I examine two questions:
1) which types of institutional shocks to countries’ political institutions are associated with crisis? and
2) do these shocks during crises prolong and deepen already occurring crises?
I use a world-wide sample with data on more than 1000 crises and recessions between 1950 and 2010 and treat all possible changes between democracy and three types of autocracy. The data reveal that institutional shocks tend to be more likely in the year before a crisis onset, the year after a crisis onset and immediately after crises have ended. Estimates suggest that economic crises are primarily induced by regime change towards civilian autocracy from both democracy and military dictatorship while they tend to be prolonged by non-peaceful regime changes from military to civilian dictatorships.