electoral turnover: for example, elected challengers should have systematically different ideologies, or their average quality should differ from that of reelected incumbents.

We first investigate whether electoral turnovers coincide with the victory of candidates with specific ideological (party) characteristics measured in V-Dem, namely the parties' position in terms of the left-right divide, populism, and illiberalism. Here, we estimate equation (1) using as our dependent variable the left-right ideology, the populism score, and the illiberalism score of the winning party. Appendix Figure E.8 reports the corresponding results. Elected challengers tend to be more to the right (by 0.05 SD), more populist (by 0.23 SD), and less illiberal (by 0.20 SD) than reelected incumbents, but most of these effects are non-significant. We interpret these results with much caution: the sample size in these regressions is small, and these analyses rely on V-Dem's classification of party ideologies. Nonetheless, the evidence does not point to systematically different ideologies between elected challengers and incumbents. We additionally look at effects on the leader's age.[26] The point estimate (-1.9 years) is non-significant again.

Next, we examine the role played by the quality of winning candidates. Since quality is unobserved, we build a proxy measure based on observed improvements in electoral performance. Intuitively, an increase in the winner's vote share between one election and the next indicates that voters are satisfied with the leader's performance during this timeframe. Some of this variation can be explained by observables, while residual variation can provide a proxy for unobserved leader quality. Thus, we compute the difference between the incumbent's vote share in the next (t+1) election and the winner's vote share in the current (time t) election, and we examine the extent to which turnovers explain variation in this outcome. Appendix Table E.8 suggests there is no jump in leader quality at the RD cutoff, based on this proxy measure (column 1). Then, we regress this measure on our indicators of country performance measured one and two years before the (time t) election as well as characteristics of the election (such as the number of candidates), and we use the residuals from this regression as proxies for unobserved leader quality. We also do not find evidence of a change in the residualized measure of quality at the threshold. If anything, the point estimate is negative (columns 2). In column 3, we additionally control for endogenous measures of leader performance between t and $t+1$, namely the same indicators of country performance that we use in our main analysis. In this case, the dependent variable can be interpreted as a proxy for unobserved quality, net of observable pre-existing conditions and post-election performance. Again, we find no evidence that turnovers increase leader quality, based on this measure. These

[26] In this case, we restrict the sample to elections that lead to the designation of a member of the executive. Note that the positive effects of turnovers are unlikely to be driven by changes in leader gender. Our sample only includes 133 electoral races where exactly one female candidate is among the top two candidates, and our results are robust to dropping these elections.

findings are consistent with the fact that overall, turnovers have no measurable effect on the probability of a turnover in the next election (Appendix Figure E.2, panel b).

In Appendix Table E.9, we implement a different exercise built on the intuition that unobserved quality differences between elected challengers and elected incumbents can be bounded using information on the previous government experience of challengers. Challengers who have previously served as incumbents are plausibly of higher quality than those without recent government experience, and we should expect turnovers to be more beneficial in such instances. Thus, we identify elections for which challengers have been in power in the ten previous years, and we investigate heterogeneity in the effects of turnovers depending on the previous government experience of challengers.

We obtain the following results. When considering only challengers who have not previously served in government, turnovers increase economic performance by 0.24 SD and the index of overall country performance by 0.25 SD. Both coefficients are statistically significant at the 5% level. When considering only challengers who have previously been in power, turnovers increase economic performance by 0.28 SD (which is significant at the 5% level) and overall performance by 0.24 SD (which is significant at the 10% level). Thus, the two types of challengers deliver similar improvements in country performance.

Overall, these results suggest that there is no discontinuous jump in the quality of election winners at the threshold and that quality differentials are unlikely to play a major role in our results. Nonetheless, we acknowledge that this channel may still be present as quality cannot be observed directly.

5.3 Political Accountability

Turnovers may also improve performance because newly elected challengers are more accountable to their voters. If this were the case, we should observe that standard proxies for politician effort, such as corruption (e.g., Besley, 2007; Ferraz and Finan, 2011), also improve as a result of turnovers.

Appendix Figure E.9 shows that turnovers positively affect several measures of perceived corruption and accountability. We use an index of government accountability,[27] indices of executive corruption and public sector corruption from V-Dem, the World Bank's index on the control of corruption, and a standardized index aggregating the four previous measures. The effects we estimate are large in magnitude (ranging from 0.16 SD for public sector corruption to 0.44 SD for the control of corruption) and they are generally significant at the 1% or 5% level. Appendix Table E.10 shows results for a broader set of variables. Among 17 outcomes signed such that higher values indicate greater accountability, only two are negatively affected by turnovers (and both estimates are small and non-significant). The other estimates are all larger than 0.10 SD, and seven are statistically significant. Finally, Appendix Table E.11 shows that the effects on corruption are larger for presidential elections, for elections held in regimes with fewer checks and balances, and for those where the leader nominated after the election holds more power. This suggests that turnovers are especially conducive to good governance in countries with weaker constraints on the executive, where reelected incumbents may otherwise use their power to extract rents.

[27] The accountability index of V-Dem aggregates measures of vertical, diagonal, and horizontal accountability. Vertical accountability captures the extent to which citizens can hold the government accountable. Diagonal accountability covers the mechanisms that citizens, civil society, and the media can use to hold the government accountable. Finally, horizontal accountability captures the power of state institutions to oversee the government. The effects of electoral turnovers are strongest for horizontal accountability, followed by diagonal accountability and vertical accountability (Appendix Table E.10).

As with measures of democracy explored in Section 4, one might fear that the coding of these indicators is endogenous to the occurrence of a turnover. In that case, corruption indices might drop sharply during the year of the turnover, or shortly thereafter. To explore this, we estimate dynamic effects of electoral turnovers on corruption, using specifications in the form of equation (2). Instead, we find that the effects of a turnover on corruption are initially small and increase over time (Appendix Figure E.10). Moreover, turnovers have a 0.13 SD (non-significant) effect on the reduction of actual corruption incidents measured in the Global Incidents of Corruption Index (GICI) from Furceri et al. (2019). Overall, this provides suggestive evidence that improvements in governance and corruption might contribute to the overall improvement in country performance, which follows similar dynamics after turnovers.[28]

Term limits. Prior work suggests that term limits could explain the fall of corruption after turnovers: in the absence of reelection incentives, incumbents who are reelected but term-limited might exert less effort and perform more poorly (Ferraz and Finan, 2011; Fouirnaies and Hall, 2021). However, Table 2 already provided evidence at odds with this mechanism: electoral turnovers also improve economic performance (by 0.20 SD) and country performance (by 0.22 SD) under parliamentary systems, where leader term limits are generally absent.

Nonetheless, term limits could play a role in the context of presidential elections. To explore this, we identify regimes with presidential term limits, using data from the Comparative Constitutions Project or CCP (Elkins et al., 2021). In these regimes, we determine whether the incumbent and challenger would face a term limit, should they win.[29] In total, term limits exist and are differentially binding for the incumbent and the challenger in less than half of the presidential elections covered by the CCP. Appendix Table E.1, column 6 reports the effects of turnovers in a subsample restricted to parliamentary elections and presidential elections in which there is no differentially binding term limit. Electoral turnovers improve the general index of country performance by 0.21 SD in this subsample, which is similar to the point estimate in the full sample. Thus, presidential term limits are unlikely to be driving our results.[30]

Interpretation. Even in the absence of *de jure* term limits, turnovers could still improve accountability through related mechanisms akin to career concerns (Holmström, 1999). In regimes that hold regular elections, incumbents may want to build reputation by exerting more effort early in their tenure so that they can win reelection, and use their later terms in office to extract rents. In the late terms of a given leader or party, the incentives to not misbehave are diminished because voters have already formed precise beliefs about the incumbent's type, and additional new information is unlikely to change these beliefs (as in Ashworth, 2005).

[28] A large literature has documented the relationship between corruption and economic performance (Mauro, 1995) through theft of government resources (Olken, 2006; Ferraz et al., 2012), effects on firms (Svensson, 2003; Sequeira and Djankov, 2014), misallocation of capital (Khwaja and Mian, 2005), and demand for regulation (Di Tella and MacCulloch, 2007).

[29] The CCP covers 59% of our presidential elections. Within this subsample, term limits are not specified in the constitution in 12% of elections, and are explicitly nonexistent in 5% of elections. Furthermore, in 45% of elections, term limits exist but are not differentially binding for the incumbent and the challenger. This occurs because: presidents can only serve one term (12%), the candidate representing the incumbency is not the incumbent themselves (30%), the challenger had already been in power in the past (1%), or the candidate representing the incumbency had already been in power in the past but the term limit is of three terms or more (2%).

[30] The small number of elections with a differentially binding term limit unfortunately means that we do not have sufficient sample size and power to estimate the effect of electoral turnovers in these elections specifically.

This mechanism is compatible with learning in corruption by incumbents, who might learn over time how to extract rents, and delayed corruption or "golden goose" effects (as in Niehaus and Sukhtankar, 2013). These effects could also be magnified if close elections signal to incumbents that their days as national leaders are numbered, a mechanism akin to a "de facto" term limit. This can also explain why the effects of turnovers are slightly larger close to the RD threshold: narrowly reelected incumbents may face lower incentives to perform and engage in more rent extraction than incumbents reelected with a large margin if a narrow margin of victory signals to reelected incumbents that future reelection is unlikely, and that they are likely serving their last term in office. Finally, incumbents might simply be experiencing government fatigue—an erosion of their motivation and power due to the effect of time. Implementing reforms is more difficult for individuals and parties who have held power for a long time. Overall, the evidence we present suggests that a combination of these accountability mechanisms contributes to explain shifts in performance and policy taking place in the aftermath of turnovers.

6 Conclusion

Since the end of World War II, most countries have held regular presidential or parliamentary elections to determine the composition of their government. A key function associated with these elections is to allow citizens to ask for continuity or change in their country's leadership: short of staging a revolution, dismissing incumbents in the ballot box is the main way in which citizens can chart a new course for their country. In order to evaluate the merits of electoral democracy, understanding how the outcome of national elections affects country-level performance—including, but not limited to economic performance—is of major importance. To a large extent, the benefits of electoral transitions are commensurate with their ability to deliver improvements in citizens' welfare.

While other studies have focused on the benefits of democracy, which gives citizens the opportunity to remove incumbents from office, we focus on a different question: what happens when citizens seize this opportunity. To answer this question, we build a novel database including all national elections held worldwide between 1946 and 2018, and combine it with data on economic performance, human development, and the quality of democracy. This large dataset allows us to implement a close-elections RDD across countries. In doing so, we advance the related literature in economics and political science, which has typically studied the consequences of electoral outcomes across local elections only. Beyond the current paper, these data should facilitate future work on the factors affecting the likelihood of electoral turnovers, and on the role of other dimensions of election results in shaping country-level outcomes.

Overall, we find that voting for change matters: electoral turnovers deliver improvements in country-level performance along many dimensions. This finding is both novel and surprising, since there are many reasons to expect that turnovers could be detrimental to economic performance. We also observe large effects on indices of corruption and on policy change. We hypothesize that the main force driving the positive effects of turnovers is the role they play in terms of renewing a country's political leadership, and in allowing new leaders facing stronger reputation concerns to rise to power. Over the long term, this finding provides reasons to be cautiously optimistic about the prospects of electoral democracy.

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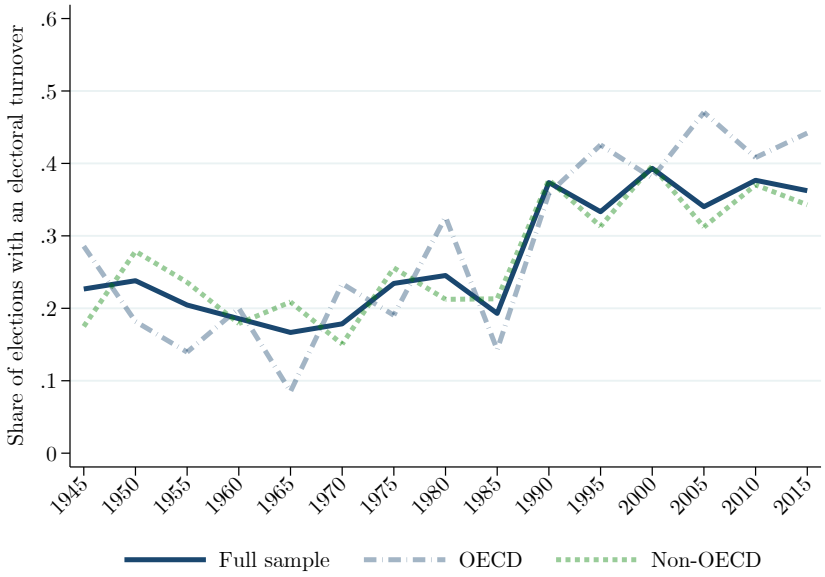
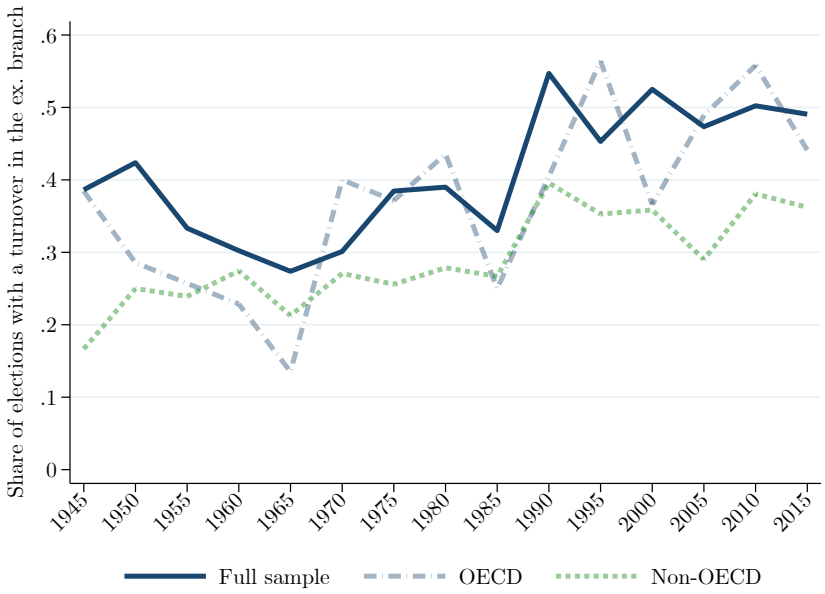
Figures

Figure 1: Share of elections with a turnover

(a) Electoral turnover



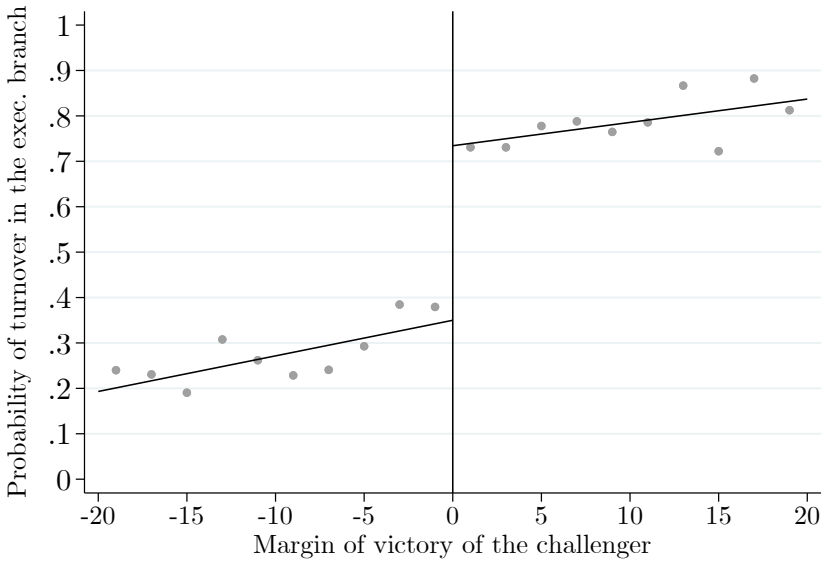
(b) Turnover in the executive branch



Notes: This figure plots the share of elections in our regression sample associated with a turnover for each half-decade since 1945. Panel a focuses on electoral turnovers and panel b on turnovers in the executive branch. We define electoral turnovers and executive turnovers in Section 3.1 and Section 3.5, respectively.

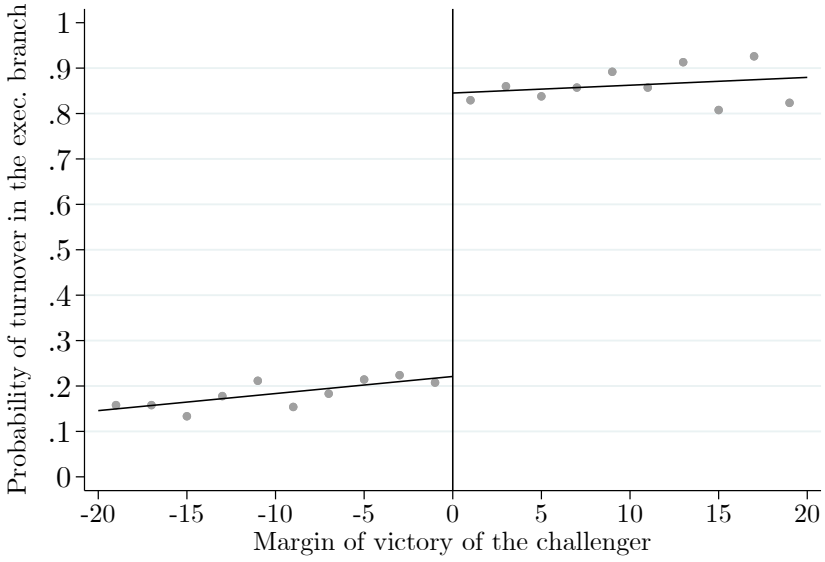
Figure 2: Effect of an electoral turnover on the probability of turnover in the executive branch

(a) Parliamentary elections only



RD est.: 0.378 [0.203 , 0.535] (95% CI). p-value : <0.001

(b) Full sample

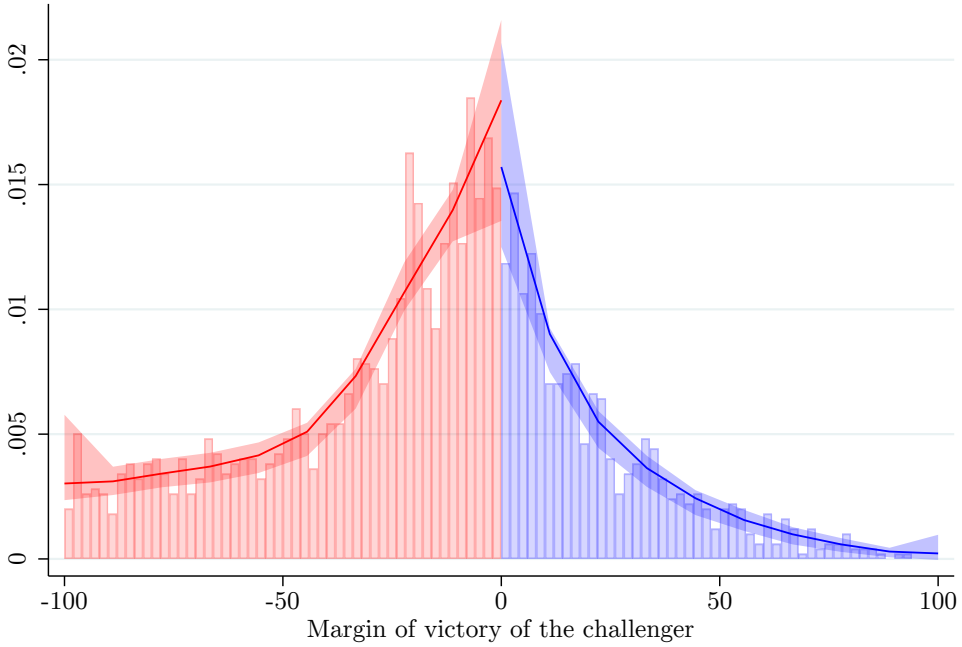


RD est.: 0.617 [0.512 , 0.721] (95% CI). p-value : <0.001

Notes: This figure plots the probability of a turnover in the executive branch depending on the margin of victory of the challenger. Turnovers in the executive branch are defined in Section 3.5. We restrict the sample to elections leading to the designation of a member of the executive, with panel a being further restricted to the sample of parliamentary elections. Each grey dot represents the probability of a turnover in the executive branch in a 2 percentage points bin and the lines represent a linear fit on each side of the discontinuity. At the bottom of each graph, we report the non-parametric RD estimate from Calonico et al. (2014), with the robust 95% confidence interval in brackets, as well as the robust p-value associated with the robust confidence interval for γ in equation (1).

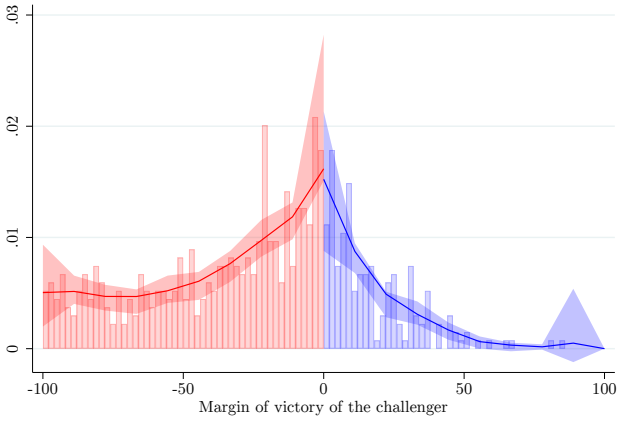
Figure 3: Density tests

(a) Full sample



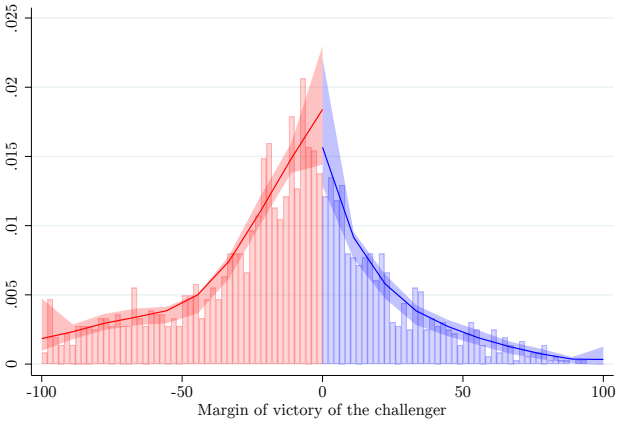
p-value: 0.748

(b) Presidential elections



p-value: 0.177

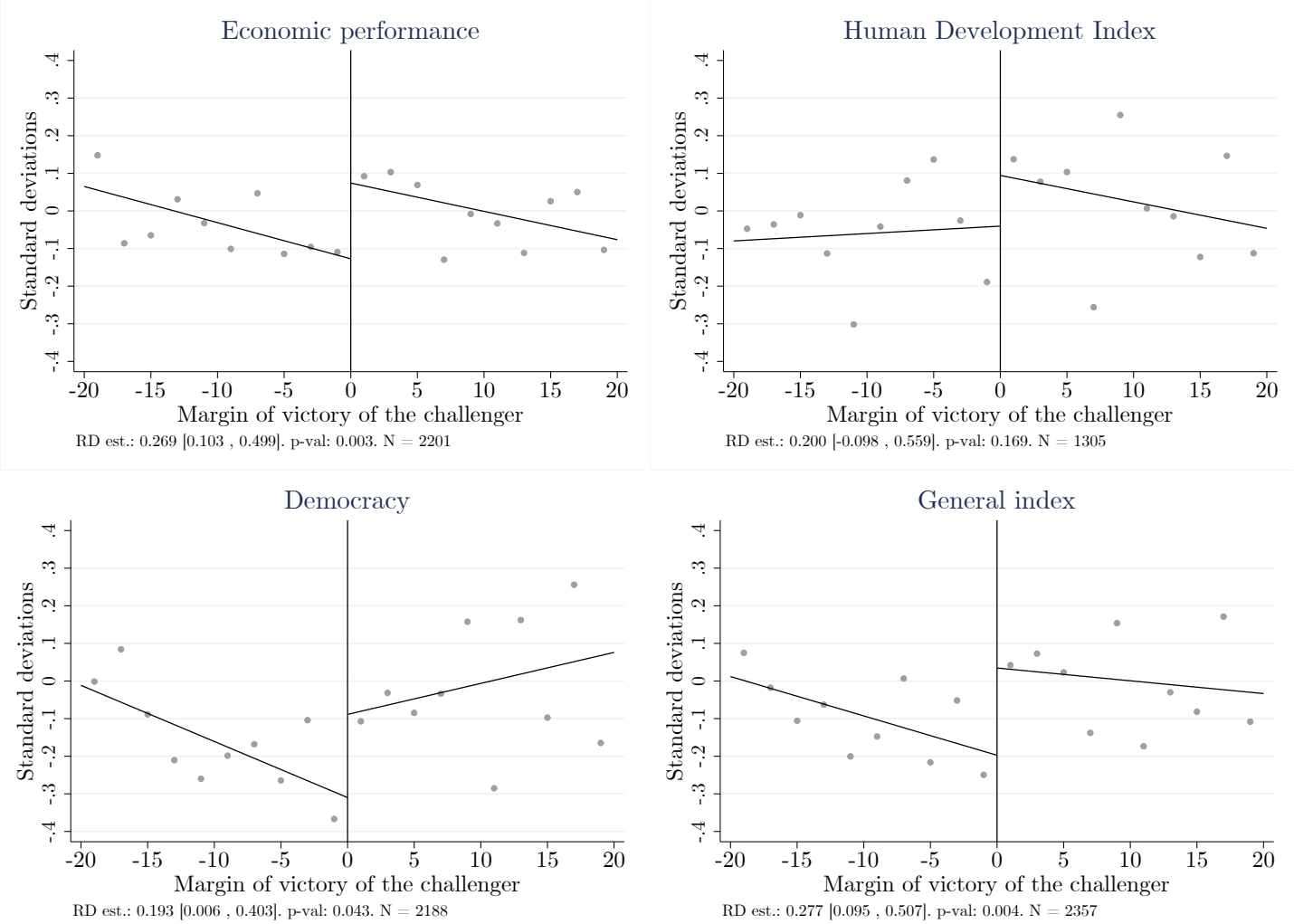
(c) Parliamentary elections



p-value: 0.720

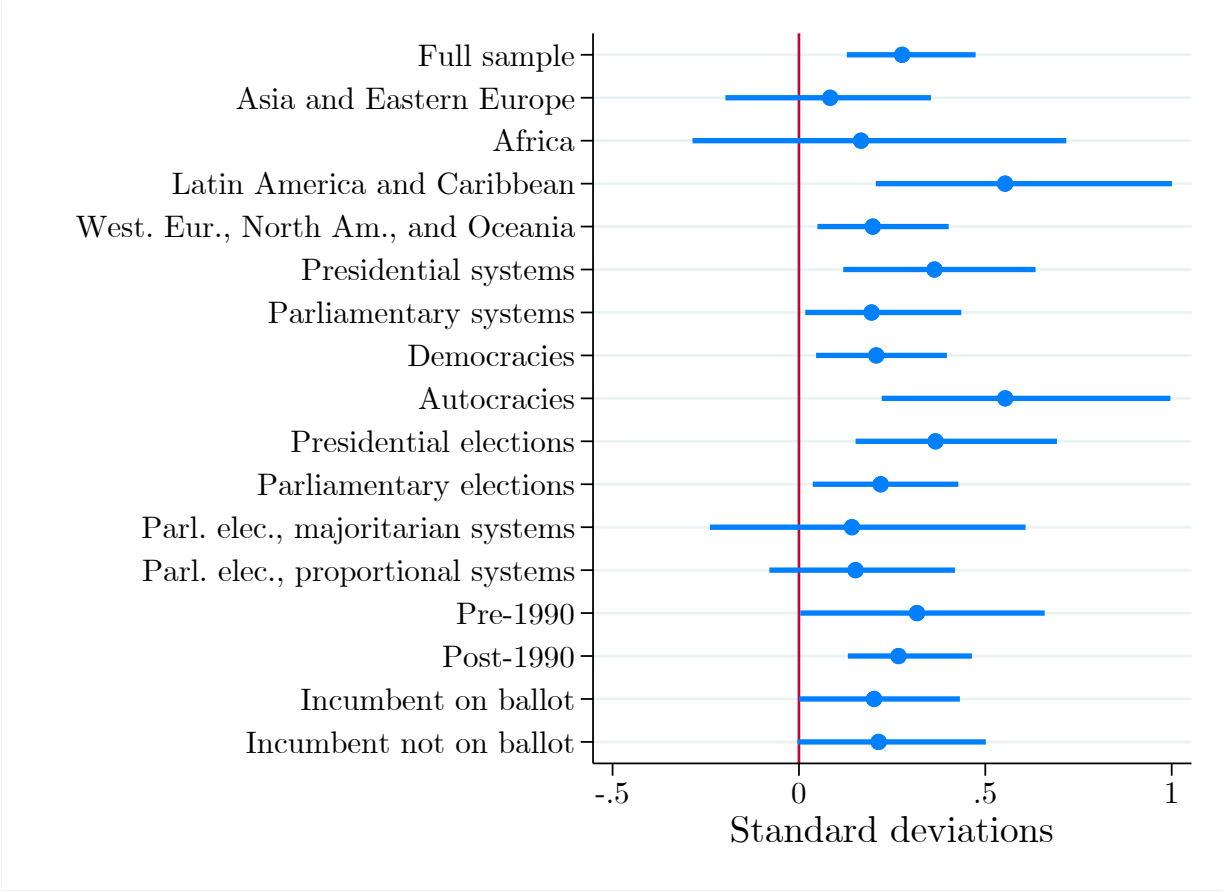
Notes: In this figure, we implement the density test from Cattaneo et al. (2018) using the margin of victory of the challenger as running variable. P-values for this test are reported below each graph, and we plot the density of the running variable on both sides of the cutoff. Panel a includes all elections in our sample, and panels b and c restrict the sample to presidential and parliamentary elections, respectively.

