Bureaucratic Nepotism[*]

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Abstract

Nepotism is one of the most chronic pathologies within public administrations around the world and one especially endemic to developing countries. Yet, empirical evidence on the impact of this behavior on the functioning of the state is scarce. In this paper, I present empirical evidence on how family connections within the public administrations could distort the process of hiring, promotion, and compensation of civil servants, and how these strategically respond to the enforcement of anti-nepotism legislation. I also investigate how the presence of nepotistic career paths ultimately relates to the performance of governmental agencies and individual bureaucrats. My analysis focuses on the Colombian public administration and its entire bureaucratic system. I use un-anonymized administrative data on the universe of civil servants and their family members in the first degree of consanguinity. Based on this, I reconstruct bureaucratic family networks and full career paths of public servants. My empirical strategy exploits discontinuities in anti-nepotism legislation and the political turnover of top bureaucrats to evaluate the impact of kinship ties on civil servants' outcomes. As opposed to most of the literature on patronage and political quid-pro-quo exchange, I emphasize the role of kinship networks within the complete hierarchical structure of the state, from top managers to low tier bureaucrats, regardless of the political affiliation of individuals and their inherent jurisdictional power.

Keywords: Nepotism, Bureaucracy, Family Networks, Administrative Capacity.
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