

Fiscal credibility under political instability: evidence from a new dataset on finance minister turnover.*

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Abstract

This paper addresses how political instability affects economic development by introducing a new dataset on ministers in economy and finance portfolios. This new, high-frequency dataset is aimed to include the reasons of turnover, providing a new angle to analyze the consequences of politically contentious turnover in developing countries. The dataset covers 53 economies over 2000–2025 and identifies ministerial spells at daily resolution. We describe the dataset's scope, sources, portfolio harmonization, AI-assisted workflow, variable structure, exit-reason coding, and validation procedures. On average, developing Emerging and LAC economies finance ministers serve 2.5 and 1.7 years on average, compared with 3.2 years in Advanced economies. Government change is the leading cause of turnover worldwide, accounting for 45% of exits. Politically contentious exits represent around 19% of exits globally but are substantially more common in emerging economies, particularly in LAC, where it accounts for 32% of exits. Benchmarking against existing datasets confirms similar patterns of ministerial tenure while highlighting the value of higher temporal resolution. Finally, we show that politically contentious ministerial turnover is associated with subsequent declines in sovereign credit ratings over the following one to three years, particularly for Moody's and Fitch, consistent with the view that instability in finance portfolios undermines fiscal credibility, hindering economic development.

Keywords: ministerial-turnover dataset, finance ministers, fiscal governance, political instability

* The findings and interpretations in this paper are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank or the governments it represents.

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1. Introduction

Political economy research has long argued that instability within the executive branch undermines policy continuity and weakens the institutions meant to translate political commitments into fiscal outcomes (Alesina et al., 1996), and that a state's fiscal capacity is itself a central mediator between political change and development (Knutsen, 2013; Baskaran & Bigsten, 2013). International organizations have drawn a similar lesson from practice: the IMF and the OECD both point to stable leadership and durable fiscal institutions as preconditions for credible medium-term budgeting (Curristine et al., 2024; Moretti et al., 2023). Yet the cross-national data available to examine this claim remain coarse. Existing sources typically record cabinet composition at annual frequency, focus on heads of government or aggregate cabinet counts, and say little about who occupies individual portfolios or why they leave, limitations that bind hardest for economy and finance ministries, whose officeholders are the ones translating political priorities into macroeconomic and fiscal policy.

This paper asks two questions that this kind of data cannot currently answer: how long finance ministers stay in office, why they leave, and how this varies with a country's level of development; and whether the type of exit matters for fiscal credibility, so that politically contentious turnover, as opposed to a routine cabinet change, is associated with subsequent movements in sovereign ratings. Answering either question requires moving from a headcount of turnover events toward a record of when they happened and why. To do so, we build a new, high-frequency dataset on ministers of economy and finance across 53 advanced, emerging, and Latin American and Caribbean economies over 2000–2025, identifying ministerial spells at daily resolution whenever available and coding, for each exit, a standardized reason drawn from verifiable textual sources. Our aim is to document the dataset, situate it against existing data infrastructures, and use it to show why exit-reason coding, not tenure length alone, is the variable that connects political turnover to fiscal credibility.

The paper makes four contributions. First, it provides a new cross-national dataset on ministers in economy and finance portfolios with daily-level identification of ministerial spells. Second, it expands the set of observable dimensions available to researchers by systematically coding exit reasons and selected background characteristics of individual ministers, opening new opportunities to study the link between executive-level political dynamics and macroeconomic governance. Third, it documents previously underexplored empirical regularities in finance ministerial turnover across countries, including substantial variation in tenure length, turnover intensity, and the composition of exit reasons, with relevant findings for emerging markets and

developing economies. Fourth, it analyzes the implication of political instability on sovereign credibility, tying the political nature of turnover to analyze the effects of cabinet and ministerial changes on policy and economic outcomes that matter for fiscal capacity.

Central tendency measures unveil why emerging economies are more vulnerable to the pervasive effects of political instability. Across the 53 countries covered, finance ministers serve 2.38 years on average, but the median tenure is only 1.62 years, indicating that many spells are shorter than government tenures in the region. Development related differences are pronounced: advanced economies exhibit longer tenures and lower turnover intensity, whereas Latin America and the Caribbean display the shortest tenures and the highest turnover. The composition of exits also differs systematically. Change of Government (CG) accounts for 45.3% of ministerial exits, making it the most common reason for turnover, particularly in advanced economies, where appears to be predominantly institutional. In contrast, exits in developing regions are more frequently associated with political conflict or governance pressure. Building on this distinction, an associative application using local projections finds that politically contentious turnover is followed by a deterioration in sovereign credit ratings over the subsequent years, robust for Moody's and Fitch, weaker for S&P; with some evidence that the association is stronger in high-debt states.

The remainder of the paper is organized as follows. Section 2 reviews the relevant literature on why finance-minister turnover matters and address existing data limitations. Section 3 defines the scope of dataset and describes its construction, including sources, variables, and coding procedures. Section 4 presents evidence on ministerial turnover, highlighting the role that turnover has on developing countries. Section 5 validates the dataset against existing sources. Section 6 documents the association between politically contentious turnover and sovereign risk. Section 7 concludes and outlines avenues for future research.

2. Ministerial turnover and fiscal governance: a measurement gap

Political instability within the executive branch is a long-standing concern in the political economy of development. Classic models argue that frequent changes in office undermine intertemporal commitment, weaken incentives to invest in reform, and raise policy uncertainty (Alesina & Drazen, 1991; Rodrik, 1991). A large empirical literature links political instability and leadership turnover to lower growth, higher inflation, weaker fiscal discipline, and reduced credibility of macroeconomic frameworks (Alesina et al., 1996; Carmignani, 2009; Jong-A-Pin, 2009). These stakes are highest in emerging and developing economies, where turnover tends to be more

frequent, executive constraints weaker, and the margin for policy error narrower (Masi et al., 2024).

2.1 Why finance-minister turnover matters

In most political systems the finance ministry is the central node of fiscal decision-making, with authority over budget preparation, debt management, and relations with international financial institutions (Hallerberg & von Hagen, 1999; Hallerberg, Strauch, & von Hagen, 2009). Where budgetary authority is centralized in a strong and stable finance minister, budgeting tends to be more disciplined and coordinated; frequent turnover, by contrast, is associated with weaker fiscal coordination, deficit bias, and stop-and-go reforms (Alesina, Campante, & Tabellini, 2008; Gleich, 2003). Research on budgetary institutions and fiscal rules reinforces the point: stable leadership supports consistent implementation and enforcement of formal constraints, whereas high turnover erodes delegation and policy credibility (Debrun et al., 2008; Poterba & von Hagen, 1999).

Governments frequently appoint economists or technocrats to lead economic ministries to signal competence and credibility, particularly during periods of fiscal stress (Alexiadou, 2018; Hallerberg & Wehner, 2020; Kaplan, 2017). The identity and stability of the individuals in these posts therefore carry information beyond that contained in broad institutional indicators. Financial markets read this information directly: political risk and policy uncertainty are priced into sovereign spreads and CDS, and changes in finance ministers are often interpreted as shocks to political risk and linked to shifts in fiscal stance and market reactions (Baldacci, Gupta, & Mati, 2011; Bekaert et al., 2014; Bellas, Papaioannou, & Petrova, 2010; Jochimsen & Thomasius, 2014; Klomp & de Haan, 2013; Moser, 2007). Broader measures of economic policy uncertainty are likewise associated with lower investment and higher financial volatility (Baker, Bloom, & Davis, 2016; Bloom, 2009). In economies that depend on external capital, many of them in Latin America and the Caribbean, such signals are transmitted quickly to financing conditions, amplifying existing macro-financial vulnerabilities.

2.2 Not all turnover is equal: the reasons behind exits

A growing comparative literature shows that the survival of individual ministers is shaped by institutional rules, partisan dynamics, and contextual political conditions rather than by cabinet survival alone (Camerlo & Pérez-Liñán, 2015; Huber & Martínez-Gallardo, 2008). Crucially, exits that look identical in the data may reflect very different underlying processes. Routine exits arise from electoral cycles, constitutional term limits, or scheduled cabinet reshuffles, and signal the normal functioning of executive succession. Contentious exits, resignations over policy disagreements, departures forced by corruption scandals or political pressure, or removals amid

broader crises, instead signal governance stress; a third group of strategic exits reflects moves to pursue other elected or technocratic office (Armstrong et al., 2024; Camerlo & Pérez-Liñán, 2015).

To manage the political costs of turnover strategically, governments frame contentious removals as routine reshuffles or voluntary resignations to limit reputational damage and avoid adverse reactions from markets or voters (Hood, 2011; Weaver, 1986). Official narratives surrounding ministerial exits may thus obscure their underlying causes. Yet markets, bureaucracies, and political actors respond differently to routine succession than to conflict-driven departures (Baldacci et al., 2011; Bekaert et al., 2014; Hallerberg et al., 2009). Treating all turnover as equivalent conflates qualitatively distinct phenomena and attenuates any estimated relationship between political change and economic outcomes.

2.3 Existing data and why is it limited

An expanding infrastructure of political datasets has transformed empirical research in comparative political economy and public finance, progressively narrowing its focus from institutions to individuals. A first generation offers standardized country-year measures of regimes, governance, and institutional quality, among them V-Dem, the Quality of Government datasets, Polity, the Worldwide Governance Indicators, the International Country Risk Guide, the Database of Political Institutions, and recent data on central bank independence (Coppedge et al., 2020; Cruz, Keefer, & Scartascini, 2021; Garriga, 2025; Kaufmann, Kraay, & Mastruzzi, 2010; Marshall, Gurr, & Jaggers, 2017; PRS Group, 2019; Teorell et al., 2023). A second generation moves closer to political actors, compiling information on leaders, parties, and governments through resources such as Archigos, ParlGov, the Comparative Political Data Set, the Manifesto Project, and the Chapel Hill Expert Survey (Armingeon et al., 2022; Bakker et al., 2020; Döring & Manow, 2019; Goemans, Gleditsch, & Chiozza, 2009; Volkens et al., 2021). A third generation reaches the cabinet itself: WhoGov provides broad cross-national coverage of cabinet members, portfolios, and tenure, treating cabinets not as unitary actors but as collections of officeholders (Nyrup & Bramwell, 2020).

Two features of the existing data limit their leverage for the questions raised above. First, most sources record cabinet composition at annual frequency, or only start and end years, so by construction it cannot represent short-lived spells, interim appointments, or the precise timing of leadership changes, the intra-year dynamics that are most common where instability is highest. Second, systematic information on why ministers leave office, whether through resignation, dismissal, reshuffle, scandal, or electoral turnover, is generally absent. As a result, existing data offer only a partial account of ministerial dynamics.

The dataset introduced in this paper is designed to address both gaps for the portfolios where they matter most. It focuses explicitly on ministers responsible for economy and finance, compiles high-frequency spells, daily whenever possible, harmonizes portfolio definitions across countries, and codes reasons for exit from verifiable textual sources. In doing so it sits at the most granular end of the progression from institutional indicators to individual actors and provides a new empirical resource for studying how personnel dynamics in core economic portfolios relate to fiscal governance and macroeconomic credibility, with relevance for the emerging and developing

3. Dataset construction

The unit of analysis is the minister–portfolio–country–spell. Each observation corresponds to a continuous period during which an individual holds a specific portfolio in a specific country. Interim or acting appointments are included. The dataset covers 53 countries classified as advanced (ADV), emerging (EME), and Latin American and Caribbean economies (LAC). Coverage spans 2000–2025. Start and end dates are recorded at daily resolution whenever available.