Figure 4: Effects of electoral turnovers on country performance



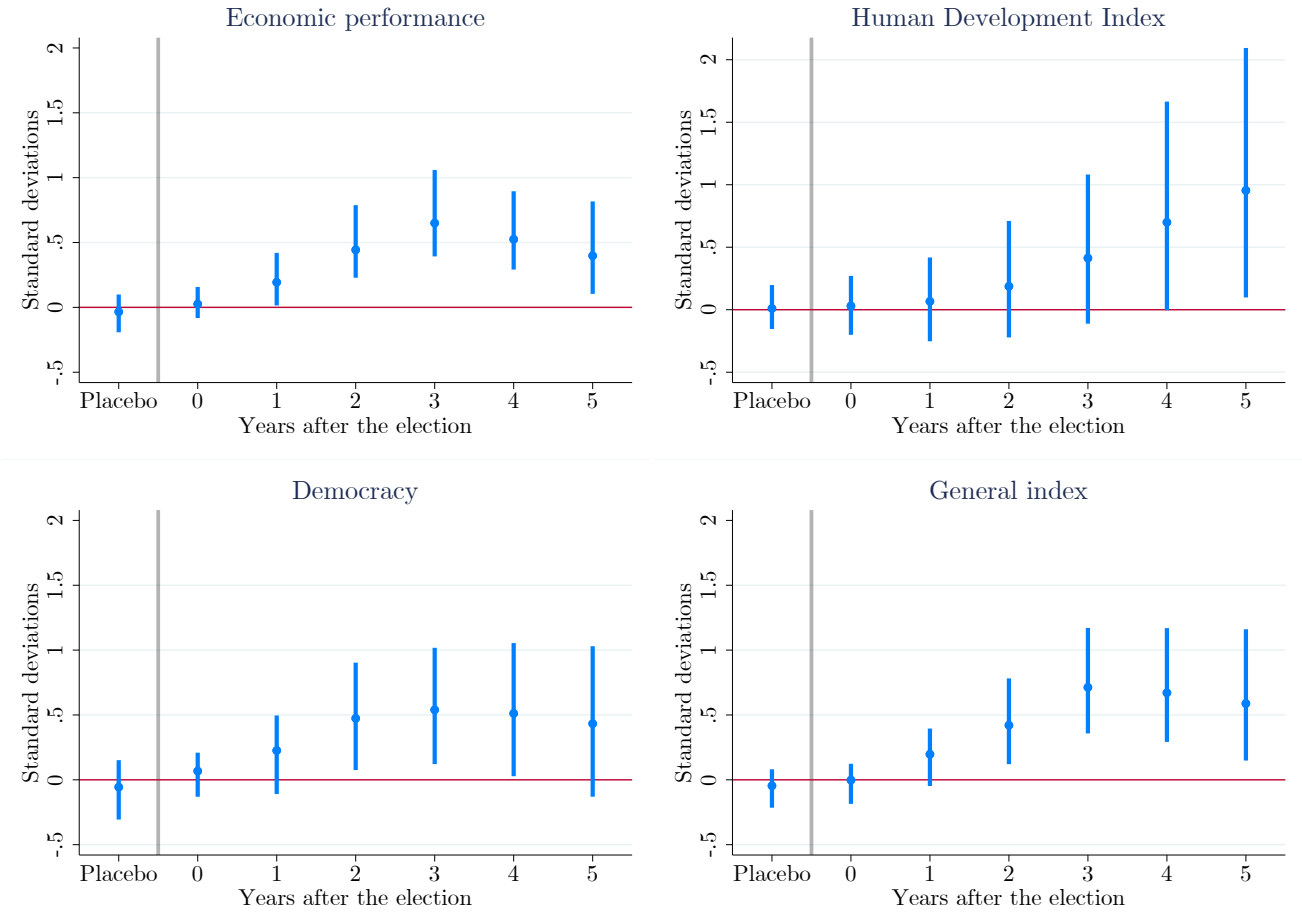
Notes: This figure reports RD plots corresponding to equation (1). The dependent variables are a standardized index of economic performance (combining GDP growth, inflation, unemployment, and trade), human development, democracy, and a general index of performance combining all these components. The grey dots are sample means across two-percentage-point bins of the running variable. See Section 3.3 for details on the construction of each outcome and data sources. At the bottom of each graph, we report the local linear regression estimate from Calonico et al. (2014), with the robust confidence interval in brackets, as well as the robust p-value associated with the robust confidence interval for γ in equation (1).

Figure 5: Effects of turnovers on overall country performance across subsamples



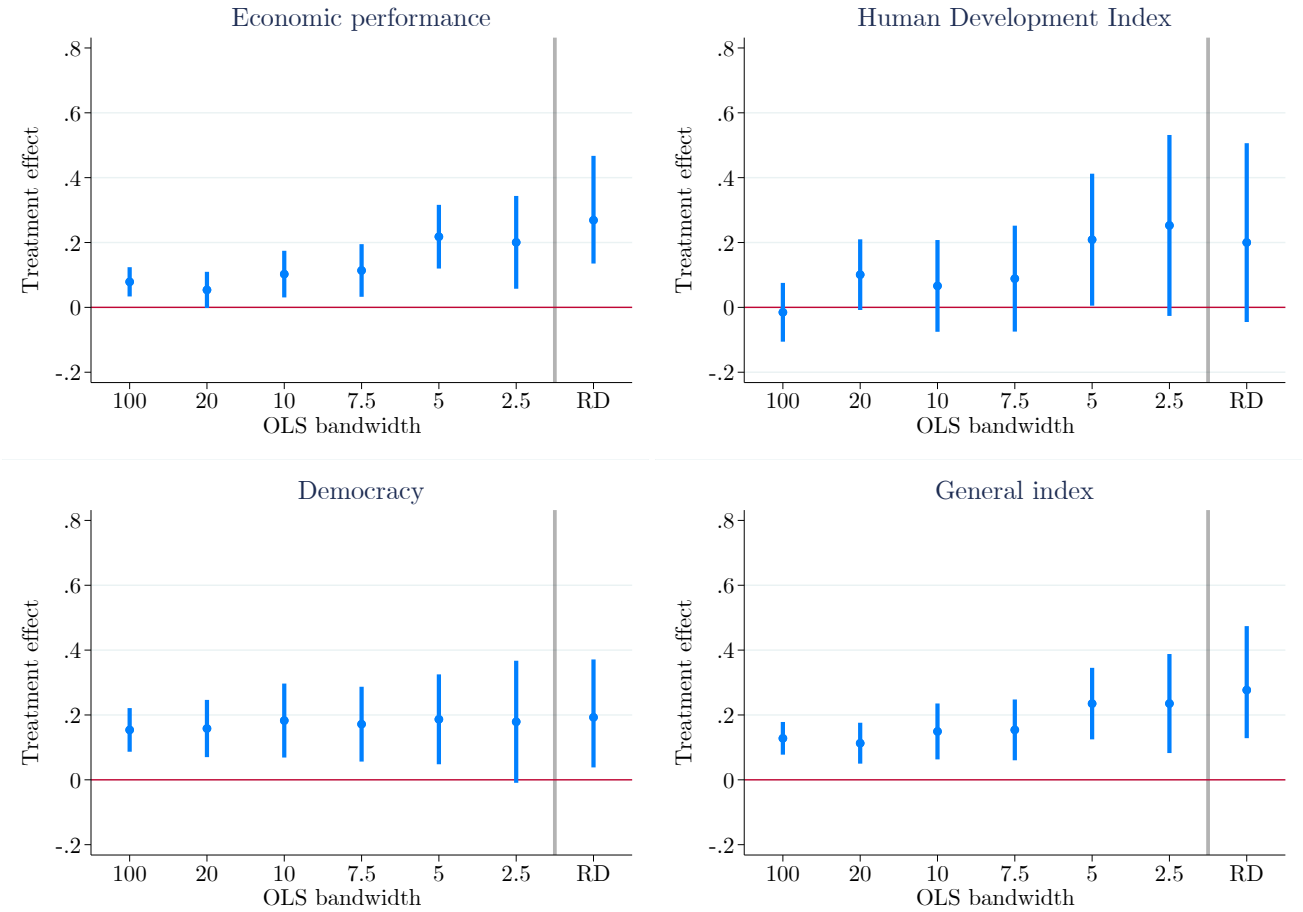
Notes: This figure plots RD estimates and 90% robust confidence intervals of the effects of electoral turnovers on our general index of country performance across subsamples, including different regions, regime types, election types, time periods, and whether the individual incumbent was nominally on the ballot or not. The corresponding heterogeneity analyses for the components of country performance are shown in Appendix Figure E.11.

Figure 6: Dynamic effects of electoral turnovers on country performance



Notes: This figure reports RD point estimates and 90% robust confidence intervals for the γ_τ in equation (2), with $\tau \in \{-2, 0, 1, 2, 3, 4, 5\}$, for all our main outcomes. Placebo refers to the point estimate obtained for $\tau = -2$. We use the procedure of Calonico et al. (2014) for estimation, and all outcomes are measured in standard deviations. In Appendix Figure E.12, we show graphs corresponding to the components of the economic performance index.

Figure 7: Comparing RD with OLS estimates



Notes: This figure compares OLS and RD estimates of the effects of electoral turnovers on country performance. For OLS estimates, we plot effects for the full sample, as well as for the subsamples of elections with a running variable in [-20, 20], [-10, 10], [-7.5, 7.5], [-5, 5], and [-2.5, 2.5]. All point estimates are displayed with 90% confidence bands.

Tables

Table 1: Effects of electoral turnovers on country performance

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.269***	0.043	0.431**	0.218	0.252**	0.200	0.193**	0.277***
	(0.101)	(0.155)	(0.192)	(0.168)	(0.126)	(0.168)	(0.101)	(0.105)
p-val.	[0.003]	[0.844]	[0.011]	[0.104]	[0.026]	[0.169]	[0.043]	[0.004]
N	2201	1815	1887	1331	1767	1305	2188	2357
N eff.	763	826	723	674	760	562	1193	859
Band.	13.5	19.5	14.8	21.7	17.2	17.9	23.6	14.3

Notes: This table reports RD estimates corresponding to equation (1) for our measures of country performance, expressed in standard deviation terms. We report local linear regression estimates from Calonico et al. (2014), robust standard errors in parentheses, the p-value associated with the robust confidence interval in brackets, the number of observations in the sample and in the bandwidth, and the MSERD-optimal bandwidth. $^{*}p < 0.10, ^{**}p < 0.05, ^{***}p < 0.01$.

Table 2: Heterogeneity analysis

		Election type		**Incumbent on ballot**		**Checks & balances**	
	(1) Baseline	(2) Pres.	(3) Parl.	(4) Yes	(5) No	(6) High	(7) Low
Economic performance	0.269***	0.396***	0.200*	0.286**	0.175	0.158	0.358**
	(0.101)	(0.168)	(0.114)	(0.160)	(0.142)	(0.108)	(0.170)
HDI	0.200	0.460*	0.048	0.174	0.277	0.226	0.149
	(0.168)	(0.286)	(0.203)	(0.255)	(0.317)	(0.272)	(0.242)
Democracy	0.193**	0.224	0.165	–0.049	0.119	0.051	0.298*
	(0.101)	(0.260)	(0.132)	(0.144)	(0.149)	(0.060)	(0.195)
General index	0.277***	0.367**	0.219*	0.202*	0.214	0.150**	0.333**
	(0.105)	(0.164)	(0.119)	(0.131)	(0.154)	(0.076)	(0.177)

Notes: This table reports estimated effects of electoral turnovers for different subsamples. Each estimate corresponds to a separate regression. Column (1) reports results for the full sample. Columns (2) and (3) report results for the subsamples of presidential and parliamentary elections, respectively. Column (4) (resp., 5) shows results on the subsample of elections in which the candidate of the incumbency was the incumbent leader themselves (resp., someone else). Column (6) (resp., 7) shows results for the subsample of elections for which checks and balances on the year before the election were above (resp., below) the median, computed among close elections (i.e., elections with a running variable below 15pp in absolute value). The subsamples of columns (4) and (5) only include elections leading to the the designation of a leader in the executive branch. Data Appendix I explains how we identify the candidate of the incumbency. Checks and balances are measured as the average of two V-Dem indices: the judicial constraints on the executive index and the legislative constraints on the executive index. Using the method of Clogg et al. (1995), we cannot reject the equality of the estimates for the general index for presidential and parliamentary elections (p-val. = 0.468), for the presence or absence of the incumbent leader on the ballot (p-val. = 0.952), and for high and low checks and balances (p-val. = 0.343). We obtain broadly consistent results when running a parametric regression in which we include the interaction between the treatment and the dimension of heterogeneity. $^{*}p < 0.10, ^{**}p < 0.05, ^{***}p < 0.01$.

Table 3: Effects of turnovers in the executive branch on country performance

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
Panel A: Fuzzy RDD (Effects of an executive turnover)								
Ex. turn.	0.366***	–0.025	0.399*	0.805***	0.495***	0.522**	0.058	0.341***
	(0.161)	(0.213)	(0.254)	(0.330)	(0.196)	(0.260)	(0.161)	(0.155)
p-val.	[0.005]	[0.976]	[0.056]	[0.005]	[0.003]	[0.023]	[0.879]	[0.009]
N	1582	1288	1378	962	1240	940	1529	1677
N eff.	664	689	675	443	553	465	831	725
Band.	16.6	23.0	19.6	18.7	16.9	20.7	22.5	17.3
Panel B: Reduced form (Effects of a defeat of the leading party before the election)								
El. defeat	0.273***	–0.015	0.316*	0.588***	0.355***	0.362**	0.027	0.256**
	(0.119)	(0.167)	(0.189)	(0.233)	(0.143)	(0.189)	(0.109)	(0.114)
p-val.	[0.007]	[0.986]	[0.051]	[0.004]	[0.004]	[0.035]	[0.963]	[0.011]
N	1582	1288	1378	962	1240	940	1529	1677
N eff.	568	624	575	385	516	429	738	635
Band.	13.3	20.8	15.8	15.5	15.3	18.6	19.8	14.3
Panel C: First stage (Effects of a defeat of the leading party before the election on the probability of an executive turnover)								
El. defeat	0.697***	0.745***	0.685***	0.691***	0.678***	0.688***	0.660***	0.684***
	(0.069)	(0.062)	(0.070)	(0.077)	(0.075)	(0.081)	(0.064)	(0.067)
p-val.	[<0.001]	[<0.001]	[<0.001]	[<0.001]	[<0.001]	[<0.001]	[<0.001]	[<0.001]
N	1582	1288	1378	962	1240	940	1529	1677
N eff.	664	689	675	443	553	465	831	725
Band.	16.6	23.0	19.6	18.7	16.9	20.7	22.5	17.3

Notes: This table reports estimated effects of turnovers in the executive branch for the sample of elections leading to the appointment of a leader in the executive branch. In panel a, we report fuzzy RDD estimates of the effects of executive turnovers, using as assignment variable the defeat of the leading party before the election and turnover in the executive branch as treatment. We show estimates of γ in equation (A.1) – see Appendix A.3. In panel b, we report reduced form estimates of γ^r in equation (A.3) – see Appendix A.3, corresponding to the effects of an electoral defeat of the leading party before the election. We use the margin of victory of the best ranked challenger of the leading party before the election as the running variable. In panel c, we report estimates of $\tilde{\gamma}$ in equation (A.2), corresponding to the first stage of panel a. Details about the definition of the leading party before the election can be found in Section 3.5. $^{*}p < 0.10, ^{**}p < 0.05, ^{***}p < 0.01$.

Appendix I: Data Appendix

In this appendix, we describe our data collection. Our dataset includes information on elections, national leaders, political parties, political regimes, and country-level outcomes. We also describe how we constructed the key variables used in our analysis.

A Election Data

A.1 Sampling Frame

To construct our database of election results, we first defined a sampling frame, aiming to capture all presidential and parliamentary elections which took place between 1946 and 2018. To do so, we identified all elections mentioned in the following data sources: V-Dem, IDEA, Nohlen, DPI, PARLGOV, MP, CLEA, and GLOBAL (we indicate the exact references below).[31] V-Dem provides us with most of the elections in this sampling frame. Other sources, such as Nohlen and IFES, complete this list with elections in small countries absent from V-Dem.

For each election in the sampling frame, we searched for a source giving us election results. If results could not be found in one of the consolidated databases, we tried to find results in the academic sources described below. We used Wikipedia when academic sources lacked sufficient information. For some elections, we gathered results from different sources in order to perform validity checks. We checked that the results provided in these sources were consistent and tried to find alternative sources in case of inconsistencies, as described below.

A.2 Data Sources

We collected data on elections from the following sources:

1. V-Dem (Coppedge et al., 2021);
2. Parliaments and Governments (PARLGOV) database (Döring and Manow, 2012);
3. Manifesto Project (MP) (Volkens et al., 2020);
4. Books by Dieter Nohlen and coauthors (Nohlen et al., 1999, 2001a,b; Nohlen, 2005; Nohlen et al., 2005; Nohlen and Stöver, 2010);
5. Database of Political Institutions (DPI) (Cruz et al., 2018);
6. Global Elections Database (GLOBAL) (Brancati, 2016);
7. Adam Carr's Psephos election archive (AC) (Carr, 2003);
8. African Elections Database (AED) (Nunley, 2007);
9. European Elections Database (EED) (Budge et al., 2001; Klingemann et al., 2006; Rose and Munro, 2009; Colomer, 2008)
10. Political Database of the Americas (PDA) (Georgetown University, 2002);
11. Inter-parliamentary Union PARLINE database (IPU) (Inter-Parliamentary Union, 2017);
12. International Institute for Democracy and Electoral Assistance (IDEA) (Pintor et al., 2002);
13. International Foundation for Electoral Systems (IFES) (ElectionGuide, 2017);
14. Constituency-Level Elections Archive (CLEA) (Kollman et al., 2011);
15. USA presidential elections database (USA) (National Archives, 2020);

[31] Although CLEA was used to build the sampling frame, we did not use this dataset to populate election results variables because of the frequent inconsistencies between this database and other sources. We sometimes find in the non-consolidated sources data on elections absent from the sampling frame. Such cases are added to the database.

16. Wikipedia (when academic sources were lacking).

Among these sources, some provide consolidated databases that we could download directly (IDEA, DPI, PARLGOV, MP, GLOBAL, and V-Dem). In others, data were available in the form of non-standardized webpages, which we found unsuitable for web-scraping (AC, AED, PDA, USA, IPU, Wikipedia). For these sources, we entered data manually. Part of the Adam Carr database as well as the IFES dataset were recovered through web-scraping. The books by Nohlen and coauthors provide data on election results in a standardized manner, but had not yet been digitized to our knowledge. We digitized the sections of all books which were relevant to our analysis.

For every election included in our database, we searched for data on vote shares (for presidential elections) and seat shares (for parliamentary elections). We checked the consistency of the data within each source, as described in Section A.4.

When associating each presidential and parliamentary election with election results, we used the following rules to prioritize across sources:

- We prioritized academic sources over non-academic sources;
- Among academic sources, we prioritized the most commonly used sources, sources showing fewer inconsistencies, and sources with a larger coverage in terms of countries and years.

Specifically, for presidential elections, we used the following priority order:

$$\text{Nohlen} \succ \text{AC} \succ \text{AED} \succ \text{USA} \sim \text{EED} \sim \text{PDA} \succ \text{IDEA} \succ \text{IFES} \succ \text{Wikipedia}$$

For parliamentary elections, we used the following priority order:

$$\text{PARLGOV} \succ \text{MP} \succ \text{Nohlen} \succ \text{DPI} \succ \text{GLOBAL} \succ \text{AC} \succ \text{AED} \sim \text{PDA} \succ \text{IPU} \succ \text{IDEA} \succ \text{IFES} \succ \text{Wikipedia}$$

A.3 Parliamentary Elections: Special Rules

Multicameral parliaments. We gathered data on election results for all unicameral parliaments, as well as the results for the lower chamber of bicameral parliaments. In the rare instances of tricameral parliaments, we collected results for the chamber that V-Dem considers to be the lower chamber.

Constituent assemblies. Our dataset does not include election results for constituent assembly elections. We defined constituent assemblies as assemblies whose role is only to draft and adopt a new constitution. Assemblies that come to perform functions beyond drafting and adopting a new constitution (e.g., legislating, electing the president, adopting budgets, etc.) are not considered as constituent assemblies. We used V-Dem, which follows this definition, to flag constituent assembly elections.

Appointed seats. In several countries, some seats in parliament are not elected but appointed. Our database only contains data for elected seats and does not provide partisan information for appointed seats. We included a flag for elections in which some seats in the parliament are appointed. Another variable indicates the number of seats which are appointed.

When our sources include the seat shares of each party, we use this information. In other cases, we compute seat shares by dividing the number of seats for each party by the total number of seats in parliament (including both elected and appointed seats). Due to manipulation concerns, we do not include parliamentary elections involving appointed seats in our analysis, as described in Appendix A.1.

Coalitions. While gathering data on parliamentary elections, we were especially vigilant when encountering cases of coalitions. We distinguish between two types of parliamentary coalitions:

1. **Ex-ante coalitions**, i.e. coalitions formed before the election, between parties which decide to campaign together in the election and formally commit to forming a common block in parliament. An example of such a coalition is the CDU/CSU coalition in Germany.
2. **Ex-post coalitions**, i.e. coalitions formed after the elections have been held. An example of such a coalition is the *Große Koalition* between 2013-2021 in Germany (a coalition between the CDU/CSU alliance and the SPD).

Ex-post coalitions are endogenous to election results, so their members are kept as separate entities in our dataset. However, we grouped together parties belonging to the same ex-ante coalition. For example, for recent German elections, there is no entry for "CDU" nor "CSU," but a unique entry for "CDU/CSU." The number of seats associated with a coalition is the sum of seats won by all parties of the coalition. We considered that there was an ex-ante coalition when at least one of the following conditions was met:

- The parties have a mutual non-compete agreement (they do not compete against each other in the same constituency). The CDU-CSU coalition satisfies this criterion.
- In multiple-round elections, parties in the coalition have an ex ante agreement that they will coordinate around the best-placed candidate in the first round. *La gauche plurielle* during the 1997 French legislative elections falls within this category.
- Wikipedia reports the seats obtained by each coalition. Example: the 2018 Italian legislative elections.
- Nohlen and coauthors report that the parties were part of a coalition.
- The parties have a joint electoral platform. Example: the RPR and the UDF in the 1981 French legislative elections.
- The parties in the coalition officially and jointly announced their alliance before the election.

To detect coalitions, we proceeded in the following way:

- We first flagged elections in which Nohlen and coauthors mention a coalition or an alliance.
- We then checked the keywords used to describe these coalitions in the Wikipedia pages associated with these elections. This enabled us to define a list of relevant keywords in English, French, and Spanish:[32]
  - In English: "alliance", "allied", "ally", "coalit", "endorse", "agreement", "join forces", "combine forces", "pact", and "joint list"
  - In French: "alliance", "allié", and "coalit"
  - In Spanish: "alianza", "aliada", "aliado", and "coalici"
- Finally, using the Wikipedia pages associated with each election in English, French, and Spanish, we detected the use of these keywords within these pages to flag elections which may have featured coalitions. This last step enabled us to detect ex ante coalitions in all parliamentary elections.

When an election featuring an ex-ante coalition was detected in any of the two sources (Nohlen or Wikipedia), we manually coded this coalition using information contained in Nohlen (when such information was available) or in the Wikipedia page corresponding to the relevant election.

[32] We chose these three languages because they are the languages with the most pages related to national elections. The ten languages with the most election-related pages in Wikipedia are, in order: English, French, Spanish, German, Russian, Italian, Catalan, Polish, Norwegian, and Korean.

Independents. We did not code a running variable when only independent candidates run in an election, when political parties are banned or inexistent, or when in the previous election no party won more seats than independents, making independents the largest group in parliament. When defining the party representing the opposition and computing the running variable, we exclude independents because we consider each independent MP as a separate political group.

Additional rules to define the incumbent party. When analyzing elections for which the previous election took place more than 10 years earlier, or for which we do not have results, we try to define an incumbent party through additional background research. In case of a tie in the previous election, we apply the following rule. If the election leads to the designation of a leader (typically the head of government), and the designated leader is affiliated to one of the tied parties, we define this leader's party as incumbent party. Else, we designate as incumbent party the party which won most votes. If the incumbent party was a coalition of several parties which split after the election, we consider as incumbent party the member of the coalition with most seats.

A.4 Selection of Sources

For each election, we populated the database of results using the following procedure:

1. We identified all available data sources for each election, and determined whether each available source was "consistent" or not. By "consistent," we mean:
    - For presidential elections: that the sum of vote shares for all candidates totals 100%.
    - For parliamentary elections: that the sum of elected seats for all parties plus the number of vacant seats and the number of appointed seats is equal to the total number of seats in the parliament.
2. For each election, we first checked if a "consistent" source was available. If so, we selected the consistent source with the highest ranking in the priority order described above (Data Appendix A.2). If no consistent source was available, but some "inconsistent" sources were, we selected the inconsistent source ranked highest in the priority order.

A.5 Election Dates

To determine whether a turnover occurred in an election, we must sometimes find the list of leaders in power during the two years preceding an election (see Section 3.1 for details). Building this list requires data on the exact dates at which elections took place. We retrieve these dates from V-Dem, AC, IFES, Wikipedia, and Wikidata, independently from election results. If several sources were available for a given election, we used the following priority order:

$$\text{V-Dem} \succ \text{AC} \succ \text{IFES} \succ \text{Wikipedia} \succ \text{Wikidata}$$

B Leaders Data

B.1 Identifying Leaders

To collect information on leaders, we used in priority V-Dem, which indicates the leaders in power for most countries, together with the dates of power transitions, i.e. the dates at which a new leader gains power.

We complemented these data with Wikipedia for countries absent from the V-Dem database. In rare occasions, we used Wikidata and the books by Nohlen and coauthors to complement these two sources. Data from Wikidata were retrieved through its API and data from Wikipedia were manually entered.[33]

[33] We checked that the data retrieved from these sources were internally consistent. For example, we checked that there were no gaps or overlaps between leader tenures lasting more than 14 days. Observations from Wikidata which showed such gaps or overlaps were

Generally, only one source was used to describe the leaders of a country and leader type. When using data from different sources, we prioritized V-Dem whenever possible. If information was not available in V-Dem, we used data collected from Wikipedia. Finally, we used Wikidata as a complementary source and Nohlen as a last resort source. The reason we preferred Wikidata over Nohlen in this case is that the former gives us precise dates of power transitions, while Nohlen usually only provides the years in which leaders gain or lose power. In instances where we use multiple sources, we checked observations just before and after a source change, and checked the consistency between both sources. For example, if the observation for year y came from V-Dem and the observation for year $y + 1$ came from Wikipedia, we checked that the last leader in power in year y corresponds to the first leader in power in year $y + 1$. This check serves several purposes:

1. It ensures that both sources use the same definition of a head of state or head of government.
2. When the same person is referenced by different names (for example because of different spellings), we can detect it at this point. When such an event was detected, we changed leader names to match the name coded by V-Dem.

B.2 Leader Characteristics

We linked each leader with their Wikipedia and Wikidata pages. This process was partly automatized, but all links were manually checked. From Wikidata, we extracted the party affiliations of leaders (with the start and end dates of each affiliation when available). When data on party affiliation were missing from Wikidata and relevant for our analysis, we manually complemented our dataset using information on the leaders' Wikipedia pages.

C Political Parties Data

C.1 Linking Election Results with Wikipedia, Wikidata, and the V-Dem Parties Database

We associated parties in our database of election results with parties in the V-Dem party database, called V-Parties (Lührmann et al., 2020; Pemstein et al., 2018), and with their Wikipedia pages. Matches were performed automatically and then checked manually (or made manually when no automatic match was possible). Specifically, we linked with V-Parties and Wikipedia all the parties ranked first or second in a national election. For presidential elections, we also linked the candidates of these parties with their Wikipedia pages.

V-Parties contains information on all parties which won a significant number of seats in nearly all parliamentary elections since 1900. It includes one observation per party $\times$ parliamentary election. From 1970 onwards, it contains expert-coded measures of populism, illiberalism, ideological positioning on the economic left-right axis,[34] as well as other party characteristics.

For presidential elections. Links with Wikipedia and V-Parties were performed separately. This is because many parties competing in presidential elections are not included in the parliamentary election results of the V-Parties database (reasons include: boycotts, parties created only for the presidential race, and parties which win too few seats in parliamentary elections to be included in the V-Parties database). Conversely, some Wikipedia pages are associated to several parties in V-Parties (for example because of changes in party names). Therefore, we followed the following methodology:

- For links with Wikipedia, we performed a manual association.

dropped from the dataset. Observations from Wikipedia which showed such gaps or overlaps were flagged but kept in the dataset because this source is of higher quality.

[34] V-Parties uses the following definition for left and right: "Parties on the economic left want government to play an active role in the economy. This includes higher taxes, more regulation and government spending, and a more generous welfare state. Parties on the economic right emphasize a reduced economic role for government privatization, lower taxes, less regulation, less government spending, and a leaner welfare state."

- For links with V-Parties, we associated each presidential election with the parliamentary election which took place on the same year if available in the V-Dem parties database, or with the closest parliamentary election in the past.[35] Parties of the election results database were then automatically matched with observations of the V-Parties database for this election. Fuzzy matches were checked manually.

For parliamentary elections. We started by matching parties with V-Parties. First, we performed a fuzzy match using both the seat shares obtained by different parties and party names. When the match was not perfect (or almost perfect), we made a manual check.[36]

C.2 Party Characteristics

We extracted three characteristics of political parties from V-Parties: their positioning on the economic left-right axis, a populism score, and an illiberalism score. V-Parties only codes these characteristics for parliamentary election years after 1970. We extended this database to all years after 1945 by interpolating between years coded by V-Parties. Furthermore, for years before (resp. after) the first (resp. last) V-Parties data point about a party, we used the characteristics of the party on the first (resp. last) year it was characterized by V-Parties.

D Regime Data

We divided countries' history between 1946 and 2018 into political regimes and documented their characteristics. These data were collected using V-Dem, with some additional information from Wikipedia. Whenever possible, we determined for each regime the power enjoyed by the head of state (HOS) and the head of government (HOG), how the HOS and HOG are elected, which leaders are designated following presidential and parliamentary elections, and whether the regime was democratic or not.

These data allow us to better understand the role of elections in each country and each time period (see also Data Appendix E). Associating each election to the regime in which it was held enables us to know which leaders were elected or appointed following the election, and how much power these leaders held.

