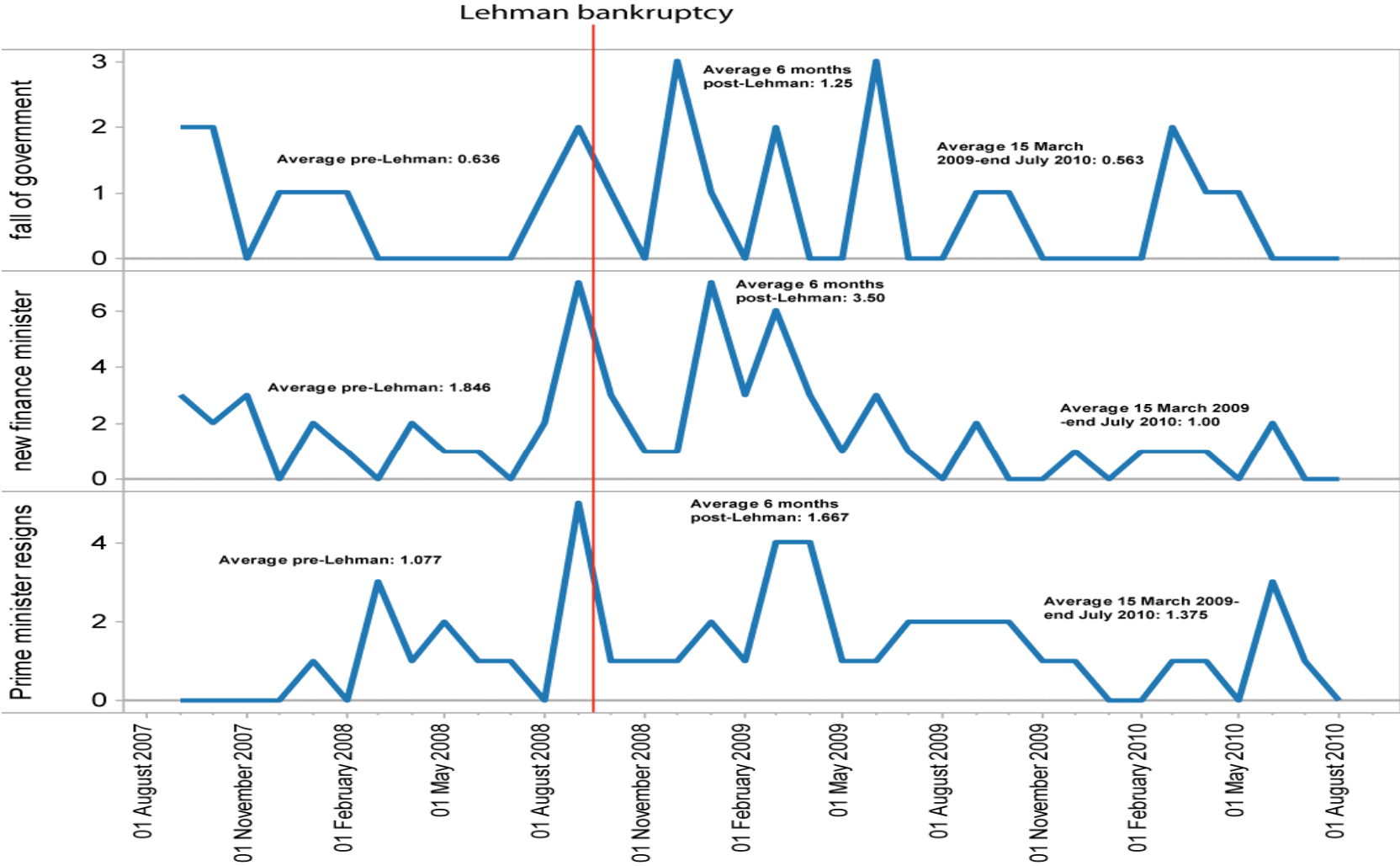


# Financial crises and political turnover: a long run panoramic view

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# Political Turnover and the 2007-2009 Crisis



The trends of sum of fog, sum of nfm and sum of pmr for date.

# Why a panoramic view?

- Existing literature
  - Narrow time windows, usually post-1970
  - Region-specific (Latin America, Asian crises)
- Begs questions about generalizability of findings
  - How do crises relate to political turnover over the long run?
  - What is the nature of the reciprocal relationship?
  - Is the relationship similar across different kinds of financial crisis?
  - How is the relationship conditioned by regime type?