A central innovation of the dataset is the systematic and transparent coding of reasons for ministerial exit. Rather than treating all turnover events as homogeneous, the dataset classifies exits according to their proximate political or institutional cause. This approach allows researchers to distinguish between routine, institutionalized turnover and exits associated with political conflict, scandal, or strategic behavior.

Coding is based on narrative information extracted from textual sources and translated into standardized categorical codes using a structured dictionary and prompting protocol. Each coded exit is accompanied by (i) a brief narrative description, (ii) a standardized short code, (iii) a verbatim textual citation supporting the classification, and (iv) a source reference.

3.1 Sources

The dataset is constructed using a combination of media sources, official government documents, and publicly available online repositories. This multi-source strategy aims to balance coverage, accuracy, and transparency in the identification of ministerial spells and the classification of exit reasons. First, international and national newspapers constitute an important source of information for documenting ministerial appointments, resignations, and dismissals. Media reports frequently provide contemporaneous descriptions of the political context surrounding ministerial exits and often include statements by government officials explaining the reasons for

leadership changes. These narratives are particularly valuable for identifying conflict-related exits such as policy disagreements, scandals, or political pressure.

Second, official government documents and institutional communications provide authoritative confirmation of ministerial appointments and departures. These sources include presidential decrees, cabinet announcements, official press releases, and government websites. While official sources tend to emphasize formal institutional transitions, they provide reliable information on the exact timing of appointments and resignations, which is essential for constructing high-frequency ministerial spells. Third, publicly accessible online repositories such as encyclopedic databases and institutional archives are used to complement and cross-validate information obtained from media and official sources. Platforms such as Wikipedia often compile information from multiple references and provide chronological summaries of cabinet composition. Although these sources are not treated as primary evidence, they serve as useful entry points for identifying relevant events and locating original documentation.

By triangulating across these three types of sources, the dataset seeks to maximize both coverage and reliability. Whenever possible, ministerial spells and exit reasons are verified using multiple independent sources, and all coded events are accompanied by textual quotations and source references to ensure transparency and replicability.

3.2 Variables collected

The dataset contains information on ministerial spells, exit reasons, and selected background characteristics of ministers responsible for economy or finance portfolios. Each observation is a continuous spell in which an individual serves in a specific portfolio within a given country. This structure allows to analyze the duration and stability of economic leadership, the political context surrounding ministerial turnover, and the technocratic profile of officeholders.

Each observation identifies the country through *ISO3* classification and the minister through *Name*. Tenure is captured with *StartDate*, which records the date the minister assumed office, and *EndDate* records the date the spell ended. Whenever possible, both dates are recorded at daily frequency using official government announcements or verified media reports.

The dataset also documents the circumstances surrounding ministerial exits using both qualitative and coded information. The variable *ExitReasonText* provides a brief description of the event leading to the minister's departure. This information is then translated into a standardized

classification *ExitReasonCode*. Because ministerial exits may involve multiple relevant factors, the dataset also includes *ExitReasonCode2* to capture a secondary reason when applicable.

To ensure transparency and replicability, each coded exit is linked to supporting evidence. *ExitQuote* reports a verbatim quotation extracted from the source material describing the minister's departure, while *Source* variable identifies the reference(s) used to verify both the timing of the spell and the reason for exit.

In addition, the dataset includes selected indicators of ministers' educational backgrounds to capture the extent of technocratic profiles in economic portfolios. *PhD* variable indicates whether the minister holds a doctoral degree in any field, and *Economics* equals one if the minister has formal academic training in economics at the undergraduate, master's, or doctoral level. These variables allow researchers to examine the role of technocratic expertise in economic policymaking. Finally, the dataset includes *RegionGroup*, which assigns countries into broad geographic regions to facilitate cross-regional comparisons.

3.3 Initial Searching: AI-Assisted

The initial identification of ministerial spells and potential turnover events was assisted by large language models (LLMs). Specifically, we used ChatGPT Premium in 'Deep Research' mode to conduct structured searches of publicly available information of finance minister turnover. The objective of this stage was to identify candidate events, relevant sources, and preliminary timelines that were subsequently verified through human based manual validation.

The AI-assisted stage followed a standardized prompting protocol to collect structured information on ministerial appointments and exits. For each country and year, the model was explicitly requested to identify finance or economy ministers, or correspondent fiscal authorities, approximate tenure dates, the circumstances of their departures using verifiable public sources such as news reports, government announcements, and institutional archives. The output generated by the model was treated exclusively as a preliminary information-gathering step. All ministerial spells, dates, and exit reasons were subsequently verified manually using independent sources, with preference given to official documents and contemporaneous media reporting whenever discrepancies arose.

Figure 1 reproduces the standardized prompt used during this stage of the data collection process.

Figure 1. Prompt used for preliminary search

I want you to construct a dataset of the Ministers of Finance/Economy of [COUNTRY] from the year 1990 to the present.

The table must contain the following columns: ISO3 , Name , StartDate , EndDate , ExitReasonText , ReasonCode , ExitQuote , Source , Educ , PhD , Economics.

Definitions:

- ISO3: Three-letter ISO country code.
- Name: Full name of the minister.
- StartDate: Exact start date of the minister's term, if available.
- EndDate: Exact end date of the minister's term, if available; if the minister is still in office, write "Current".
- ExitReasonText: Brief narrative description of the reason for leaving office.
- ReasonCode: Standardized exit code according to the following dictionary:
 - CG: Change of government
 - PR: Personal resignation
 - PD: Policy disagreement
 - PP: Political pressure or scandal
 - RP: Reassignment or promotion to another position
 - PA: Political aspirations (e.g., running for office)
- ExitQuote: Verbatim quotation from a reliable source (news outlet, official statement, institutional report) documenting the exit.
- Source: Link to the source used (press, government, international organization, Wikipedia, Reuters, etc.).
- PhD: Indicator equal to 1 if the minister holds a doctoral degree, 0 otherwise.
- Economics: Indicator equal to 1 if the minister's primary academic training is in economics or finance, 0 otherwise.

Additional instructions:

- Include exact start and end dates whenever possible.
- If an exact exit quote cannot be found, use the closest available reliable source (e.g., official press releases, Wikipedia summaries, Reuters articles).
- Ensure consistency with the coding rules used in the Colombia dataset.

Source: Authors. Note: Figure reproduces the standardized prompt used in the AI-assisted discovery stage. Final coding decisions were validated manually using official and media sources.

Using LLMs as a preliminary search tool offers two practical advantages in large-scale data collection projects. First, it facilitates the rapid identification of relevant events and sources across multiple countries and languages, significantly reducing the time required for initial information discovery. Second, it helps standardize the initial search process by applying a consistent query

structure across cases. Importantly, the use of AI in this stage does not replace human judgment; instead, it functions as a structured discovery mechanism that supports subsequent manual verification and coding.

Recent methodological discussions highlight the growing role of artificial intelligence tools in supporting data collection and document analysis in the social sciences. Large language models have been increasingly used to assist tasks such as document classification, information extraction, and exploratory data collection from textual sources, provided that appropriate validation procedures are implemented (Gilardi et al., 2023; Argyle et al., 2023; Törnberg, 2024).

3.4 Human codification

All ministerial spells and exit events were subject to human validation and coding, which constituted the final authority in the dataset construction. The purpose of this stage was twofold: (i) to confirm the accuracy of the tenure dates and portfolio assignment, and (ii) to translate narrative information about departures into standardized exit-reason codes using a pre-specified coding dictionary.

To improve reliability and minimize subjective interpretation, we implemented an independent double-review procedure. Each ministerial exit was examined separately by two researchers, who verified the departure date and assigned the primary exit-reason using the shared codebook presented in Table 1. Coders were instructed to rely primarily on verifiable sources, especially official government announcements, decrees, and institutional communications, and to supplement these with contemporaneous reporting from major media outlets when official documentation did not provide sufficient detail. For every coded exit, they were also required to record a verbatim quotation and a full source reference, ensuring that all classifications remained transparent, auditable, and replicable.

Disagreements between coders were resolved through a structured reconciliation process. When coders assigned different exit-reason codes or disagreed on the timing of the exit, the case was flagged and jointly reviewed. Coders compared the underlying sources, evaluated alternative interpretations according to the codebook definitions, and agreed on a reconciled classification. If disagreement persisted after discussion—typically in cases involving multiple concurrent causes (e.g., cabinet reshuffles occurring amid political conflict)—a third researcher adjudicated the case based on the available evidence and the coding rules. This procedure ensures consistent

application of categories across countries and time, while preserving transparency about ambiguous or multi-causal events through the secondary code field when warranted.

In addition to case-specific reconciliation, we conducted systematic quality checks to detect broader inconsistencies in the data. These included random audits of coded observations to verify that classifications were supported by the quoted evidence and correctly referenced sources; consistency checks on the time dimension to identify overlapping spells, gaps between successive ministers, implausible durations, and misordered appointments; and reviews of portfolio harmonization decisions to ensure consistent treatment of economy and finance equivalents across institutional contexts. Together, these checks provided a validation layer on top of the AI-assisted collection stage and strengthened the transparency and reproducibility of the dataset.

As an additional validation step, we computed coder agreement rates before reconciliation for both exit-reason classification and spell boundary verification. Agreement was high overall and comparable to established practices in the construction of cross-national political datasets based on textual sources. This evidence reinforces that the final classifications are driven by standardized rules and documented sources rather than by idiosyncratic coder judgment.

Table 1. Codebook for ministerial turnover

Code	Reason	Description	Example
CG	Change of government (end of term or cabinet reshuffle)	Institutional transitions due to a new president taking office or internal cabinet changes not explicitly linked to conflict.	Minister leaves office with the end of President Iván Duque's term.
PR	Voluntary resignation for personal reasons	Stepping down due to health issues, family matters, or personal decisions, without political conflict.	Minister resigns citing personal reasons and health concerns.
PD	Voluntary resignation due to political disagreements	Resignation caused by policy differences or conflicts with the president or administration.	Minister resigns over disagreement with President Petro's fiscal policy.
PP	Exit due to scandal or political pressure	Forced resignation due to corruption allegations, protests, or political crises.	Ministers resigned amid mass protests after tax reform was withdrawn.

RP	Reassignment or promotion to another public or international position	Leaves current post to assume a new position, often in multilateral institutions, central banks, or other senior posts.	Minister resigns to become a director at the Inter-American Development Bank (IDB).
PA	Electoral candidacy or political aspirations	Resigns to pursue a candidacy for president, congress, or other elected office.	Minister steps down to run for the presidency.

Source: Authors' coding protocol. Note: Categories are mutually exclusive; one primary code is assigned per exit, with a secondary code recorded only when an additional relevant reason is documented. Appendix A1 provides the detailed coding rules underlying this classification, including the definition of each exit category, the three-stage classification procedure, and the priority rules used to resolve ambiguous or multi-causal exits.

3.5 Disruption Score

To capture the qualitative dimension of turnover, we introduce a Disruption Score that summarizes the political intensity of ministerial exits within each country. Each exit category is assigned a severity weight reflecting its degree of political disruptiveness. Routine exits receive the lowest weights, with CG and RP coded as 1. Intermediate non-conflict exits, PR and PA, are coded as 2. Conflict-driven exits receive higher weights, with PD coded as 4 and PP as 5.

