

**Abstract:**

In most national elections, voters face a key choice between continuity and change. Electoral turnovers occur when the incumbent candidate or party fails to win reelection. To understand how turnovers affect national outcomes, we study the universe of presidential and parliamentary elections held since 1945. We document the prevalence of turnovers over time and we estimate their effects on economic performance, trade, human development, conflict, and democracy. Using a close-elections regression discontinuity design (RDD) across countries, we show that turnovers improve country performance. These effects are not driven by differences in the characteristics of challengers, or by the fact that challengers systematically increase the level of government intervention in the economy. Electing new leaders leads to more policy change, it improves governance, and it reduces perceived corruption, consistent with the expectation that recently elected leaders exert more effort due to stronger reputation concerns.