D.1 Defining Regimes

We used the `v2reginfo` variable in V-Dem's country-date database, which partitions countries into regimes. For countries which are not coded by V-Dem, we manually coded regime partitions using Wikipedia. For these added regimes, we also gathered the following information: the start and end dates of the regime; leaders elected during presidential and parliamentary elections; and whether the regime was presidential, parliamentary, or mixed.

The V-Dem variables we used to determine regime characteristics are usually coded at the country-year level. For this reason, we collected regime characteristics using V-Dem's country-year database, associating each year to the regime in place on December 31 of that year. As a result, we cannot define the characteristics of regimes which are entirely contained within a given calendar year (e.g., the post-April coup transitional government in South Korea which lasted from April 26, 1960 to July 29, 1960).

D.2 Regime Characteristics

For our empirical exercices, we defined a set of regime-level variables to determine whether the regime's elections lead to the election or appointment of a member of the executive, and if so, if it is the HOS or the HOG (the variables `leaders_pres_elec` and `leaders_parl_elec`, defined below). To code these variables, we used a set of rules which involve auxiliary variables describing the institutions of each regime. In this section, we start

[35] When this election is more than four years in the past, we consider it too far apart and do not perform a match.
[36] When matching a coalition, we matched the party in the coalition with the largest seat share.

by describing how these auxiliary variables are coded, and then describe the rules used to code the variables leaders_pres_elec and leaders_parl_elec.

Auxiliary variables

Presidential or parliamentary elections held. We first determined whether presidential and parliamentary elections were held in each regime. In order to do so, we associated each election to a regime using the start and end dates of our list of regimes, as well as election dates.

HOS and HOG are the same person (hos_is_hog). We defined a variable indicating whether the HOS is also HOG in each regime. In order to do so, we computed the regime-level mean of v2exhoshog, the V-Dem variable assessing for each year if the HOS and HOG are the same person. If this regime-level mean was strictly below 0.2, we considered that the HOS and HOG were two different people during the regime. If this regime-level mean was strictly over 0.8, we considered that the HOS and HOG were the same person during the regime. If the regime mean of v2exhoshog was between 0.2 and 0.8, we considered the situation to be indeterminate.[37] In some cases, having an indeterminate case for the hos_is_hog variable makes it impossible to code the variables leaders_pres_elec and leaders_parl_elec automatically. Then, we coded these variables manually (see below).

HOS/HOG is directly elected (hos_direct/hog_direct). The v2ex_elechos variable of V-Dem indicates whether the HOS is directly elected or not in each year. We defined the corresponding regime-level variable. We considered that the HOS was directly elected if the regime-level mean of v2ex_elechos was strictly over 0.8, and that the HOS was not directly elected if this mean was strictly below 0.2. Other cases were considered indeterminate.

Symmetrically, using the v2ex_elechog variable of V-Dem, we defined whether the HOG was directly elected, in cases where the HOS and HOG are different people.

HOG chosen by HOS (hog_appointed_hos). We assessed whether the HOG is appointed by the HOS during the regime. For this, we used the v2ex_hosconhog variable of V-Dem, which indicates whether the HOG was appointed by the HOS in any given year.

We considered that the HOG was appointed by the HOS if the regime-level mean of v2ex_hosconhog was strictly over 0.8, and that the HOG was not appointed by the HOS if this mean was strictly below 0.2. Other cases were considered indeterminate.

HOS/HOG chosen by parliament (hos_parl/hog_parl). For each regime, we assessed whether the HOS is appointed by the parliament or not. For this, we used the v2ex_legconhos variable of V-Dem, which indicates whether the HOS was appointed by the legislature in any given year.[38] If the regime-level mean of v2ex_legconhos was strictly over 0.8, we considered that the HOS is appointed by parliament. If this mean was strictly below 0.2, we considered that the HOS was not appointed by parliament. Other cases were considered indeterminate.

Symmetrically, using the v2ex_legconhog variable of V-Dem, we defined whether the HOG was appointed by parliament or not.

[37] These cases correspond mostly to unstable or transition regimes. Examples include the Vichy regime in France: between 1940 and 1942, Phillipe Pétain was both HOS and HOG. In 1942, Pierre Laval became HOG while Pétain remained HOS.

[38] We chose to use this variable instead of the variable v2exaphos, which also gives information about the appointment method of the HOS ("Was approval of the legislature necessary for the appointment of the head of state?"), because v2ex_legconhos uses v2exaphos as a source (v2ex_legconhos aggregates information from v2exaphos and from v2expathhs). v2ex_legconhos is systematically available when v2exaphos is (at the regime level), and manual checks confirmed that v2ex_legconhos gave the most accurate information.

HOS/HOG non-democratically appointed (`hos_nondemoc/hog_nondemoc`). We determined for each regime the number of years in which the HOS was non-democratically appointed. For this we used the `v2expathhs` variable of V-Dem, which describes how the HOS arrived to power in any given year. We considered that a HOS was non-democratically appointed if they were either (i) appointed through the threat of or application of force, such as a coup or rebellion; (ii) appointed by a foreign power; (iii) appointed by the ruling party (in a one-party system); (iv) appointed by a royal council; (v) appointed through hereditary succession; or (vi) appointed by the military. We then considered that the HOS was non-democratically appointed in a regime if the HOS was non-democratically appointed in at least 80% of the years during a regime. We coded a symmetric variable for the HOG using the `v2expathhg` variable of V-Dem.

Power indices (`hos_power_linear/hog_power_linear`). To better understand the role leaders play in each regime, we created indices quantifying the amount of power the HOS and HOG enjoy. We considered that leaders hold power in different forms, following the variables from V-Dem:

- Power to dissolve the legislature (`v2exdfdshs_ord` for the HOS, and `v2exdfdshg_ord` for the HOG);
- Power to appoint ministers (`v2exdfcbhs_ord` for the HOS, and `v2exdfcbhg_ord` for the HOG);
- Power to dismiss ministers (`v2exdfdmhs_ord` for the HOS, and `v2exdfdmhg_ord` for the HOG);
- Power to veto legislation (`v2exdfvths_ord` for the HOS, and `v2exdfvthg_ord` for the HOG);
- Power to propose legislation (`v2exdfpphs_ord` for the HOS, and `v2exdfpphg_ord` for the HOG).

For each form of power, we normalized the V-Dem variable on the [0,1] segment, with 0 meaning least power and 1 most power. The means of these normalized variables give us indices reflecting the level of power of the HOS and HOG, which we call `hos_power_linear` and `hog_power_linear`, respectively.

HOS appointment method (`hos_appointment`). We defined the appointment method of the HOS in each regime as follows:

- Directly: if we found that the HOS was directly elected.
- Parliament: if we found that the HOS was not directly elected and that they were appointed by parliament.
- Non-democratically: if we found that the HOS was non-democratically appointed.

Other situations were considered indeterminate.

HOG appointment method (`hog_appointment`). We defined the appointment method of the HOG in each regime as follows:

- Directly: if we found that the HOG was directly elected.
- Parliament: if we found that the HOG was not directly elected and that they were appointed by parliament.
- Appointed by the HOS: if we found that the HOG was not directly elected, not appointed by parliament, and that they were appointed by the HOS.
- Irrelevant: if we found that the HOS and HOG are the same person.
- Non-democratically: if we found that the HOG was non-democratically appointed.

Other situations were considered indeterminate.

Main variables

With these auxiliary variables, we could find which leader was appointed following every election (if any leader was appointed at all). When two leaders were chosen following an election, we only kept the leader which had most power according to our leader power index. We now clarify this rule for presidential and parliamentary elections separately.

Main leader appointed following a presidential election (`leaders_pres_elec`). If presidential elections took place during the regime, we considered that the HOS was elected during these elections, unless one of the two following conditions held:

a) The HOG was directly elected and the HOS was not.

b) Both the HOS and HOG were elected directly, but the HOG had more power than the HOS.[39]

In these cases, we considered that the HOG was elected during presidential elections.

Main leader appointed following a parliamentary election (`leaders_parl_elec`). If parliamentary elections took place during the regime, we defined the leader appointed during these elections as:

- The HOS in any of the following cases:
  - The HOS was appointed by parliament and the HOG was not.
  - The HOS and the HOG were both appointed by parliament, and the HOS had more power than the HOG.
  - The HOS was appointed by parliament, the HOG was appointed by the HOS, and the HOS had more power than the HOG.
- The HOG in any of the following cases:
  - The HOG was appointed by parliament and the HOS was not.
  - The HOS and the HOG were both appointed by parliament, and the HOG had more power than the HOS.
  - The HOS was appointed by parliament, the HOG was appointed by the HOS, and the HOG had more power than the HOS.
- No leader if we know how the HOS and HOG were appointed, and we know they were not appointed by parliament.

When this rule did not allow us to determine the leader appointed during parliamentary elections (if any), we followed the same procedure as for presidential elections, i.e., we used Wikipedia to manually define the `leaders_parl_elec` variable.

E Determining the Role of Elections

To study the impact of elections leading to a turnover in the executive branch, we must understand the role of each election:

- For each presidential election, we determined whether the election led to the designation of the HOS or the HOG.
- For each parliamentary election, we determined whether the election led to the designation of the HOS, the HOG, or none of the two.

[39] We consider that the HOG has more power than the HOS if `hog_power_linear` > `hos_power_linear` + 0.1.

We associated each election with a variable indicating which leader of the executive was nominated following the election: `elected_leader`. This variable was mainly constructed using V-Dem. We used two methods to construct this variable: a baseline method and another method for robustness checks. The baseline method uses the value of V-Dem variables on the year of the election, and the method used for robustness checks uses the characteristics of the regime during which the election took place. We used the value given by the baseline method in priority because manual checks showed it was more accurate. We defined manually cases in which the baseline method did not allow us to determine the role of the election or in which the two methods disagreed. Finally, we checked cases where the constructed variable displayed surprising patterns.

Baseline method. In the baseline method, we defined the role of presidential and parliamentary elections in each country-year based on the country-year version of V-Dem. We used the following variables of V-Dem:

- `v2expathhs` (resp. `v2expathgh`): how did the HOS (resp. HOG) reach office?
- `v2ex_hosw`: does the HOS have more relative power than the HOG over the appointment and dismissal of cabinet ministers?
- `v2exhoshog`: is the HOS also HOG?
- `v2ex_elechos` (resp. `v2ex_elechog`): is the HOS (resp. HOG) directly elected?
- `v2ex_legconhos` (resp. `v2ex_legconhog`): is the HOS (resp. HOG) appointed by the legislature, or is the approval of the legislature necessary for the appointment of the HOS (resp. HOG)?
- `v2ex_hosconhog`: is the HOG appointed by the HOS?

We then went through the following steps.

1. First, we coded that the HOS was appointed in a given country-year:
    - Directly, if `v2ex_elechos` said so.
    - By parliament, if `v2ex_elechos` indicated that the HOS was not directly elected and `v2ex_legconhos` indicated that the HOS was appointed by the legislature.
    - Non-democratically, if `v2expathhs` indicated that the HOS reached power by a coup or other application of force, by appointment by a foreign power, by the ruling party in a one-party system, by a royal council, through hereditary succession, or by the military.
2. If the HOS is not the HOG, we determined that the HOG was appointed:
    - Directly, if `v2ex_elechog` said so.
    - By parliament, if `v2ex_elechog` indicated that the HOG was not directly elected and `v2ex_legconhog` indicated that the HOG was appointed by the legislature.
    - By the HOS, if `v2ex_elechog` indicated that the HOG was not directly elected, `v2ex_legconhog` indicated that the HOG was not appointed by the legislature, and `v2ex_hosconhog` indicated that the HOG was appointed by the HOS.
    - Non-democratically, if `v2expathgh` indicated that the HOS reached power by a coup or other application of force, by appointment by a foreign power, by the ruling party in a one-party system, by a royal council, through hereditary succession, or by the military.
3. We then determined that the leader nominated following presidential elections was the HOS unless one of the two following conditions held:
    a) The HOG was directly elected and the HOS was not.
    b) Both the HOS and HOG were directly elected, and the HOG had more power according to `v2ex_hosw`.

    In these cases, we consider that the HOG was nominated during presidential elections.

4. We then determined that the leader nominated following parliamentary elections is:

   - The HOS if:
     a) The HOS was appointed by parliament and the HOG was not.
     b) The HOS was appointed by parliament, and the HOS had more power according to `v2ex_hosw`.
   - The HOG if:
     a) The HOG was appointed by parliament and the HOS was not.
     b) The HOG was appointed by parliament, and the HOG had more power according to `v2ex_hosw`.
     c) The HOS was appointed by parliament, the HOG was appointed by the HOS, and the HOG had more power according to `v2ex_hosw`.
   - No leader if the HOS and HOG were not appointed by parliament, and we know how they were appointed.

Sometimes, this set of rules did not allow us to determine the role of the election (for instance when the V-Dem variables do not allow us to understand how the HOS or HOG are appointed). In such cases, we defined it manually using information available on Wikipedia.

Alternative method. The disadvantage of the baseline method is that each election's role is determined based on the unique observation of V-Dem corresponding to that year. The method may therefore be affected by noise in the V-Dem variables, and we identified several instances in which it failed to correctly identify the role of specific elections. For instance, in the United States in 1974, V-Dem indicates that the HOS is also HOG, and that the current HOS was nominated by parliament. The baseline method leads to the conclusion that the U.S. parliamentary election led to the nomination of the HOS, while in reality it did not lead to the nomination of any leader of the executive. Note that this mistake is not due to a coding error in V-Dem: the HOS in power on December 31, 1974 in the U.S. was Gerald Ford, who had been confirmed as President by Congress as part of the procedure outlined by the 25th amendment following Nixon's resignation. Our alternative method helps us avoiding this type of issues.

We first linked elections to the regimes defined in V-Dem. For instance, the 1974 U.S. election falls within the current U.S. regime, defined by V-Dem as Post-Civil Rights Act (03/07/1964 - E).[40]

We then determined the role of each election using the values in the regime database of the `leaders_pres_elec` and `leaders_parl_elec` variables for the regime in which the election took place. For instance, in the U.S. "Post-Civil Rights Act (03/07/1964 - E)" regime, presidential elections are associated with the nomination of the HOS and parliamentary elections are associated with the election of no leader. Aggregating data over the entire regime "absorbs" the noise of the Ford years.

Robustness checks. We determined which leader of the executive was nominated following every election, using both the baseline and the alternative method. We only kept the result provided by the baseline method, except in cases where the two methods disagreed (as for the 1974 U.S. parliamentary election). In these cases, as well as in cases where the baseline method did not enable us to define the role of the election, we defined it manually.

We also systematically checked irregular patterns of the `elected_leader` variable created for each election. When the value of this variable changed two years in a row, we performed a manual check. For instance, if presidential elections A, B, and C followed each other, and our method found that the role of election B differed both from the role of election A and from the role of election C, we checked that our characterization of election

[40] For 97% of the elections in our sampling frame, we know the exact date at which the election took place and can precisely associate it with a regime. For the remaining 3% of elections, we either know the year and month in which the election took place, or only the year. We associate these elections with a regime only if there is no ambiguity regarding the regime they took place in.

B was correct. Finally, we manually checked the `elected_leader` variable for elections taking place near years in which the leader appointed following an election changed according to the baseline method.[41]

F Term Limits

In our exploration of mechanisms, we distinguish presidential candidates who would face a binding term limit, should they be elected, from those who would be able to run for reelection at the end of their term. To know which term limit laws prevail, we extracted data from the Comparative Constitutions Project (CCP) (Elkins et al., 2021). Examples of rules mentioned in the CCP are "only one term permitted, total" and "no successive terms permitted, but multiple non-successive terms permitted."

We restrict this analysis to candidates ranked first or second in a presidential election, and candidates representing the incumbency.

To identify candidates facing a term limit, we proceed as follows:

- **Step 1**: We counted the number of presidential terms completed by leaders by looking at the list of leaders in power during the two years following past presidential elections.[42] If a single leader was in power during at least 365 days during this period, we considered that they have completed a term. We associated all leaders who have been in office with their unique Wikidata identifier.
- **Step 2**: Using the list of presidential election winners, and the association of presidential election candidates with their unique Wikidata identifiers, we computed for each presidential election candidate and each election:
  a) The total number of presidential terms the candidate has already completed at the time of the election.
  b) The number of consecutive terms the candidate has finished prior to the current election.
- **Step 3**: We merged this information with the term limit laws in place at the moment of each election (imported from CCP). Using the classification of the CCP and the comments added by CCP, we found whether each candidate would face a binding term limit if they won the election.[43]

With this method, we are able to assess whether a candidate faces a binding term limit or not for about half of our presidential election $\times$ candidate observations. In 65% of elections for which data on term limits are available, at least one candidate is facing a term limit. For 8% of the elections for which data on term limits are available, a candidate exceeds the term limit set by the constitution. In most cases, this seems to be because term limits laws are interpreted as not retroactive, and only terms which started within the current constitution are counted (examples include the 2006 Venezuelan presidential election, the Kazakh 2005 presidential election, and the Montenegrin 2013 election).

G Outcome Data

Outcome selection rules. For each category of outcomes, we retrieved a set of variables from widely-used sources. Estimates for the full list of outcomes we considered can be found in Appendix Tables D.1 to D.4. We focus our analysis on a subsample of these variables, which were selected using the following rules:

1. We preferred variables which have a large coverage;

[41] For instance, suppose that in a given country, parliamentary elections lead to the appointment of the HOS in 2005 and to the appointment of the HOG in 2006 according to the baseline method. We would then check values of `elected_leader` for parliamentary elections taking place in 2005 or 2006 in that country.

[42] In this step, we used our classification of presidential elections as elections of the HOS or elections of the HOG. If we could not clearly find the role of a presidential election, here we considered by default that it led to the election of the HOS.

[43] If the law does not specify whether there is a term limit or not, we consider that the candidate does not face a term limit.

2. We preferred variables which are measured directly to transformations of these variables. For example, we prefer to use the volume of international trade than the year-to-year change in the volume of international trade, as measurement errors are plausibly larger in the latter.

We prioritized the following data sources for our main outcomes of interest:

- **GDP per capita growth:** we use the Penn World Tables (Feenstra et al., 2015) which cover 179 countries across 65 years (1950-2014). Specifically, we measure GDP using the $RGDP^{NA}$ variable, corresponding to real GDP at constant national prices, obtained from national accounts data for each country. Feenstra et al. (2015) recommend using this measure of GDP for growth regressions. We divide it by the population measure of the Penn World Tables to obtain GDP per capita. As alternative sources, we considered the Maddison Project (Bolt et al., 2018) and the World Bank's World Development Indicators (WDI). The Maddison Project has a smaller spatial coverage (165 countries covered) and the World Bank WDI have a smaller time coverage (starting in 1960 only). Appendix Table D.1 reports estimates obtained using these alternative sources.
- **Inflation:** we use CPI inflation from the IMF. As an alternative, we considered the annual growth rate of the GDP implicit deflator provided by the World Bank and built using data from the World Bank's national accounts data and the OECD National Accounts data. Appendix Table D.1 reports estimates obtained using this alternative variable.
- **Unemployment:** we use the unemployment rate for individuals aged 15 and over from the International Labor Organization (ILO) modeled estimates. As an alternative source, we use estimates from the OECD. Data from the OECD have a larger time coverage (1955-2020 instead of 1991-2020 for the ILO database) but a much lower spatial coverage (38 countries, compared with 181 countries for the ILO database). Appendix Table D.1 reports estimates obtained using this alternative source.
- **Trade:** we construct a measure of trade intensity using the total value of imports and exports divided by GDP, measured by the World Bank. Appendix Table D.2 reports estimates obtained using an alternative source, the CEPII. We also explore alternative indicators such as exchange rate appreciation (from the IMF and the OECD) and tariffs and taxes on trade (from the World Bank).
- **Human development:** we use the Human Development Index (HDI) from the United Nations Development Programme (UNDP), the most standard and authoritative indicator of human development. The HDI is the geometric mean of three components: an index of income calculated using GNI per capita, an index of life expectancy at birth, and an index of expected years of schooling. The measure was originally proposed by Pakistani economist Mahbub ul Haq in 1990 based on the work of Amartya Sen. Other data sources such as the UNICEF and the World Bank do not provide a synthetic measure of human development. However, in Appendix Table D.3 we explore alternative indicators such as the infant mortality rate from UNICEF and measures of malnutrition and inequality provided by the World Bank.
- **Democracy:** we rely on V-Dem's various mesures of the quality of democracy, including deliberative, egalitarian, liberal, participatory, and electoral democracy. We use the simple average of these five measures (which all vary between 0 and 1) to quantify the quality of democracy. Appendix Table D.4 reports estimates obtained using alternative sources: the Polity IV project, Freedom House, the World Bank, Acemoglu et al. (2019), Boix et al. (2018), and Cheibub et al. (2010).

H Inputs to Define Electoral Turnovers and Turnovers in the Executive Branch

H.1 The Executive Before and After Elections

As outlined Section 3.5 of the paper, we defined for each election which leads to the designation of a member of the executive:

- A leader before the election;

- A leading party before the election;
- A leader after the election;
- A leading party after the election.

In presidential elections, the leader and leading party before the election (used in the specification estimating the effects of executive turnovers) are identical to the incumbent leader and incumbent party (used when estimating the effects of electoral turnovers). By contrast, in parliamentary elections, we do not define an incumbent leader, and the leading party before the election may differ from the incumbent party, defined as the party which secured a plurality of seats in the previous parliamentary election (see Section 3.1).

Leader before the election. Let E an election following which a member of the executive is designated (a presidential election, or a parliamentary election which leads to the designation of a member of the executive, typically the prime minister).

Let ℓ the leader designated following election E, with $\ell \in \{\text{HOS}, \text{HOG}\}$. Usually, $\ell = \text{HOS}$ for presidential elections and $\ell = \text{HOG}$ for parliamentary elections.

Let y_E be the year in which election E took place, y_{E-1} the year immediately preceding it, and y_{E+1} the year immediately following it. Furthermore, let:

- t_E be the date of the election E. t_{E+n} corresponds to n days after the election, and t_{E-n} corresponds to n days before the election.
- $L_{t_1,t_2,\ell}$ be the list of leaders that were in power at position ℓ between dates t_1 and t_2.
- $L_{y,\ell}$ be the list of leaders that were in power at position ℓ during year y.

We defined as leader before the election a leader who held power for at least 365 days in the two-year period before the election. We identified leaders before the election using the database of election dates and the leader database which documents leadership transitions, with the following steps:

- **Step 1**: When we knew the precise date at which election E took place and the dates at which the leaders of type ℓ took power in country c for years y_E, y_{E-1}, and y_{E-2}, we defined $L_{t_E-731,t_E-1,\ell}$, the list of leaders in power during the two years preceding the election. If one leader in this list had been in power for 365 days or more during this 730-day period, we defined them as the leader before the election.
- **Step 2**: If we did not know the precise date at which the election took place or if we did not know the precise dates at which leaders took power in the country, we could not define $L_{t_E-731,t_E-1,\ell}$, and we could not know whether the leaders in $L_{y_E,\ell}$ were in power before or after the election. In such cases, we looked at the year y_{E-1} to find a leader before the election. If $L_{y_E-1,\ell}$ is a singleton, we defined its single element as the leader before the election.
- **Step 3**: If we did not have data on the leaders in $L_{y_E-1,\ell}$ or if $L_{y_E-1,\ell}$ is not a singleton, we checked in Wikipedia or in other available sources whether a leader matches our definition of leader before the election.

Leading party before the election. Keeping the same notations as in the definition of the leader before the election, we defined:

- $P_{t_1,t_2,\ell}$, the list of the parties that leaders in $L_{t_1,t_2,\ell}$ belonged to between t_1 and t_2.[44]

[44]To build this list of parties, we use as input two databases, both extracted from Wikidata and described above: (i) the database of leader characteristics which associates each leader with one or several parties, and, if available, dates of start and end of party membership, and (ii) the database of political party characteristics, including their creation and dissolution dates. To find the parties to which a leader is affiliated between t_1 and t_2, we list the parties associated with the leader in the leader characteristics database, remove parties in which the leader was not active between t_1 and t_2 using start and end dates of party memberships (when available), and remove parties which did not exist at all between t_1 and t_2 (using the database of party characteristics).

- $P_{y,\ell}$, the list of the parties that leaders in $L_{y,\ell}$ belonged to during year y.

We defined as leading party before the election a party which held power for 365 days or more during the two years preceding the election, using the following steps:

- **Step 1**: If we could identify a leader before the election, their party was considered the leading party before the election. If they had several partisan affiliations at the time of the election, all of the parties with which they were affiliated at the time of the election were considered leading parties before the election.[45] Otherwise, we continued to step 2.
- **Step 2**: When we knew the precise date at which election E took place and the dates at which the leaders of type ℓ took power in country c and for years y_E, $y_E - 1$, and $y_E - 2$, we defined $P_{t_E-731,t_E-1,\ell}$, the list of parties in power during the two years preceding the elections. If one party in this list had been in power for 365 days or more during this 730-day period, we defined it as the leading party before the election.[46]
- **Step 3**: If we did not know the precise date at which the election took place or if we did not know the precise dates at which leaders took power in the country, we could not define $P_{t_E-731,t_E-1,\ell}$, and we could not know whether the parties in $P_{y_E,\ell}$ were in power before or after the election. In such cases, we looked at the year $y_E - 1$ to find a leading party before the election. If $P_{y_E-1,\ell}$ is a singleton, we defined its single element as the leading party before the election.
- **Step 4**: If the previous steps did not lead to the designation of a leading party before the election, this may be due to several factors:

  a) Too much political instability: multiple parties were in power during the two years preceding the election, and none of them held power for more than 365 days. In such a case, we could not define a leading party before the election.
  b) Missing data in the leader characteristics database. In this case, we used information from Wikipedia and WhoGov to manually code a leading party before the election.

When a leading party before the election could not be defined through steps 1-3 and we could also not find a leader before the election, we searched in available sources for complementary information. If a political party corresponded to our general definition of leading party before the election, we defined it manually as such. We further checked observations where the leading party before the election was dissolved the year of the election. In cases where this dissolution corresponded to a change in the name of the party, we coded this change to make sure the party could be linked with parties competing in the election and with the party in power after the election.

Leader after the election. The rules used to define the leader after the election are symmetric to the rules used to define the leader before the election.

Leading party after the election. The rules used to define the leading party after the election are symmetric to the rules used to define the leading party before the election.

[45] When we determined whether there was a turnover in the executive branch or not and there were several leading parties before or after the election, we consider there was no turnover when the intersection between the lists of leading parties before and after the election was non-empty.

[46] In some cases, leaders are affiliated to several parties. This rule allows us to manage such cases. For instance, suppose that during the 730 days before the election, leaders 1, 2, and 3 were in power each for the same time period. Leader 1 is affiliated with parties A and B, while leader 2 is affiliated with party B only, and leader 3 is affiliated to C. The leading party before the election will then be defined as party B. As a second example, if leader 1 was affiliated with parties A, B, and C while leaders 2 and 3 were affiliated only with B and C, we define both B and C as leading parties before the election. If several parties in $P_{t_E-731,t_E-1,\ell}$ were in power for 365 days or more during the two years before the election, we only consider as leading parties before the election the parties in that list that were in power for the longest period. For instance, if parties A and B appear in $P_{t_E-731,t_E-1,\ell}$ for 400 days, and party C for 380 days, then only parties A and B will be considered leading parties before the election.

H.2 Determining the Representative of the Incumbency

The matching process to determine the representative of the incumbency begins after an incumbent leader (in presidential elections) and incumbent party (in both presidential and parliamentary elections) were defined. We matched these incumbent leaders and parties to the candidates and parties listed in the election results database using the `fuzzywussy` Python library.[47] We checked manually the matches that were fuzzy, corrected matching errors manually, and made some manual matches when no automatic match could be performed.[48] In some cases, we could not define a representative of the incumbency and running variable. In these cases, we provided a justification for the missing running variable.
At this stage, all elections fall in one of the three following cases:

- A representative of the incumbency has been defined automatically through the matching process, and this automatic match has been checked if fuzzy.
- A representative of the incumbency could not be defined automatically, but was coded manually.
- A representative of the incumbency cannot be coded because the election falls in a special case, which has been documented on a case-by-case basis.

H.3 Determining the Representative of the Leading Party Before the Election

We use a similar process to match the leading party before the election with parties listed in the election results database, in the subset of parliamentary elections which lead to the designation of a member of the executive. In presidential elections, the leader and leading party before the election are also the incumbent and incumbent party, so the match with election results is identical to the match described above.

H.4 Additional checks

The variables described above are key inputs in the computation of the running variables X (which determines the treatment T, indicating an electoral turnover) and X^x, as well as the treatment T^x (indicating a turnover in the executive branch). To check their validity, we asked research assistants who had not participated in the initial coding of these variables to code them by hand for a subset of elections, using Wikipedia and other online sources. They did this work for all elections with a running variable X between -15 and +15 percentage points (which approximately corresponds to the bandwidth optimally chosen by rdrobust for of our RDD regressions), as well as a smaller random sample of elections for which X was above +15 or below -15 percentage points. In total, this audit sample included 1,053 elections (374 presidential elections and 679 parliamentary elections). We checked all cases where this complementary coding of the running and treatment variables differed substantially from our original coding.[49] This allowed us to detect 38 elections (2 presidential elections and 36 parliamentary elections, accounting for 3.6% of the sample of interest) for which there was an error in the original coding of X, X^x, or T^x. Overall, these additional checks bolster our confidence in the accuracy of the original coding of these key variables.

[47] We imposed a restriction of the Levenshtein distance between the two matched strings to consider that they corresponded to the same candidate or party. Precisely, we imposed that the `WRatio` of the `fuzzywuzzy` Python library be over 90. If several parties had a `WRatio` of over 99, we did not perform an automatic match as there was an ambiguity.

[48] When there were several leading parties before the election and several of these parties were competing in the election, we conducted some background research to determine which of these parties was supported by the incumbent leader and define it as the representative of the incumbency.

[49] Specifically, we checked cases where the manually coded variables differed from the original variables by more than a percentage point, or when they were of opposite signs.

