The Global and Local Consequences of Political Turnover

Benjamin Marx

Boston University, CEPR & NBER

IOEA 2025

Turnover is the essence of democracy

"Democracy is a system in which parties lose elections. *There are parties: divisions of interests, values, and opinions. There is competition, organized by rules. And there are periodic winners and losers. (...)*

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Elections fill offices, legislatures establish rules, bureaucracies issue decisions, courts adjudicate conflicts, and these outcomes are binding . . . at the same time, all such outcomes are temporary, since losers do not forfeit the right to compete in elections, negotiate again, influence legislation, pressure the bureaucracy, or seek recourse to courts."

Adam Przeworski, *Democracy and the Market* (1991)

Turnover is the essence of democracy

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Turnover: Does it matter?
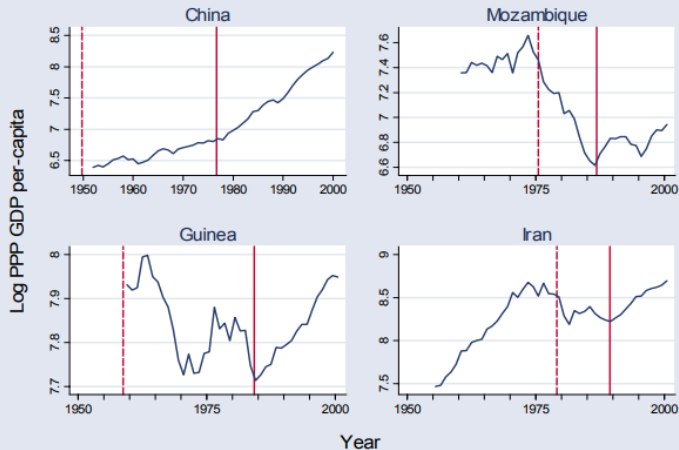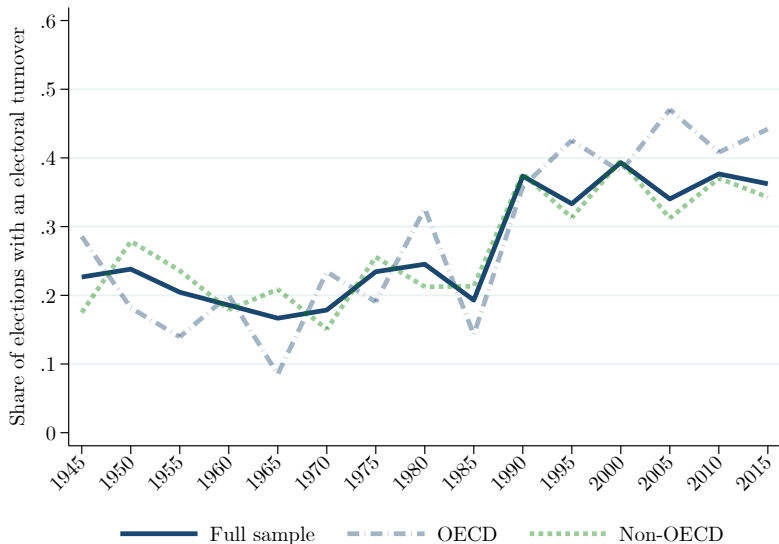## Jones & Olken (QJE 2005)

Figure I
Growth and Leader Deaths

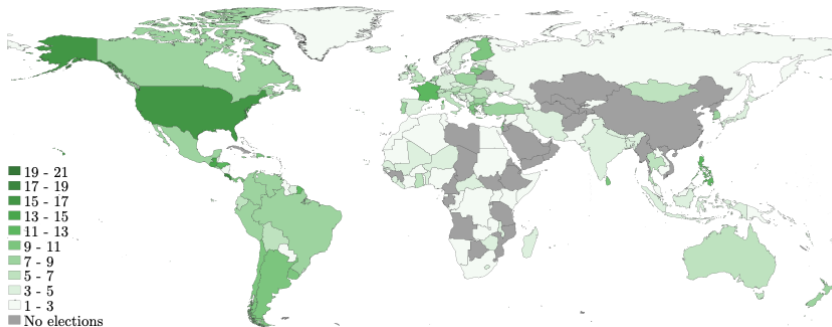# Electoral turnovers have become more common since 1990

Marx, Pons & Rollet (2024)

Most countries have experienced electoral turnovers
Marx, Pons & Rollet (2024)

Elections with an electoral turnover

Political turnover: an empirical assessment

- Power transitions induced by elections are the fundamental feature that **distinguish democracies** from other political systems.

- Turnover disrupts/reshapes legal, institutional, bureaucratic processes.

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- But does turnover bring about **positive** change & economic benefits?

