

PATRONAGE IN THE ALLOCATION OF PUBLIC SECTOR JOBS

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ABSTRACT. This paper studies patronage – the use of public sector jobs to reward political supporters of the party in power – in Brazilian local governments. Exploiting longitudinal data on the universe of Brazilian public sector employees over the 1997-2014 period, matched with information on more than 2,000,000 political supporters of Brazilian local parties, we (i) document the presence and extent of patronage in modern public employment, (ii) study its consequences for the quality of the public workforce, and (iii) analyze how it is related to the quality of public goods provision. Estimates from a regression discontinuity design exploiting close municipal elections indicate that being a political supporter of the party in power increases the probability of having a public sector job by 10.5 percentage points (a 47% increase). This favoritism is present throughout all layers of the public sector hierarchy. We show that patronage is the leading explanation behind this result, with public jobs exchanged for political support, and the latter substituting individual quality as hiring criterion: the extent of, and return from, political favoritism are monotonically increasing in the amount of support provided; at the same time, supporters of the party in power are screened less on the basis of education and of skills valued by the private sector. We present evidence inconsistent with alternative interpretations as important drivers of this political favoritism. Finally, in line with this negative impact of patronage on selection to public employment, we show that an increase in the extent of patronage in a municipality is associated with worse local public service delivery.

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