I Party leaders

In parliamentary regimes, political parties often nominate leaders to represent them in the parliamentary elections, with the expectation that they would become the leader of the executive branch in the event of a victory. For instance, in the 1994 German Bundestag election, the CDU/CSU was represented by Helmut Kohl, and the SPD by Rudolf Scharping. Using Wikipedia and other sources, we identified the party leaders for the top two parties as well as the incumbent party (if it was not among the top two parties) in each election. We restricted this exercise to parliamentary elections which led to the designation of a leader of the executive branch and which took place in parliamentary regimes. Indeed, in presidential regimes, party leaders during parliamentary elections are not always expected to become a leader of the executive in the event of a victory.

We linked party leaders with their Wikipedia pages and Wikidata IDs. Since we also link all leaders of the executive branch with their Wikidata IDs, we can assess whether the leader of the incumbent party during an election is also the incumbent leader. Similarly, we link all candidates in presidential elections with their Wikipedia pages and Wikidata IDs. Using these data, we can assess whether the candidate of the incumbency was the incumbent leader themselves vs. someone else for a large subset of elections. In Table 2, we test whether the effects of electoral turnovers differ in these two cases.

Appendix II: Supplementary Results

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A Empirical Strategy

A.1 Elections Included in Regressions

In our analysis, we include all presidential and parliamentary elections held between 1946 and 2018, excluding the following cases:

- Elections already excluded from the election results database (by-elections only concerning a very small number of seats, elections for constitutional assemblies which do not have any legislative power except in drafting a new constitution, and elections for the upper chamber in multi-cameral parliaments).
- Elections with only one candidate (including plebiscites) or one party.
- Elections which are not the last of their type during the calendar year.
- Presidential elections considered inconsequential because they were cancelled (e.g., Bolivia 1978), because the elected president died shortly after the election (e.g., Iran 1981), or because they were shortly followed by a coup (e.g., Panama 1968).
- Some indirect presidential elections (see Appendix A.2 below).
- Parliamentary elections considered inconsequential because they were cancelled, or shortly followed by a coup or a dissolution of the elected assembly.
- Parliamentary elections where some members were appointed. We drop these elections for two reasons. First, there is a major concern of manipulation of the running variable in this case, since incumbent leaders and parties can use appointed seats to secure a majority of seats. Second, the available data on seat shares do not always allow us to distinguish between elected seats and appointed seats, which then makes it impossible to compute seat shares using only elected seats as the denominator.

A.2 Indirect Presidential Elections

In some polities, the president is indirectly elected, usually by parliament or by an electoral college. Including indirect elections indiscriminately in the sample would threaten the validity of the RDD as parties can often make alliances before such elections and precisely manipulate the votes each candidate receives.

Identification of indirect elections. Indirect elections were identified:

- Manually, during data entry.
- Automatically, when the election results mentioned the presence of an electoral college (i.e., the data we collected included information on electoral college votes).
- Automatically, when IFES labelled the election as indirect. V-Dem also has a variable coding indirect elections (`e_presdirect`). However, it is not comprehensively coded and we detected some coding errors. We nonetheless used this variable for checks: in the few instances where V-Dem codes an election as indirect and we code it as direct, we systematically checked that our coding was correct. Furthermore, many indirect elections are not included in V-Dem, so that an election missing from V-Dem can be an indicator that the election was indirect. We systematically checked whether the elections present in our dataset but not in V-Dem were indirect or not.

Inclusion rule. We only included indirect presidential elections in our sample when the president was chosen by an electoral college elected by the people for the sole purpose of electing the president. These elections are comprehensively documented by V-Dem. We also imposed that the electoral rule made precise manipulation very difficult, i.e.:

- We excluded indirect elections satisfying the criterion above but where several rounds could take place, as the existence of multiple rounds can enable parties to build alliances between rounds and manipulate the final result (e.g., Granzier et al. (2023)).
- We excluded indirect elections where electors were unpledged and where the electoral college counted fewer than 1,000 electors. Note that this does not apply to the U.S. Electoral College, where the 538 electors are pledged (see below).

We obtained information about the electoral rule in each indirect presidential election from Nohlen, Wikipedia, and countries' constitutions.

Comments on the rule. The first part of the rule (the electoral college must be elected by the people and have the sole purpose of electing the president) serves two purposes:

1. It rules out elections where manipulation is easy (e.g., when the president is elected by parliament).
2. It ensures that our sampling frame is comprehensive: V-Dem comprehensively documents direct presidential elections, and indirect elections where the "electoral college [is] elected by the people and has the sole purpose of electing an executive".

The second part of the rule (namely, the two additional types of indirect elections which we exclude) excludes further cases where manipulation could be made easier.

We note that this rule leads us to exclude some indirect elections where manipulation is unlikely. For example, in the 1958 French election, the president was elected by 79,470 voters including MPs, mayors and local officials. Since members of the electoral college were not elected for the sole purpose of electing the president, this election is excluded from our sample, although the large number of electors made manipulation unlikely. Likewise, in India, the president is elected by MPs (from both houses of parliament) and members of state legislative assemblies, for a total of over 4,000 electors. The votes of these representatives are weighted differently depending on the region they are representing, making manipulation difficult. However, these cases only represent a small number of elections, and the lack of documentation of these indirect elections by V-Dem makes it difficult to compile a comprehensive list. The rule above allows us to avoid exclusion errors pertaining to this type of indirect elections.

Examples.

- **Examples of elections not included in the sample**:
  - Argentina (elections of 1946, 1958, 1963, 1983, and 1989): in these elections, an electoral college including two electors per congressman was formed to nominate a president and vice-president. To get elected, candidates had to obtain a majority of the votes from the electoral college. Otherwise, the president and vice-president would be elected by the Congress. Manipulation seemed to be possible, especially in more competitive elections.
  - Finland (elections of 1946, 1950, 1956, 1962, 1968, 1978, 1982, and 1988): several rounds could take place in the electoral college, making manipulation possible.
- **Examples of elections included in the sample**:
  - U.S. (all elections since 1945): most states bind their electors to a strict rule. There have been rare instances of "faithless electors" throughout history. However, "such 'faithless electors' have never decided a Presidency. There has been one faithless elector in each of the following elections: 1948, 1956, 1960, 1968, 1972, 1976, and 1988. A blank ballot was cast in 2000. In 2016, seven electors broke with their state on the presidential ballot."[1]

[1]U.S. House of Representatives, https://history.house.gov/Institution/Electoral-College/Electoral-College/, accessed on December 31, 2021.

A.3 Effects of Turnovers in the Executive Branch.

The RD equation we use to estimate the effect of an executive turnover is as follows:

$$\Delta Y_E = \alpha + \beta_1 X_E^x + \beta_2 X_E^x T_E^x + \gamma T_E^x + \varepsilon_E, \tag{A.1}$$

where X_E^x, the running variable, is the victory margin of the best ranked competitor over the party of the executive leader. The treatment variable T_E^x is equal to 1 if the country experienced a turnover in the executive branch. T_E^x is instrumented by A_E^x in the following first stage equation:

$$T_E^x = \tilde{\alpha} + \tilde{\beta}_1 X_E^x + \tilde{\beta}_2 X_E^x A_E^x + \tilde{\gamma} A_E^x + \tilde{\varepsilon}_E, \tag{A.2}$$

where $A_E^x = \mathbb{1}(X_E^x > 0)$. Our main tables report point estimates corresponding to γ.

For the sake of completeness, we also report γ^r from the following reduced-form equation:

$$\Delta Y_E = \alpha^r + \beta_1^r X_E^x + \beta_2^r X_E^x A_E^x + \gamma^r A_E^x + \varepsilon_E. \tag{A.3}$$

Differences between γ in equation (1) and γ^r in equation (A.3) are due both to differences in specification and to differences in sample size and composition.

A.4 Electoral and Executive Turnovers: Additional Examples

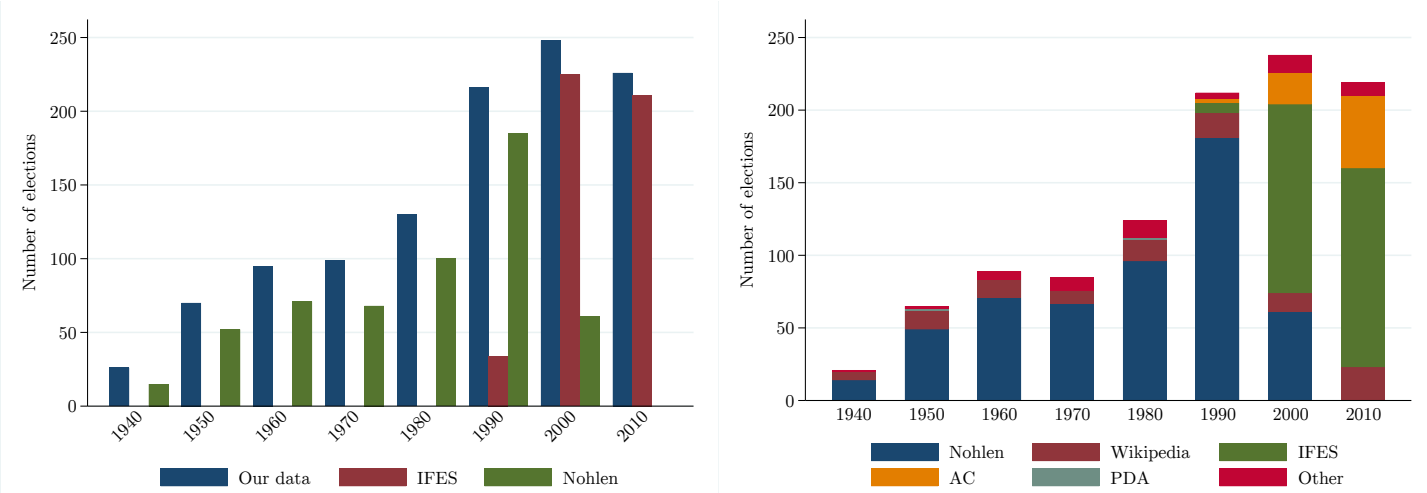
This section provides additional examples to illustrate the approach we use to define electoral turnovers and turnovers in the executive branch:

- **1949 Icelandic parliamentary elections**. The Independence party won a plurality of seats in the previous election in 1946, but the incumbent leader (Stefán Jóhann Stefánsson) was affiliated with the Social Democratic Party. In the 1949 election, the Independence party won again with 37.1% of seats. The Progressive party arrived second with 31.4% of seats and the Social Democratic Party arrived fourth with 14.3% of seats. The leader after the election was Ólafur Thors from the Independence party. Therefore, we have $X = -5.7\%$, $X^x = 22.8\%$, $T = 0$, and $T^x = 1$ (there was an electoral victory of the incumbency and a turnover in the executive branch).
- **1993 Canadian parliamentary elections**. The Progressive Conservative party had won a plurality of seats in the previous election in 1988. The Progressive Conservative party ranked 5th in the 1993 election with 0.7% of the total number of seats in parliament. The Liberal party won the election with 60% of seats and designated a new leader of the executive, Joseph Chrétien, following the election. For this election, we have $X = X^x = 59.3\%$ and $T = T^x = 1$ (there was an electoral defeat of the incumbency and a turnover in the executive branch).
- **2002 Kenyan presidential election**. The incumbent leader was Daniel arap Moi, from the Kenya African National Union (KANU). During the election, his designated successor was Uhuru Kenyatta, also from KANU. Kenyatta lost with 31.3% of the vote against Mwai Kibaki, who garnered 62.2% of the suffrage. In this election, we have $X = X^x = 30.9\%$ and $T = T^x = 1$ (there was an electoral defeat of the incumbency and a turnover in the executive branch).
- **1997 Mexican parliamentary elections**. The Institutional Revolutionary Party (PRI) had won a plurality of seats in the 1994 parliamentary elections. In 1997, it won 47.8% of the seats, while the Party of the Democratic Revolution, which arrived second, won 25% of the seats. Hence, for this election, we have $X = -22.8\%$ and $T = 0$ (there was an electoral victory of the incumbency). Because the election did not lead to the designation of a head of the executive branch, both X^x and T^x are not defined for this election.

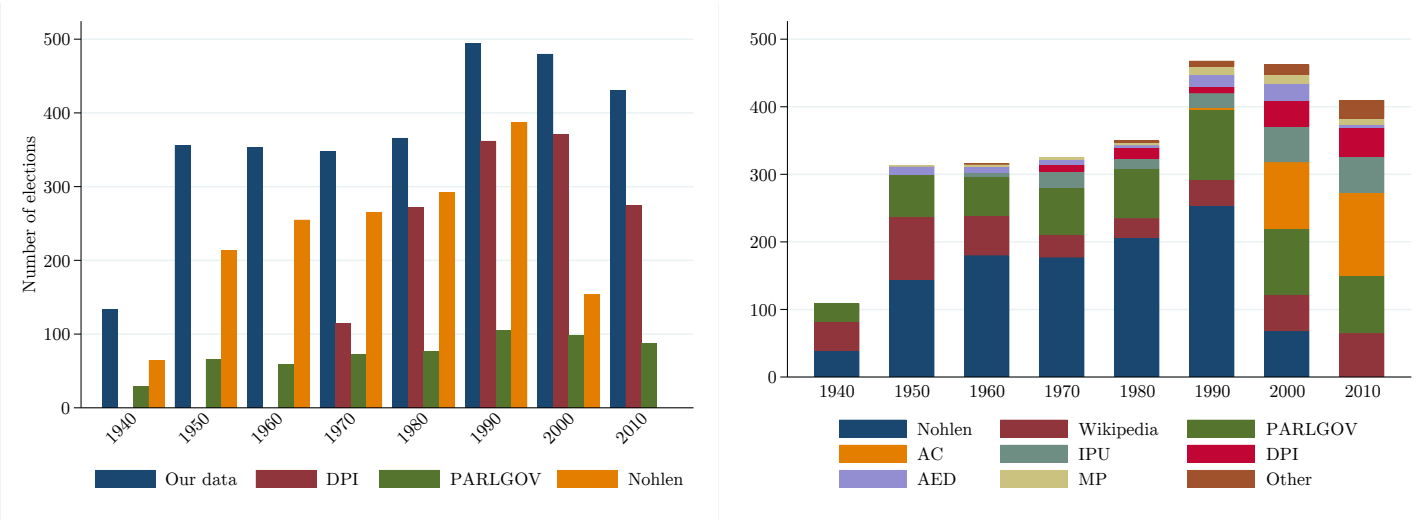
B Descriptive Statistics

Figure B.1: Electoral data availability and sources used

(a) Presidential elections

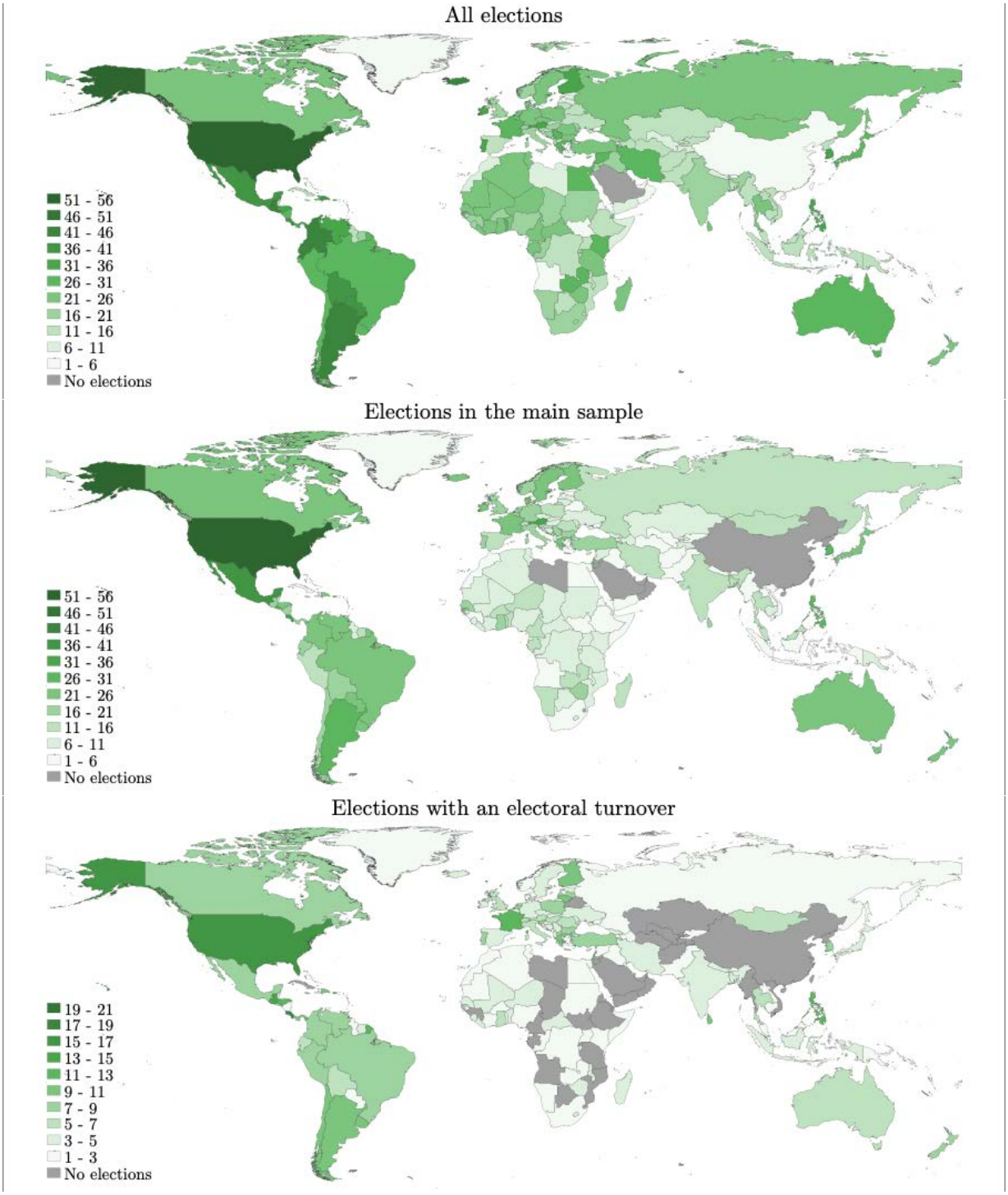


(b) Parliamentary elections



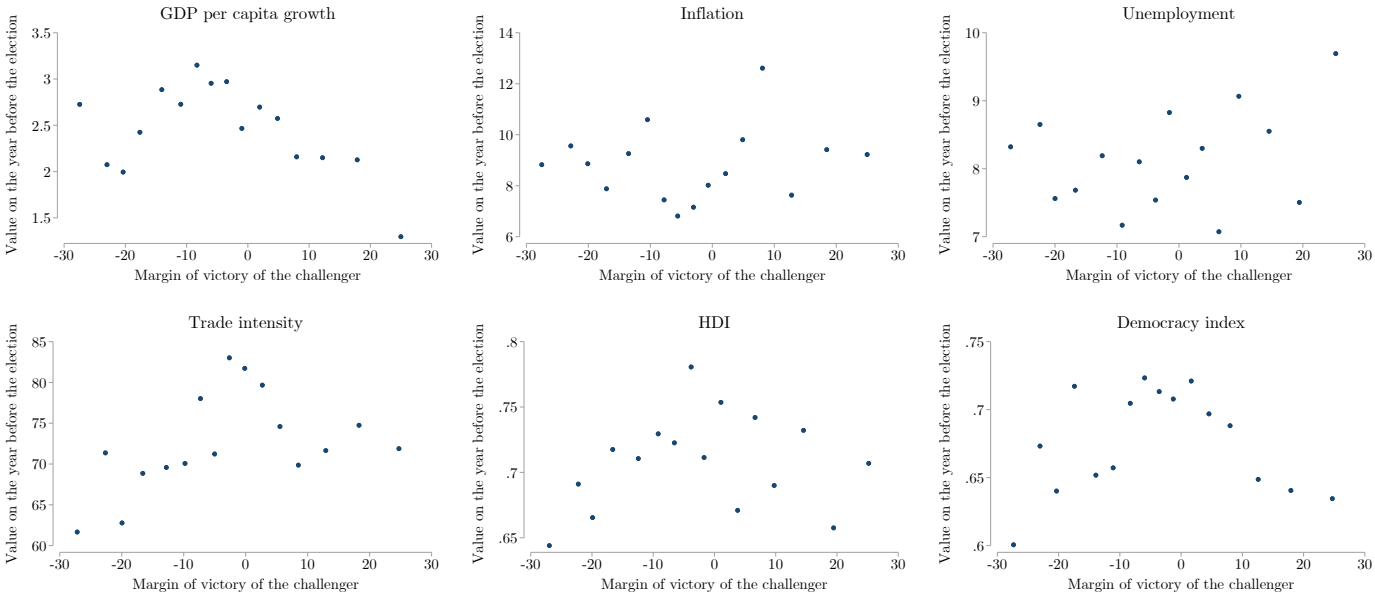
Notes: The left panels of this figure plot for each decade the number of elections in our database compared to the number of elections in other available databases. The right panels show for each decade the number of elections for which we retrieved data on election results from each source.

Figure B.2: Sample description



Notes: This figure shows the geographic distribution of all presidential and parliamentary elections since 1945, all elections included in our main analysis, and all elections with an electoral turnover (see Sections 3.1 and 3.2).

Figure B.3: Pre-election conditions as a function of the running variable



Notes: This figure shows binscatter plots of our main outcomes in the year before the election as a function of the running variable.

Table B.1: Outcome variables

Category	Variable	More is...	Source	N	Coverage	Winsor.
Economic	GDP per capita growth	Positive	Penn World Tables	2915	1951–2014	Yes
Economic	Inflation	Negative	IMF	2782	1945–2020	Yes
Economic	Unemployment	Negative	ILO	1800	1991–2022	Yes
Economic	Trade intensity	Positive	World Bank	2655	1960–2020	Yes
Social	HDI	Positive	UNDP	1781	1990–2019	No
Democracy	Democracy index	Positive	V-Dem	3599	1945–2020	No

Notes: This table lists the variables which we use to measure country performance. Winsor. indicates whether the outcome variables were winsorized or not. N is the number of elections for which we have available data.

Table B.2: Finding the consequences of an election (examples)

(a) An election without a power transition: the 1944 United States presidential election, designating the HOS (7 November 1944)

	Two years before the election	**Two years after the election**
Leaders in power	Franklin D. Roosevelt (Democratic Party, 730 days)	Franklin D. Roosevelt (Democratic Party, 156 days) Harry S. Truman (Democratic Party, 574 days)
Decision	*Leader before the election*: Franklin D. Roosevelt *Leading party before the election*: Democratic Party	*Leader after the election*: Harry S. Truman *Leading party after the election*: Democratic Party

(b) An election with a power transition: the 1994 Dutch parliamentary election, designating the HOG (3 May 1994)

	Two years before the election	**Two years after the election**
Leaders in power	Rudolphus Lubbers (Christian Dem. Appeal, 730 days)	Rudolphus Lubbers (Christian Dem. Appeal, 111 days) Willem Kok (Labour Party, 619 days)
Decision	*Leader before the election*: Rudolphus Lubbers *Leading party before the election*: Christian Dem. Appeal	*Leader after the election*: Willem Kok *Leading party after the election*: Labour Party

Notes: This table provides two examples of the definitions of the incumbent leader, incumbent party, leader after the election, and leading party after the election.

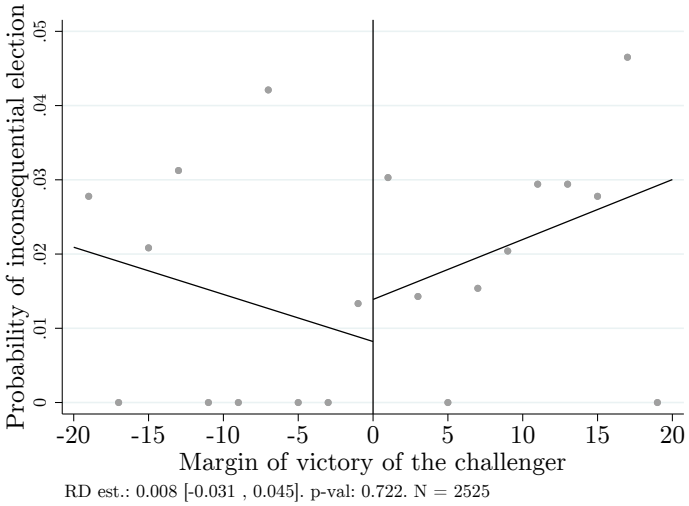
Table B.3: Measures of country performance: Summary statistics

Outcome	Mean	s.d.	min.	max.	Unit
GDP per capita growth	0.071	4.717	–18.499	20.413	%
Inflation (CPI)	–0.771	9.336	–54.423	52.756	%
Unemployment	0.027	2.363	–10.555	14.285	% of labor force
Trade intensity	1.620	13.570	–113.361	107.662	% of GDP
HDI	0.016	0.014	–0.124	0.070	0–1 scale
Democracy index	0.019	0.074	–0.540	0.573	0–1 scale

Notes: This table lists the main variables which we use to measure country performance, defined for each outcome as the difference between the average level of that outcome in the four years following the election and its level in the year before the election. The summary statistics are computed on all election years after 1945.

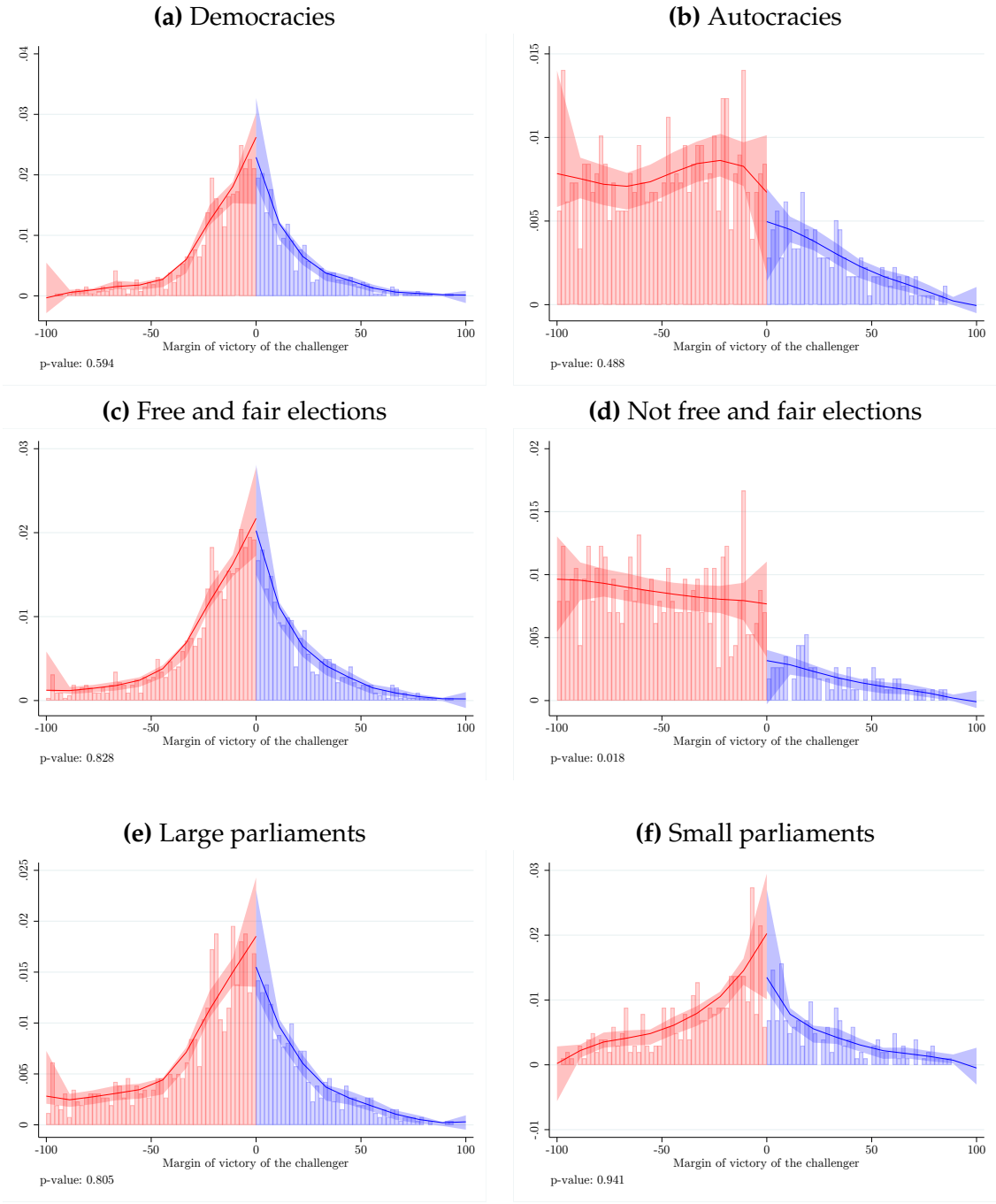
C Identification Checks and Placebo Tests

Figure C.1: Effect on the probability of inconsequential election



Notes: This figure shows the effect of an electoral turnover on a dummy equal to 1 if an election is not included in the sample because it was inconsequential (e.g., because it was cancelled or shortly followed by a coup).

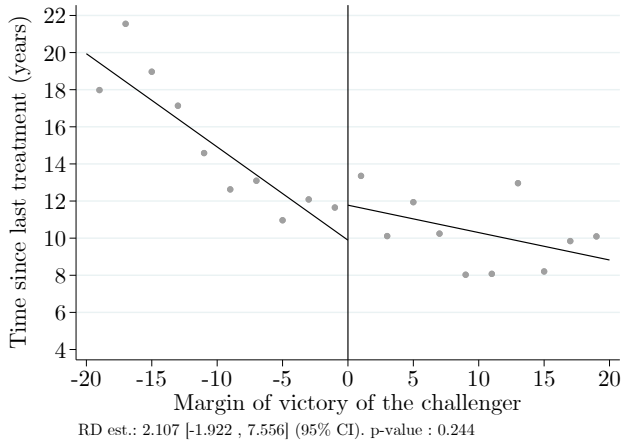
Figure C.2: Density tests, additional subsamples



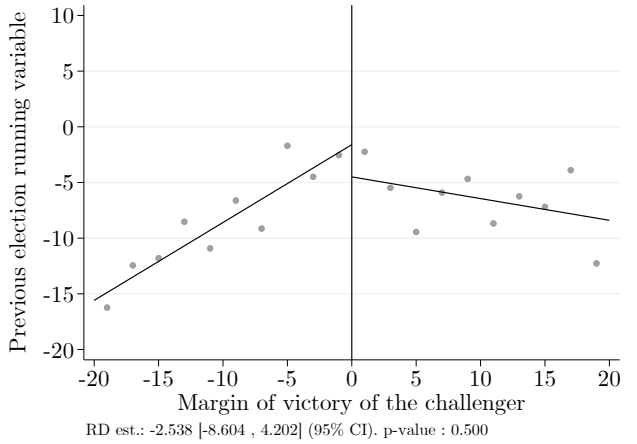
Notes: This figure presents similar density tests as in Figure 3, but for other subsamples. Democracies are regimes labeled as electoral democracies or liberal democracies by V-Dem. Autocracies are regimes labeled as electoral autocracies and closed autocracies by V-Dem. Elections are classified as free and fair or not free and fair based on the `v2elfrfair` variable of V-Dem. Large (resp. small) parliaments are parliaments with more (fewer) than 60 members.