Let n_{ir} denote the number of exits in country i attributed to reason r , and let w_r denote the severity weight assigned to reason r . The Disruption Score for country i is defined as

$$D_i = \frac{\sum_r n_{ir} w_r}{\sum_r n_{ir}}$$

The numerator aggregates the weighted intensity of exits, while the denominator equals the total number of exits in the country. The score therefore represents the average disruptiveness of ministerial turnover rather than its frequency. A country may experience frequent turnover but a low disruption score if exits are primarily institutional. Conversely, a country with fewer exits may have a high disruption score if departures are driven by conflict or scandal. This measure isolates the composition of turnover from its quantity.

4. Descriptive results

This section presents descriptive evidence from the dataset, focusing on patterns of ministerial turnover, tenure duration, exit composition, and political disruptiveness across regions and over time. The objective is to document stylized empirical regularities that characterize economy and

finance portfolios in advanced economies, emerging markets, and Latin America and the Caribbean.

Table 2. Descriptive statistics of turnover

Variable	Group	Mean	SD	Min	Q25	Q50	Q75	Max
Number of ministers	FULL	11.1	5.4	4.0	7.0	10.0	12.0	30.0
	ADV	8.7	3.4	5.0	6.0	7.5	10.5	17.0
	EME	10.5	4.4	4.0	8.0	10.0	11.0	21.0
	LAC	14.6	6.7	8.0	10.8	12.5	16.0	30.0
Duration (years)	FULL	2.38	2.35	0.00	0.76	1.62	3.23	19.03
	ADV	3.18	2.55	0.10	1.34	2.46	4.13	12.41
	EME	2.50	2.72	0.01	0.64	1.66	3.38	19.03
	LAC	1.71	1.63	0.00	0.65	1.21	2.35	11.42

Note: Statistics are country-level summaries over the full sample; groups are ADV, EME, and LAC.

Table 2 reports descriptive statistics on the total number of ministers observed per country over the full sample period. Across all 53 countries, the average number of ministers is 11.1, with a standard deviation of 5.4. The minimum observed is 4 ministers, while the maximum reaches 30. The interquartile range from 7 to 12 indicates that although moderate turnover is typical, a subset of countries experiences substantially higher rotation. This variation is also reflected across regions. Advanced economies display the lowest average number of ministers at 8.7. Emerging markets exhibit an intermediate mean of 10.5. LAC shows the highest turnover intensity, with an average of 14.6 ministers and the largest dispersion. A maximum of 30 ministers is observed within this group. These figures indicate that ministerial replacement is structurally more frequent in Latin America than in advanced economies.

Ministerial turnover is mirrored by tenure length. Table 2 also reports descriptive statistics for ministerial duration measured in years. Across the full sample, the average minister serves 2.4 years, while the median tenure is 1.6 years. The distribution is right-skewed, with a small number of long-serving ministers generating a maximum observed duration of 19 years. Regional differences are substantial. Advanced economies display the longest average tenure, at 3.2 years, followed by emerging markets, at 2.5 years. LAC exhibits the shortest average tenure, at 1.7 years, with a median of only 1.2 years. The relatively compressed interquartile range in LAC indicates that short ministerial spells are not limited to a few outliers but are a broader regional pattern.

Figure A2 in the Appendix presents a heatmap illustrating the annual frequency of ministerial appointments across the sampled countries. A primary observation is that a significant majority of these nations frequently undergo more than one ministerial change within a single calendar year. The data reveals a clear distributive trend where ministerial turnover appears most stable in advanced economies and becomes progressively more frequent in emerging economies and the LAC region.

The distribution of educational profiles displayed in Table 3 shows an interesting contrast across the different regions. Ministers in emerging economies and LAC are more likely to have formal training in economics with rates of 67% and 75.4% respectively. This compares to only 48.3 percent in advanced economies. The prevalence of doctoral degrees is also higher in emerging economies and LAC than in the advanced group. These patterns suggest that technocratic credentials are widely present in developing regions and serve as a potential mechanism to enhance policy credibility in contexts characterized by higher political volatility.

Table 3. Average Minister's Education and Exit Reasons (%)

Group	PhD	Economics	CG	PA	PD	PP	PR	RP	NA*
ALL	30.4	64.3	45.3	2.1	6.9	11.8	9.2	18.6	6.2
ADV	20.7	48.3	53.3	1.2	1.8	7.9	10.3	20.6	4.8
EME	36.3	67.0	43.3	0.6	7.6	15.2	5.8	22.8	4.7
LAC	33.3	75.4	38.6	5.2	15.9	15.9	9.0	8.6	6.9

Note: Percentages are computed over observed ministers/spells; NA includes current ministers and cases with unavailable exit information. 49 current ministers and one minister from Costa Rica whom exit reason information was unavailable.

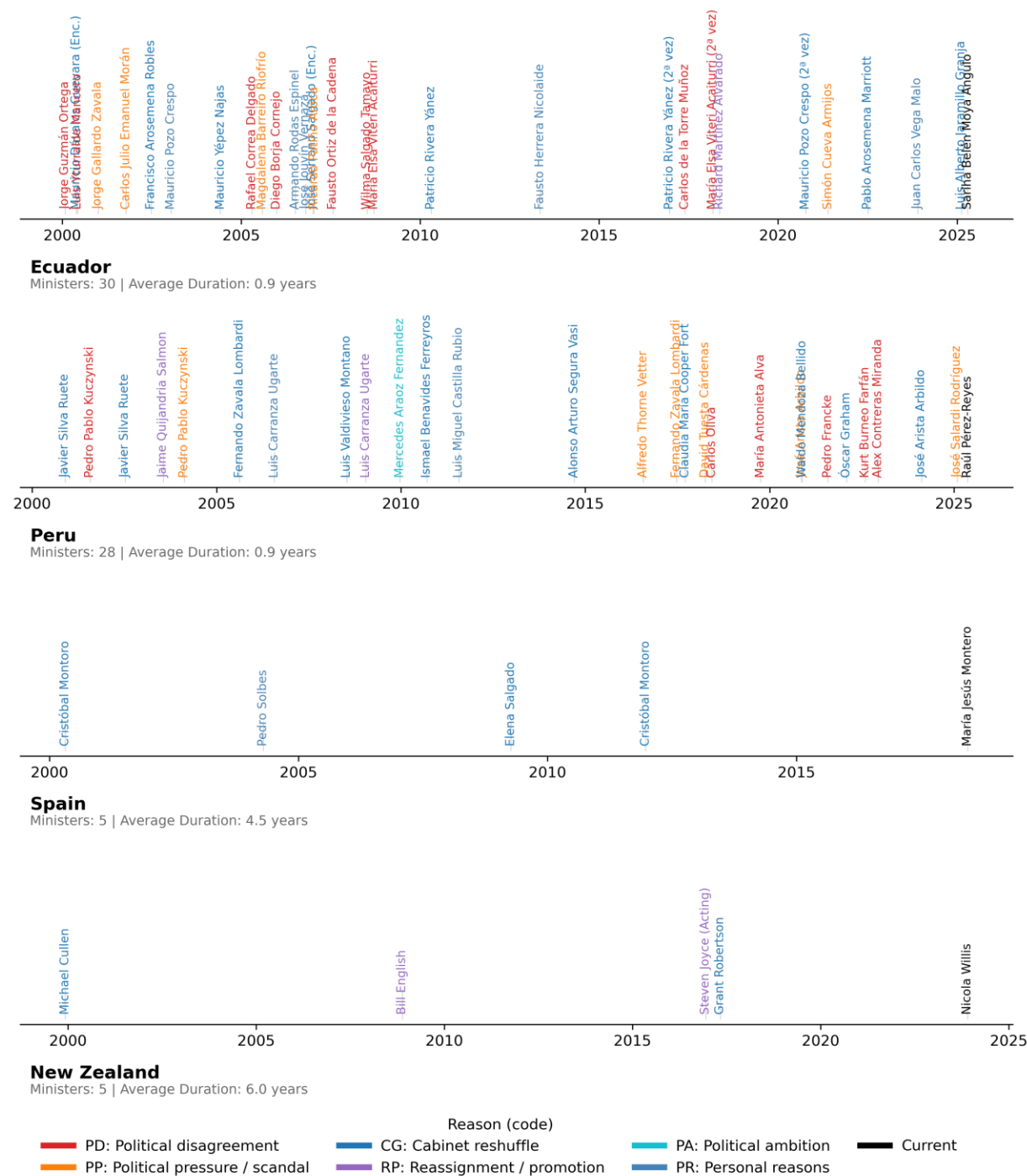
Beyond education profiles the reasons for ministerial exits further differentiate the regions. A CG accounts for 45.3% of exits globally. In all economies this category represents the largest portion of exits at 53.3% for advanced economies followed by 43.3% for emerging economies and 38.6% for LAC countries. These figures indicate that turnover is predominantly institutional and closely associated with electoral cycles or routine cabinet reshuffles.

In contrast, emerging economies and LAC exhibit higher shares of conflict related exits compared to advanced countries. PD accounts for 7.6% in emerging economies and 15.9% in LAC. PP or scandal accounts for 15.2% in emerging economies and 15.9% in LAC. These shares are substantially higher than in advanced economies, where PD is only 1.8% and PP is 7.9%. Reassignment or promotion is more common in advanced and emerging economies than in LAC.

This suggests that exits in advanced contexts are more frequently embedded in institutionalized career trajectories, whereas exits in LAC more often reflect political contestation.

To illustrate the substantive implications of the dataset's high temporal resolution with exit reasons, Figure 1 presents selected country examples highlighting variation in ministerial stability across political systems, contrasting frequent turnover with stable tenure. Ecuador and Peru represent high turnover, with numerous ministers serving short spells. Ecuador records thirty finance ministers between 1999 and 2025, averaging less than one year in tenure; Peru shows a similarly volatile pattern. Both countries display frequent PD and PP exit reasons. By contrast, Spain and New Zealand show relatively stable leadership, with fewer ministers and considerably longer tenures. Spain records five ministers averaging approximately 4.5 years, while New Zealand averages around six years, with turnover largely linked to routine transitions such as cabinet reshuffles or reassignments rather than political conflict.

Figure 1. Contrasting Patterns of Minister Stability



Note: Selected country cases illustrate high- and low-turnover patterns and their associated exit reasons. Country examples were selected to represent extreme stability and instability turnover.

This juxtaposition highlights substantial heterogeneity in executive stability across countries. While some systems experience predictable, institutionalized transitions, others display rapid turnover in key economic portfolios. Such differences are difficult to observe in annual-frequency

datasets, where multiple changes within a year may collapse into a single observation. The daily resolution introduced here allows these short-lived spells and rapid successions to be documented explicitly, underscoring the dataset's analytical value: by capturing ministerial spells at high frequency and documenting exit reasons, it enables researchers to distinguish stable from volatile executive environments and examine their links to fiscal governance, political conflict, and macroeconomic policy dynamics.

4.1 Disruption Score

Based on the exit reasons portfolios, we calculated disruption score which captures the average disruptiveness of ministerial turnover rather than its frequency. The Table 4 reveals a clear regional gradient in disruption score. The global mean disruption score is 1.73. Advanced economies have the lowest average at 1.43. Emerging economies have a higher mean of 1.81. LAC records the highest average at 2.01. The interquartile range in LAC is also shifted upward relative to advanced economies, indicating systematically more contentious exit environments.