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- Today: focus on recent empirical literature (close-election RDDs!)
    - standard approach: incumbents who barely win/lose reelection

- Methodological caveats: internal & external validity
    - what is the parameter being identified?
    - does this approach extend to elections which are less close?

Roadmap

Roadmap

Turnover $\Rightarrow$ bureaucratic upheaval
Akhtari et al. (AER 2022): Brazilian municipalities

- Brazilian municipalities elect a new mayor every 4 years

- Akthari et al. (2022) show that municipal bureaucracies experience major **personnel** upheavals when a new party comes into office

- New personnel appointed across multiple sectors & seniority levels

- Higher replacement rate of **teachers** lead to ↓ in test scores

- Effect driven by low-income municipalities, where the political cost of appointing low-quality teachers is (allegedly) lower

Turnover ⇒ bureaucratic upheaval
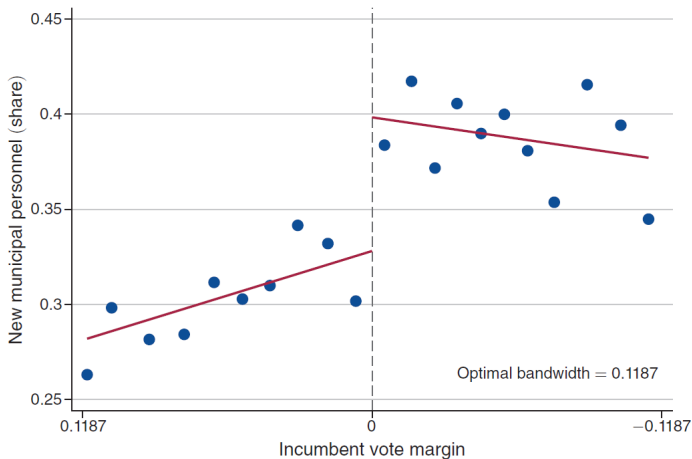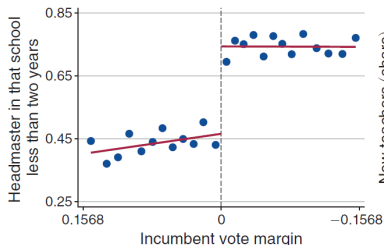## Akhtari et al. (AER 2022): Brazilian municipalities

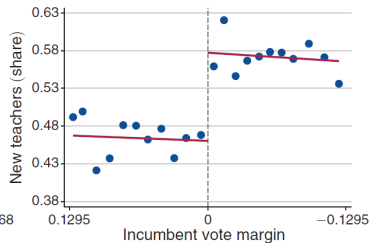FIGURE 3. POLITICAL TURNOVER AND NEW MUNICIPAL PERSONNEL (SHARE)

Turnover ⇒ bureaucratic upheaval
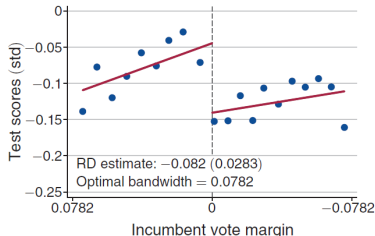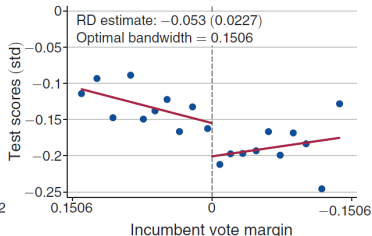## Akhtari et al. (2022): Costs of bureaucratic turnover
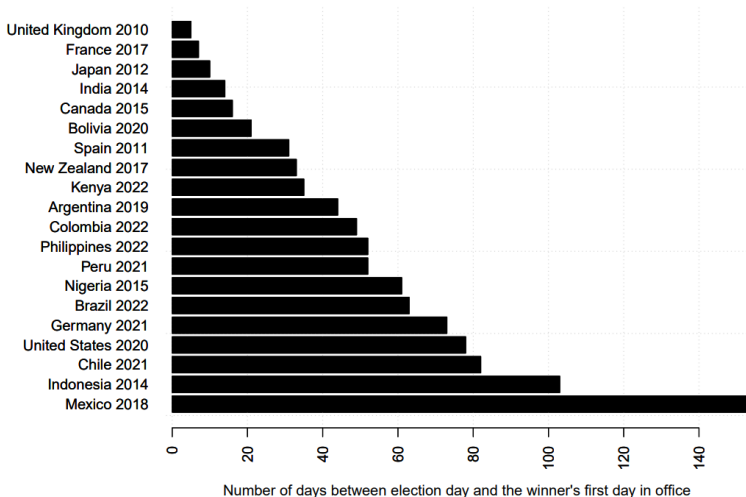

FIGURE 4. POLITICAL TURNOVER AND FOURTH AND EIGHTH-GRADE TEST SCORES

Turnover $\Rightarrow$ lame-duck appointments
## Toral (JoP 2023): Transition periods in the world