# *Our argument:*

## The relationship is conditioned by:

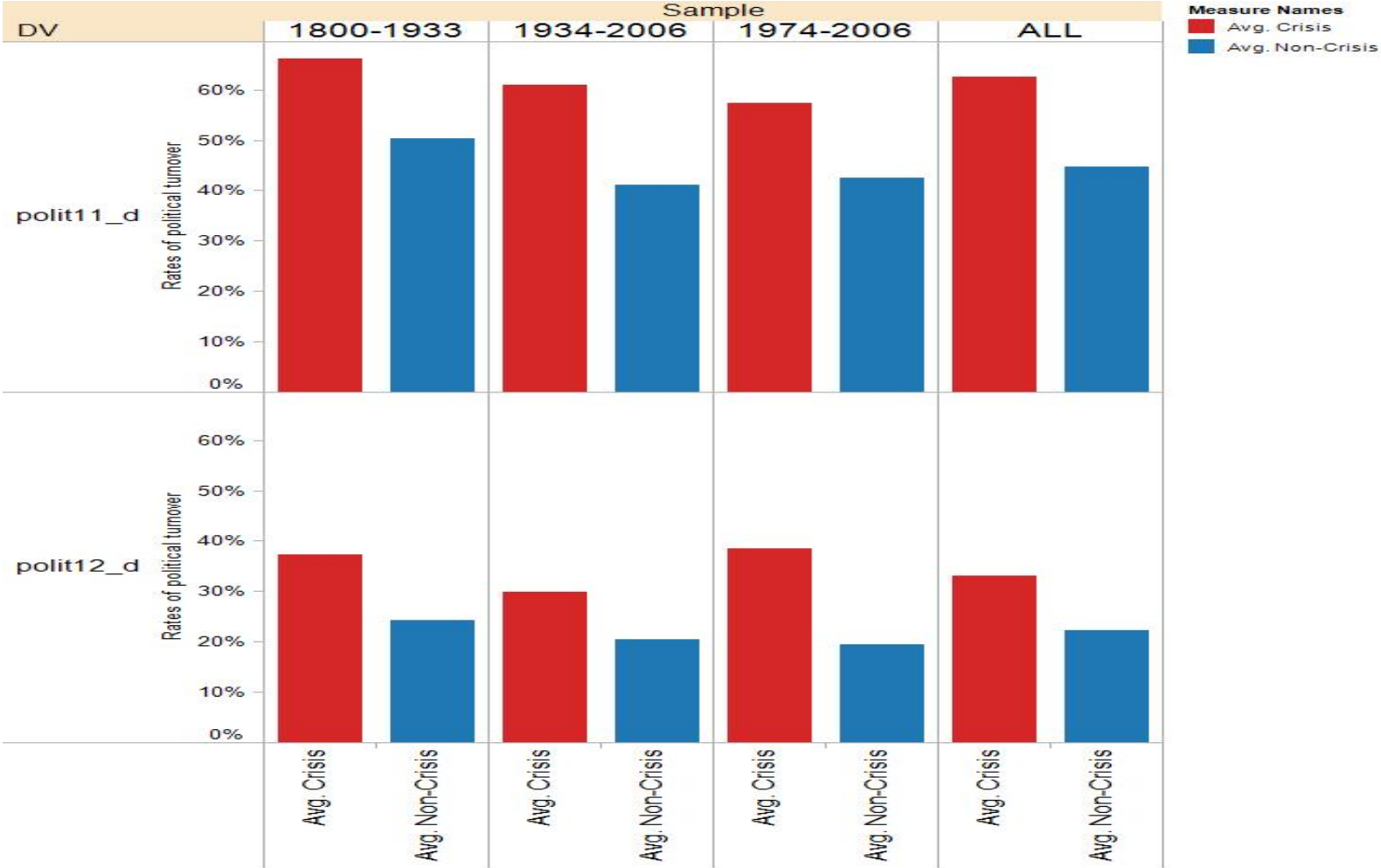
- Audience costs: severity & scope
  - Domestic debt default: severe & widely shared
  - Other crises: sharper distributive cleavages
  - Societal expectations: promises & performance (e.g. post-1945: golden age expectations disappointed after 1973)
- Ease of leader-specific punishment
  - Centralization and personalization of authority (Parliamentary, Presidential, Semi-Presidential, Dictatorship)
  - Democracy, Anocracy, Autocracy