Figure C.3: Placebo tests on previous election outcomes

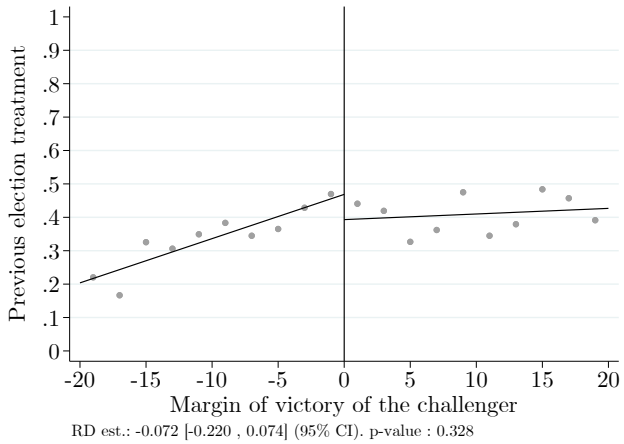
(a) Time elapsed since the last treatment



(b) Running variable at the previous election

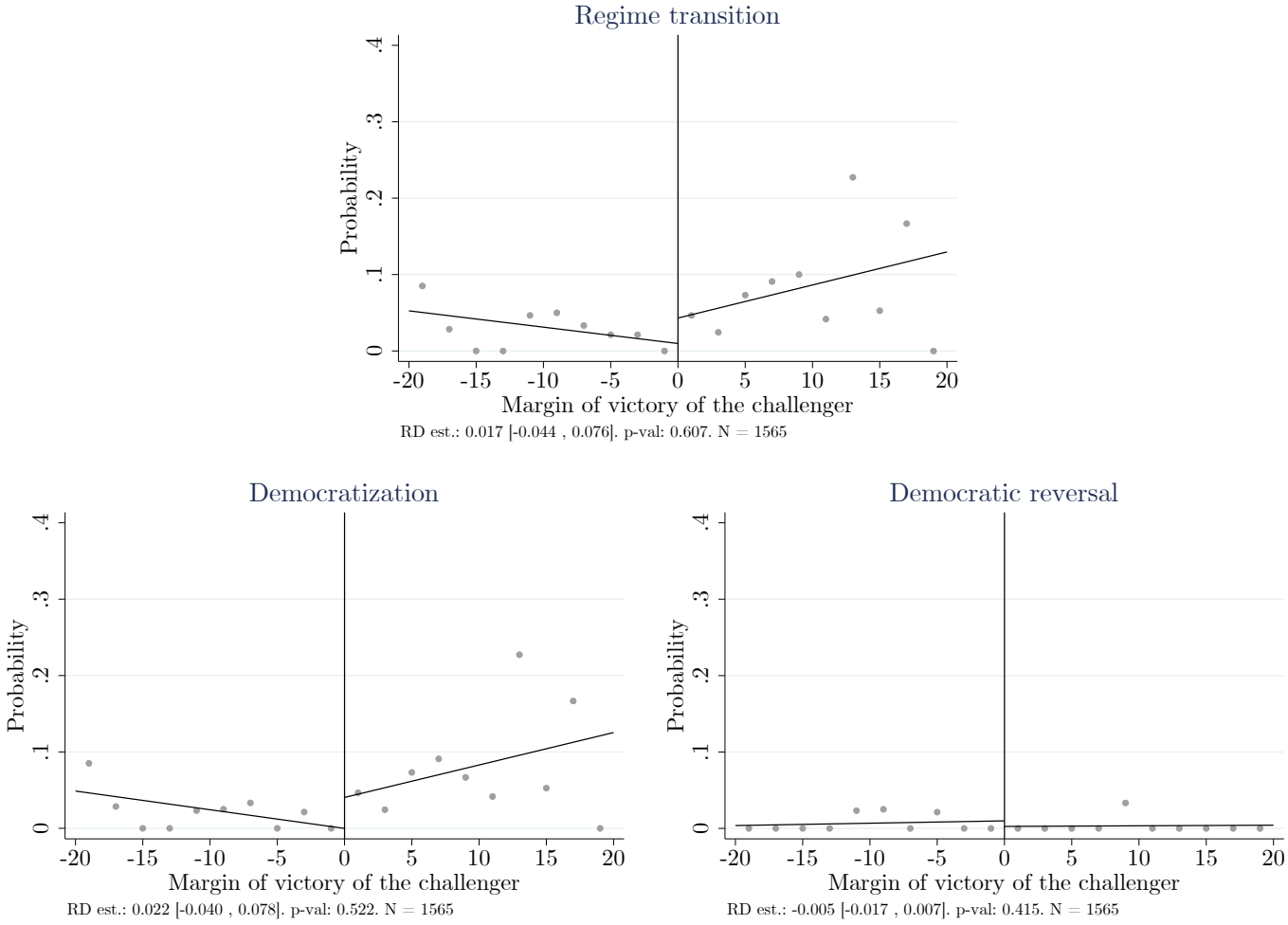


(c) Treatment variable at the previous election



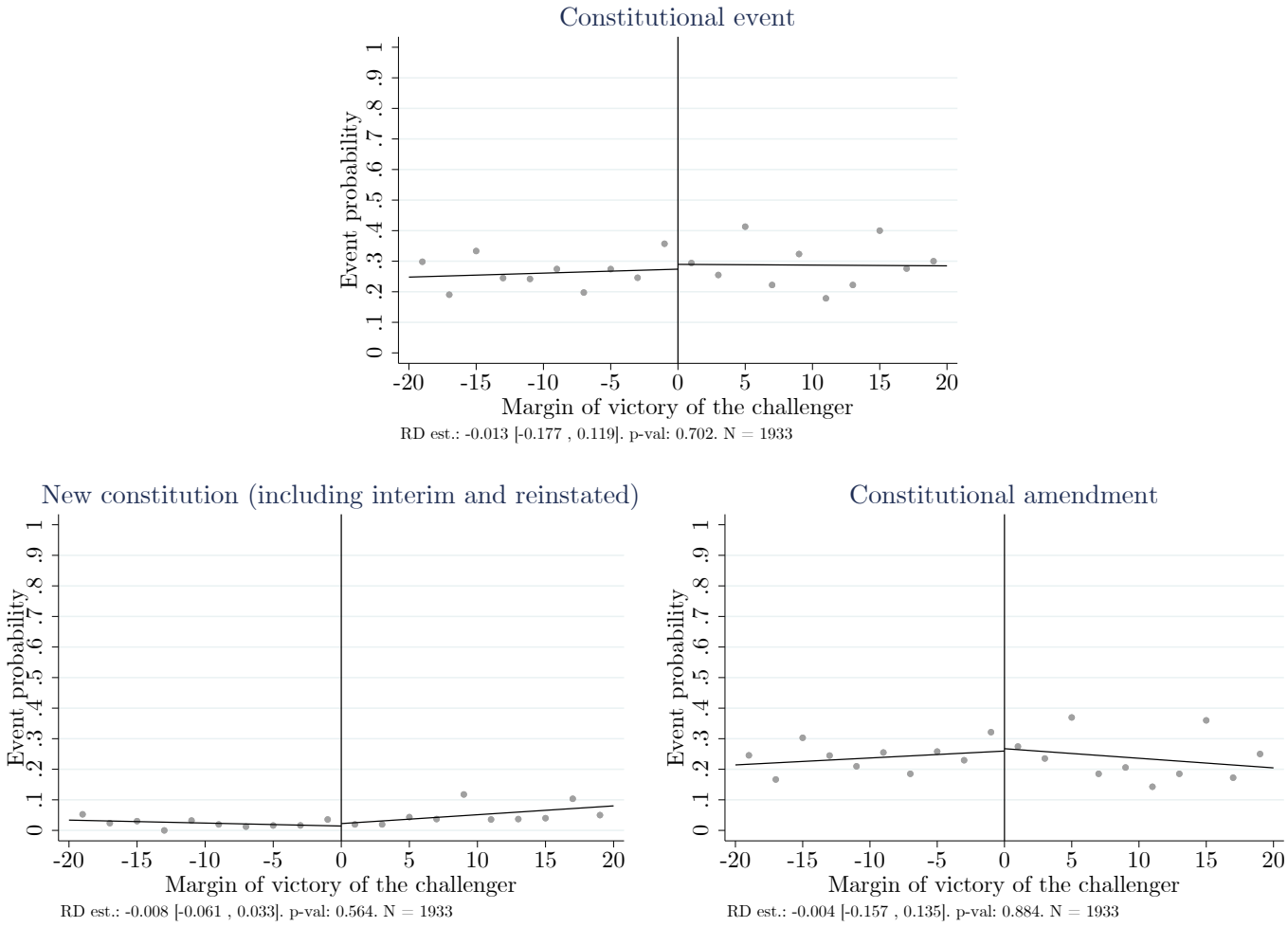
Notes: This figure shows the effects of electoral turnovers on outcomes in previous elections. In panel a, we estimate the effect of an electoral turnover on the number of years elapsed since the last treated election (i.e., the last election with an electoral turnover) of the same type in the country. In panel b, we estimate the effect of an electoral turnover on the value of the running variable at the previous election of the same type in the country. In panel c, we estimate the effect of an electoral turnover on a dummy equal to 1 if the last election of the same type in the country was treated.

Figure C.4: Effects on simultaneous regime changes



Notes: This figure shows effects of electoral turnovers on the probability of a democratization, a democratic reversal, or any of these two regime transitions in the year of the election, as measured by Acemoglu et al. (2019).

Figure C.5: Effects on constitutional events



Notes: This figure shows effects of electoral turnovers on the probability of a constitutional event, the adoption of a new constitution (including interim and reinstated constitutions), and the adoption of a constitutional amendment in the year of the election. Data on constitutional events are from the Comparative Constitutions Project.

Table C.1: Missing outcome data

Missing outcome	Est.	SE	p-val.	N
Economic performance	–0.020	(0.038)	[0.635]	2489
GDP per capita growth	–0.036	(0.061)	[0.588]	2489
Inflation	–0.031	(0.047)	[0.537]	2489
Unemployment	–0.058	(0.072)	[0.502]	2489
Trade intensity	–0.011	(0.059)	[0.940]	2489
Human Development Index	–0.021	(0.067)	[0.942]	2489
Democracy	0.018	(0.035)	[0.534]	2489
General index	–0.001	(0.022)	[0.980]	2489

Notes: This table presents estimation results for equation (1) using as a dependent variable a dummy equal to 1 if the outcome has missing data.

Table C.2: Placebo tests: Effects on the level of the outcome variables the year before the election

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	–0.088	0.013	–0.178	0.062	–0.099	–0.211	0.075	–0.081
	(0.081)	(0.134)	(0.139)	(0.165)	(0.168)	(0.166)	(0.107)	(0.082)
p-val.	[0.323]	[0.818]	[0.193]	[0.564]	[0.609]	[0.247]	[0.328]	[0.448]
N	2201	1919	1893	1331	1771	1305	2189	2358
N eff.	1081	930	941	678	763	643	833	1257
Band.	21.1	20.8	20.7	21.8	17.4	20.9	15.1	23.4

Notes: This table reports estimates for equation (1), using as a dependent variable the value of the outcomes in the year before the election.

Table C.3: Placebo tests: Effects on the level of the outcome variables two years before the election

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	–0.106	–0.048	–0.242	0.110	–0.089	–0.194	0.057	–0.092
	(0.093)	(0.120)	(0.150)	(0.177)	(0.172)	(0.169)	(0.106)	(0.091)
p-val.	[0.294]	[0.567]	[0.118]	[0.488]	[0.677]	[0.324]	[0.421]	[0.375]
N	2175	1949	1868	1284	1737	1263	2177	2345
N eff.	950	1102	963	589	739	619	846	1200
Band.	18.1	25.1	21.4	19.5	16.7	20.5	15.4	22.1

Notes: This table reports estimates for equation (1), using as a dependent variable the value of the outcomes two years before the election.

Table C.4: Placebo tests: Effects on the level of the outcome variables three years before the election

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	–0.008	0.031	–0.129	0.145	–0.108	–0.199	0.036	–0.050
	(0.107)	(0.130)	(0.149)	(0.182)	(0.174)	(0.172)	(0.109)	(0.098)
p-val.	[0.881]	[0.752]	[0.422]	[0.398]	[0.599]	[0.335]	[0.573]	[0.762]
N	2150	1969	1833	1236	1695	1215	2174	2340
N eff.	900	988	1109	543	714	598	857	1073
Band.	16.9	21.6	27.3	18.6	16.6	20.5	15.8	19.7

Notes: This table reports estimates for equation (1), using as a dependent variable the value of the outcomes three years before the election.

Table C.5: Placebo tests: Effects of a turnover on the change in outcome variables between two years before the election and the year before the election

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	–0.034	–0.053	–0.152	0.157	0.056	0.010	–0.056	–0.046
	(0.089)	(0.152)	(0.119)	(0.169)	(0.129)	(0.107)	(0.139)	(0.090)
p-val.	[0.600]	[0.661]	[0.196]	[0.339]	[0.611]	[0.839]	[0.578]	[0.458]
N	2174	1895	1861	1284	1736	1263	2177	2345
N eff.	915	880	1123	542	746	668	1063	1133
Band.	17.2	19.7	26.9	17.6	17.1	22.0	20.8	20.8

Notes: This table reports estimates for equation (1), using as a dependent variable the difference in the level of the outcomes two years before the election and the year before the election.

Table C.6: Placebo tests: Effects of a turnover on the change in outcome variables between three years before the election and the year before the election

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.117	0.019	0.190	0.399	–0.046	0.207	–0.196	0.002
	(0.134)	(0.186)	(0.250)	(0.367)	(0.189)	(0.195)	(0.189)	(0.135)
p-val.	[0.319]	[0.892]	[0.382]	[0.228]	[0.947]	[0.154]	[0.213]	[0.923]
N	2148	1873	1826	1236	1693	1215	2174	2339
N eff.	954	863	895	541	806	604	943	1059
Band.	18.4	19.4	20.0	18.4	19.8	20.8	17.9	19.5

Notes: This table reports estimates for equation (1), using as a dependent variable the difference in the level of the outcomes three years before the election and the year before the election.

Table C.7: Placebo tests: Effects on decade and regional dummies

Outcome	Est.	SE	p-val.	N
1940s decade dummy	0.001	(0.020)	[0.750]	2489
1950s decade dummy	0.014	(0.044)	[0.615]	2489
1960s decade dummy	–0.067**	(0.033)	[0.033]	2489
1970s decade dummy	–0.01	(0.039)	[0.760]	2489
1980s decade dummy	0.01	(0.040)	[0.690]	2489
1990s decade dummy	0.089	(0.056)	[0.106]	2489
2000s decade dummy	–0.015	(0.059)	[0.541]	2489
2010s decade dummy	–0.023	(0.051)	[0.499]	2489
Africa dummy	–0.043	(0.045)	[0.209]	2489
Asia dummy	0.022	(0.044)	[0.821]	2489
Eastern Europe dummy	0.043	(0.048)	[0.323]	2489
Latin America and Caribbean dummy	0.022	(0.065)	[0.844]	2489
Oceania dummy	–0.012	(0.026)	[0.870]	2489
Western Europe and North America dummy	–0.025	(0.071)	[0.943]	2489

Notes: This table reports estimates for equation (1), using decade and regional dummies as dependent variables.

Table C.8: Canay and Kamat (2017)'s density test

Sample	p-val.
Full sample	0.926
Presidential	0.121
Parliamentary	0.424
Free and fair	0.581
Not free and fair	0.725

Notes: This table shows estimation results for the covariate density test of Canay and Kamat (2017). We perform the test for different subsamples, using a set of covariates including decade fixed effects, region fixed effects, the value of the running variable at the previous election, the value of the treatment variable at the previous election, and the values of our main outcomes one, two, and three years before the election.

D Additional Outcomes and Robustness Checks

Table D.1: Effects on additional economic performance variables

	Est.	SE	p-val.	N	Source
Log GDP	0.064	(0.114)	[0.421]	1843	Penn World Tables
Log GDP	0.037	(0.109)	[0.568]	2016	Maddison Project
Log GDP	0.061	(0.100)	[0.386]	1971	World Bank
Log GDP per capita	0.042	(0.097)	[0.579]	1843	Penn World Tables
Log GDP per capita	0.004	(0.096)	[0.848]	2016	Maddison Project
Log GDP per capita	0.069	(0.097)	[0.370]	1971	World Bank
GDP growth	0.050	(0.154)	[0.761]	1815	Penn World Tables
GDP growth	0.046	(0.120)	[0.659]	2009	Maddison Project
GDP growth	0.153	(0.148)	[0.225]	1941	World Bank
GDP per capita growth	0.043	(0.155)	[0.844]	1815	Penn World Tables
GDP per capita growth	0.044	(0.117)	[0.672]	2009	Maddison Project
GDP per capita growth	0.170	(0.149)	[0.184]	1940	World Bank
Capital stock growth	0.070	(0.162)	[0.689]	1813	Penn World Tables
Consumption growth	–0.015	(0.124)	[0.896]	1815	Penn World Tables
TFP growth	0.038	(0.162)	[0.915]	1381	Penn World Tables
(Minus) Inflation (CPI)	0.431**	(0.192)	[0.011]	1887	IMF
(Minus) Inflation (CPI)	0.419**	(0.199)	[0.018]	1777	World Bank
(Minus) Inflation (GDP deflator)	0.236**	(0.135)	[0.044]	1937	World Bank
(Minus) Unemployment	0.218	(0.168)	[0.104]	1331	ILO
(Minus) Unemployment	0.078	(0.269)	[0.702]	412	OECD
(Minus) Risk rating	0.057	(0.179)	[0.551]	1215	ICRG

Notes: This table reports RD estimates corresponding to equation (1) for measures of economic performance, expressed in standard deviation terms. It is continued in Appendix Table D.2

Table D.2: Effects on additional economic performance variables, continued

	Est.	SE	p-val.	N	Source
Exchange rate appreciation	0.034	(0.163)	[0.957]	2158	IMF and OECD
Imports (% of GDP)	0.176*	(0.108)	[0.053]	1770	World Bank
Imports (% of GDP)	0.134	(0.119)	[0.239]	1892	WTO
Imports (% of GDP)	0.026	(0.111)	[0.850]	1868	CEPII
Exports (% of GDP)	0.247**	(0.133)	[0.037]	1767	World Bank
Exports (% of GDP)	0.162*	(0.120)	[0.100]	1892	WTO
Exports (% of GDP)	0.046	(0.113)	[0.556]	1869	CEPII
Trade intensity	0.252**	(0.126)	[0.026]	1767	World Bank
Trade intensity	0.183*	(0.121)	[0.077]	1892	WTO
Trade intensity	0.063	(0.108)	[0.448]	1866	CEPII
(Minus) Average tariff rate	–0.001	(0.222)	[0.855]	872	World Bank
(Minus) Taxes on trade (% of taxes)	0.062	(0.184)	[0.675]	1020	World Bank
Overall globalization index	0.230*	(0.133)	[0.051]	1841	KOF
Economic globalization index	0.257**	(0.150)	[0.045]	1799	KOF
Trade globalization component	0.303**	(0.145)	[0.022]	1804	KOF
Financial globalization component	0.164	(0.171)	[0.254]	1803	KOF
Social globalization index	0.284**	(0.133)	[0.035]	1874	KOF
Interpersonal globalization component	0.172	(0.134)	[0.259]	1874	KOF
Informational globalization component	0.357**	(0.150)	[0.018]	1868	KOF
Cultural globalization component	0.127	(0.135)	[0.287]	1823	KOF
Political globalization index	–0.004	(0.128)	[0.879]	1874	KOF

Notes: This table reports RD estimates corresponding to equation (1) for measures of economic performance, expressed in standard deviation terms, continuing Appendix Table D.1.

Table D.3: Effects on additional human development variables

	Est.	SE	p-val.	N	Source
(Minus) Infant mortality rate	–0.076	(0.097)	[0.295]	2018	UNICEF
HDI	0.200	(0.168)	[0.169]	1305	UNDP
HDI (without income component)	0.210	(0.191)	[0.253]	1306	UNDP
HDI: Life expectancy component	0.000	(0.178)	[0.878]	1391	UNDP
HDI: Education component	0.246	(0.211)	[0.196]	1306	UNDP
HDI: Income component	0.043	(0.097)	[0.570]	1382	UNDP
Life expectancy	0.041	(0.108)	[0.771]	2053	World Bank
(Minus) Homicide rate	–0.017	(0.315)	[0.985]	914	World Bank
Hospital beds per capita	0.128	(0.175)	[0.318]	837	World Bank
(Minus) Undernourishment (% of pop.)	0.202	(0.167)	[0.289]	763	World Bank
(Minus) Gini index	–0.023	(0.297)	[0.910]	485	World Bank
(Minus) Gini index, income	–0.277	(0.237)	[0.249]	724	WID
(Minus) Gini index, wealth	0.047	(0.195)	[0.755]	1190	WID
(Minus) Poverty gap at 1.90 USD/day (%)	0.308*	(0.174)	[0.095]	487	World Bank
(Minus) Poverty (% of population under 1.90 USD/day)	0.270**	(0.137)	[0.037]	487	World Bank
(Minus) In war	0.079	(0.114)	[0.385]	1999	COW Project
(Minus) In interstate war	0.180*	(0.122)	[0.075]	1999	COW Project
(Minus) In intrastate war	–0.020	(0.113)	[0.751]	1999	COW Project
(Minus) In extra-state war	–0.025	(0.152)	[0.857]	1999	COW Project
(Minus) Conflict intensity level	0.147	(0.153)	[0.261]	1679	COW Project
(Minus) Any coup	0.021	(0.136)	[0.984]	2080	Powell and Thyne
(Minus) Involved in a conflict	0.057	(0.134)	[0.472]	2042	PRIO
(Minus) Intra-state conflict	–0.077	(0.145)	[0.689]	2042	PRIO
Political stability	0.188	(0.184)	[0.347]	991	World Bank

Notes: This table reports RD estimates corresponding to equation (1) for measures of human development (including measures of peace), expressed in standard deviation terms.

Table D.4: Effects on additional democracy variables

	Est.	SE	p-val.	N	Source
Democracy index	0.193**	(0.101)	[0.043]	2188	V-Dem
Electoral democracy index	0.196	(0.123)	[0.120]	2185	V-Dem
Egalitarian component index	0.169**	(0.070)	[0.024]	2188	V-Dem
Liberal component index	0.188*	(0.107)	[0.077]	2188	V-Dem
Participatory component index	0.132	(0.114)	[0.201]	2188	V-Dem
Deliberative component index	0.138	(0.107)	[0.205]	2188	V-Dem
Women political empowerment	0.176*	(0.097)	[0.078]	2149	V-Dem
Civil liberties index	0.160	(0.122)	[0.210]	1668	Freedom House
Political rights index	0.158	(0.137)	[0.218]	1668	Freedom House
Polity IV score	0.183*	(0.117)	[0.079]	1826	Polity IV project
Political competitiveness	0.142	(0.129)	[0.197]	1769	Polity IV project
Executive constraints	0.226*	(0.138)	[0.077]	1769	Polity IV project
Voice and accountability	0.168	(0.168)	[0.453]	999	World Bank
Dichotomous democracy measure	0.183	(0.153)	[0.227]	1491	Acemoglu et al. (2019)
Dichotomous democracy measure	0.179	(0.155)	[0.179]	1976	Boix et al. (2018)
Dichotomous democracy measure	0.261*	(0.169)	[0.076]	1591	Cheibub et al. (2010)
Large positive democratic change	–0.004	(0.057)	[0.955]	2203	V-Dem
Large negative democratic change	–0.120**	(0.060)	[0.016]	2203	V-Dem

Notes: This table reports RD estimates corresponding to equation (1) for measures of the quality of democracy, expressed in standard deviation terms. All dependent variables are computed as described in Section 3.3, apart from the 'Large positive democratic change' and 'Large negative democratic change' variables. For these outcomes, the dependent variable is a dummy variable equal to one if the country witnessed a year-to-year increase (resp., decrease) in the quality of democracy (as measured by V-Dem) that is larger than 0.5 standard deviations of the year-to-year changes of this variable between the year after the election and four years after the election.

Table D.5: Robustness to including inconsequential elections

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.266***	0.042	0.443***	0.201	0.244**	0.187	0.200*	0.265***
	(0.101)	(0.153)	(0.194)	(0.165)	(0.125)	(0.166)	(0.106)	(0.103)
p-val.	[0.003]	[0.812]	[0.010]	[0.120]	[0.027]	[0.200]	[0.050]	[0.005]
N	2235	1844	1916	1343	1796	1317	2222	2393
N eff.	759	851	713	702	789	575	1114	878
Band.	13.0	19.8	14.1	22.2	17.9	18.0	21.4	14.6

Notes: This table reports results for the statistical procedure of Table 1, further including in the sample inconsequential elections (because they were cancelled or shortly followed by a coup, a death of the elected leader, or a dissolution of the elected assembly – see Appendix A.1).

Table D.6: Robustness to clustering at the country × year level

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.269***	0.041	0.428**	0.218	0.250**	0.196	0.194*	0.271**
	(0.102)	(0.152)	(0.216)	(0.169)	(0.134)	(0.179)	(0.114)	(0.117)
p-val.	[0.003]	[0.857]	[0.025]	[0.105]	[0.036]	[0.202]	[0.068]	[0.011]
N	2201	1815	1887	1331	1767	1305	2188	2357
N eff.	763	808	745	673	762	569	1228	889
Band.	13.5	19.0	15.6	21.7	17.3	18.1	24.7	15.2

Notes: This table reports results for the statistical procedure of Table 1, clustering standard errors at the country × year level.

Table D.7: Robustness to using only free and fair elections

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.231**	0.025	0.364**	0.296*	0.266**	0.121	0.155	0.208**
	(0.101)	(0.148)	(0.195)	(0.222)	(0.126)	(0.164)	(0.122)	(0.101)
p-val.	[0.013]	[0.990]	[0.037]	[0.096]	[0.016]	[0.404]	[0.251]	[0.038]
N	1515	1296	1363	926	1237	922	1611	1613
N eff.	736	694	664	428	703	484	832	827
Band.	15.9	18.5	15.6	14.7	19.5	17.9	17.6	17.4

Notes: This table reports results for the statistical procedure of Table 1, restricting the sample to elections which were coded as free and fair by V-Dem.

Table D.8: General index: Basic robustness checks

Robustness check	Est.	SE	p-val.	N
Baseline	0.277***	(0.105)	[0.004]	2357
Without economic performance	0.202**	(0.104)	[0.049]	2238
Without HDI	0.277***	(0.104)	[0.004]	2347
Without democracy	0.355***	(0.135)	[0.003]	2214
All components available	0.240***	(0.093)	[0.005]	1252
Weighted index	0.275***	(0.104)	[0.004]	2357
Average of components	0.240**	(0.099)	[0.01]	2320
Without Africa	0.288***	(0.113)	[0.005]	1860
Without Asia	0.264**	(0.114)	[0.011]	1954
Without Eastern Europe	0.333***	(0.115)	[0.002]	2105
Without Latin America and Caribbean	0.179*	(0.098)	[0.05]	1725
Without Oceania	0.247**	(0.103)	[0.01]	2254
Without Western Europe and North America	0.333***	(0.137)	[0.008]	1887
Without 1940s	0.290***	(0.103)	[0.002]	2293
Without 1950s	0.286***	(0.108)	[0.004]	2174
Without 1960s	0.283***	(0.109)	[0.004]	2166
Without 1970s	0.232***	(0.094)	[0.007]	2167
Without 1980s	0.273***	(0.109)	[0.007]	2123
Without 1990s	0.254**	(0.111)	[0.017]	1879
Without 2000s	0.293**	(0.133)	[0.016]	1832
Without 2010s	0.286**	(0.122)	[0.01]	1865
Excluding parliamentary elections with <60 seats	0.282***	(0.106)	[0.004]	1946
Only major elections of each regime	0.222**	(0.124)	[0.04]	1470
Without elections coinciding with regime changes	0.273***	(0.107)	[0.005]	2273

Notes: This table reports estimates for equation (1) for variations of the general index. All components available: we only keep observations for which we have data on all sub-indices. Weighted index: we construct the general index using the method of Pocock (1997), giving less weight to sub-indices which are more correlated with each other. Average of components: instead of constructing the general index as the simple average of the sub-indices, we construct it as the simple average of all outcomes which are part of the sub-indices. Only major elections of each regime: we restrict the sample to presidential elections in presidential regimes and parliamentary elections in parliamentary regimes. Without elections coinciding with regime changes: we exclude from the sample elections coinciding with a democratization or a democratic reversal, as measured by Acemoglu et al. (2019).

Table D.9: Robustness to using only elections following a free and fair election

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.226**	0.014	0.365**	0.305*	0.254**	0.048	0.180*	0.203**
	(0.103)	(0.162)	(0.203)	(0.229)	(0.131)	(0.166)	(0.100)	(0.102)
p-val.	[0.018]	[0.864]	[0.046]	[0.094]	[0.026]	[0.700]	[0.076]	[0.041]
N	1437	1214	1314	897	1185	895	1524	1524
N eff.	707	585	639	414	641	496	1039	798
Band.	15.7	15.3	15.2	14.4	17.9	18.9	24.8	17.3

Notes: This table reports results for the statistical procedure of Table 1, restricting the sample to elections for which the previous election of the same type was coded as free and fair by V-Dem.