Figure 1: Recent transition periods after national-level elections in a sample of 20 countries

Number of days between election day and the winner's first day in office

Turnover ⇒ lame-duck appointments
Toral (JoP 2023): Transition periods in Brazil

Figure 2: Effect of an incumbent's electoral defeat on bureaucratic turnover
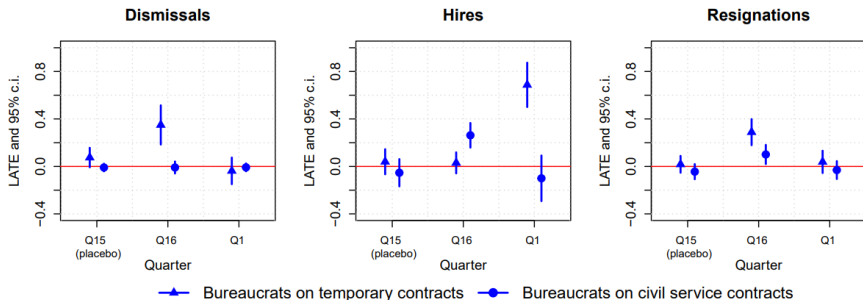
Bureaucrats on temporary contracts   Bureaucrats on civil service contracts

Turnover $\Rightarrow$ ideological (mis-)alignment
Spenkuch et al. (ECMA 2023): U.S. federal bureaucracy

- In the U.S., since the 1883 Pendleton Act, the vast majority of federal bureaucrats are, in principle, protected from political interference.

- But civil servants have their own preferences & ideological leanings!

- Regular turnover induced by elections induces **ideological mismatch** between organizational priorities (set by elected politicians) and the political preferences of non-elected bureaucrats.

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- Spenkuch et al. (2023) match data on federal bureaucrats with voter registration data to study the consequences of ideological mismatch

- Key finding: misalignment ↑ cost overruns & delays in procurement
  - not driven by differential assignment of officers to tasks
  - not driven by differential pecuniary/promotion incentives
  - instead: "morale effect" of mission alignment

Turnover ⇒ ideological (mis-)alignment

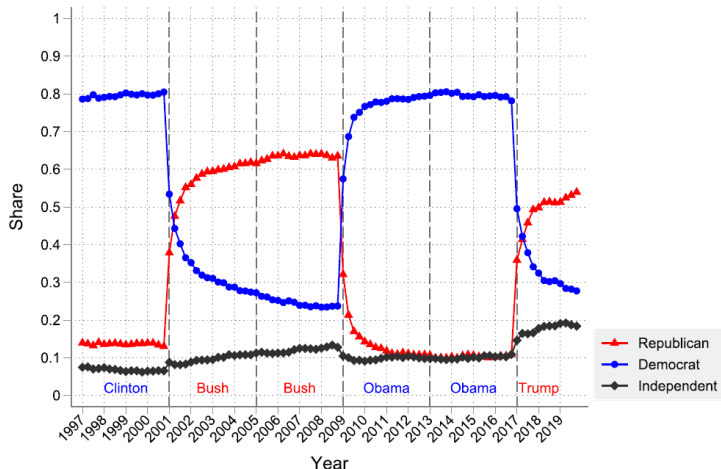## Spenkuch et al. (2023): High-level political appointees

FIGURE 2.—Partisan affiliation of political appointees. *Notes*: Share of political appointees (presidential appointments, non-career senior executive service, Schedule C appointees) by party over time. Dashed vertical lines mark presidential terms.

Turnover ⇒ ideological (mis-)alignment
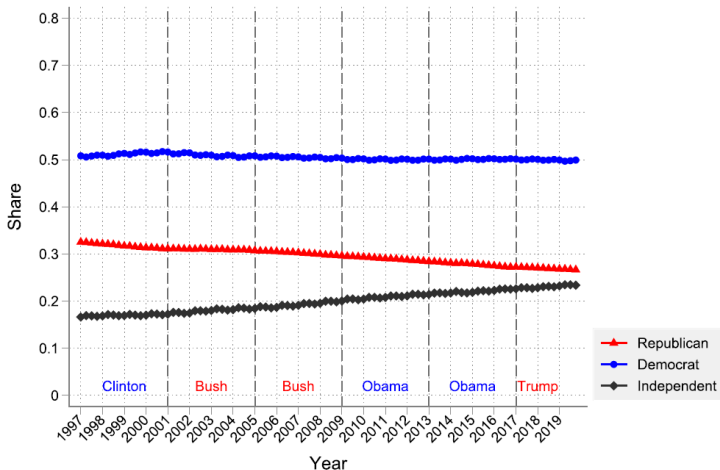## Spenkuch et al. (2023): Civil service bureaucrats

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Turnover ⇒ ideological (mis-)alignment