# Data (1800-2006)

- Crises (Reinhart & Rogoff 2009)
- Political turnover (Bank CNTS dataset)
- Regime type
  - Polity IV (democracies, anocracies, autocracies)
  - Cheibub et al. 2009 (parliamentary, semi-presidential, presidential, dictatorships)

# Average Annual Rates of Political Turnover

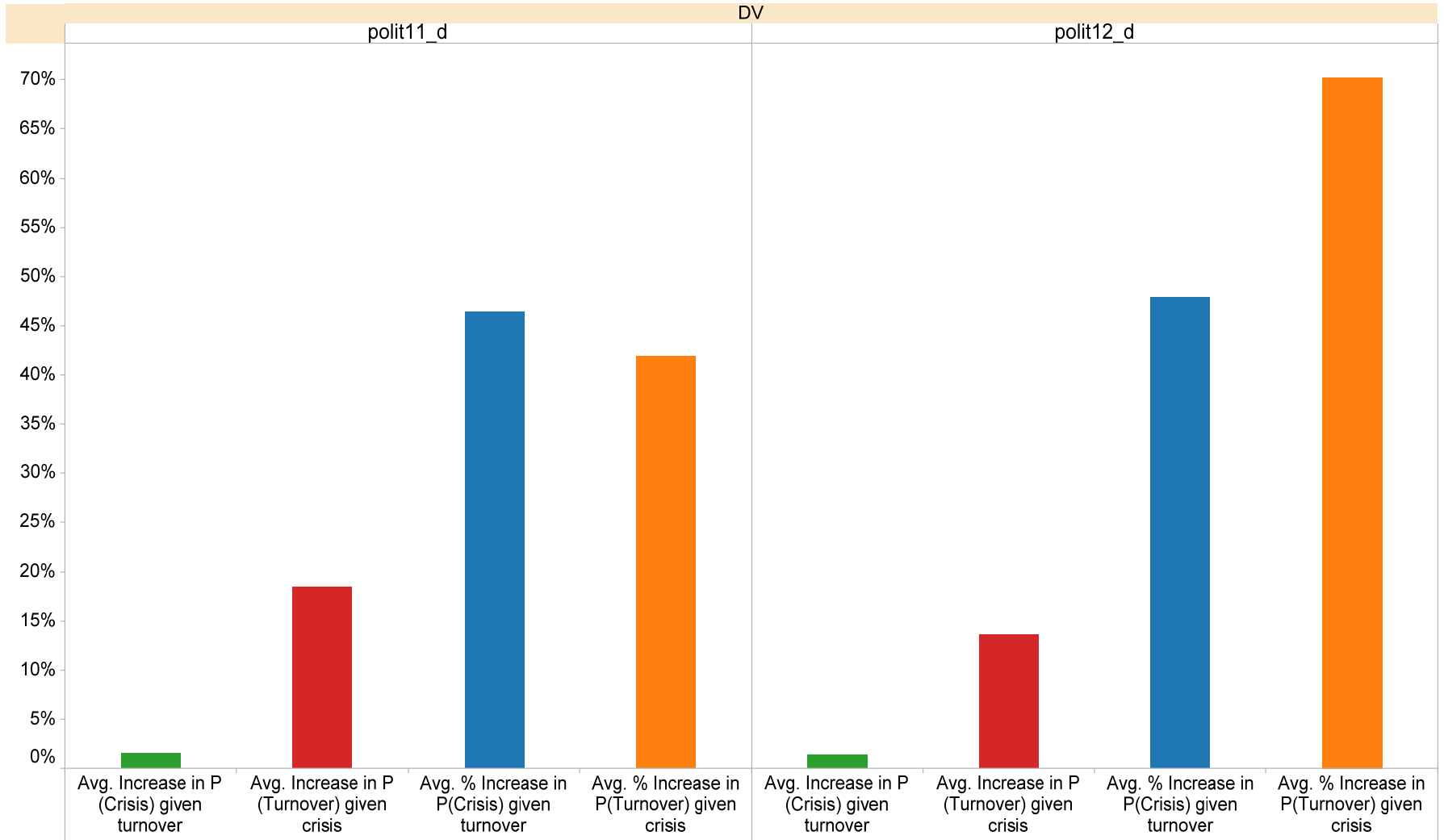
Data: All Financial Crises, 1800 - 2006



Avg. Crisis and Avg. Non-Crisis for each Sample broken down by DV. Color shows details about Avg. Crisis and Avg. Non-Crisis. The view is filtered on Sample, which keeps 1800-1933, 1934-2006, 1974-2006 and ALL.