Table D.10: Effects on non-standardized outcomes

	Est.	SE	p-val.	N	Unit
GDP per capita growth	0.207	(0.741)	[0.843]	1815	%
Inflation	–3.99**	(1.776)	[0.010]	1887	%
Unemployment	–0.514	(0.398)	[0.104]	1331	% of labor force
Trade intensity	3.42**	(1.718)	[0.026]	1767	% of GDP
HDI	0.003	(0.002)	[0.168]	1305	0–1 scale
Democracy index	0.014**	(0.007)	[0.043]	2188	0–1 scale

Notes: This table presents estimation results using the same outcomes and statistical procedure as in Table 1, but outcomes are expressed in their original units instead of standard deviations.

Table D.11: Robustness checks: Economic performance

Robustness check	Est.	SE	p-val.
Baseline	0.269***	(0.101)	[0.003]
With region and decade FE	0.245***	(0.094)	[0.004]
Trimming instead of winsorizing	0.284***	(0.110)	[0.005]
Winsorizing: 1st/99th percentiles	0.187**	(0.086)	[0.014]
Winsorizing: 5th/95th percentiles	0.254***	(0.104)	[0.006]
3 post-election years	0.259***	(0.102)	[0.004]
5 post-election years	0.270***	(0.101)	[0.003]
7 post-election years	0.272***	(0.101)	[0.003]
10 post-election years	0.255***	(0.097)	[0.004]
With year 0 in the post-election period	0.243***	(0.096)	[0.005]
Twice the MSE-optimal bandwidth	0.191***	(0.092)	[0.003]
Half the MSE-optimal bandwidth	0.246	(0.171)	[0.126]
Second-order polynomial	0.277***	(0.106)	[0.007]
Uniform kernel	0.247***	(0.094)	[0.003]
Epanechnikov kernel	0.269***	(0.100)	[0.003]

Notes: This table reports estimates for equation (1), using variations of the economic performance index as a the dependent variable. 3, 5, 7, 10 post years: instead of using the 4 post-election years in the construction of the index, we use fewer or more years in the post period. Second-order polynomial: instead of using a linear regression in the estimation of equation (1), we use quadratics. Uniform (resp., Epanechnikov) kernel: replacing the default triangular kernel of the procedure of Calonico et al. (2014) with a uniform (resp., Epanechnikov) kernel.

Table D.12: Robustness checks: Human Development Index

Robustness check	Est.	SE	p-val.
Baseline	0.200	(0.168)	[0.169]
With region and decade FE	0.142	(0.149)	[0.240]
3 post-election years	0.154	(0.162)	[0.266]
5 post-election years	0.231	(0.173)	[0.129]
7 post-election years	0.273*	(0.179)	[0.089]
10 post-election years	0.302*	(0.182)	[0.065]
With year 0 in the post-election period	0.193	(0.168)	[0.187]
Twice the MSE-optimal bandwidth	0.146	(0.149)	[0.147]
Half the MSE-optimal bandwidth	0.437**	(0.332)	[0.033]
Second-order polynomial	0.244	(0.191)	[0.132]
Uniform kernel	0.158	(0.156)	[0.199]
Epanechnikov kernel	0.171	(0.163)	[0.232]

Notes: This table reports results for the exercises of Table D.11 for HDI.

Table D.13: Robustness checks: Democracy

Robustness check	Est.	SE	p-val.
Baseline	0.193**	(0.101)	[0.043]
With region and decade FE	0.185*	(0.106)	[0.080]
3 post-election years	0.197*	(0.104)	[0.052]
5 post-election years	0.189*	(0.103)	[0.050]
7 post-election years	0.182*	(0.111)	[0.090]
10 post-election years	0.170	(0.117)	[0.115]
With year 0 in the post-election period	0.188*	(0.104)	[0.059]
Twice the MSE-optimal bandwidth	0.179**	(0.095)	[0.020]
Half the MSE-optimal bandwidth	0.194	(0.188)	[0.103]
Second-order polynomial	0.190	(0.151)	[0.187]
Uniform kernel	0.193	(0.118)	[0.133]
Epanechnikov kernel	0.195**	(0.104)	[0.046]

Notes: This table reports results for the exercises of Table D.11 for our main measure of democracy.

Table D.14: Robustness checks: General index

Robustness check	Est.	SE	p-val.
Baseline	0.277***	(0.105)	[0.004]
With region and decade FE	0.266***	(0.099)	[0.004]
Trimming instead of winsorizing	0.275***	(0.098)	[0.003]
Winsorizing: 1st/99th percentiles	0.222**	(0.096)	[0.013]
Winsorizing: 5th/95th percentiles	0.272***	(0.105)	[0.005]
3 post-election years	0.259***	(0.101)	[0.006]
5 post-election years	0.294***	(0.107)	[0.003]
7 post-election years	0.318***	(0.110)	[0.002]
10 post-election years	0.318***	(0.109)	[0.001]
With year 0 in the post-election period	0.254***	(0.102)	[0.007]
Twice the MSE-optimal bandwidth	0.219***	(0.094)	[0.003]
Half the MSE-optimal bandwidth	0.333***	(0.192)	[0.007]
Second-order polynomial	0.285***	(0.110)	[0.008]
Uniform kernel	0.260***	(0.094)	[0.003]
Epanechnikov kernel	0.268***	(0.104)	[0.005]

Notes: This table reports results for the exercises of Table D.11 for the general index.

Table D.15: Robustness checks: General index (without democracy)

Robustness check	Est.	SE	p-val.
Baseline	0.355***	(0.135)	[0.003]
With region and decade FE	0.324***	(0.125)	[0.004]
Trimming instead of winsorizing	0.319***	(0.133)	[0.009]
Winsorizing: 1st/99th percentiles	0.268**	(0.116)	[0.010]
Winsorizing: 5th/95th percentiles	0.329***	(0.137)	[0.007]
3 post-election years	0.336***	(0.134)	[0.005]
5 post-election years	0.370***	(0.137)	[0.002]
7 post-election years	0.383***	(0.138)	[0.002]
10 post-election years	0.362***	(0.131)	[0.003]
With year 0 in the post-election period	0.322***	(0.129)	[0.006]
Twice the MSE-optimal bandwidth	0.260***	(0.123)	[0.004]
Half the MSE-optimal bandwidth	0.390**	(0.264)	[0.015]
Second-order polynomial	0.356***	(0.139)	[0.007]
Uniform kernel	0.225***	(0.094)	[0.007]
Epanechnikov kernel	0.346***	(0.133)	[0.003]

Notes: This table reports results for the exercises of Table D.11 for the general index (excluding democracy).

Table D.16: Robustness to using a three pre-election year average as baseline

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.271***	0.049	0.406**	0.138	0.217**	0.121	0.205**	0.289***
	(0.103)	(0.149)	(0.183)	(0.163)	(0.120)	(0.156)	(0.107)	(0.104)
p-val.	[0.003]	[0.746]	[0.015]	[0.248]	[0.041]	[0.361]	[0.038]	[0.002]
N	2201	1815	1890	1331	1767	1305	2188	2357
N eff.	743	893	748	641	840	576	1120	807
Band.	12.9	21.3	15.6	20.5	19.8	18.6	21.9	13.4

Notes: This table reports results for the statistical procedure of Table 1, but instead of using the pre-election year as a baseline when defining our outcomes, we use the average of the three years before the election as the pre-election baseline.

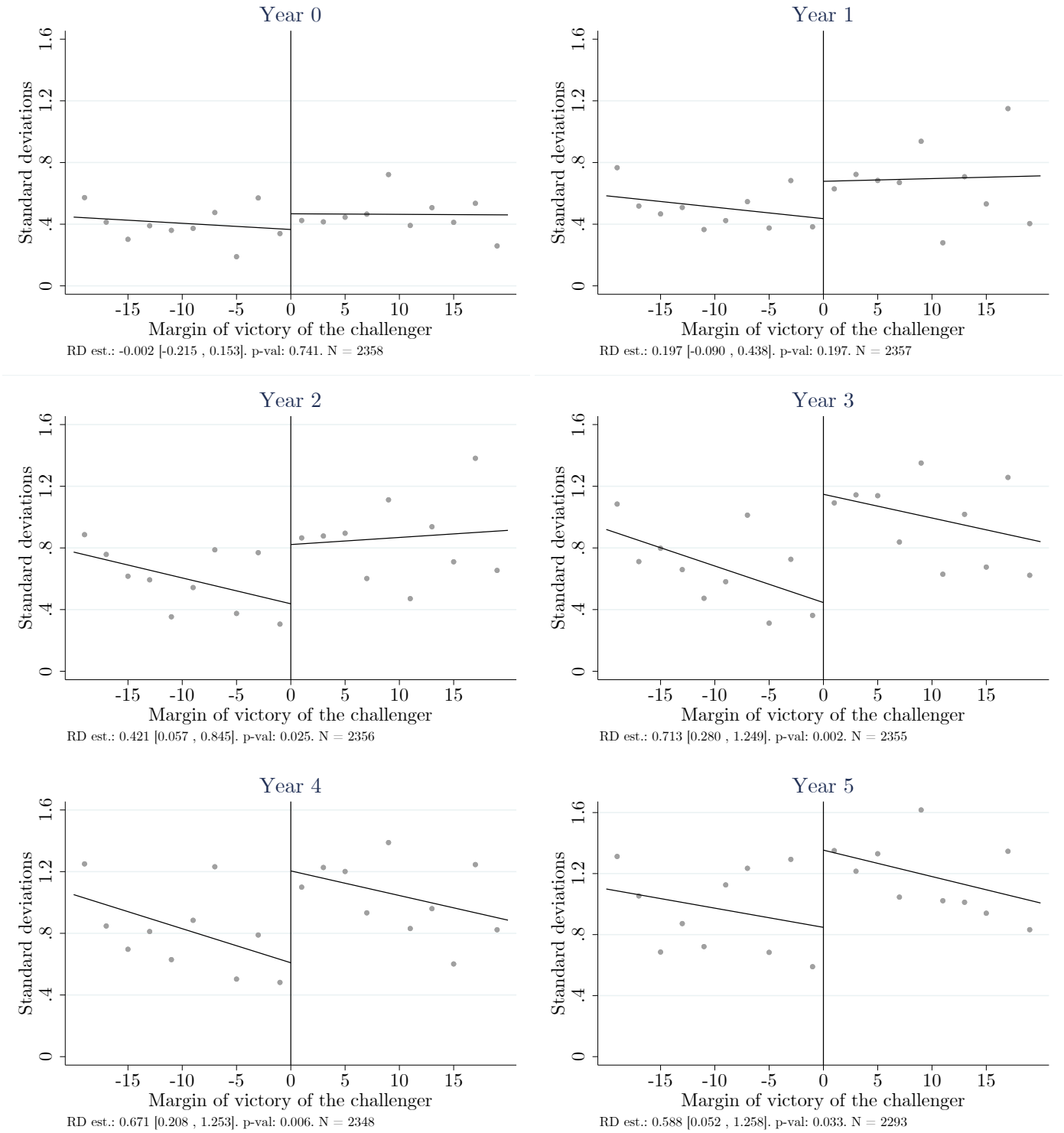
Table D.17: Robustness to controlling for pre-election values of the outcomes

	(1) **Econ. perf.**	(2) GDP p.c. gr.	(3) (Minus) Inflation	(4) (Minus) Unemp.	(5) Trade	(6) **HDI**	(7) **Democ.**	(8) **General index**
El. turn.	0.311***	0.027	0.378**	0.374**	0.297***	0.140	0.220**	0.324***
	(0.089)	(0.086)	(0.178)	(0.170)	(0.124)	(0.157)	(0.111)	(0.108)
p-val.	[<0.001]	[0.687]	[0.015]	[0.010]	[0.008]	[0.270]	[0.049]	[<0.001]
N	2201	1815	1887	1331	1767	1305	2188	2357
N eff.	654	804	634	526	715	539	940	727
Band.	10.8	18.9	12.1	16.2	15.8	16.8	17.8	11.7

Notes: This table reports results for the statistical procedure of Table 1, adding controls for pre-election outcomes in the estimation. We use as controls the value of the main outcomes for the pre-election year. When one control is missing, we set it to zero, and we include also in the list of controls a set of dummies equal to 1 if a control is missing.

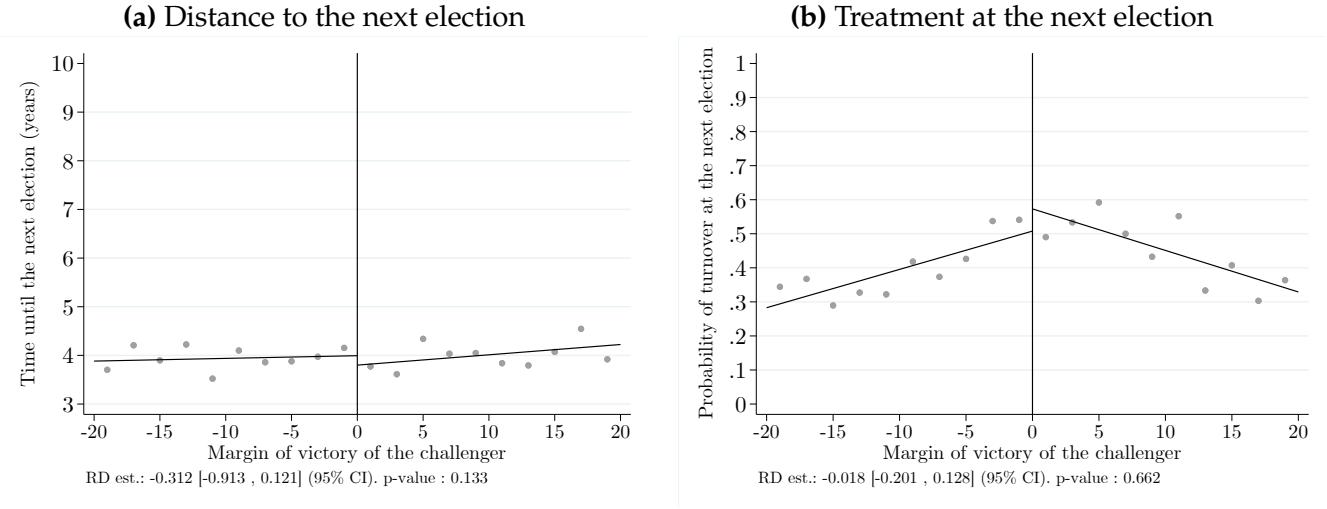
E Additional Empirical Results

Figure E.1: Dynamic effects on the general index



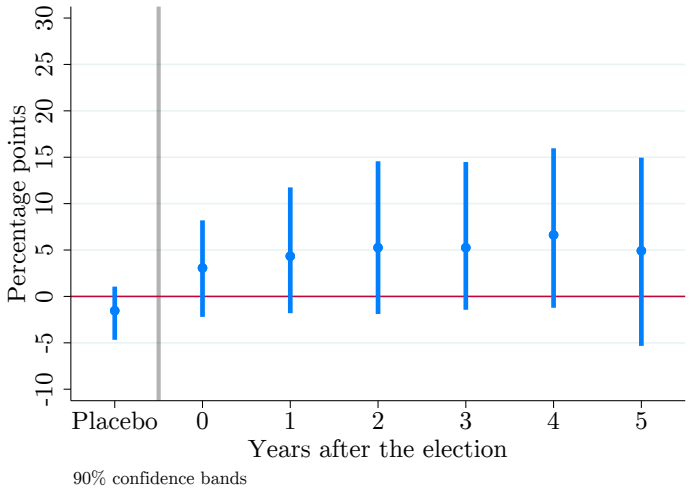
Notes: This figure shows effects of electoral turnovers on the general index of country performance on the year of the election, and years 1 to 5 after the election.

Figure E.2: Effects on the timing and outcome of the following election



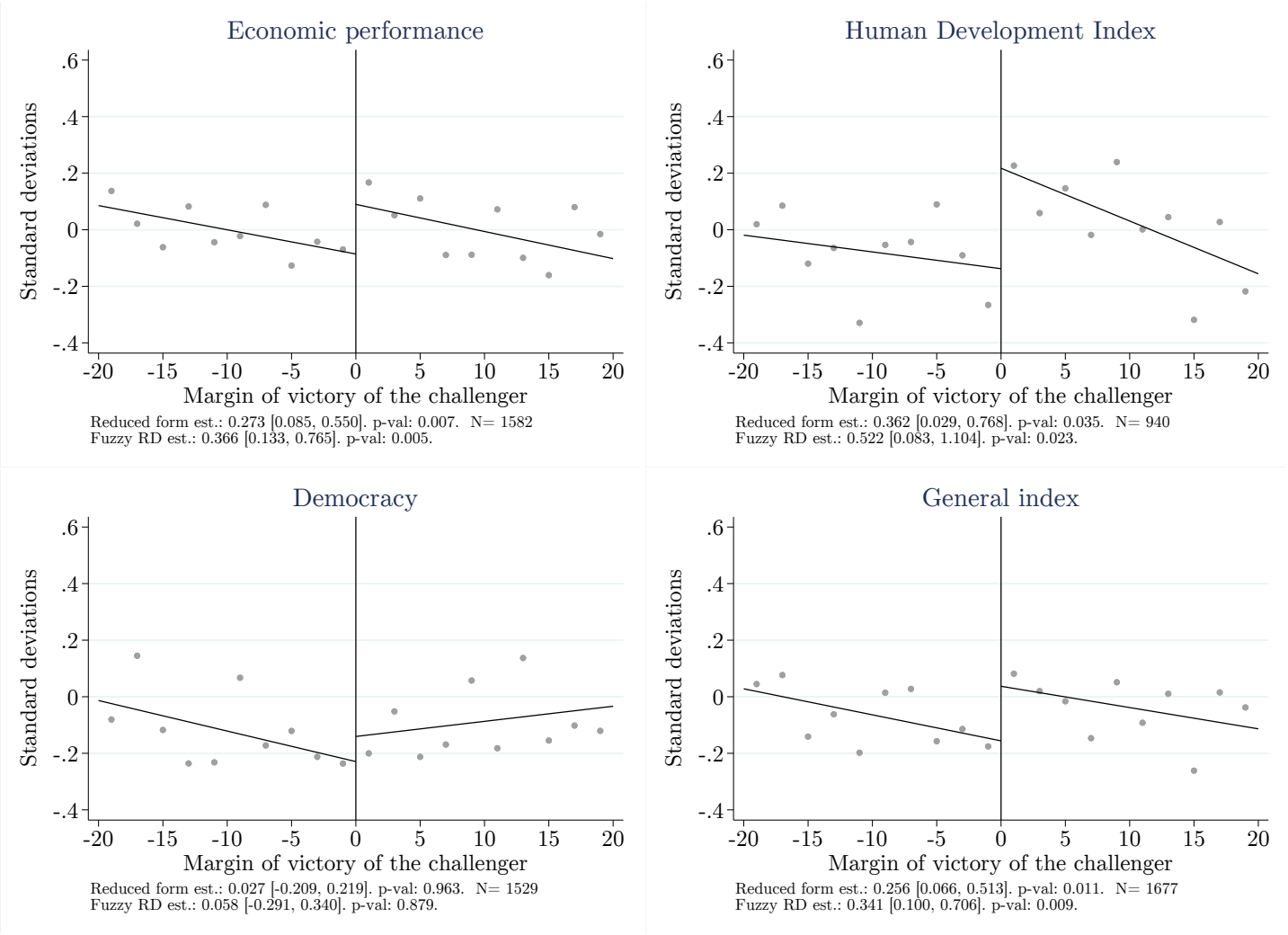
Notes: In panel a, we measure the effect of electoral turnover on the number of years until the next election of the same type in the country. In panel b, we estimate the effect of an electoral turnover on a dummy equal to 1 if the next election of the same type in the country is treated.

Figure E.3: Effects on executive approval



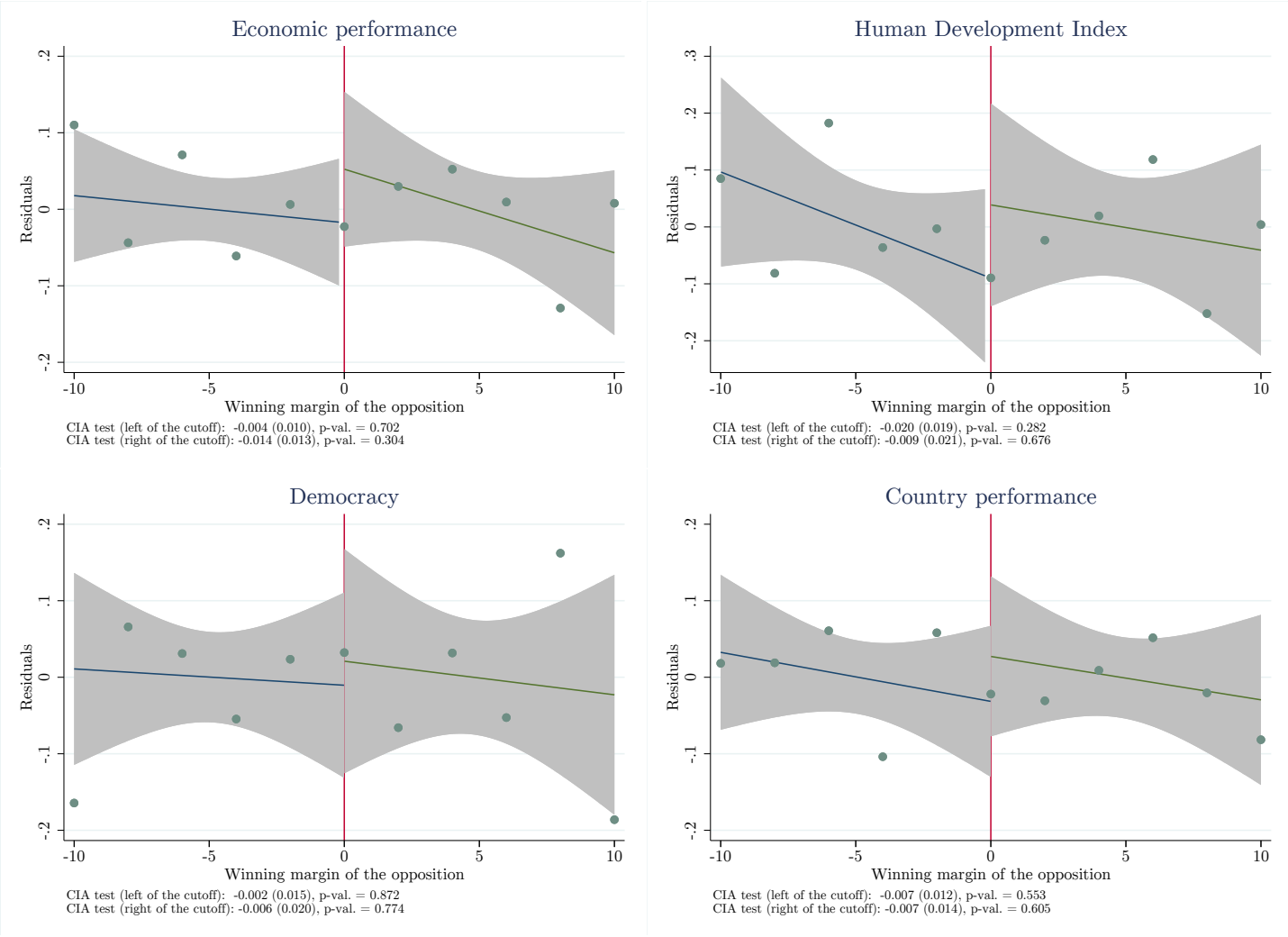
Notes: In this figure, we show estimation results using the same procedure as in Figure 6 for the approval ratings of the elected leader. Data on executive approval are from the Executive Approval Project (Carlin et al., 2019). The sample is restricted to elections that lead to the designation of a leader of the executive, and the outcome is the approval rating of the HOS (resp. HOG) when the election leads to the designation of the HOS (resp. HOG).

Figure E.4: Effects of executive turnovers on performance



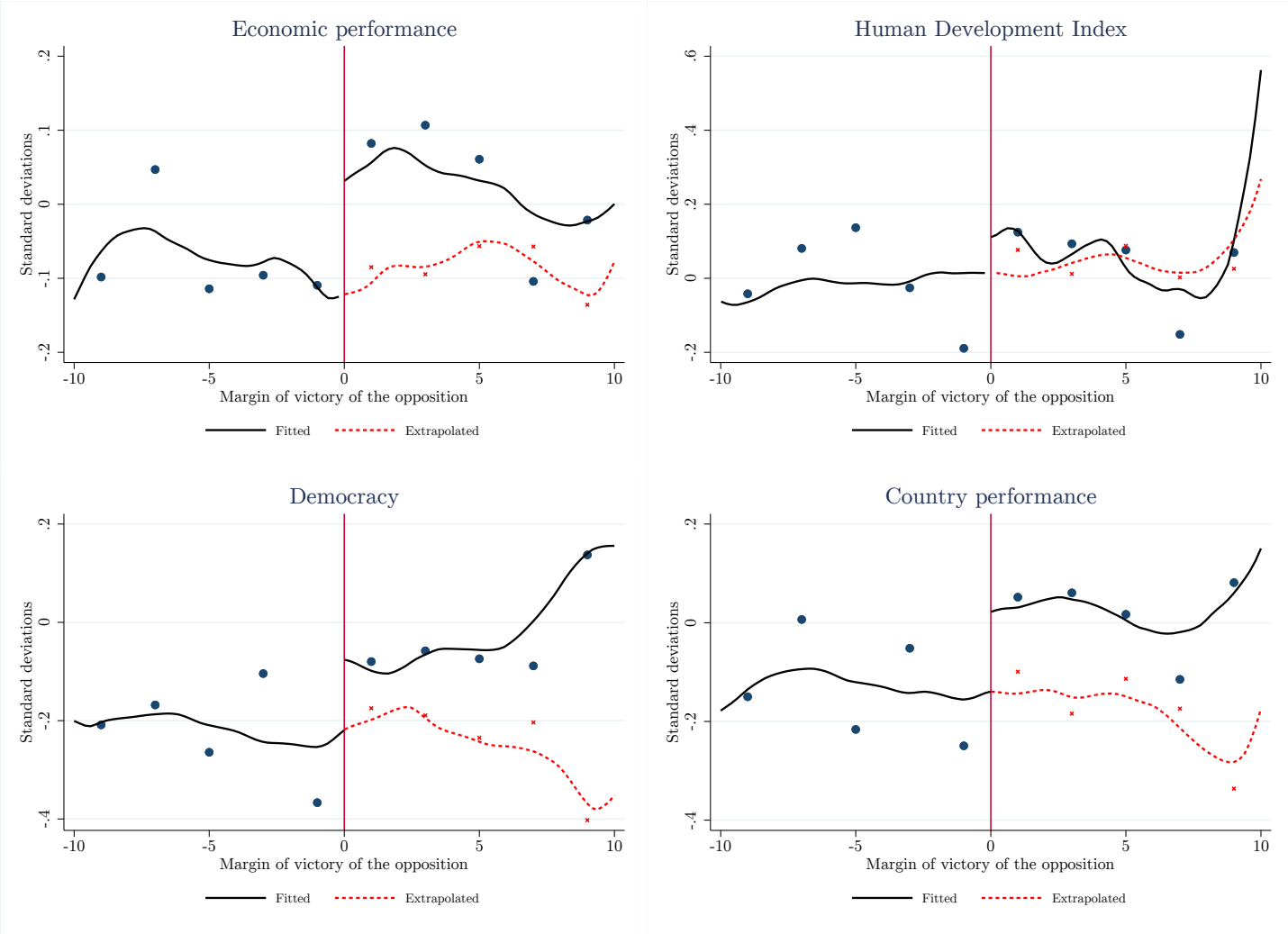
Notes: This figure reports RD plots corresponding to the panel b of Table 3. We also report below each graph the estimates of panel a of Table 3.

Figure E.5: Angrist and Rokkanen (2015)'s procedure: Test of the conditional independence assumption



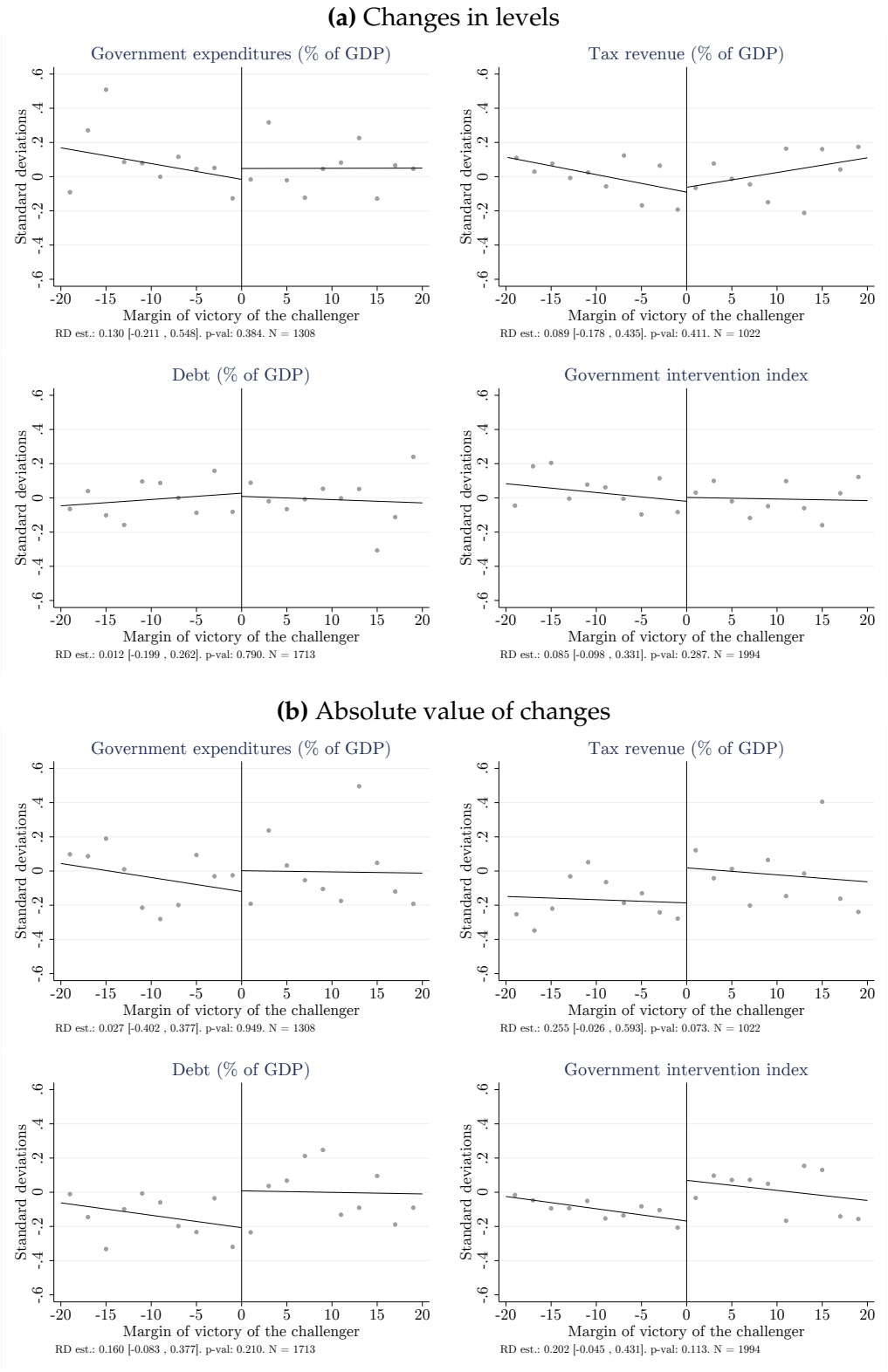
Notes: This figure reports regression-based tests of the conditional independence assumption. On both sides of the cutoff, we residualize each outcome variable using a set of regional and decade dummies. We plot on each side of the cutoff a local polynomial fit of these residuals, which should be flat under the CIA. To test this assumption, we regress on both sides of the cutoff each outcome variable on the running variable and the set of controls, and test the hypothesis of a zero coefficient on the running variable. Results of these tests are reported below each graph.