## Spenkuch et al. (2023): Performance of procurement officers
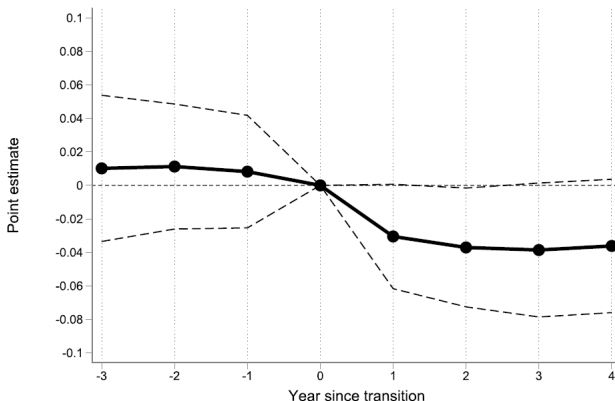
(b) Relative delays

FIGURE 4.—Event study—Cost overrun, delays, and shock in alignment. *Notes*: Estimated β_s coefficients from Equation (3), with 95 percent confidence intervals based on standard errors clustered at the procurement officer-level. The estimating equation includes the same set of contract-level controls and fixed effects as in column 3 of Table IV. In Panel (a), the dependent variable is relative cost overrun and the sample is restricted to contracts with an expected size of at least $25,000. In Panel (b), the dependent variable is relative delays and the sample is restricted to contracts with an expected above median duration (≥ 148 days).

Turnover ⇒ political (mis-)alignment
Brollo & Nannicini (APSR 2012): back to Brazil

Figure 3 – Political alignment and federal transfers
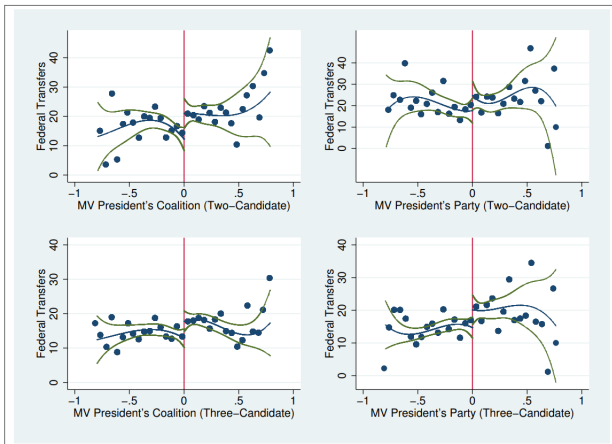
Notes. The central line is a split 3rd-order polynomial in the margin of victory of the President's coalition or the President's party, fitted over the interval $[-0.80, +0.80]$; the lateral lines represent the 95% confidence interval. Scatter points are averaged over 5-unit intervals. *Two-candidate* (*Three-candidate*) races are those where only two (three) candidates run for mayor and one of them is affiliated with the President's coalition or party.

Turnover as a symptom of "accountability traps"
Bowles & Marx (2023): legislators in sub-Saharan Africa

Figure 1: Reelection rates by country
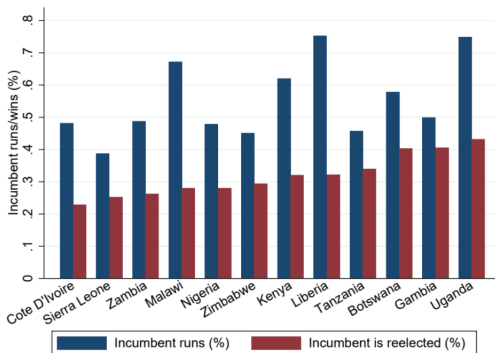
Roadmap

The impact of electoral turnovers across countries
Marx, Pons & Rollet (Restud 2024)

- Limited evidence on **national turnovers** induced by elections:
  - Existing evidence mostly comes from local elections.
  - National level most consequential for policy

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- Assessing the costs and benefits of turnovers is particularly relevant to current debates related to populism, **democratic backsliding**
  - 51% of countries today are "liberal" or "electoral" democracies
  - 35% are "electoral autocracies:" regular elections, limited turnover

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- **Research question:**
  - Do **electoral turnovers** improve **national performance**, relative to the reelection of the incumbent?
  - If so, by how much, and through which mechanisms?

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- We use a **cross-country RDD.**
  - Turnovers are not random events, and in particular may be more likely to occur after an economic downturn
  - We estimate effects of electing a challenger vs. reelecting the incumbent in close national elections.
  - "Proof of concept:" close-elections RDD using national elections

The impact of electoral turnovers across countries
MPR (2024): Overview

- Electoral turnovers tend to **improve national outcomes**:
  - ○ Large, significant positive effects on econ. performance & democracy.
  - ○ Increase overall standardized index of performance by 0.28 SD.
  - ○ Effects increase over time and hold in various subsamples
  - ○ Effects hold away from the threshold, and in OLS estimation

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- We explore potential **mechanisms**:
  - Changes in policies? Yes, to some extent.
  - Differences between incumbents and challengers? Limited evidence.
  - Accountability? Yes, to some extent.