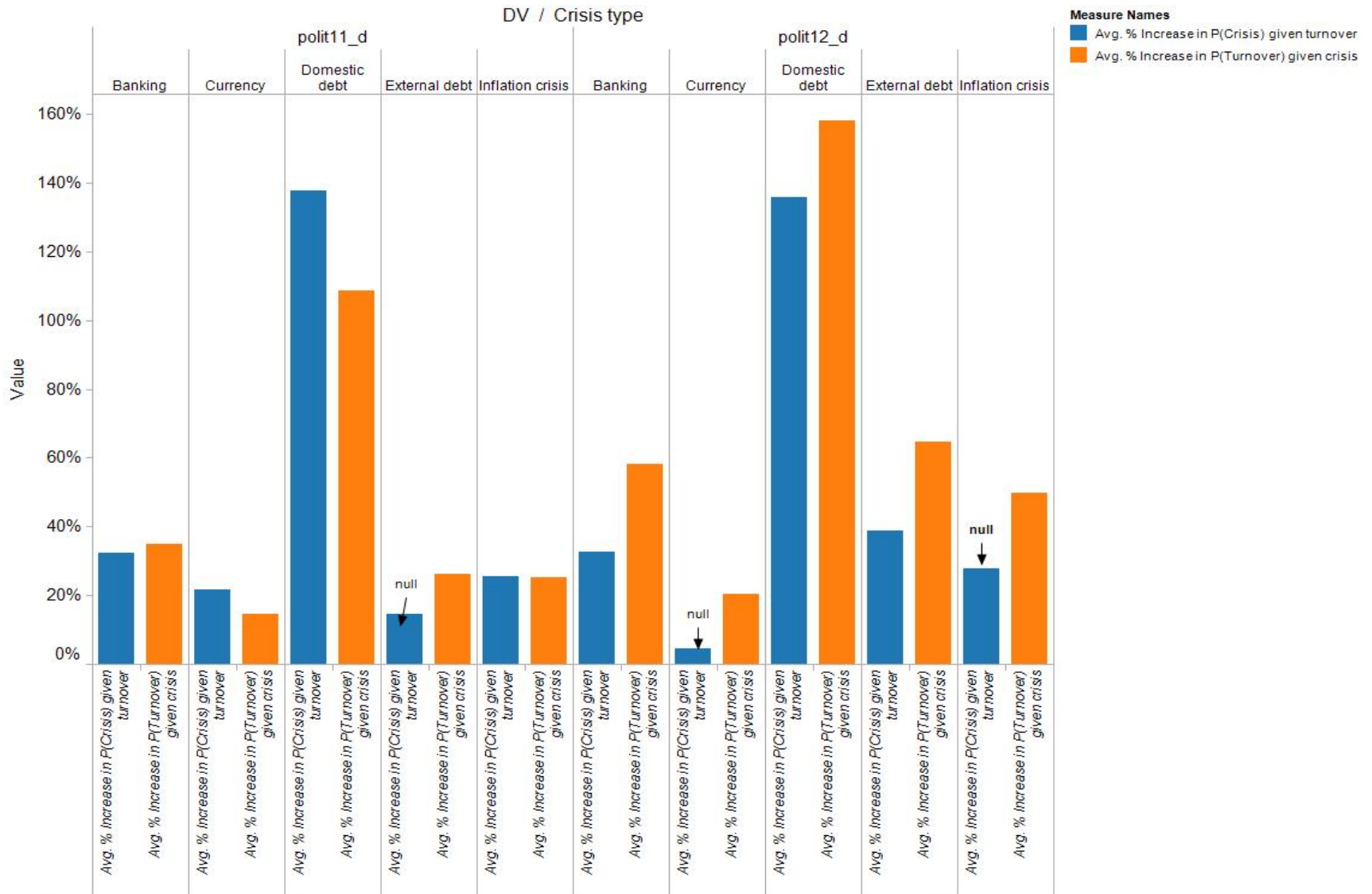
# Crises and Turnover: A Reciprocal Relationship?