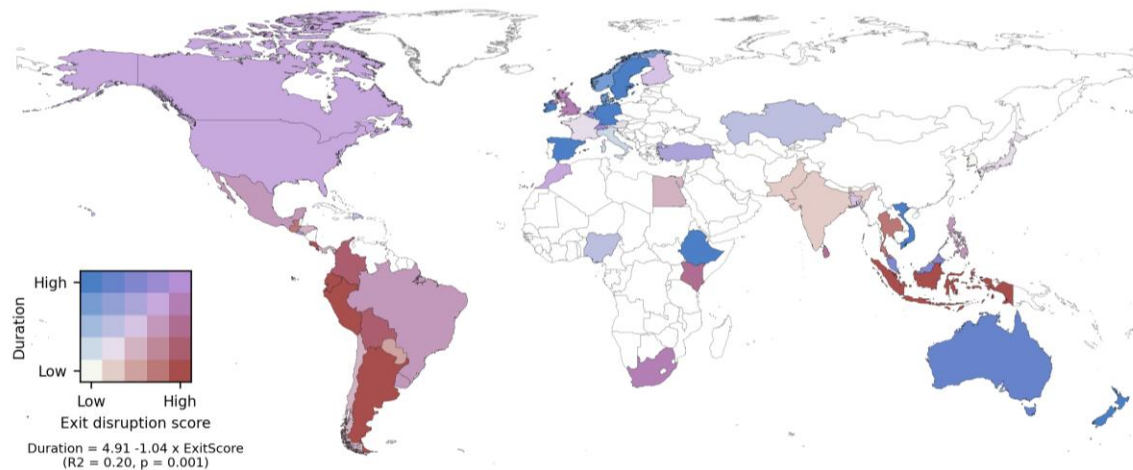
Table 4. Minister Exit Disruption Score Descriptive Statistics

Group	Avg	Std	Min	Q25	Q50	Q75	Max
ALL	1.73	0.63	0.75	1.25	1.67	2	3.48
ADV	1.43	0.44	0.8	1.14	1.28	1.72	2.56
EME	1.81	0.74	0.75	1.38	1.64	2.11	3.3
LAC	2.01	0.57	1.25	1.73	1.89	2.28	3.48

Note: The disruption score is a weighted country-level summary of exit categories; higher values indicate more contentious turnover environments.

Figure 2 further reinforces this regional gradient by combining the disruption score with tenure duration. In this visualization blue indicates a low disruption score paired with high duration while brown signifies a high disruption score and low duration. The purple category highlights countries where both indicators are high. Higher values of the disruption score cluster prominently in North and South America as well as parts of the emerging economies. In contrast advanced Western economies are concentrated in the lower categories. This spatial distribution aligns closely with the exit composition statistics reported in the previous sections.

Figure 2. Bivariate association between disruption score and ministerial turnover



Note: Source: Authors' calculations. Note: The map combines average duration and disruption score; heatmap represents bivariate trends.

The figure also displays a simple regression between duration and disruption score to assess the degree of linear association in this relationship. The result suggests that a one unit increase in the disruption score is associated with a decrease of 1.04 years in ministerial tenure. This correlation suggests that as the frequency of political and institutional disruptions increases the expected duration of a minister in office decreases proportionally. While this does not imply a direct causal link the strength of the association highlights how closely political stability and the longevity of economic leadership are intertwined across the various regions.

5. External Comparison of the Dataset

To assess the reliability of the newly constructed dataset, we benchmark our records of ministerial tenure against the WhoGov database (Nyrup & Bramwell, 2020) and the Worldwide Governance Indicators (WGI). WhoGov is among the most widely used cross-national sources on cabinet composition and ministerial tenure, and WGI provides a standard benchmark of institutional quality.

The two tenure sources differ in one crucial respect. WhoGov records cabinet membership at annual frequency, so tenure is effectively measured in yearly units: a minister listed in a given year is credited with the full year (365 days) regardless of the actual spell length. The dataset built here records ministerial spells at daily resolution, recovering multiple ministers within the same year (interim appointments, short-lived replacements) that annual data collapse into one observation. This difference in precision drives nearly all of the discrepancies documented below.

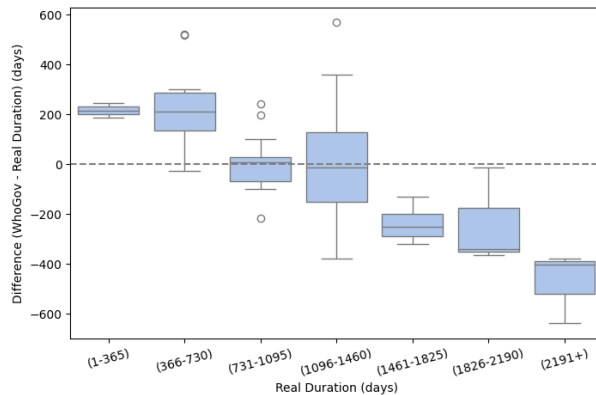
To align the sources, we isolated ministers of finance using WhoGov's '*m_finance*' filter. The merge required manual corrections in a small number of cases where the filter misidentified the minister or flagged more than one portfolio in the same year.

5.1 Duration comparison with WhoGov

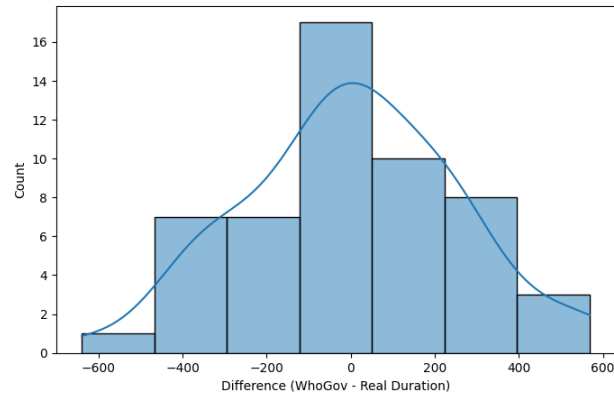
Figure 3 quantifies the difference between WhoGov and the daily estimate. The distribution centres near zero but is structured by tenure length: for the shortest spells WhoGov overstates duration by roughly 200 days, the difference passes through zero at about two to four years, and for the longest spells it reaches approximately 450 days. Both tails trace back to annual aggregation, short spells are rounded up because only one minister is recorded per year, while long spells accumulate part-year rounding into a full extra year. This result highlights that temporal aggregation in annual datasets introduce measurement imprecision that becomes visible when compared with a dataset recorded at daily resolution.

Figure 3.

Panel A



Panel B



Note: Authors' calculations based on this dataset and

Note: Authors' calculations based on WhoGov . Differences are defined as WhoGov duration minus daily-duration estimates. WhoGov annual tenures were converted into days; the kernel density uses bandwidth of 243.19 for Real Duration and 178.70 for WhoGov.

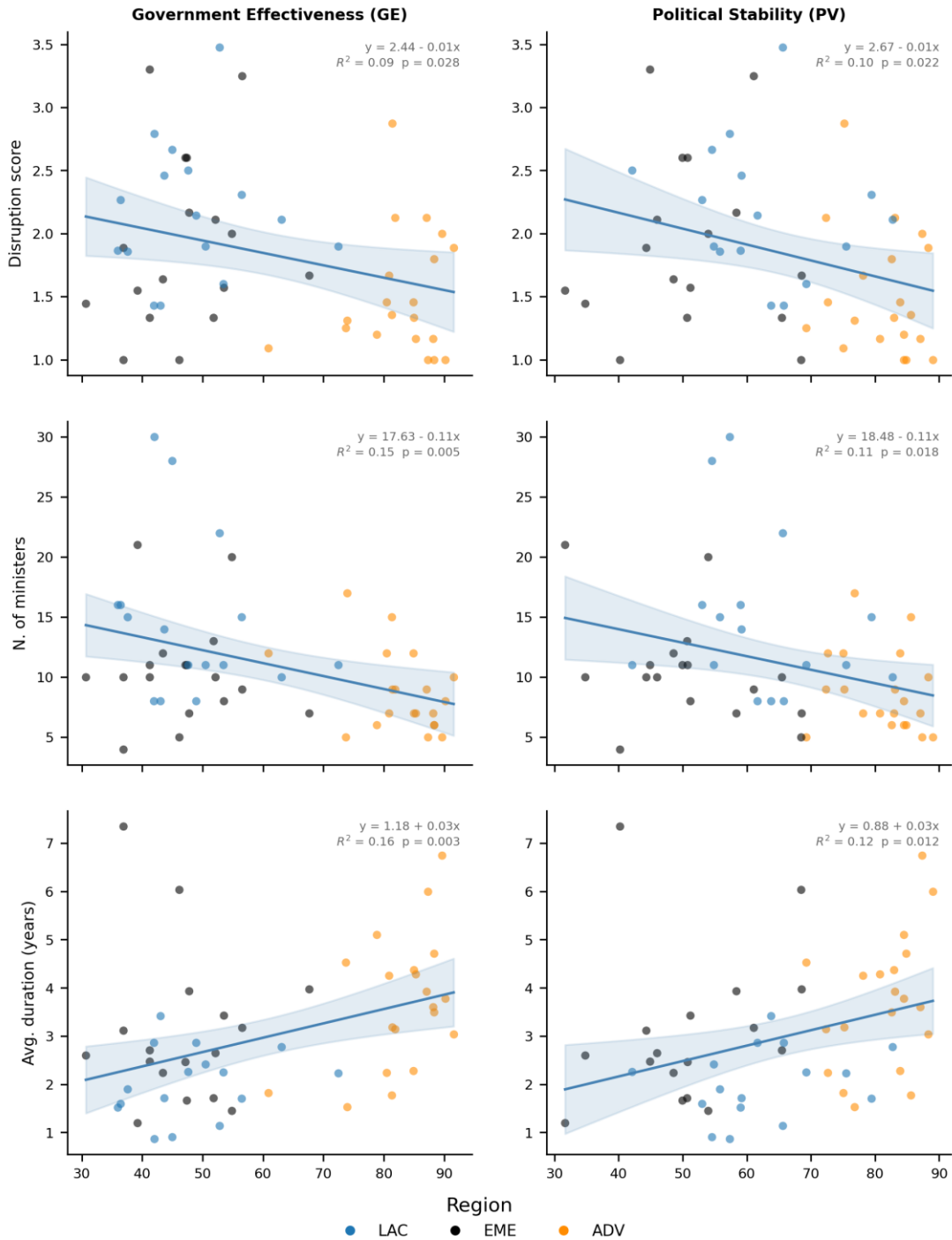
Overall, the comparison indicates a high degree of consistency between the new dataset and WhoGov in the identification of ministerial tenure patterns. Both datasets display similar trends in ministerial turnover and broadly comparable distributions of tenure length. At the same time, the comparison highlights the advantages of higher temporal resolution. The dataset introduced in this paper captures short ministerial spells and intra-year leadership changes that may not appear in annual datasets. These additional observations provide a more detailed representation

of executive dynamics without fundamentally altering the overall patterns observed in existing political databases.

5.2 Governance correlations with WGI

Figure 5 examines the relationship between institutional quality and patterns of ministerial turnover using indicators from the Worldwide Governance Indicators (WGI). The figure plots the disruption score and the average duration of ministerial tenure against two institutional indicators: Government Effectiveness and Political Stability. Countries with higher levels of government effectiveness and political stability tend to exhibit lower disruption scores and fewer ministers over time, while average ministerial tenure is longer, suggesting that institutional environments characterized by stronger administrative capacity and more stable political conditions are associated with more stable leadership in economic portfolios.