The impact of electoral turnovers across countries
## MPR (2024): Empirical Strategy

- Regression equation:

$$Y = \alpha + \beta_1 X_i + \beta_2 X_i T_i + \gamma T_i + \varepsilon_i$$

- For each presidential/parliamentary election, we define a candidate or party representing the incumbency.

- The challenger is the highest-ranked non-incumbent candidate/party.

- The running variable X_i is the winning margin of the challenger, in terms of the vote share (presidential) or seat share (parliamentary)

- The equation is estimated with the non-parametric method of Calonico, Cattaneo, and Titiunik (2014). We report γ.

- We estimate effects on outcomes measured between [t+1,t+4], and how these effects evolve over time ($\tau \in \{-2, 0, 1, 2, 3, 4, 5\}$).
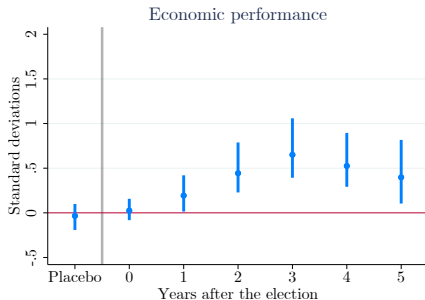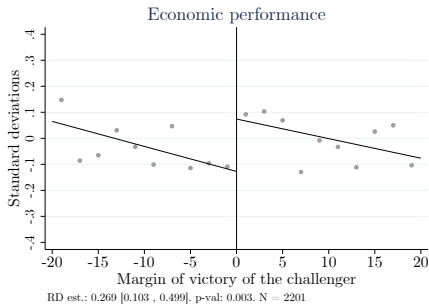
The impact of electoral turnovers across countries
MPR (2024): Manipulation Check

p-value: 0.748

Presidential elections   Parliamentary elections   Free and fair elections   Non-free and fair elections
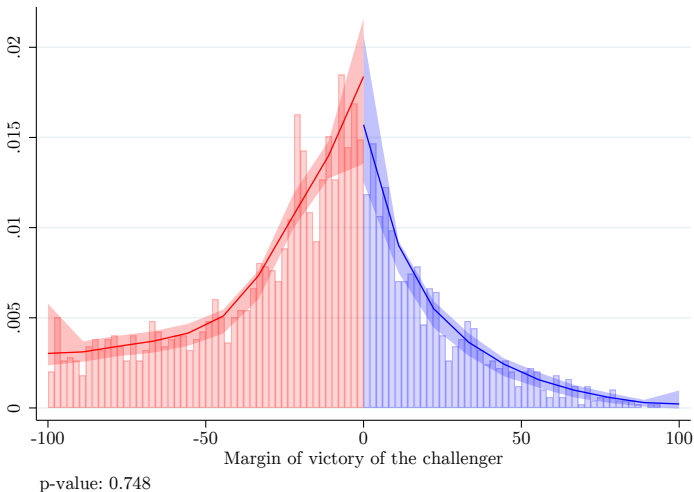
The impact of electoral turnovers across countries
MPR (2024): Economic Performance

Electoral turnovers improve economic performance:

Economic performance

RD est.: 0.269 [0.103 , 0.499]. p-val: 0.003. N = 2201

Economic performance

The impact of electoral turnovers across countries
MPR (2024): Main Results

|	Est.	SE	p-val.	N	Source
Economic performance	0.269***	(0.101)	[0.003]	2201	
GDP per capita growth	0.043	(0.155)	[0.844]	1815	Penn World Tables
(Minus) Inflation (CPI)	0.431**	(0.192)	[0.011]	1887	IMF
(Minus) Unemployment	0.218	(0.168)	[0.104]	1331	ILO
Trade intensity	0.252**	(0.126)	[0.026]	1767	World Bank
HDI	0.200	(0.168)	[0.169]	1305	UNDP
Democracy	0.193**	(0.101)	[0.043]	2188	V-Dem
General index	0.277***	(0.105)	[0.004]	2357	

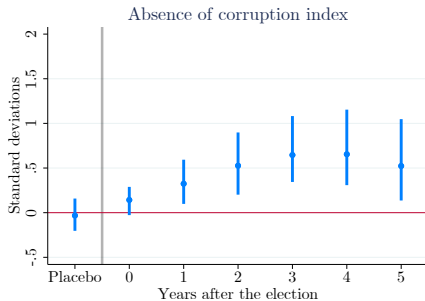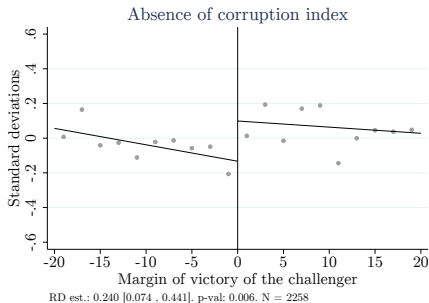Fuzzy RDD   Non-standardized outcomes   Descriptive statistics