Data: All Financial Crises, 1800 - 2006



# Crises and Turnover: A Reciprocal Relationship?

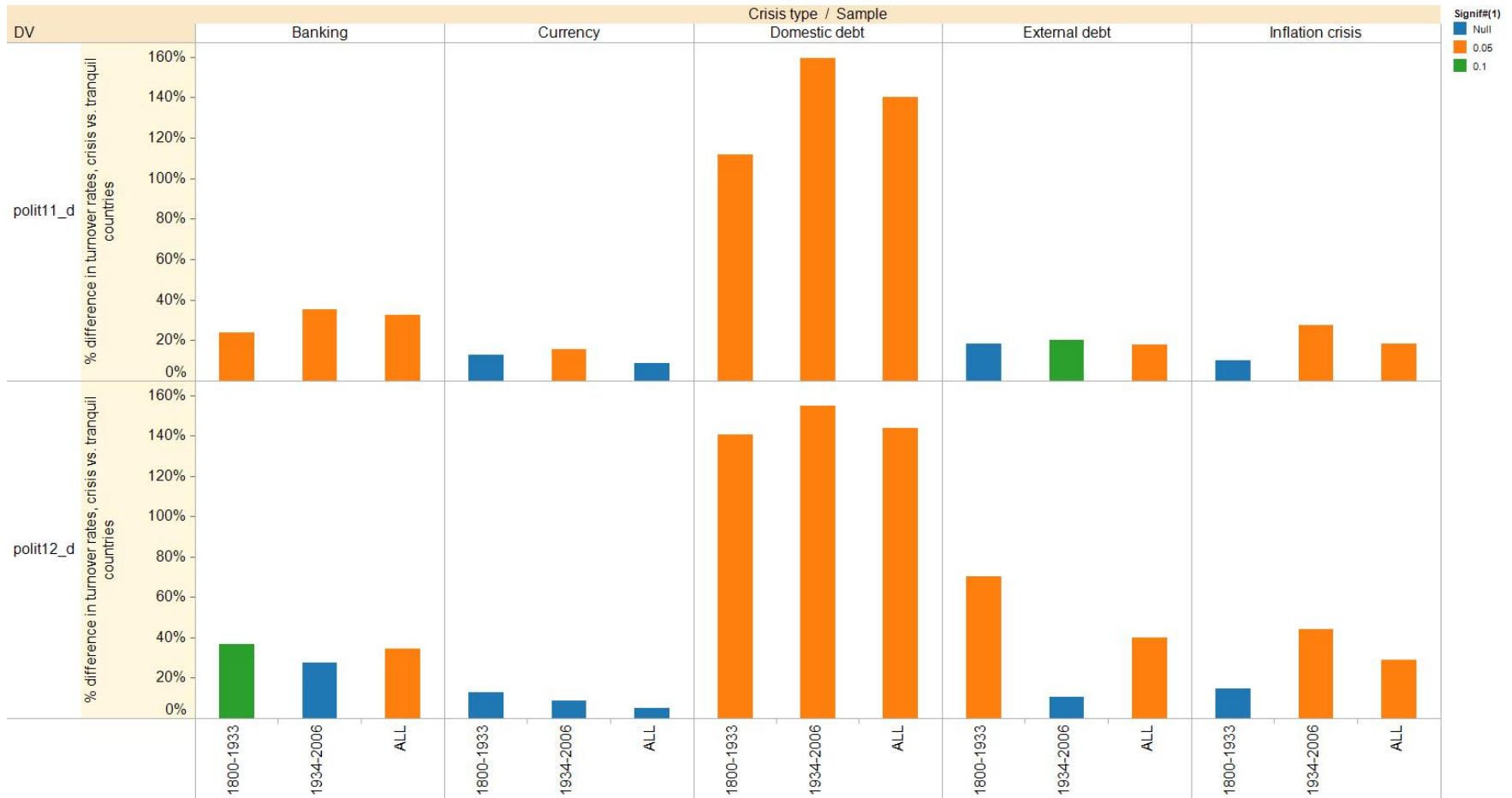
By different financial crisis type, 1800 - 2006



Avg. % Increase in P(Crisis) given turnover and Avg. % Increase in P(Turnover) given crisis for each Crisis type broken down by DV. Color shows details about Avg. % Increase in P(Crisis) given turnover and Avg. % Increase in P(Turnover) given crisis. The data is filtered on Sample, which keeps ALL.