Figure E.6: Angrist and Rokkanen (2015)'s procedure: CIA-based estimates of expected potential outcomes around the threshold



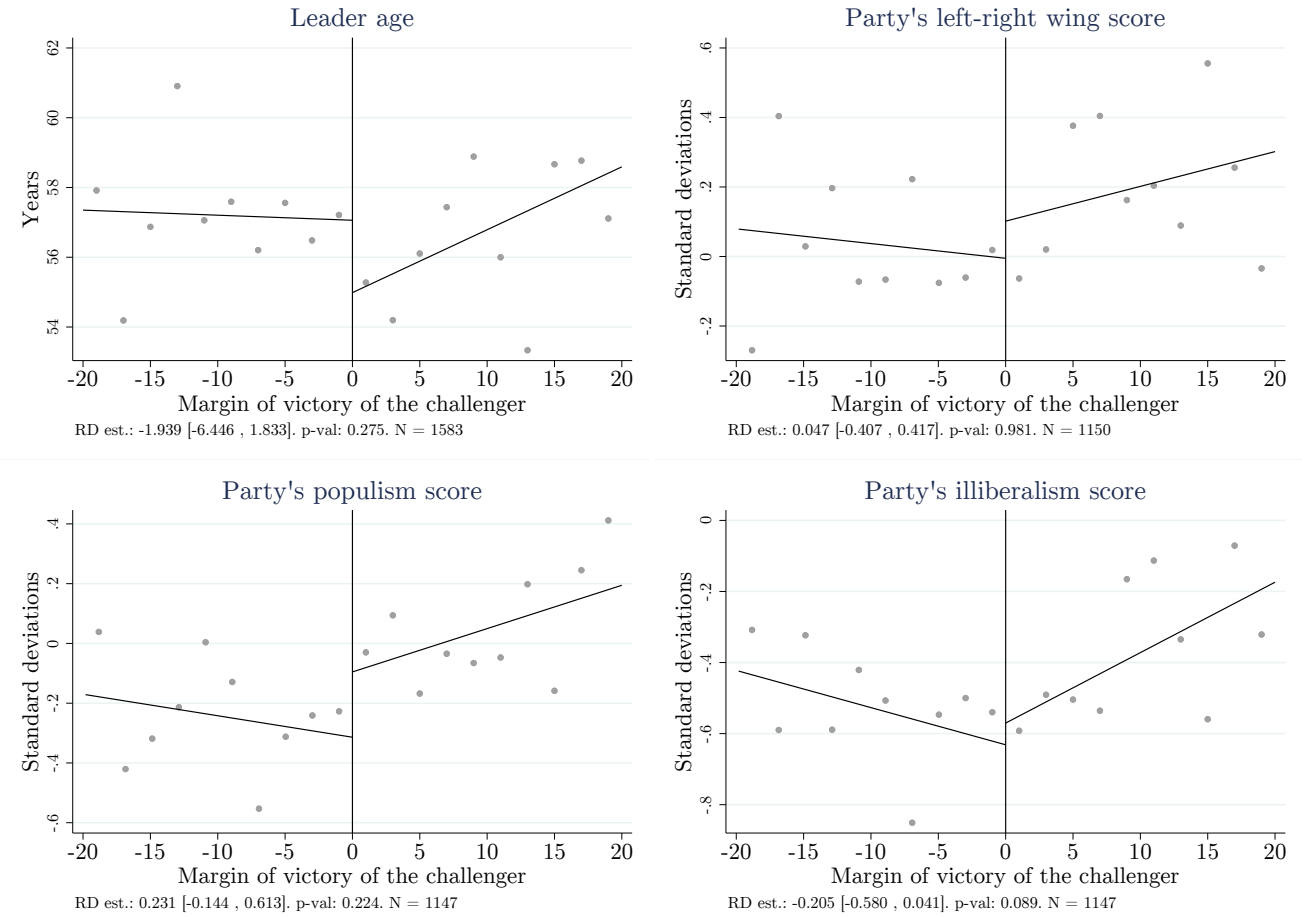
Notes: This figure reports estimates of expected potential outcomes under the CIA assumption in the [-10pp, 10pp] window, using as controls a set of regional and decade dummies.

Figure E.7: Effects of electoral turnovers on government intervention



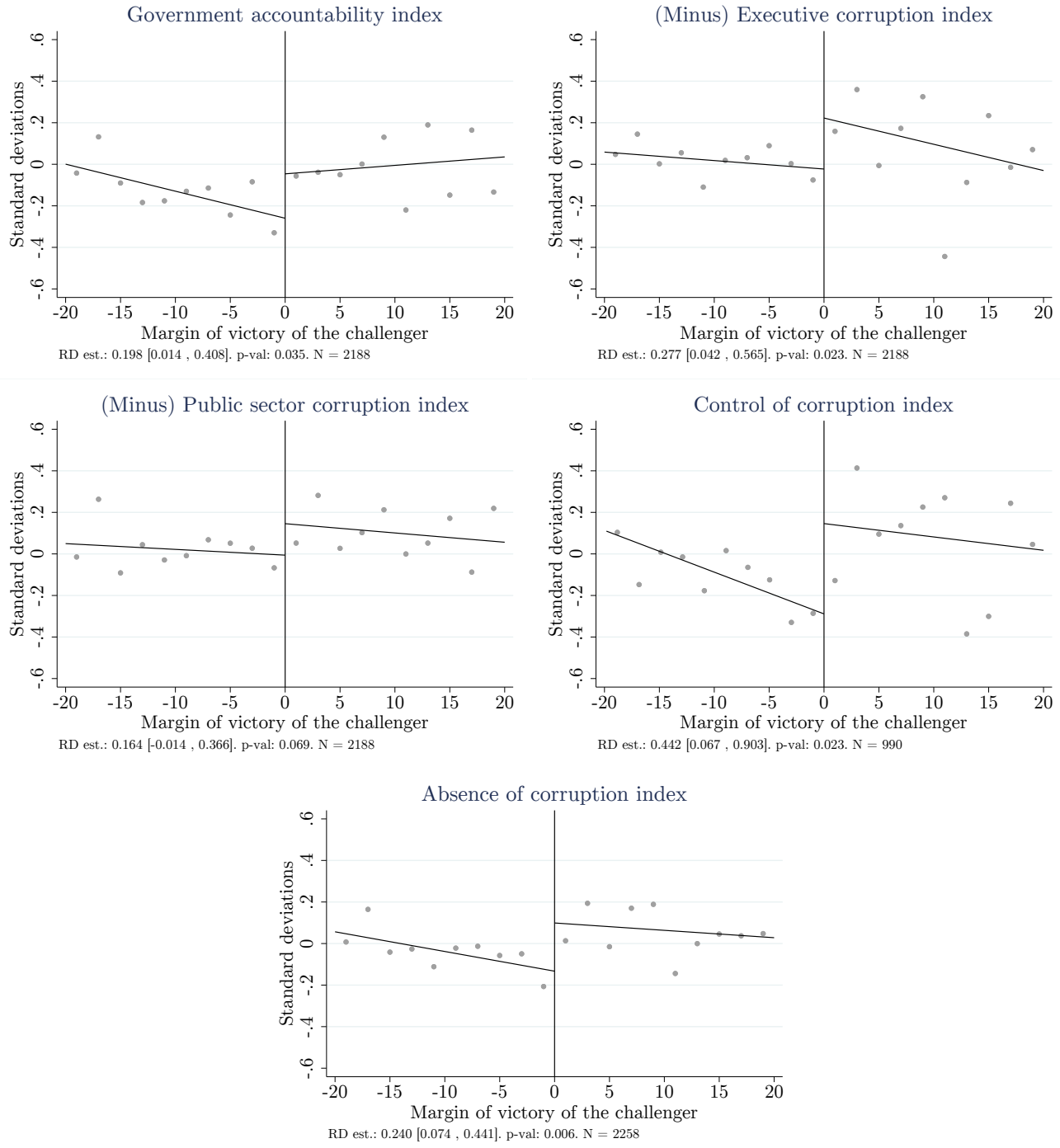
Notes: This figure reports RD plots corresponding to equation (1). The dependent variables are measures of government intervention in the economy: government expenditure (from Our World in Data), tax revenue (from the World Bank), and debt (from the IMF) – all measured as a share of GDP. We also report results for an index combining these three measures. Panel a looks at changes in the levels of these variables and panel b at the absolute value of these changes. The grey dots are sample means across two-percengage-point bins of the running variable. At the bottom of each graph, we report the local linear regression estimate from Calonico et al. (2014), with the robust confidence interval in brackets, as well as the p-value associated with the robust confidence interval for γ in equation (1).

Figure E.8: Effects of electoral turnovers on candidate characteristics



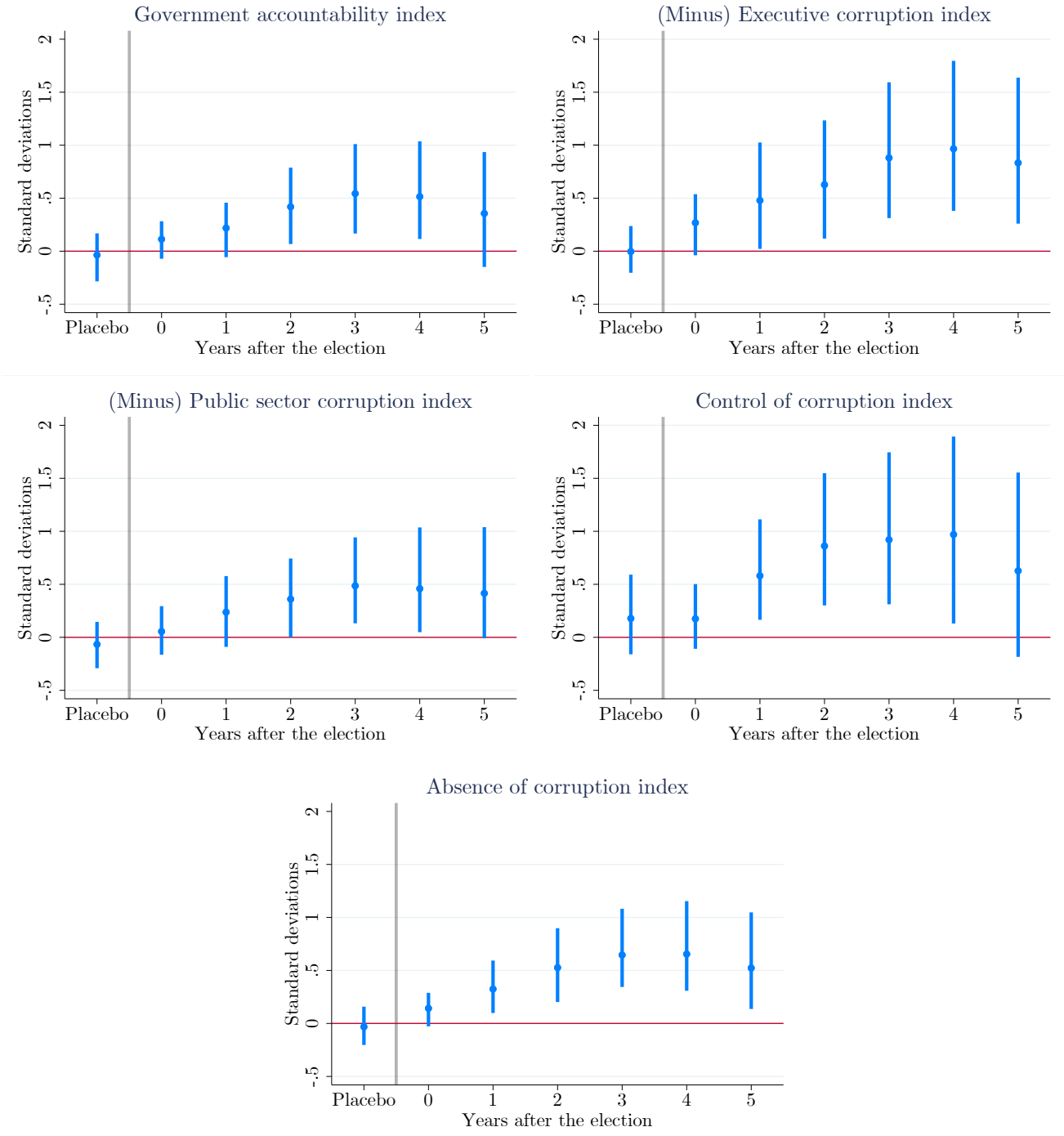
Notes: This figure reports RD plots corresponding to equation (1). The dependent variables are the age of the leader elected during the election as well as the left-wing score, the populism score, and the illiberalism score of the party in power after the election. For the leader's age, we restrict the sample to elections which lead to the nomination of a leader of the executive branch, and retrieve data from V-Dem. The outcome we consider is the age of the elected leader on December 31st of the year following the election. Ideology scores are retrieved from V-Parties. The grey dots are sample means across two-percentage-point bins of the running variable. At the bottom of each graph, we report the local linear regression estimate from Calonico et al. (2014), with the robust confidence interval in brackets, as well as the p-value associated with the robust confidence interval for γ in equation (1).

Figure E.9: Effects of electoral turnovers on governance and corruption



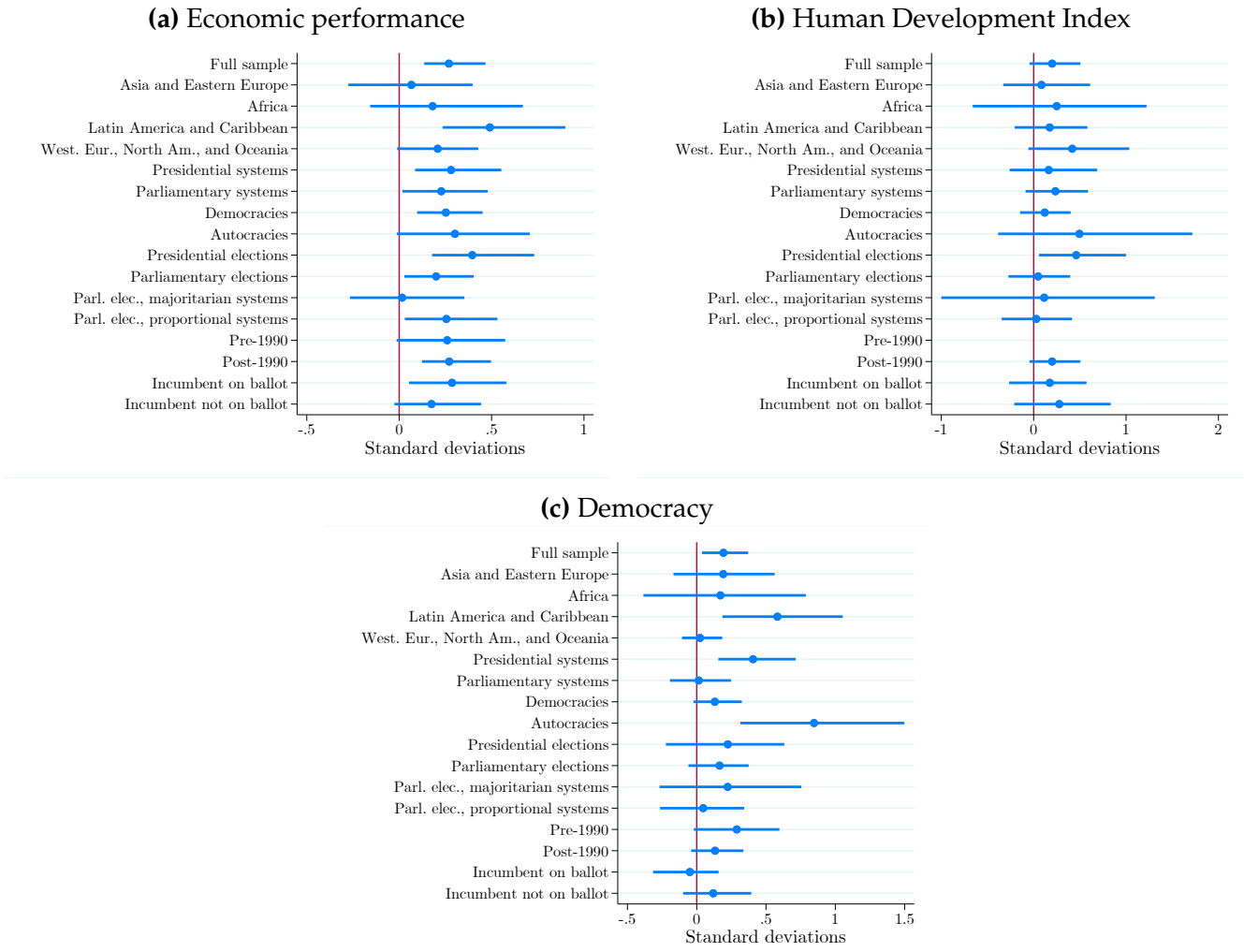
Notes: This figure reports RD plots corresponding to equation (1). The dependent variables are indices of government accountability, executive corruption, public sector corruption, and the control of corruption. The government accountability, executive corruption, and public sector corruption indices are from V-Dem (see Section 5.3 for details). The executive corruption index measures the corruption of members of the executive and their agents while the public sector corruption index measures the corruption of public sector employees. Corruption is defined as bribery and the stealing, embezzlement, or misappropriation of public funds. The control of corruption index is one of the six Worldwide Governance Indicators of the World Bank. Finally, the absence of corruption index aggregates the four previous components using the method of Kling et al. (2007). The grey dots are sample means across two-percentage-point bins of the running variable. At the bottom of each graph, we report the local linear regression estimate from Calonico et al. (2014), with the robust confidence interval in brackets, as well as the p-value associated with the robust confidence interval for γ in equation (1).

Figure E.10: Dynamic effects of turnovers on governance outcomes



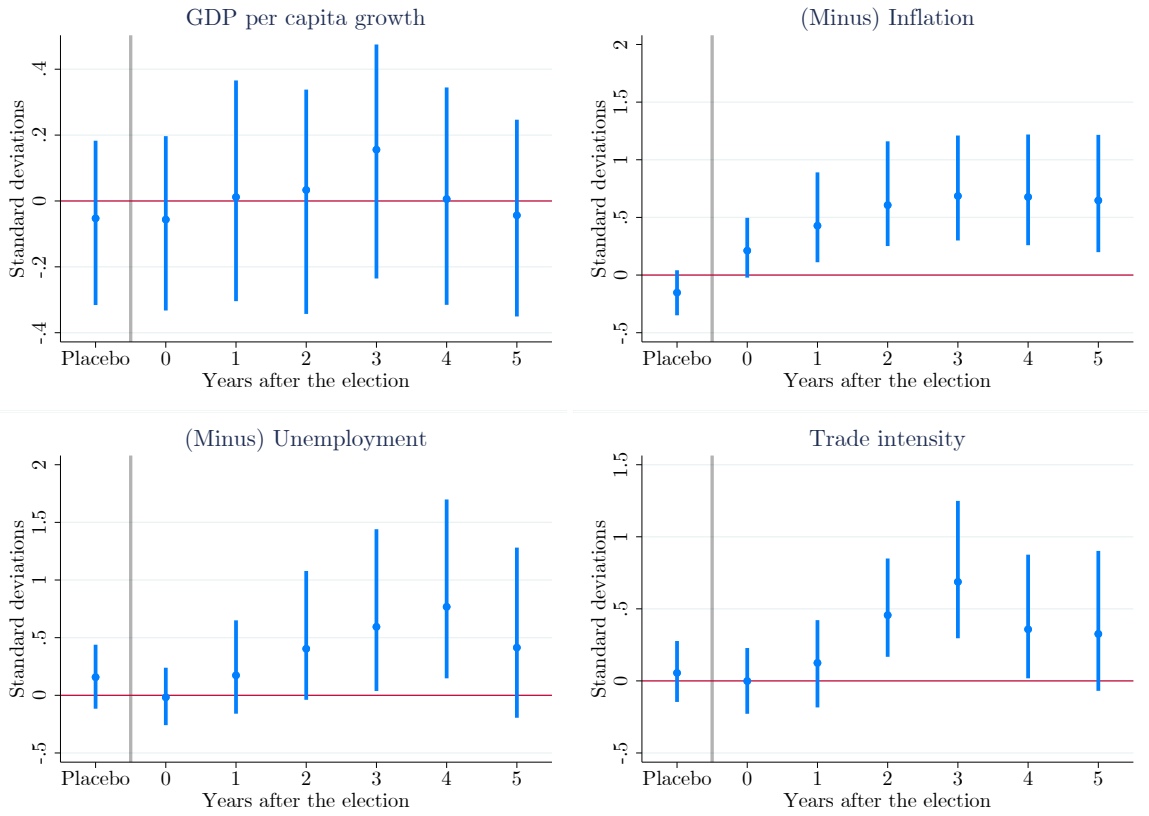
Notes: In this figure, we show estimation results using the same procedure as in Figure 6 for governance and corruption outcomes, measured in standard deviations.

Figure E.11: Effects of turnovers on components of country performance across subsamples



Notes: This figure plots RD estimates and 90% robust confidence intervals of the effects of electoral turnover on the components of the general index of country performance across subsamples, including different regions, regime types, election types, time periods, and whether the incumbent was on the ballot or not.

Figure E.12: Dynamic effects of electoral turnovers on economic performance outcomes



Notes: In this figure, we show estimation results using the same procedure as in Figure 6 for the outcomes that enter the economic performance index.

Table E.1: Heterogeneity by constraints on the executive

		Leader power		Globalization		Term limit
	(1) Baseline	(2) High	(3) Low	(4) High	(5) Low	(6) No
Economic performance	0.269***	0.463***	0.096	0.278***	0.345***	0.199**
	(0.101)	(0.142)	(0.170)	(0.121)	(0.148)	(0.105)
HDI	0.200	0.187	0.221	0.317	0.093	0.045
	(0.168)	(0.219)	(0.269)	(0.249)	(0.255)	(0.187)
Democracy	0.193**	0.239	–0.082	0.056	0.517***	0.178
	(0.101)	(0.189)	(0.151)	(0.145)	(0.199)	(0.119)
General index	0.277***	0.389***	0.033	0.309***	0.416***	0.212**
	(0.105)	(0.161)	(0.142)	(0.120)	(0.144)	(0.110)

Notes: This table reports estimated effects of electoral turnovers for different subsamples. Each estimate corresponds to a separate regression. The power enjoyed by the elected leader is an aggregate of power measures from V-Dem: power to dissolve the legislature, to appoint and dismiss ministers, and to propose and veto legislation (see Appendix D.2 for more details). We proxy globalization with trade intensity. For these two dimensions of heterogeneity, we consider the value of the variable in the year before each election, compute the median among close elections (i.e., elections for which the running variable is under 15 percentage points in absolute value), and split the sample between elections above and below the median. In column (6), we restrict the sample to parliamentary elections and presidential elections for which there were no differentially binding term limits for the incumbent and the best ranked challenger. Using the method of Clogg et al. (1995), we can marginally reject the equality of the estimates for the general index for high and low leader power (p-val. = 0.097), but not for high and low globalization (p-val. = 0.569). We obtain broadly consistent results when running a parametric regression in which we include the interaction between the treatment and the dimension of heterogeneity. $^{*}p < 0.10, ^{**}p < 0.05, ^{***}p < 0.01$.

Table E.2: Policy leverage

	(Minus) Inflation		(Minus) Unemployment		(Minus) Inflation	
	(1) High inflation	(2) Low inflation	(3) High unemp.	(4) Low unemp.	(5) High CBI	(6) Low CBI
Electoral turnover	0.91***	–0.06	0.70**	0.04	0.48*	1.02***
	(0.38)	(0.07)	(0.33)	(0.17)	(0.30)	(0.45)
N	983	904	684	647	598	665

Notes: In column (1) (resp., 2), we report the estimated effect of electoral turnovers on (minus) inflation when inflation on the year before the election is above (resp., below) the median. In column (3) (resp., 4), we report the estimated effect of electoral turnovers on (minus) unemployment when unemployment on the year before the election is above (resp., below) the median. Finally, in column (5) (resp., 6), we report the estimated effect of electoral turnovers on (minus) inflation when the independence of the central bank (measured by Garriga, 2016) on the year before the election is above (resp., below) the median. In each case, we measure the median in the subsample of elections with a running variable between -15pp and +15pp. Using the method of Clogg et al. (1995), we can reject the equality of the estimates of columns (1) and (2) (p-val. = 0.012), of the estimates of columns (3) and (4) (p-val. = 0.075), but not of the estimates of columns (5) and (6) (p-val. = 0.318). We obtain broadly consistent results when running a parametric regression in which we include the interaction between the treatment and the dimension of heterogeneity.

Table E.3: Heterogeneity by regime type, OECD membership, and incumbent tenure

	Regime type		OECD		Time since last treat.		Last elec. treated	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Democ.	Autoc.	Yes	No	High	Low	No	Yes
Economic performance	0.253**	0.302	0.223*	0.302**	0.206**	0.285**	0.266**	0.264*
	(0.108)	(0.219)	(0.127)	(0.143)	(0.119)	(0.147)	(0.124)	(0.153)
HDI	0.120	0.495	0.465*	0.056	0.110	0.308	0.085	0.290
	(0.166)	(0.639)	(0.283)	(0.214)	(0.237)	(0.223)	(0.223)	(0.239)
Democracy	0.130	0.846**	0.059	0.328**	0.130	0.215	0.166	0.224
	(0.106)	(0.360)	(0.142)	(0.156)	(0.166)	(0.180)	(0.132)	(0.174)
General index	0.208**	0.553***	0.194	0.322**	0.183	0.337**	0.203*	0.343**
	(0.107)	(0.235)	(0.124)	(0.150)	(0.128)	(0.156)	(0.126)	(0.169)

Notes: This table reports estimated effects of electoral turnovers for different subsamples. Each estimate corresponds to a separate regression. Democracies are regimes labeled as electoral democracies or liberal democracies by V-Dem. Autocracies are regimes labeled as electoral autocracies and closed autocracies by V-Dem. For OECD membership, we consider as members the 30 countries that were members of the OECD at the beginning of 2010. Time since last treat. corresponds to the number of years elapsed since last treatment. We split the sample between elections with a time since last treatment above vs. below the median, computed among elections for which the running variable is under 15 percentage points in absolute value. Last elec. treated corresponds to whether the previous election of the same type was treated or not. Using the method of Clogg et al. (1995), we cannot reject the equality of the estimates for the general index for democracies and autocracies (p-val. = 0.181), OECD and non-OECD countries (p-val. = 0.511), high/low time elapsed since last treatment (p-val. = 0.445), and for previous values of the treatment (p-val. = 0.507). We obtain broadly consistent results when running a parametric regression in which we include the interaction between the treatment and the dimension of heterogeneity. $^{*}p < 0.10,^{**}p < 0.05,^{***}p < 0.01$.

Table E.4: Effects of electoral turnovers taking place in adverse economic conditions

		Adverse oil price growth			Global shocks
	(1)	(2)	(3)	(4)	(5)
	Baseline	Above median	Top tercile	Top quartile	Post 73/79/07
Economic performance	0.269***	0.169	0.281**	0.243*	0.436***
	(0.101)	(0.133)	(0.162)	(0.145)	(0.187)
HDI	0.200	0.179	0.127	–0.051	0.254
	(0.168)	(0.264)	(0.333)	(0.375)	(0.496)
Democracy	0.193**	0.039	–0.025	–0.063	–0.017
	(0.101)	(0.175)	(0.193)	(0.219)	(0.196)
General index	0.277***	0.146	0.160	0.128	0.395*
	(0.105)	(0.132)	(0.165)	(0.165)	(0.223)

Notes: This table reports estimated effects of electoral turnovers for the full sample in column (1), and for the subsamples of elections with adverse oil price growth above the 50th, 66.6th, and 75th percentiles (in columns 2 to 4). These percentiles are measured among elections with a running variable between -15pp and +15pp. The adverse oil price growth variable is the average yearly growth in oil prices in the two years before the election for net oil importers, and the opposite of this variable for net oil exporters (see Section 4.5 for details). In column (5), we restrict the sample to elections taking place in the four years following three global economic shocks: the 1973 and 1979 oil crises in oil-importing countries, and the 2007-08 financial crisis. Namely, we look at elections taking place between 1974-77 and 1980-83 in net oil-importing countries, as well as in 2008-11, worldwide. $^{*}p < 0.10,^{**}p < 0.05,^{***}p < 0.01$.