The impact of electoral turnovers across countries
MPR (2024): Comparing RD with OLS estimates
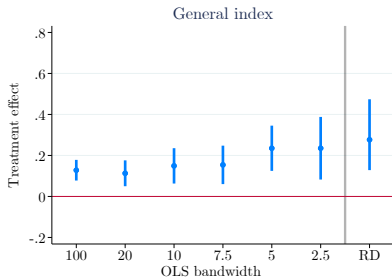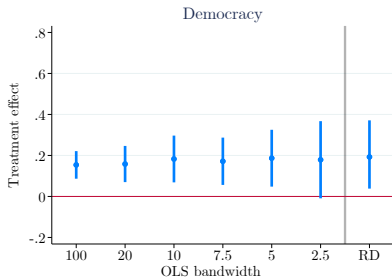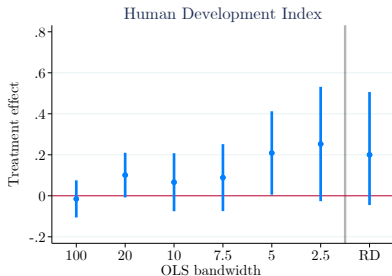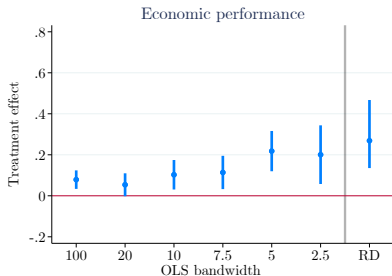
The impact of electoral turnovers across countries
MPR (2024): Turnovers reduce perceived corruption

Absence of corruption index

RD est.: 0.240 [0.074 , 0.441]. p-val: 0.006. N = 2258

Absence of corruption index

Turnover reduces corruption… even in Brazil!
Ferraz & Finan (AER 2011)

TABLE 4—THE EFFECTS OF REELECTION INCENTIVES ON CORRUPTION

Dependent variable	Share of audited resources involving corruption							
	OLS (1)	OLS (2)	OLS (3)	OLS (4)	OLS (5)	OLS (6)	Matching (7)	Tobit (8)
Mayor in first term	−0.019 [0.009]**	−0.020 [0.010]**	−0.020 [0.010]**	−0.024 [0.011]**	−0.026 [0.011]**	−0.027 [0.011]**	−0.028 [0.010]**	−0.042 [0.012]**
R^2	0.01	0.08	0.10	0.12	0.14	0.20	n/a	n/a
Observations	476	476	476	476	476	476	476	476
Mayor characteristics	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal characteristics	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Political and judicial institutions	No	No	No	Yes	Yes	Yes	Yes	Yes
Lottery intercepts	No	No	No	No	Yes	Yes	Yes	Yes
State intercepts	No	No	No	No	No	Yes	Yes	Yes

Turnover as bureaucratic renewal
Bazzi, Hilmy, Marx, Shaukat & Stegmann (2025)

- Electoral **turnover** affects bureaucratic performance in complex ways

- Personnel upheavals cause **instability**, disrupt performance
  - Staff replacements & organizational disruptions
  - Selection effects linked to spoils system, patronage appointments

- Regular turnover may also mitigate **organizational inertia**
  - Business-as-usual culture more likely to develop w/ lack of turnover
  - Turnover can displace entrenched elites & disrupt patronage networks

- How does **turnover** affect **bureaucratic performance**?