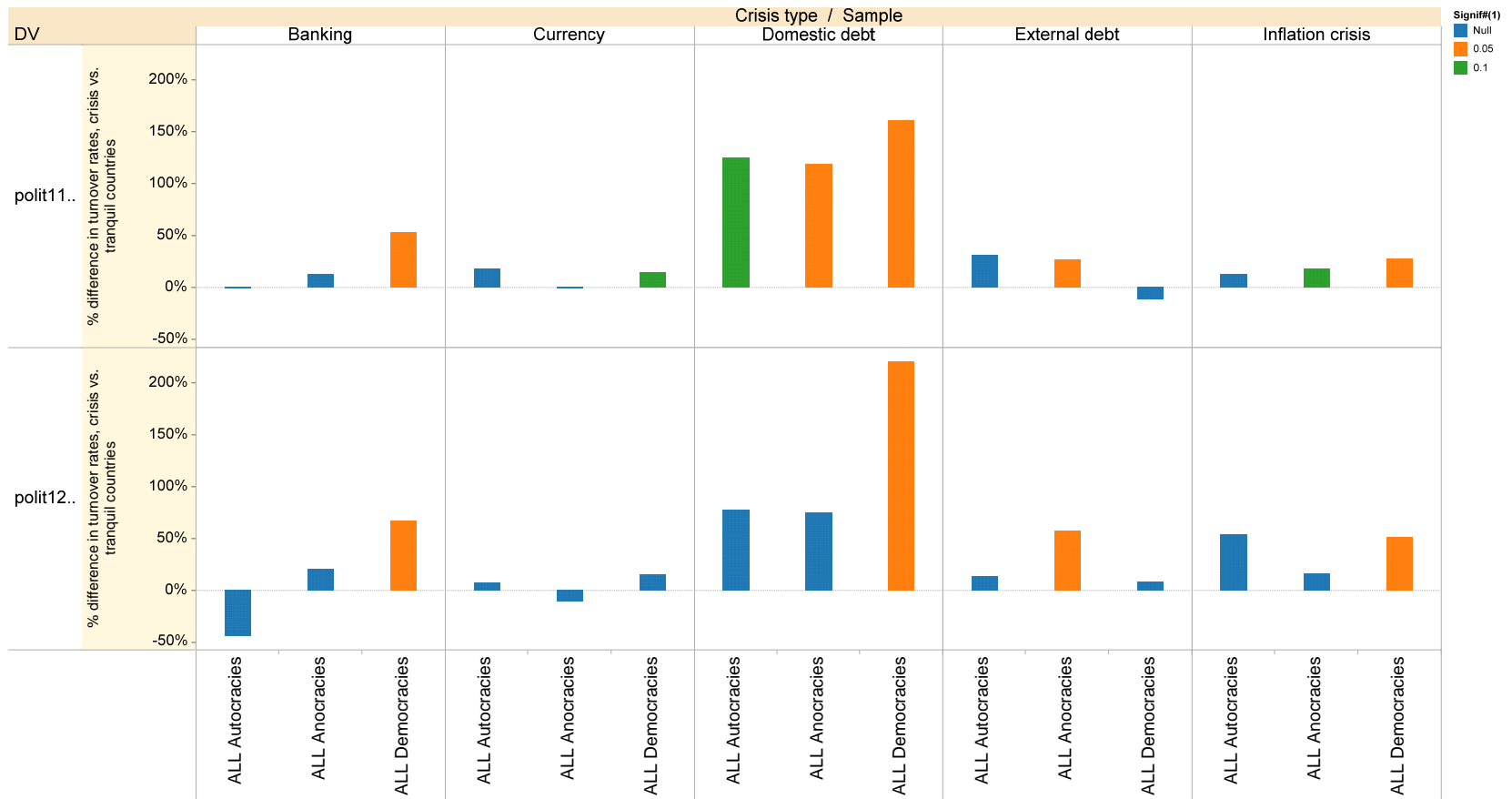


# Is the relationship similar across different types of crisis?



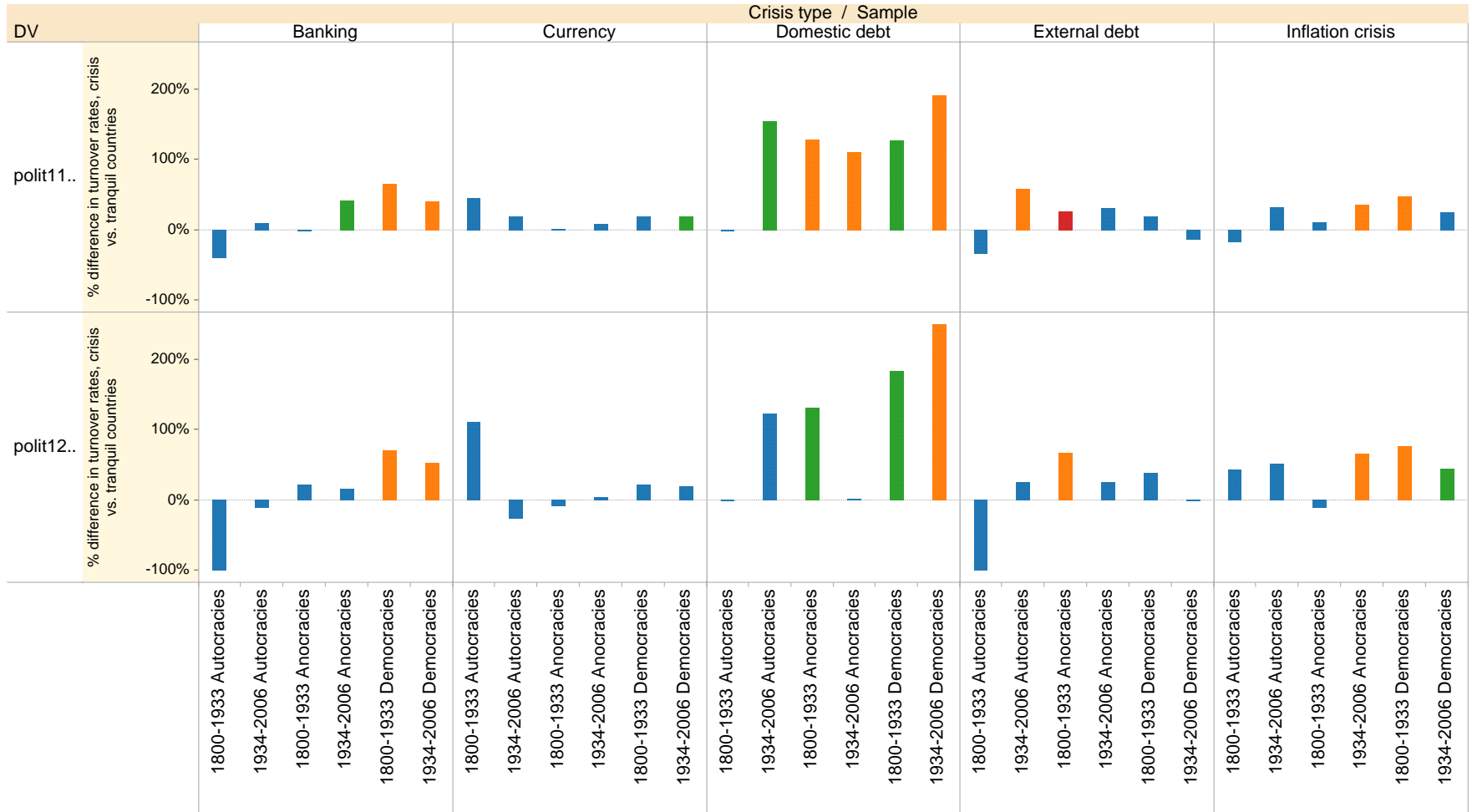
Average of % difference (4-5) for each Sample broken down by Crisis type vs. DV. Color shows details about Signif#(1). The view is filtered on Sample and Signif#(1). The Sample filter keeps 1800-1933, 1934-2006 and ALL. The Signif#(1) filter keeps Null, 0.05 and 0.1.