Table E.5: Angrist and Rokkanen (2015) CIA-based estimates

	CCT	Linear reweighting	Propensity score
Economic performance	0.269***	0.113**	0.124**
	(0.101)	(0.048)	(0.051)
	[0.003]	[0.020]	[0.016]
	N=439/324	N=339/272	N=331/267
Equality with CCT (p-val.)		0.163	0.200
Human Development Index	0.200	0.007	0.007
	(0.168)	(0.078)	(0.083)
	[0.169]	[0.929]	[0.932]
	N=299/263	N=198/177	N=189/177
Equality with CCT (p-val.)		0.296	0.303
Democracy	0.193**	0.203**	0.195**
	(0.101)	(0.093)	(0.086)
	[0.043]	[0.029]	[0.024]
	N=730/463	N=339/261	N=326/253
Equality with CCT (p-val.)		0.942	0.988
General index	0.277***	0.199***	0.172***
	(0.105)	(0.062)	(0.058)
	[0.004]	[0.001]	[0.003]
	N=503/356	N=360/284	N=349/276
Equality with CCT (p-val.)		0.525	0.383

Notes: This table compares our baseline estimates from Calonico et al. (2014) (in the "CCT" column) to CIA-based estimates from Angrist and Rokkanen (2015): a linear reweighting estimator discussed by Kline (2011) (in the "Linear reweighting" column), and a version of the Hirano et al. (2003) propensity score estimator (in the "Propensity score" column). Standard errors are reported in parentheses, and p-values are reported in brackets. We also report the number of observations on the left and right of the cutoff within the CCT-optimal bandwidth for the Calonico et al. (2014) estimates and the number of observations on the left and right of the cutoff in the [-10pp, 10pp] window for the Kline (2011) and Hirano et al. (2003) estimates. Finally, we test the equality between the CCT and CIA-based estimates using the method of Clogg et al. (1995). $^{*}p < 0.10, ^{**}p < 0.05, ^{***}p < 0.01$.

Table E.6: Effects on the absolute value of the change in policy variables

	Est.	SE	p-val.	N	Source
Government expenditure (% of GDP)	0.027	(0.199)	[0.949]	1308	Our World in Data
Tax revenue (% of GDP)	0.255*	(0.158)	[0.073]	1022	World Bank
Debt (% of GDP)	0.160	(0.117)	[0.210]	1713	IMF HPDD
Government intervention index	0.202	(0.122)	[0.113]	1994	IMF, WB, OWID
Education expenditure (% of GDP)	0.061	(0.168)	[0.927]	763	Our World in Data
Public health expenditure (% of GDP)	–0.090	(0.174)	[0.472]	1175	Our World in Data
Military expenditure (% of GDP)	0.039	(0.083)	[0.715]	1854	Our World in Data
Subsidies and transfers (% of exp.)	0.086	(0.174)	[0.639]	831	World Bank
Central bank independence	0.291	(0.253)	[0.168]	1295	Garriga (2016)
Central bank policy rate	0.245	(0.178)	[0.101]	1279	GFD
Educ. expenditure (% of exp.)	0.205	(0.238)	[0.419]	690	Our World in Data
Health expenditure (% of exp.)	0.163	(0.164)	[0.208]	1167	Our World in Data
Military expenditure (% of exp.)	–0.002	(0.151)	[0.906]	1253	Our World in Data
Taxes on goods (% of taxes)	0.141	(0.186)	[0.366]	1011	World Bank
Taxes on income (% of taxes)	0.329**	(0.170)	[0.031]	1035	World Bank
Taxes on trade (% of taxes)	0.043	(0.181)	[0.760]	1020	World Bank
Financial liberalization index	0.225	(0.221)	[0.319]	647	Abiad et al. (2010)
Directed credit liberalization	0.418	(0.283)	[0.188]	647	Abiad et al. (2010)
Credit ceilings liberalization	0.218	(0.415)	[0.381]	392	Abiad et al. (2010)
Credit controls liberalization	0.407	(0.296)	[0.206]	647	Abiad et al. (2010)
Interest rates liberalization	–0.083	(0.260)	[0.817]	647	Abiad et al. (2010)
Pro-competitive measures	–0.140	(0.256)	[0.572]	647	Abiad et al. (2010)
Banking supervision liberalization	0.332	(0.264)	[0.224]	647	Abiad et al. (2010)
Privatization measures	0.271	(0.284)	[0.362]	647	Abiad et al. (2010)
International capital flows liberalization	0.144	(0.254)	[0.605]	647	Abiad et al. (2010)
Security market liberalization	0.112	(0.306)	[0.624]	647	Abiad et al. (2010)
Economic freedom index	0.359*	(0.234)	[0.092]	923	Fraser Institute
Liberalized trade	0.031	(0.185)	[0.923]	1287	Wacziarg and Welch (2008)

Notes: This table reports RD estimates corresponding to equation (1) for measures of the absolute variation of policy, expressed in standard deviation terms. See Section 5.1 for details on the outcome variables used.

Table E.7: Effects on additional policy variables

	Est.	SE	p-val.	N	Source
Government expenditure (% of GDP)	0.130	(0.194)	[0.384]	1308	Our World in Data
Tax revenue (% of GDP)	0.089	(0.156)	[0.411]	1022	World Bank
Debt (% of GDP)	0.012	(0.118)	[0.790]	1713	IMF HPDD
Government intervention index	0.085	(0.109)	[0.287]	1994	IMF, WB, OWID
Education expenditure (% of GDP)	0.053	(0.186)	[0.955]	763	Our World in Data
Public health expenditure (% of GDP)	–0.027	(0.180)	[0.986]	1175	Our World in Data
Military expenditure (% of GDP)	–0.017	(0.078)	[0.812]	1854	Our World in Data
Subsidies and transfers (% of exp.)	0.059	(0.171)	[0.544]	831	World Bank
Central bank independence	0.304	(0.246)	[0.145]	1295	Garriga (2016)
Central bank policy rate	–0.173	(0.168)	[0.384]	1279	GFD
Educ. expenditure (% of exp.)	–0.034	(0.201)	[0.641]	690	Our World in Data
Health expenditure (% of exp.)	–0.023	(0.176)	[0.980]	1167	Our World in Data
Military expenditure (% of exp.)	–0.157	(0.153)	[0.264]	1253	Our World in Data
Taxes on goods (% of taxes)	0.112	(0.180)	[0.411]	1011	World Bank
Taxes on income (% of taxes)	–0.077	(0.143)	[0.648]	1035	World Bank
Taxes on trade (% of taxes)	–0.062	(0.184)	[0.675]	1020	World Bank
Financial liberalization index	0.256	(0.188)	[0.116]	647	Abiad et al. (2010)
Directed credit liberalization	0.387	(0.293)	[0.212]	647	Abiad et al. (2010)
Credit ceilings liberalization	0.530*	(0.408)	[0.087]	392	Abiad et al. (2010)
Credit controls liberalization	0.458	(0.305)	[0.108]	647	Abiad et al. (2010)
Interest rates liberalization	0.093	(0.230)	[0.644]	647	Abiad et al. (2010)
Pro-competitive measures	–0.132	(0.235)	[0.455]	647	Abiad et al. (2010)
Banking supervision liberalization	0.332	(0.264)	[0.224]	647	Abiad et al. (2010)
Privatization measures	0.293	(0.261)	[0.153]	647	Abiad et al. (2010)
International capital flows liberalization	–0.027	(0.264)	[0.833]	647	Abiad et al. (2010)
Security market liberalization	0.104	(0.308)	[0.650]	647	Abiad et al. (2010)
Economic freedom index	0.222	(0.244)	[0.417]	923	Fraser Institute
Liberalized trade	0.038	(0.221)	[0.980]	1287	Wacziarg and Welch (2008)

Notes: This table reports RD estimates corresponding to equation (1) for measures of policy, expressed in standard deviation terms.

Table E.8: Change in proxies for winner quality at the threshold

	(1)	(2)	(3)
Electoral turnover	–1.68	–0.24	–0.26
	(1.98)	(1.91)	(1.93)
Controls	None	Pre-election	Pre and post-election
N	2029	2029	2029

Notes: In this table, we show RD estimates of the change at the threshold in proxies for the quality of the winner of election *t*. In column (1), quality is measured as the change in the vote share of the winner between *t+1* and *t*. In column (2), quality is measured as the residual of a regression of the change in the vote share of the winner on a set of pre-election controls, including decade and region dummies; a dummy indicating OECD membership; the value of our main outcomes in the two years before the election; the number of candidates competing in the election; the left-right score, populism score, and illiberalism score of the winner; and the distance in these ideology measures between the winner and the runner-up. In column (3), quality is measured as the residual of a regression of the change in the vote share of the winner on the set of pre-election controls, as well as our main measures of country performance, measured between years *t+1* and *t+4* after the election conducted at time *t*. All estimates are expressed in percentage points.

Table E.9: Heterogeneity with respect to government experience of challengers

		Keeping challengers that have	
	(1)	(2)	(3)
	Baseline	Not been prev. in power	Been prev. in power
Economic performance	0.269***	0.244**	0.275**
	(0.101)	(0.121)	(0.145)
HDI	0.200	0.222	0.070
	(0.168)	(0.213)	(0.261)
Democracy	0.193**	0.163	0.242
	(0.101)	(0.119)	(0.183)
General index	0.277***	0.249**	0.238*
	(0.105)	(0.124)	(0.150)

Notes: This table presents the results of an exercise in which we restrict the sample to elections in which the challenger has not (resp., has) won elections in the past decade and was plausibly of lower (resp., higher) quality (in column 2, resp. 3). $^{*}p < 0.10,^{**} p < 0.05,^{***} p < 0.01$.

Table E.10: Effects on additional governance variables

	Est.	SE	p-val.	N	Source
(Minus) Political corruption	0.165*	(0.100)	[0.061]	2188	V-Dem
(Minus) Executive corruption index	0.277**	(0.134)	[0.023]	2188	V-Dem
(Minus) Executive bribery	0.162	(0.110)	[0.102]	2188	V-Dem
(Minus) Executive embezzlement	0.322**	(0.156)	[0.028]	2188	V-Dem
Executive respects constitution	0.143	(0.108)	[0.195]	2188	V-Dem
(Minus) Public sector corruption index	0.164*	(0.097)	[0.069]	2188	V-Dem
(Minus) Public sector corrupt exchanges	0.117	(0.102)	[0.172]	2188	V-Dem
(Minus) Public sector theft	0.155	(0.105)	[0.131]	2188	V-Dem
Government accountability index	0.198**	(0.100)	[0.035]	2188	V-Dem
Vertical accountability index	0.105	(0.109)	[0.278]	2188	V-Dem
Diagonal accountability	0.147	(0.103)	[0.233]	2188	V-Dem
Horizontal accountability index	0.168	(0.120)	[0.161]	2188	V-Dem
Bureaucrat merit	–0.011	(0.104)	[0.706]	2092	V-Dem
Control of corruption	0.442**	(0.213)	[0.023]	990	World Bank
Government effectiveness	0.131	(0.211)	[0.471]	986	World Bank
Regulatory quality	–0.046	(0.201)	[0.893]	985	World Bank
Rule of law	0.368**	(0.197)	[0.034]	998	World Bank
(Minus) Corruption index	0.127	(0.236)	[0.732]	876	GICI

Notes: This table reports RD estimates corresponding to equation (1) for measures of the quality of governance, expressed in standard deviation terms.

Table E.11: Effects of electoral turnovers on governance and corruption

		Election type		**Checks & balances**		**Leader power**	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Baseline	Pres.	Parl.	High	Low	High	Low
Government accountability index	0.198**	0.205	0.180	0.043	0.333**	0.274*	–0.096
	(0.100)	(0.258)	(0.123)	(0.050)	(0.185)	(0.175)	(0.133)
(Minus) Executive corruption index	0.277**	0.427	0.207*	0.118	0.535**	0.266	0.187*
	(0.134)	(0.311)	(0.138)	(0.095)	(0.259)	(0.289)	(0.128)
(Minus) Public sector corruption index	0.164*	0.426*	0.061	–0.014	0.312**	0.252	–0.034
	(0.097)	(0.263)	(0.094)	(0.069)	(0.177)	(0.210)	(0.116)
Control of corruption	0.442**	0.650	0.354	0.114	0.670**	1.01***	0.120
	(0.213)	(0.424)	(0.277)	(0.274)	(0.316)	(0.379)	(0.288)
Absence of corruption index	0.240***	0.385	0.172*	0.061	0.400***	0.345**	–0.001
	(0.093)	(0.256)	(0.088)	(0.052)	(0.164)	(0.185)	(0.097)

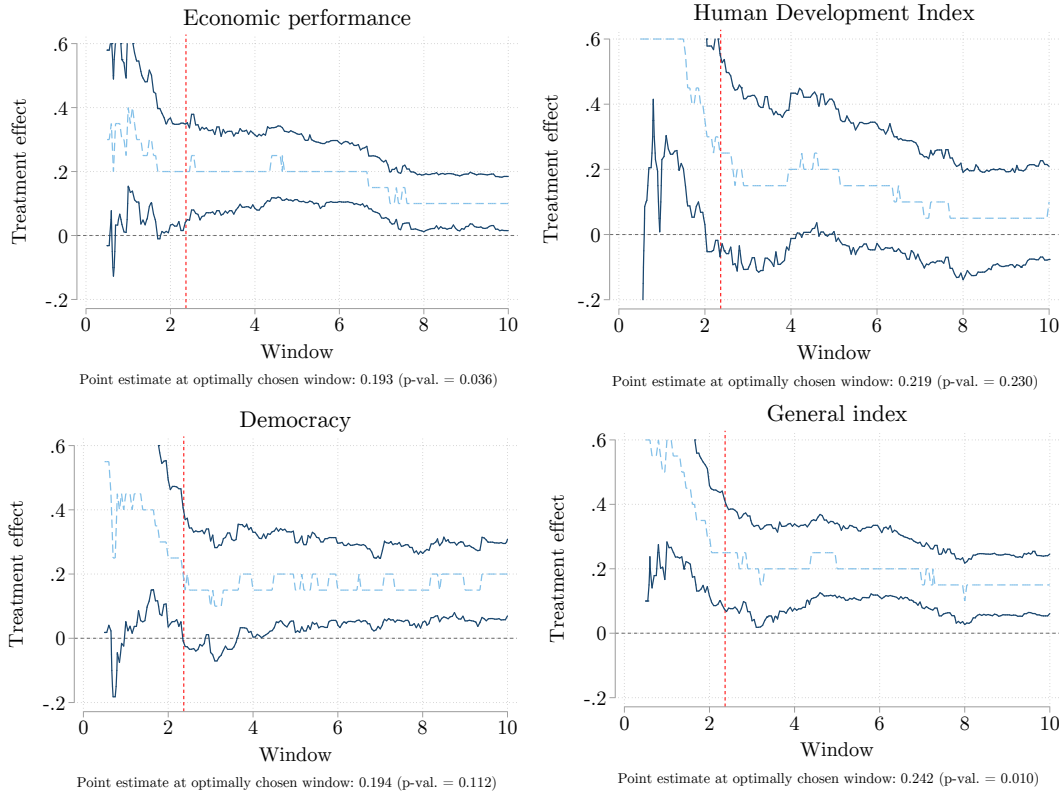
Notes: This table reports RD estimates corresponding to equation (1) for our measures of governance and corruption, expressed in standard deviation terms, in the main sample (column 1) and in different subsamples (columns 2 to 7). See Table 2 for the definition of the high and low checks and balances subsamples, and Appendix Table E.1 for the definition of high and low leader power subsamples. Using the method of Clogg et al. (1995), we can reject the equality of the estimates for the absence of corruption index for presidential and parliamentary elections (p-val. = 0.431), but not for high and low checks and balances (p-val. = 0.048), and for high and low leader power (p-val. = 0.098). We obtain broadly consistent results when running a parametric regression in which we include the interaction between the treatment and the dimension of heterogeneity. $^{*}p < 0.10, ^{**}p < 0.05, ^{***}p < 0.01$.

F Randomization Inference

In this Appendix, we check the robustness of our results to using an independent estimation procedure. The RD estimates of Calonico et al. (2014) are valid under assumptions of continuity of potential outcomes around the cutoff, as many RD estimators. An alternative view of RDDs is that the treatment assignment can be considered quasi-random close to the cutoff, not just at the cutoff itself. If we can find a window around the cutoff in which covariates have similar distributions across treatment and control observations, making treatment plausibly random (a local randomization hypothesis), we can then use randomization inference techniques which are valid in finite samples rather than the large-sample approximation of Calonico et al. (2014).

We apply the procedure of Cattaneo et al. (2015) to find the largest possible window around the cutoff for which the local randomization assumption is plausible, based on the following covariates: the level of our main outcome variables the year before the election as well as the value of the treatment variable and the running variable in the previous election. We then estimate effects with a difference in means estimator and use a randomization inference procedure to derive the p-value corresponding to the test of the null hypothesis, following Cattaneo et al. (2016). Figure F.1 reports the results of these nonparametric tests. These results are consistent with our baseline estimates. In particular, using an optimally chosen window of 2.4 percentage points on either side of the threshold, we find a 0.21 SD effect of electoral turnovers on the general index of country performance.

Figure F.1: Randomization inference results



Notes: This figure reports results obtained using the difference in means estimator suggested by Cattaneo et al. (2016). For different windows, the solid lines correspond to 90% confidence bands, and the dashed lines correspond to point estimates. The vertical line corresponds to the optimal window under which the local randomization assumption is expected to hold, selected using the procedure of Cattaneo et al. (2015). To estimate this optimal window, we used the following set of pre-election covariates: the level of our main outcome variables the year before the election, the value of the treatment variable at the previous election, and the value of the running variable at the previous election. We jointly test the local randomization hypothesis of all covariates using the Hotelling T^2 test of Cattaneo et al. (2016). Under each graph, we report the p-value of the randomization inference test at this optimal window.

G Case Studies

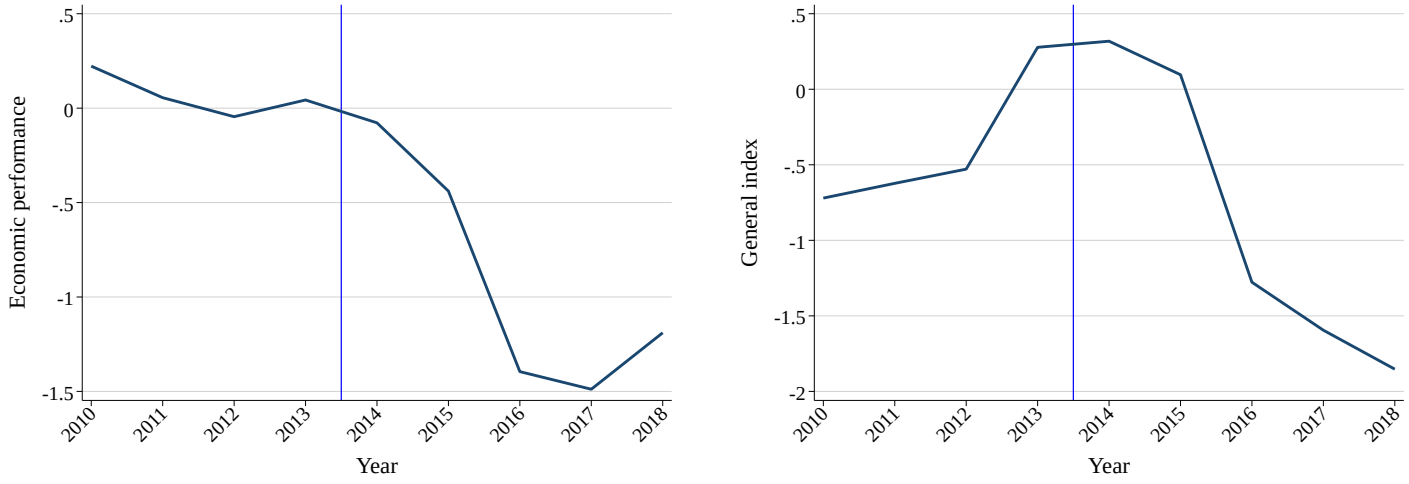
To illustrate our main results, we consider four case studies that depict changes in a country's performance following an electoral turnover or the close re-election of an incumbent candidate or party. For each case, we present a time series of the index of economic performance alongside the index of general performance. These figures are supported by contemporaneous newspaper articles providing insights into the political and economic climate during the specific years under examination.

Case selection. We conducted a comprehensive search for national elections characterized by close electoral contests. Our aim was to include a diverse range of scenarios, including instances of elections that led to an electoral turnover and those that did not. Furthermore, we sought to encompass different electoral systems (presidential as well as parliamentary) spanning both OECD and non-OECD countries. We include prominent examples from Brazil, France, Israel, and the United States chosen to illustrate the diversity of cases we encountered in our empirical analysis.

Press articles selection. Our selection primarily consisted of press articles published towards the conclusion of the political mandates under consideration. These articles were drawn from renowned and respected international newspapers, including *The Economist*, the *BBC*, and *The New York Times*. Additionally, we incorporated articles from prominent national newspapers such as *Le Monde* in France, or *The Times of Israel* and *The Marker* for Israel, in cases where comprehensive coverage of national politics was lacking in the international press during the designated time period. This comprehensive approach to source selection aimed to provide a well-rounded and informative depiction of the political and economic circumstances during those years.

Brazil 2014 presidential reelection

Figure G.1: Indices of performance around the 2014 presidential reelection in Brazil



On October 5, 2014, Brazil held its general elections to determine the president, the National Congress members, and state governorships. In the second round of the presidential ballot, Rousseff emerged victorious with 51.6% against Aécio Neves' 48.4%, marking the closest margin in a Brazilian presidential election since 1989.

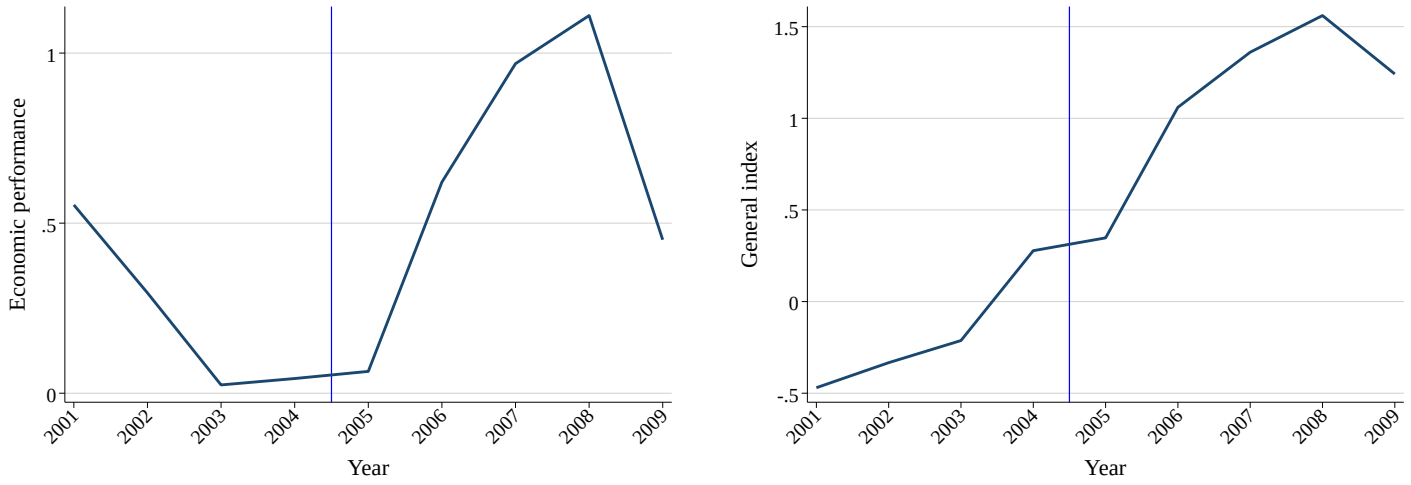
Throughout her first term, which began in 2010, Rousseff maintained strong approval ratings due to measures such as reducing federal taxes on energy and exempting taxes on essential consumer products. Her popularity was further boosted by the Central Bank of Brazil's decision to lower the overnight rate. However,

in her second term, Rousseff confronted substantial challenges, including economic downturns, corruption scandals, and declining approval ratings, culminating in her impeachment and removal from office on August 31, 2016. Figure G.1 displays the deterioration of Brazil's economic performance and overall performance in the years following the 2014 reelection of Rousseff. The following quote from the *BBC* provides additional context:

> *Despite her campaign hitting hard at those who proposed an austere fiscal adjustment of spending cuts, she adopted many of the very same measures she had demonised as a candidate. Markets initially reacted with optimism to the appointment of her new economic team, but the opposition galvanised support from those who felt betrayed by her U-turn on the economy. 2015 proved to be disastrous for the economy and markets soon turned against her, as a rift became clear between two key ministers with opposing views on how to fix the problems. Inflation spiked and millions lost their jobs, after a heavy contraction in consumption and investment. In September, Brazilian bonds were downgraded to junk by one credit ratings agency. Brazil's currency lost almost half of its value and the stock market reached its lowest level in seven years. Her government policies, her U-turn in the economy after the election and corruption in her party were constantly part of the debate* (BBC, 2016).

Germany 2005 parliamentary turnover

Figure G.2: Indices of performance around the 2005 parliamentary turnover in Germany



In 2005, the loss of a local election in the state of Nordrhein-Westfalen forced the SPD-led government to call a snap parliamentary election. The Christian Democrats (CDU-CSU) were heavily favored to win these elections, but ended up winning only a slim plurality of seats in the Bundestag, with 226 seats against 222 for the SPD. After lengthy negotiations involving multiple political parties, this electoral outcome resulted in the formation of a "grand coalition" government (involving both the CDU-CSU and the social-democrats from the SPD) with Angela Merkel from the CDU at its head. Upon succeeding Gerhard Schröder as chancellor, Merkel provided new impetus to Germany's economic policies, passing a series of landmark reforms in her first year in office—including a 3 p.p. increase in the VAT and a major heathcare reform in 2006. She subsequently served as chancellor for a total of 16 years, securing again a parliamentary majority for the CDU in 2009, 2013, and 2017. Figure G.2 shows that Germany's economy improved markedly during Merkel's first term in office, prompting *The Economist* to provide highly enthusiastic coverage at the time:

> *Yet now, less than 100 days after taking the oath as chancellor, Ms Merkel has touched some unprecedented pinnacles. (...) And, as if by magic, the German economy, once the sickest in Europe, is bouncing back: business*

confidence is high, exports are breaking records, and even consumers are at last perking up. (The Economist, 2006).

Exports are booming, unemployment is falling and the economy may grow by some 2.5% in 2007 and 2008, its best performance in years. In the first half of 2007 the public sector overall recorded a surplus for the first time since unification in 1990. (...) it is Ms Merkel who gets the credit. (...) The odds remain that both the economic upswing and the coalition will survive until the 2009 election. But there are risks to both. As so often, German banks have suffered disproportionately from the subprime mortgage mess in America. If the American economy buckles, Germany's export-led growth could quickly fade. And the SPD may yet be tempted to bail out of the coalition rather than go on seeing Ms Merkel gather both credit and strength. (The Economist, 2007).

USA 1992 presidential turnover

Figure G.3: Indices of performance around the 1992 American presidential turnover

In the 1992 U.S. presidential election, Democrat Bill Clinton defeated the incumbent Republican President George Bush. This turnover marked the end of a period of Republican dominance in American presidential politics that began in 1968. Bill Clinton's first term (1992-1996) saw economic prosperity with job growth and reduction of budget imbalances. He enacted welfare reform and attempted healthcare reform, but the latter was unsuccessful. His foreign policy achievements included brokering the Dayton Agreement and pursuing peace efforts in the Middle East. Near the conclusion of his term, The New York Times wrote:

He is clearly the most skilled navigator of today's contrary political seas. Even his most notable defeat, on health care, arose from his correct judgment that Americans want universal, affordable coverage. (...)
The real situation is that Mr. Clinton's drive toward a balanced budget has helped keep interest rates low and promote an economic expansion now in its fifth year. Mr. Clinton stood up to the spendthrifts in his own party at the start of his term. He curbed the Federal deficits that had piled up over years of Republican Presidents proclaiming devotion to fiscal conservatism. Yet he wisely opposed a balanced-budget amendment that would tie a President's hands in a military or fiscal emergency. Mr. Clinton raised taxes primarily on those most able to pay while pushing through one of the most important initiatives of his Presidency, the earned-income tax credit, which channeled billions of dollars into the poorest segment of the work force and lifted more than three million people out of poverty. (...)
Mr. Clinton's original vision of a country where no one waits for health care, social justice and economic opportunity to trickle down is still valid (The New York Times, 1996).

Israel 1992 parliamentary turnover

Figure G.4: Indices of performance around the 1992 Israeli parliamentary turnover

Israel held elections for the 13th Knesset on June 23, 1992. The outcome of the election led to the establishment of a Labor government under the leadership of Yitzhak Rabin. Rabin's government made significant strides in advancing the peace process, culminating in the signing of the Oslo Accords with Yasser Arafat's PLO in 1993 and the Israel–Jordan peace treaty in 1994. After Rabin's assassination on November 4, 1995, Shimon Peres assumed the role of Prime Minister and formed a new government on November 22, 1995. His coalition remained the same, comprised of Labor, Meretz, and Yiud. Peres decided to call for early elections in 1996 to seek a mandate to continue the peace process, but he lost the elections.

> *More than a socialist or a capitalist, Rabin was the right man at the right time. (...) With the beginning of his term in 1992, Israel was faced with the enormous challenge of absorbing hundreds of thousands of immigrants from the former Commonwealth of Nations, at a time when there was 12 percent unemployment in the labor market. Among the new immigrants, close to a third remained without a job.*
> *Yoram Gabbai, then at the top of the Ministry of Finance, in the position of State Revenue Commissioner, wrote about that period in his book "Political Economy: Between Economic Appearance and Economic Reality": "Yitzhak Rabin adopted most of the components and growth accelerators of the economy, and therefore he succeeded. He adapted his positions to the demands of globalization and the opening of markets, and was thus ahead of his generation."*
> *He focused much less than his predecessors on aid to sectoral branches, and realized that that is not where the good will grow. Based on this approach, Rabin defined the goal of drastically lowering the weight of defense in the GDP to a level of only 8-9 percent. The large resources that were freed from security, public construction and the freeze on investment in settlements were directed, for the most part, to investment in roads, railways, communications, education (a real increase of 70 percent) and the absorption of immigration. (...)* (Walla, 2020).

> *Yitzhak Rabin promoted a very expansive and egalitarian social policy, and significantly increased government investment in health, education, welfare, housing and infrastructure. This is his economic legacy* (The Marker, 2019).