Turnover as bureaucratic renewal
BHMSS (2025): Indonesian village bureaucracies

© J-PAL & CNBC Indonesia/ Muhammad Sabki

- Indonesian villages: laboratories of local democracy since 1999

- 2014 Village Law devolved substantial resources to villages

- Village heads elected every 6 years, oversee a small bureaucracy

- Enduring influence of **deeply entrenched elites** on village affairs
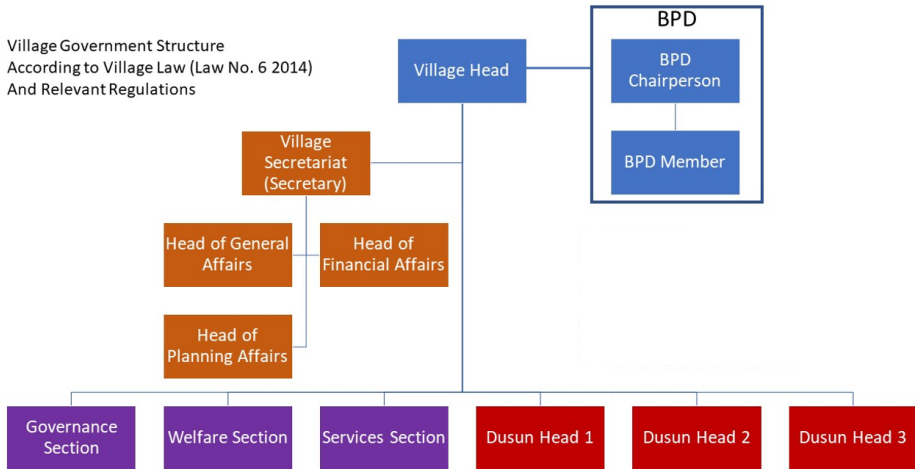
Turnover as bureaucratic renewal
BHMSS (2025): Indonesian village bureaucracies

- We surveyed village officials and citizens in 852 villages to understand **what bureaucrats do** & **what citizens want**.

- Using a close-elections RDD, we compare villages that narrowly elected a **new village head** with those that did not.

- **What we find:**

1. Evidence of ↑ bureaucratic turnover, ↓ **nepotism**, ↑ salaries

2. Turnover improves staff **morale** and **effort**

3. Turnover ↑ interactions with **citizens**, understanding of preferences

4. This leads to improvements in **public service provision**

- Key takeaway: leader turnover can **improve** bureaucratic performance

Turnover as bureaucratic renewal
BHMSS (2025): Village governance

Village Government Structure
According to Village Law (Law No. 6 2014)
And Relevant Regulations

BPD

Village Head

BPD Chairperson

BPD Member

Village Secretariat (Secretary)

Head of General Affairs

Head of Financial Affairs

Head of Planning Affairs

Governance Section

Welfare Section

Services Section

Dusun Head 1

Dusun Head 2

Dusun Head 3

Turnover as bureaucratic renewal
BHMSS (2025): Village dynasties

"The village bureaucracy is often **made up of friends and, particularly, family members of the village head** *(...). Not surprisingly, the villages where officials were family members of the village head are also the villages with more unresponsive and factionalized village governments"*

World Bank, *Village Governance, Politics, and Participation in Indonesia*, 2023.
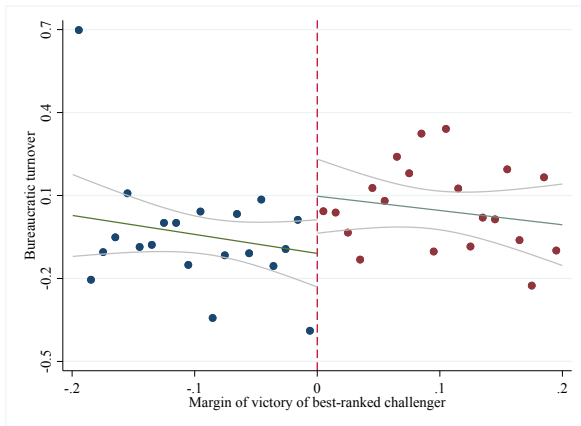
Turnover as bureaucratic renewal
BHMSS (2025): Survey sample & data

- We conducted a **survey of village officials and citizens** in 2022
  - 852 villages spread across 23 districts in 17 provinces.
  - We combine this with administrative data from a triennal census of villages (*Podes*) conducted in 2014 and 2021.

- **Bureaucrat** sample: village secretary & heads of affairs
  - appointed by the village head, served 5.4 years on average
  - 22% have parent who served in govt; 39% of heads employ a relative

- We also surveyed 8-12 **citizens** in each village (snowball sampling)
  - Focus on policy priorities & perceptions of **service quality**
  - Citizens report high levels of participation and **low levels of trust**
    - ▶ 51% interact with village govt monthly, 84% have little/no trust

Turnover as bureaucratic renewal
BHMSS (2025): Bureaucratic turnover

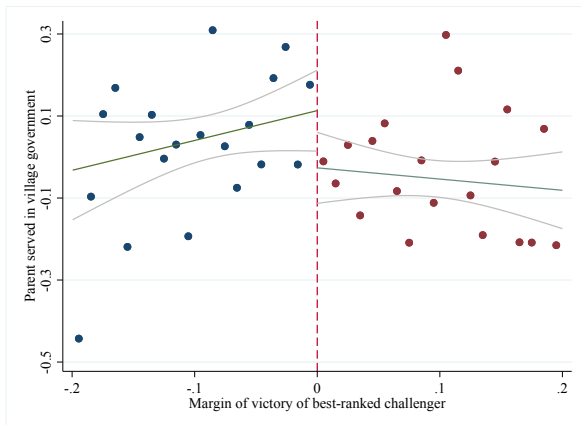- Electoral turnover leads to more **bureaucratic turnover.**