# How is the relationship conditioned by regime type?

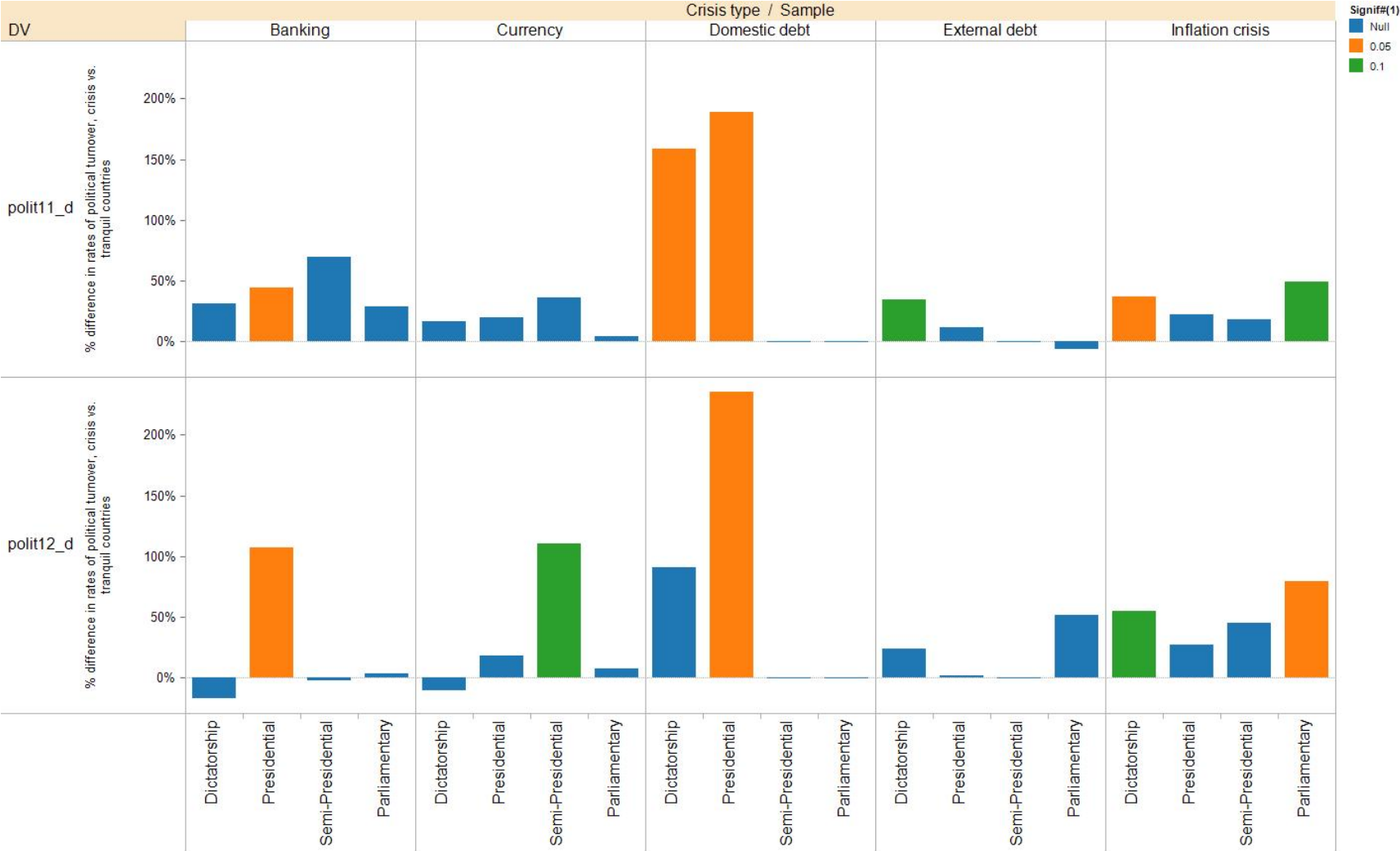


Average of % difference (4-5) for each Sample broken down by Crisis type vs. DV. Color shows details about Signif#(1). The view is filtered on Sample, which keeps ALL Anocracies, ALL Autocracies and ALL Democracies.

# Contextual analysis of regime type: gold standard vs. modern period



# Personalization & centralization



Average of % difference (4-5) for each Sample broken down by Crisis type vs. DV. Color shows details about Signif#(1). The view is filtered on Sample, which keeps Dictatorship, Parliamentary, Presidential and Semi-Presidential.

# Conclusion

- Crises & political turnover related over the long run
- Audience costs & ease of leader-specific punishment both crucial
  - Audience costs conditioned by societal expectations, crisis severity & scope
  - Leader-specific punishment conditioned by regime type (personalization, centralization, ease of replacement)