Figure 5. Correlations with World Governance Indicators



Note: Panels report OLS associations between each outcome and WGI indicators. WGI refers to 2025 data and the sample includes 53 countries.

The results also provide insights about institutional quality and executive stability. short tenures with high disruption imply frequent, contentious exits that compress the time available to sustain coherent fiscal policy, whereas stronger governance supports policy continuity. It is important to

note that the WGI indicators are constructed from survey data assessments of governance and the correlations presented do not claim a causal effect. With those caveats, the significant estimates provide external validation that our turnover measures align with established indicators of governance and political stability.

6. Association between Ministerial Turnover and Sovereign Risk

The preceding sections establish that ministerial exits in economy and finance portfolios differ systematically in their proximate cause, and that politically contentious exits, those driven by policy disagreement or political pressure, are concentrated in emerging markets and LAC and this regions of developing world are particularly sensitive to the volume and cost of capital flows (Ratha et al., 2011). This section asks whether that distinction matters for fiscal outcomes. Specifically, it examines whether contentious ministerial turnover is followed by a deterioration in fiscal aggregates and in market and rating-agency perceptions of sovereign risk, as proxied by sovereign credit ratings.

Using macroeconomic and fiscal data from the World Economic Outlook, WhoGov Dataset, among other sources², as well as the quantitative measure of credit ratings used by Afonso et al., 2022, we estimate the dynamic association of a disruptive change in the minister of finance and the sovereign risk scores from the three major agencies, Moody's, Fitch, and S&P³, converted onto a common ordinal scale on which higher values indicate stronger creditworthiness. To preserve sample size while avoiding ad hoc sample restriction, missing values in the rating series and in the fiscal aggregates were imputed within country using forward- and backward-fill, under the assumption that ratings and fiscal positions are persistent between agency reviews.

Dynamic responses of credit ratings to politically contentious ministerial turnover are estimated using local projections, following Jordà (2005). For each horizon from 0 to 5, we regress the cumulative change in the rating from one year before the shock to h years after on the turnover indicator, including country fixed effects, and a set of lagged controls:

$$Y_{i,t+h} - Y_{i,t-1} = \alpha_i + \beta_h PCT_{i,t} + \gamma_h X_{i,t-1} + \varepsilon_{i,t+h} \quad (1)$$

Where $Y_{i,t}$ and $PCT_{i,t}$ denote the credit rating for each agency and the politically contentious turnover indicator for country i in year t , respectively. α_i denote country fixed effects and $X_{i,t}$ is a vector of lagged controls comprising the cyclically adjusted primary balance, GDP growth, inflation, oil dependence, trade openness, conflict intensity, government effectiveness (WGI),

² V-DEM Database, Global Populism Database, The Upsalla Conflict Data Program, WGI and Fiscal Rules Dataset.

³ We estimate the same specification using fiscal variables such as the cyclically adjusted primary balance and debt-to-gdp ratio, but we do not find robust estimates.

leader experience, a democracy indicator, and the governing party's legislative seat share. Each horizon is estimated as a separate cross-sectional regression on the panel, with standard errors computed using a Driscoll-Kraay-type kernel estimator robust to cross-sectional and serial correlation.

To allow the response to vary with fiscal space, the specification is extended following the state-dependent local-projection specification following Auerbach & Gorodnichenko (2012, 2013) and Ramey & Zubairy (2018), interacting the shock with an indicator of the country's debt position:

$$Y_{i,t+h} - Y_{i,t-1} = \alpha_i + \beta_h PCT_{i,t} + \delta_h PCT_{i,t} * F(Debt_{i,t}) + \theta_h F(Debt_{i,t}) + \lambda_h X_{i,t-1} + \varepsilon_{i,t+h} \quad (2)$$

Where $F(Debt_{i,t})$ denote a state of smooth logistic transition function⁴ of gross debt-to-GDP ratio. The resulting index is rescaled using the 25th and 75th percentiles of its distribution so that F spans roughly zero (low-debt country) to one (high-debt country). The coefficient δ_h captures whether the dependent variables response to contentious turnover is amplified in high debt states.

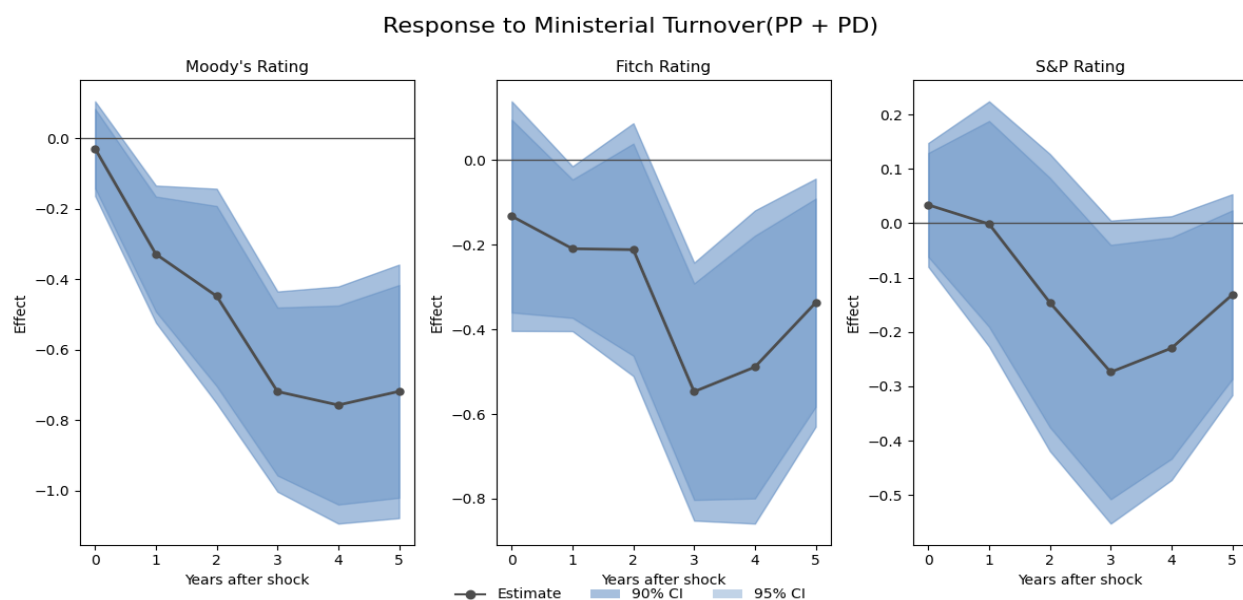
6.1 Results

Figure 6 reports the linear local projection coefficients on contentious ministerial turnover for each rating agency at horizons 0 through 5. For Moody's, the response to contentious turnover is statistically insignificant on impact but becomes negative and increasingly significant from horizon 1 onward, peaking at roughly -0.76 notches by horizon 4 and remaining significant through horizon 5. Measured against an average Moody's rating level of 14.0 in the sample, this is a sizable swing. The pattern is consistent with a gradual reassessment of sovereign risk rather than an immediate reaction. Rating agencies appear to revise their assessment only after a politically contentious exit is followed by sustained fiscal or political deterioration, rather than reacting to the exit itself.

On the side of Fitch, the estimates coincide in sign and a similar hump-shaped profile, with a peak response of about -0.55 notches at horizon 3 against an average rating level of 12.9, providing a reasonably close robustness check on the Moody's result, albeit with somewhat lower precision at horizons 0 and 2. S&P shows the same negative sign throughout but is only marginally significant at horizons 3 and 4 and insignificant elsewhere. Given the substantially higher missingness in the S&P series, this weaker result is most plausibly a power and coverage issue .

Figure 6. Response to Contentious Ministerial Turnover

⁴ We specify the state as usual in the smooth transition literature: $F(Debt_{i,t}) = \exp(\gamma z_{i,t}) / (1 + \exp(\gamma z_{i,t}))$, where $z_{i,t}$ is the standardized debt ratio and $\gamma = 1.5$.



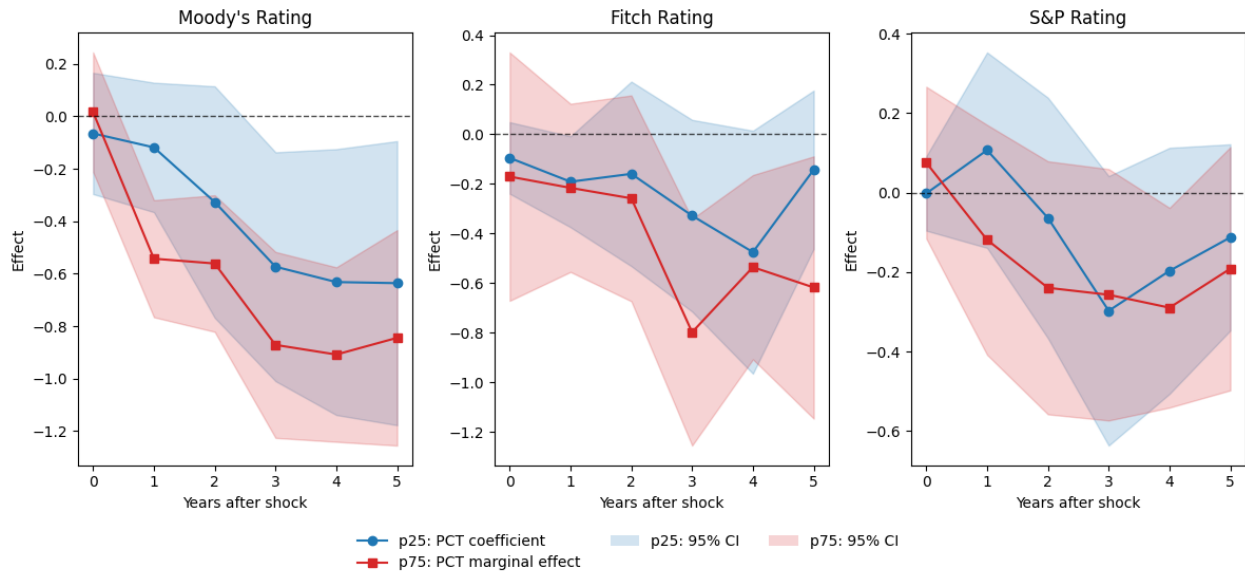
Note:

Figure 7 extends the analysis to the debt-state interaction specification in equation (2), for Moody's, Fitch and S&P respectively. For Moody's, the direct effect of contentious turnover remains negative and significant at the longer horizons even after including the debt-state interaction, reinforcing the linear result. The interaction term itself is significant only at horizon 1 and otherwise small and statistically indistinguishable from zero.

Fitch and S&P show no significant interaction at any horizon, so the amplification Moody's exhibits at h1 does not carry over to the other two agencies. What does carry over, at least partially, is the level effect of debt itself. The "High Debt" coefficient is negative and significant at h0 and h1 for both Moody's and Fitch, indicating that highly indebted countries already carry a rating penalty at short horizons independent of any turnover shock. S&P instead shows no significant debt-level effect at short horizons and a positive, significant coefficient at h4 and h5, a reversal that should be read with the same caution warranted by S&P's weaker coverage rather than as a genuine improvement in high-debt countries' relative standing.