Bureaucratic turnover (avg 33%): $\hat{\gamma} = 0.182\ (0.100)^{**}$

Turnover as bureaucratic renewal
BHMSS (2025): Impact on dynasties

- Turnovers reduce the presence of local **family dynasties.**
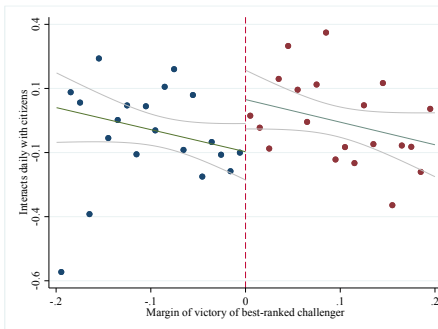
Parent served in village govt

Parent served in village govt (avg 22%): $\hat{\gamma} = -0.168 \ (0.082)^{**}$
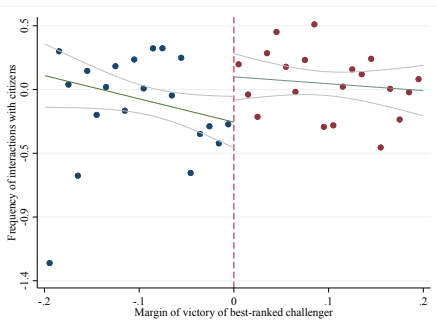
Turnover as bureaucratic renewal
BHMSS (2025): Turnover increases engagement with citizens

(a) Interacts daily with citizens

(b) Frequency of interactions

Interacts daily with citizens (avg 0.57): $\hat{\gamma} = 0.197\ (0.102)^{**}$

Frequency of interactions (1-5): $\hat{\gamma} = 0.405\ (0.183)^{**}$

Turnover as bureaucratic renewal

### BHMSS (2025): Turnovers ↑ understanding of citizens' preferences

	Officials/citizens agree on:		Complaints received about:	
	Investment priorities	Worst-quality services	Priority services	Worst-quality services
	(1)	(2)	(3)	(4)
New village head	0.105	0.236**	0.162***	0.174**
	(0.116)	(0.117)	(0.068)	(0.079)
Observations	1067	1067	1067	1067
Control mean	0.75	0.32	0.87	0.71
Robust p-value	0.204	0.015	0.006	0.028
Bandwidth size (%)	17.5	17.0	18.4	25.7
Effective obs.	467	457	484	606

- (1)-(2): citizens and village officials share **more similar perceptions** of service quality. Bureaucrats are more "in touch" with citizens.
- (3)-(4): village officials received **more accurate complaints** about services which citizens deem to be investment priorities or worst-quality services.

Turnover as bureaucratic renewal
BHMSS (2025): Turnovers ↑ service provision

Public Goods Index (based on *Podes 2021*)
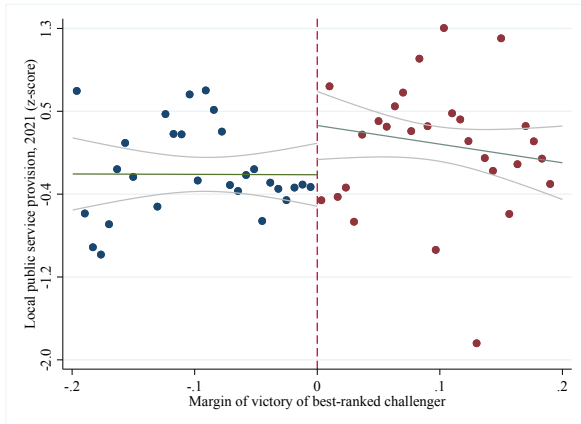
Effect on **2021** Public Goods index: $\hat{\gamma} = 0.503 \ (0.263)^*$

Balance on **2014** Public Goods index: $\hat{\gamma} = -0.058 \ (0.419)$ RD plot: balance

Conclusion: towards a unifying framework?

- Turnover cuts across several literatures in theoretical PE & org econ:
  - personnel economics of the state, orgs view of public bureaucracies
    Aghion-Tirole 97, Alesina-Tabellini 07, Finan et al 17, Besley et al 22
  - reputational dynamics & career concerns of elected politicians
    Ferejohn 86, Ashworth 05, Besley 07, Niehaus & Sukhtankar 13
  - dynamics of democratic backsliding
    Svolik 13, Gratton & Lee 23, Luo & Przeworski 23

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- We need more models "embedding" elected politicians as term-limited leaders of organizations who face distinct challenges:
  - oversee the bureaucracy with limited discretionary powers
  - stand for reelection & persuade voters to reappoint them
  - commit to not change the rules of the democratic game