Figure 7. Debt-dependent response to Contentious Ministerial Turnover

Nonlinear Response to Ministerial Turnover (PP + PD)



Overall, we treat the debt-interacted specification as a secondary robustness exercise for Moody's and flag the state-dependence margin as an avenue for further investigation with a longer or more granular debt series.

It is worth emphasizing that the absence of a significant interaction term does not mean the high-debt response is itself indistinguishable from zero. In Figure 7, the marginal effect at high debt is significantly negative from h1 through h5 for Moody's, since the direct effect of turnover is already large and significant at these horizons. The non-significant interaction term indicates only that we cannot statistically distinguish this magnitude from the low-debt response, not that high-debt countries are unaffected. The same pattern holds for Fitch, where the high-debt total effect becomes significant from h3 onward, and weakly for S&P, where it is significant only at h4, broadly tracking the horizon at which each agency's own direct turnover effect strengthens.

Taken together, the results in this section indicate that politically contentious ministerial exits are followed by a gradual and economically meaningful deterioration in sovereign credit ratings. The relationship is most clearly identified for Moody's, corroborated by Fitch, and only weakly detectable for S&P due to data coverage limitations. The pattern is consistent with the broader argument of this paper: turnover driven by political conflict rather than routine institutional transition is associated with consequences for sovereign credibility.

7. Conclusion

This paper introduces a new cross-national dataset on ministers responsible for economy and finance portfolios and the reasons behind their exit from office. By compiling high-frequency information on ministerial spells, harmonizing portfolio definitions across countries, and systematically coding exit reasons using textual sources, the dataset addresses several important limitations in existing political databases. It extends the empirical infrastructure available for the study of executive politics by providing detailed information on individual ministers rather than focusing exclusively on heads of government, party systems, or aggregate cabinet characteristics.

The descriptive evidence presented in this paper highlights substantial cross-country variation in the stability of economic leadership. Countries differ markedly in the number of ministers serving overtime, the duration of ministerial tenures, and the political circumstances surrounding their departures. Advanced economies generally display longer tenures and turnover patterns largely associated with routine political transitions. By contrast, emerging economies and countries in LAC exhibit shorter tenures and a greater prevalence of conflict-related exits such as PD or PP. These patterns underscore the importance of distinguishing between different types of ministerial turnover when analyzing executive stability and policy continuity.

Beyond documenting these descriptive patterns, the dataset provides a new empirical foundation for research on the political economy of macroeconomic governance. Finance ministers play a central role in fiscal policy coordination, debt management, and relations with international financial institutions, yet systematic cross-national data on their careers and turnover has remained limited. By capturing ministerial spells at daily resolution and identifying the reasons behind exits, the dataset allows researchers to examine how leadership changes interact with fiscal institutions, political dynamics, and macroeconomic outcomes.

The dataset also opens several avenues for future research. Scholars may use it to study how ministerial turnover affects fiscal performance, sovereign risk perceptions, or the credibility of economic policy. The data can also be combined with existing political and economic databases to examine the relationship between executive instability and policy outcomes, as well as the role of technocratic expertise in macroeconomic policymaking. In addition, the systematic coding of exit reasons makes it possible to distinguish between routine institutional transitions and politically contentious departures, enabling more nuanced analyses of executive dynamics across political systems.

More broadly, the dataset contributes to the growing ecosystem of comparative political databases by providing a transparent and replicable resource on a set of political actors that are central to macroeconomic governance but have remained underrepresented in cross-national data

infrastructures. By making ministerial spells and exit reasons comparable across countries and over time, the dataset expands the empirical possibilities for studying executive leadership, fiscal institutions, and the political foundations of economic policy.

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Appendix

Appendix A1. Coding Rules for Ministerial Exit Reasons

A1.1. Exit Reason Categories

To capture these distinctions in a consistent and comparable way, ministerial exits in the dataset are classified into six mutually exclusive categories. The coding scheme is summarized in Table 1, which presents the short code used in the dataset, the conceptual definition of each category, and illustrative examples drawn from actual ministerial exits. The first category, Change of Government (CG), captures routine institutional transitions associated with electoral turnover or cabinet reshuffles following the formation of a new administration. These exits reflect the normal functioning of executive succession rather than political conflict. The category Personal Resignation (PR) refers to departures motivated by health conditions, family considerations, or other personal circumstances unrelated to political disputes or institutional transitions. In contrast, Political Disagreement (PD) identifies resignations resulting from policy conflicts within the executive branch, typically involving disagreements between the minister and the president or cabinet over fiscal or economic policy. A related but distinct category is Political Pressure (PP), which encompasses exits triggered by corruption scandals, public protests, political crises, or intense PP that renders the minister's continuation in office politically unsustainable.

The coding scheme also captures two additional forms of ministerial turnover associated with career trajectories and strategic political behavior. Reassignment or Promotion (RP) refers to cases in which ministers leave office to assume another public or international position, such as appointments to central banks, multilateral organizations, or other senior governmental roles. Finally, Political Aspirations (PA) captures cases in which ministers resign in order to pursue elected office, such as candidacies for the presidency, congress, or other political positions. Together, these six categories reflect the most common and analytically meaningful pathways of ministerial turnover observed in comparative political systems.

A1.2. Classification Procedure

The classification procedure follows a structured three-stage process that combines AI-assisted text extraction with rule-based coding and human validation. In the first stage, narrative descriptions of ministerial exits are extracted from textual sources. For each event, the AI-assisted search process identifies a short narrative description of the departure and records a verbatim

textual quotation supporting the interpretation. These elements form the basis for the qualitative fields `ExitReasonText` and `ExitQuote` included in the dataset.

In the second stage, an initial classification is assigned using the coding dictionary summarized in Table 1. The AI-assisted system proposes a preliminary exit category based on keyword patterns and semantic interpretation of the narrative description. This classification serves as a preliminary label rather than a final decision and is subsequently reviewed during the human coding stage described earlier in the paper.

A1.3. Priority Rules for Ambiguous or Multi-Causal Exits

The final stage consists of a rule-based reconciliation procedure designed to ensure consistent classification across cases, particularly when multiple potential explanations for a ministerial exit appear in the available sources. When several factors are mentioned simultaneously, the following priority rules are applied. If a source explicitly refers to corruption allegations, scandals, mass protests, or intense PP, the exit is coded as PP regardless of whether it coincides with a cabinet reshuffle or government transition. If the source attributes the resignation directly to policy disagreements with the president or cabinet, the exit is coded as PD. When a minister leaves office to assume another public or international position, the event is classified as RP even if the departure is framed as voluntary. If the exit occurs in connection with the formation of a new government or a routine cabinet reshuffle and no evidence of political conflict is reported, the event is coded as CG. Departures motivated by electoral candidacy are classified as PA. Finally, if none of the preceding conditions apply and the available sources explicitly attribute the departure to personal reasons such as health or family considerations, the exit is coded as PR.

Each ministerial exit is assigned exactly one primary classification following these rules, ensuring that the categories remain mutually exclusive and analytically interpretable. In cases where multiple factors are clearly documented, the dataset records the dominant reason as the primary exit code while preserving contextual information in the narrative description and supporting quotation. This is particularly important for strategic or multi-stage exits, in which a minister steps down under PP but subsequently transitions into another public or international role: consistent with the priority rules above, such cases are coded as PP rather than RP, since the proximate and politically salient cause of departure is the pressure event, not the subsequent reassignment. Cases in which the available evidence is contradictory or too limited to support a clear classification are flagged for manual review and explicitly documented.

A1.4. Divergence Between Official Narratives and Underlying Causes

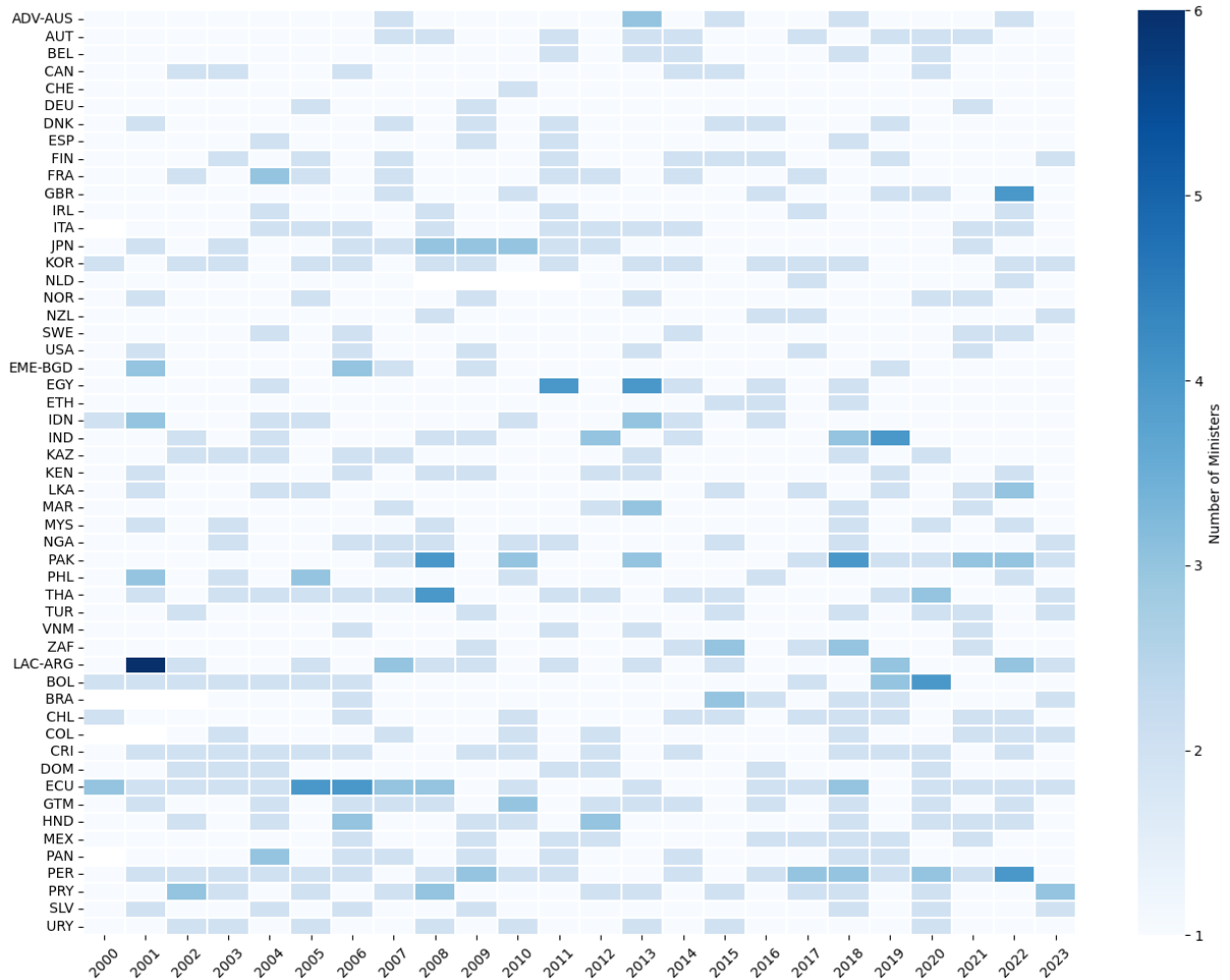
A broader methodological challenge arises from the potential divergence between the official narrative surrounding a ministerial exit and the political dynamics that may have precipitated it. Governments often frame departures in ways that minimize political costs or protect the credibility of the administration: contentious dismissals or policy conflicts may be presented publicly as voluntary resignations or routine cabinet reshuffles and exits triggered by scandal may be described as personal decisions to avoid signaling instability to financial markets.

To address this challenge, the dataset relies on triangulation across contemporaneous sources, combining official communications with reporting from independent media outlets and other publicly available documentation. Coding decisions prioritize the explanation most consistently supported across sources and the proximate trigger identified in contemporaneous reporting, rather than the framing offered by any single source. At the same time, the dataset preserves the original narrative descriptions and quotations used during coding, allowing researchers to reassess individual cases if alternative interpretations are warranted.

By combining a single standardized exit code with detailed narrative documentation and source references, the dataset balances parsimony, transparency, and empirical tractability, representing each turnover event through a clear, comparable classification while retaining the contextual information needed to interpret complex or politically sensitive cases.

Appendix A2. Descriptive Statistics of the Database

A2.1 Heat Map: Number of Ministers per year

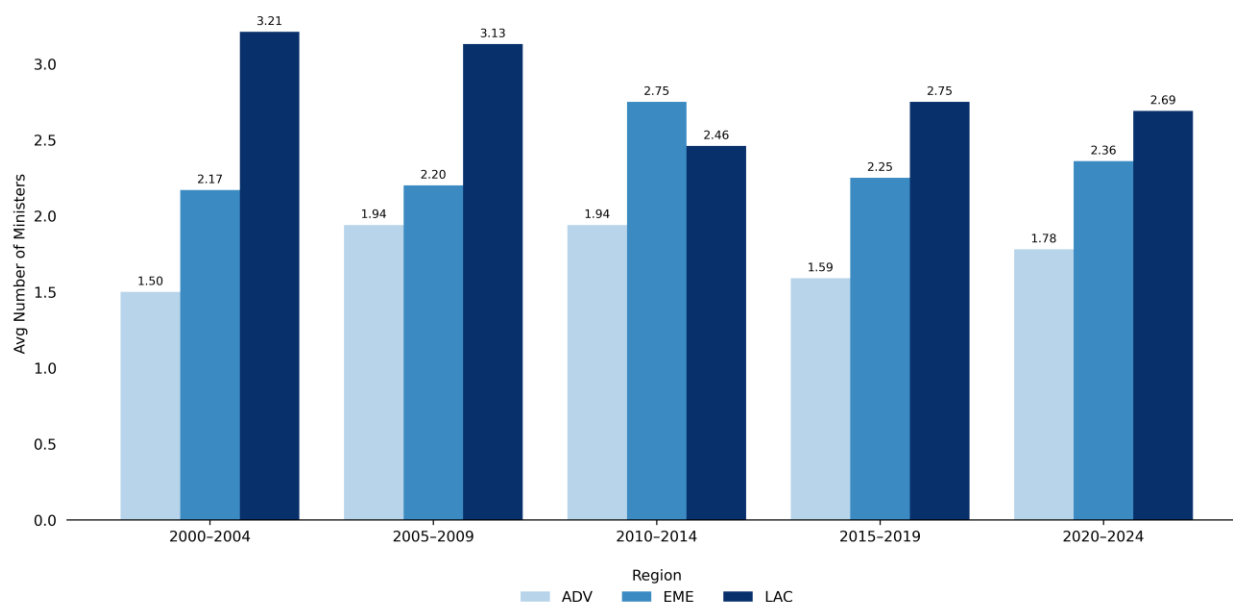


Note: Each cell reports the number of distinct ministers observed in a country-year.

Figure A2.1 presents a heat map illustrating the annual frequency of ministerial appointments across the sampled countries. These nations are categorized by economic grouping into ADV, EME, and LAC. A primary observation is that a significant majority of these nations frequently undergo more than one ministerial change within a single calendar year. The data reveals a clear distributive trend where ministerial turnover appears most stable in advanced economies and becomes progressively more frequent in emerging markets and the LAC region. Argentina represents a particularly striking example within the LAC group. In 2001 the country recorded six different ministers which coincides with a period of intense economic and political crisis. This specific outlier illustrates the extreme end of the turnover spectrum and underscores how political and financial instability often drives rapid leadership changes. Such high-frequency turnover in these regions potentially reflects higher levels of political sensitivity or economic volatility

associated with the ministerial role compared to the more consistent tenures seen in advanced economies.

A2.2 Average Number of Ministers by Region (5-year periods)

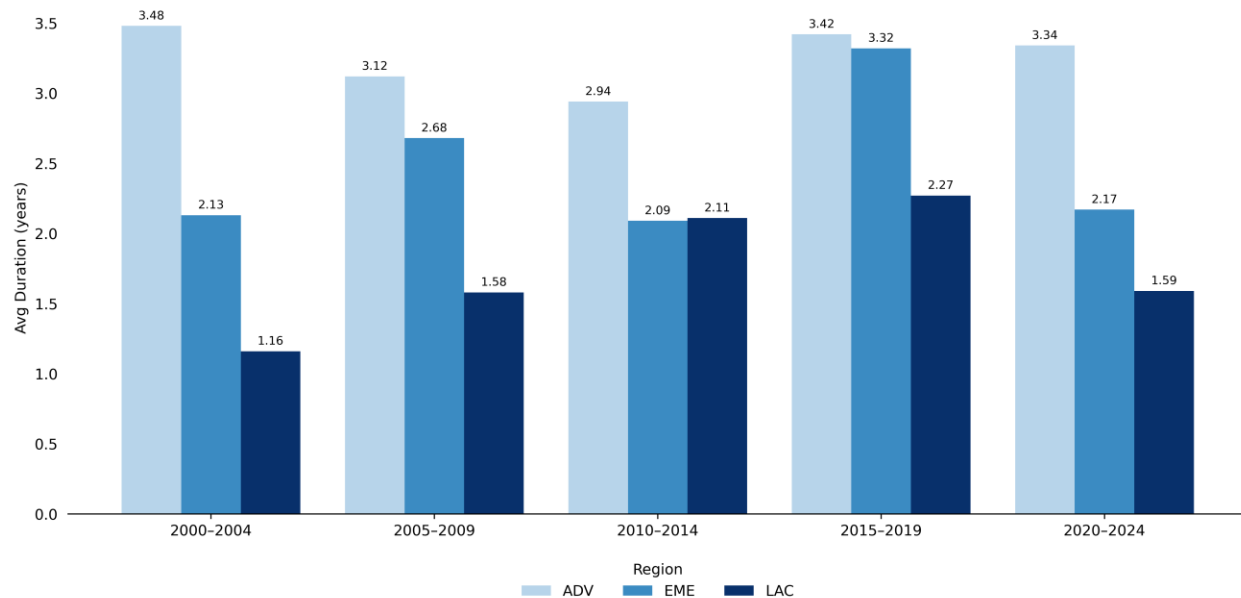


Note: Values are quinquennial regional averages; the last period may be mechanically shorter depending on the sample end year.

Appendix A2.2 displays quinquennial averages reinforce this pattern. Across five-year windows, advanced economies consistently maintain lower turnover intensity. LAC remains persistently above the other regions throughout the sample. Emerging markets fluctuate between the two. The temporal stability of this ranking suggests that these differences are not driven by isolated political episodes but reflect enduring institutional characteristics.

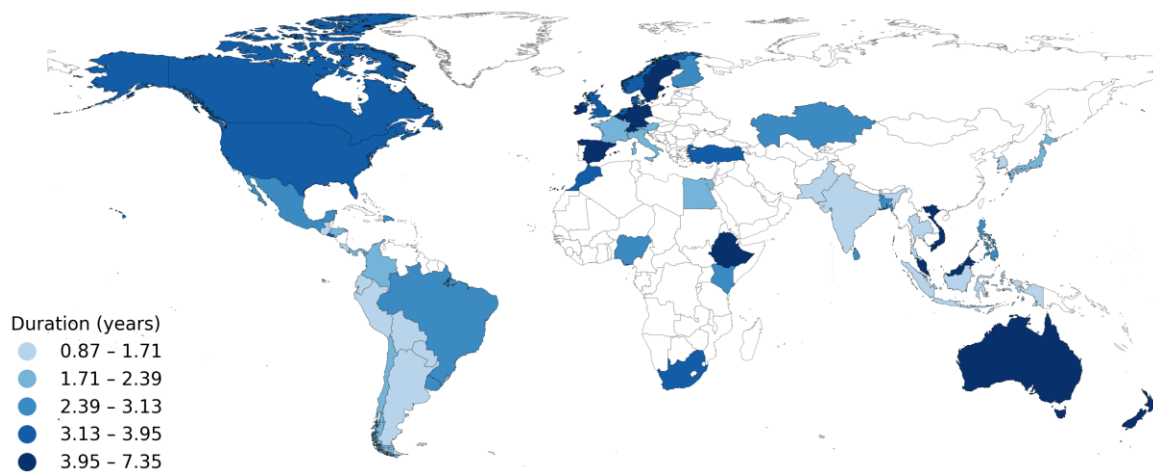
A2.3 Average Minister Duration by Region (5 – year periods)

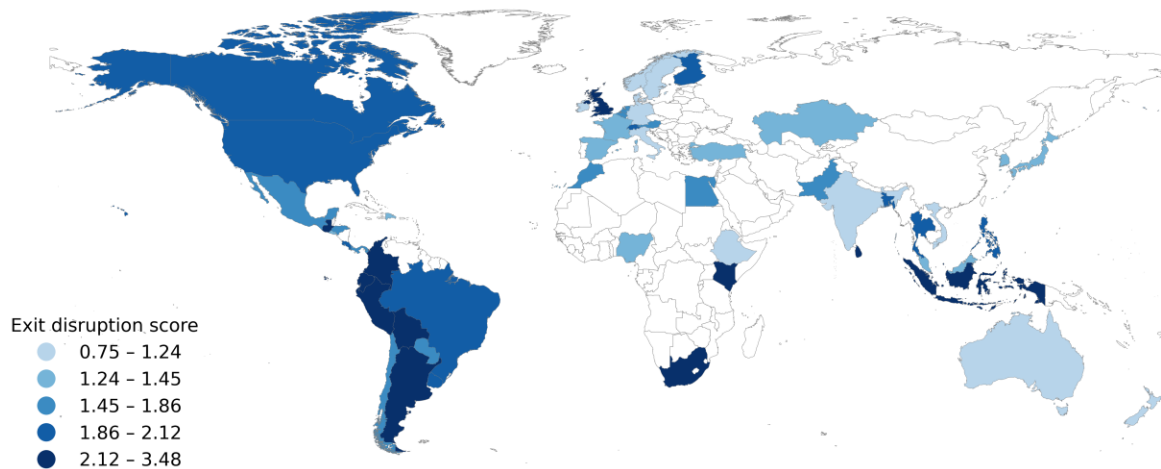
Appendix A2.3 shows the evolution of average ministerial duration across five-year periods. Advanced economies consistently exhibit longer tenures than the other groups, while emerging markets and LAC display greater temporal variation. LAC remains below the other regions in most periods, reinforcing the pattern of shorter ministerial spells observed in Table 3. The decline in average tenure observed in the most recent period may reflect the political and economic disruptions associated with the Covid-19 pandemic and the war in Ukraine rather than a permanent structural change in executive stability.



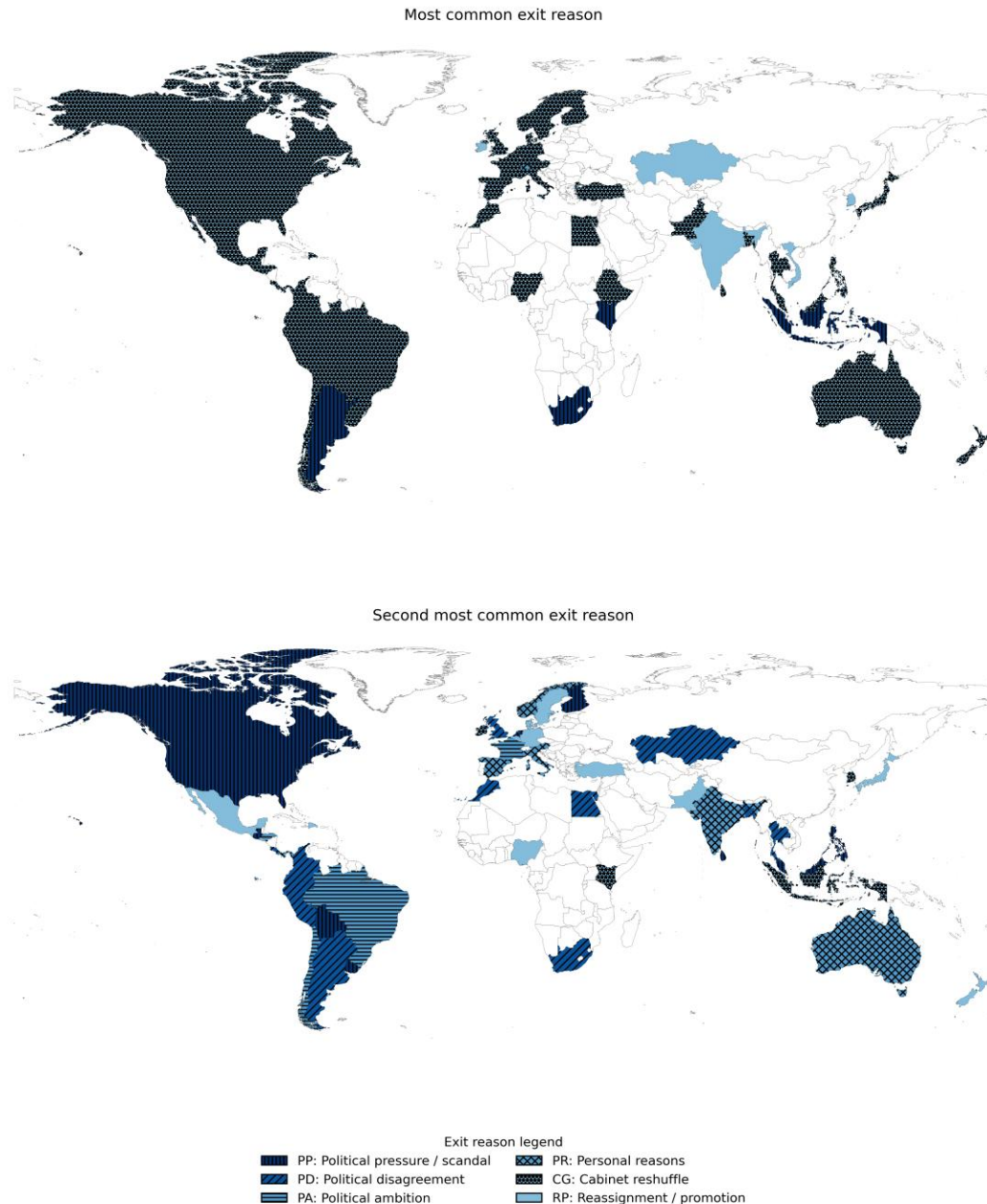
Note: Average spell duration by quinquennium; duration is measured in years.

A2.4 Maps of ministerial duration





Argentina represents a particularly striking example within the LAC group. In 2001 the country recorded six different ministers which coincides with a period of intense economic and political crisis. This specific outlier illustrates the extreme end of the turnover spectrum and underscores how political and financial instability often drives rapid leadership changes. Such high-frequency turnover in these regions potentially reflects higher levels of political sensitivity or economic volatility associated with the ministerial role compared to the more consistent tenures seen in advanced economies.



Appendix A3. Descriptive Statistics of Covariates in Regression Analysis

The table below presents the descriptive statistics of the variables used in the analysis. The analysis includes 45 countries and year range is from 2000 to 2025. The turnover shock used in this section **PCT**, is an indicator equal to one if a country-year is associated with a ministerial exit coded as Political Disagreement (PD) or Political Pressure (PP), and zero otherwise. Pooling these two categories reflects the conceptual distinction drawn in Section 2.2 between routine and conflict-driven turnover. Both PD and PP exits originate in political conflict or loss of confidence rather

than in scheduled institutional transitions. Across the analysis sample, PCT takes a value of one in 7.9% of country-year observations. Sovereign risk is proxied by numerical credit rating scores from the three major agencies, Moody's, Fitch, and S&P, converted onto a common ordinal scale on which higher values indicate stronger creditworthiness. Moody's is treated as the main outcome of interest, with Fitch used as the primary robustness check and S&P reported for completeness. Table A3.1 summarizes data availability for the three-rating series together with the main fiscal control variables used in the analysis.

Table A3.1 Descriptive Statistics of the Estimation Sample

Category	Variable	Description	Mean	SD	Min	Max
Dependent	Moody's Rating	Moody's rating in numeric (Afonso et al., 2022)	14.0	5.4	2	21
	Fitch Rating	Fitch rating in numeric (Afonso et al., 2022)	12.9	5.3	1	20
	S&P Rating	S&P rating in numeric (Afonso et al., 2022)	15.3	5.1	4	22
	CAPB	Cyclically adjusted primary balance (% GDP)	-0.1	2.9	-14.6	7.8
	Gross Debt	General government gross debt (% GDP)	56.5	32.0	3.9	228.8
	Primary Balance	Primary balance (% GDP)	-0.5	3.3	-30.0	23.4
	Interest Payments	Interest payment (% GDP)	2.0	1.9	-4.9	16.2
Shock	PCT Indicator	1 if turnover is by PD or PP, else 0	0.1	0.3	0	1
Controls	CAPB (lag)	Lag of CAPB_GDP	-0.6	2.8	-11.9	7.8
	GDP growth (lag)	Lag of GDP growth rate	3.3	3.6	-17.8	24.6
	Inflation (lag)	Lag of inflation rate	5.5	10.3	-8.2	219.9
	Oil dependence (lag)	Lag of oil trade balance (% GDP)	-1.0	5.6	-13.2	33.8
	Openness (lag)	Lag of total trade (% GDP)	69.8	38.5	15.0	258.8
	Conflict intensity	Conflict level. 1 if minor between 25 and 999 battle related deaths, 2 if more than 1000 (lag)	0.2	0.5	0	2
	Government effectiveness	World Governance Indicator: government effectiveness (lag)	0.5	1.0	-1.5	2.3
	Leader Experience	The number of years the person has been leader of the country in total	4.8	4.6	1	29
	Democracy Indicator	1 if democracy, else 0	0.8	0.4	0	1
	Party members share	Share of party members in total	0.9	0.1	0.2	1.0

Total observations are 1450, however the number of missing values vary across dependent variables. Missing values in Moody's and Fitch are 19.3% and 24.9% respectively, while S&P coverage is considerably thinner, with missing values in 41.8% of observations. The remaining dependent variables exhibit considerably less missingness. The cyclically adjusted primary balance is missing in 15.4 percent of observations, followed by general government gross debt (1.8%), the primary balance (1.1%), interest payments (1.1%), and the overall fiscal balance (0.9%).

Table A3.2. Response to Contentious Ministerial Turnover (linear local projection)

Horizon	Obs	Moody's	Fitch	S&P
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h0	1087	-0.029 (0.069)	-0.132 (0.139)	0.034 (0.058)
h1	1042	-0.329*** (0.099)	-0.209** (0.099)	-0.001 (0.115)
h2	997	-0.448*** (0.156)	-0.212 (0.152)	-0.146 (0.140)
h3	952	-0.719*** (0.145)	-0.547*** (0.156)	-0.274* (0.142)
h4	907	-0.757*** (0.172)	-0.489*** (0.189)	-0.230* (0.124)
h5	862	-0.718*** (0.184)	-0.337** (0.150)	-0.132 (0.094)

Note: All specifications include country fixed effects and 45 countries. *** p < 0.01, ** p < 0.05, * p < 0.10.

Table A3.3. Moody's Response to Contentious Ministerial Turnover (non-linear local projection)

Horizon	PCT	High Debt	PCT × High Debt	Within R ²	Obs.
h0	-0.065 (0.118)	-0.243** (0.119)	0.081 (0.184)	0.054	1087
h1	-0.118 (0.126)	-0.325* (0.168)	-0.424*** (0.138)	0.100	1042
h2	-0.327 (0.225)	-0.302 (0.189)	-0.234 (0.207)	0.120	997
h3	-0.573** (0.223)	-0.161 (0.243)	-0.298 (0.286)	0.126	952
h4	-0.632** (0.259)	0.025 (0.340)	-0.276 (0.280)	0.120	907
h5	-0.636** (0.276)	0.253 (0.410)	-0.208 (0.312)	0.148	862

Note: All specifications include country fixed effects and 45 countries. *** p < 0.01, ** p < 0.05, * p < 0.10.

Table A3.4. Fitch Response to Contentious Ministerial Turnover (non-linear local projection)

Horizon	PCT	High Debt	PCT × High Debt	Within R ²	Obs.
h0	-0.095 (0.074)	-0.146* (0.081)	-0.075 (0.243)	0.052	1087

h1	-0.191** (0.094)	-0.231* (0.132)	-0.025 (0.190)	0.087	1042
h2	-0.160 (0.190)	-0.151 (0.181)	-0.099 (0.266)	0.104	997
h3	-0.329* (0.197)	0.063 (0.193)	-0.470 (0.306)	0.126	952
h4	-0.476* (0.250)	0.354 (0.275)	-0.061 (0.245)	0.121	907
h5	-0.143 (0.163)	0.453 (0.341)	-0.475 (0.303)	0.137	862

Note: All specifications include country fixed effects and 45 countries. *** p < 0.01, ** p < 0.05, * p < 0.10.

Table A3.5. S&P Response to Contentious Ministerial Turnover (non-linear local projection)

Horizon	PCT	High Debt	PCT × High Debt	Within R ²	Obs.
h0	-0.002 (0.048)	-0.061 (0.057)	0.077 (0.094)	0.024	1087
h1	0.107 (0.126)	-0.027 (0.091)	-0.226 (0.149)	0.030	1042
h2	-0.064 (0.154)	0.036 (0.117)	-0.176 (0.147)	0.044	997
h3	-0.298* (0.173)	0.140 (0.138)	0.040 (0.171)	0.068	952
h4	-0.197 (0.158)	0.242* (0.136)	-0.093 (0.142)	0.087	907
h5	-0.113 (0.120)	0.351*** (0.135)	-0.079 (0.204)	0.111	862

Note: All specifications include country fixed effects and 45 countries. *** p < 0.01, ** p < 0.05, * p < 0.10.