The Causes of Political Dynasties in Democratic Countries^{*}

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Abstract

Political dynasties are present all around the world, even in democratic countries. The mere existence of political dynasties, however, not necessarily reflects imperfections in democratic representation. To assess if the presence of political elites imposes a threat to political representation in democratic societies is important to explore its causes. Do political dynasties arise because some families have certain characteristics that make them more prone to political success? Or, alternatively, is political power self-perpetuating? In this paper I exploit a natural experiment in the Argentine legislature to explore the causes of political dynasties. I find that having a longer tenure in Congress increases the probability of having a relative in a future Congress, thus providing support to the hypothesis of self perpetuation. Additional evidence suggests that the particular channel behind self perpetuation is family name recognition.

Keywords: political power; self-perpetuation; elites; legislators.

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1. Introduction

Political dynasties are present all around the world, even in democratic countries. The Kennedys and the Bushes in the US, the Venizelos and the Mitsotakis families in Greece, the Kirchners and the Rodríguez Saás in Argentina, the Allendes in Chile, the López family in Colombia, the Arosamenas in Ecuador, the Batlles in Uruguay, the Nehru-Gandhi family in India, the Bhutos in Pakistan, and the Bongo Odimba family in Gabon, are just a few examples.

The mere existence of political dynasties, however, not necessarily reflects imperfections in democratic representation¹ For instance, the presence of political dynasties may be reflecting the optimal response of voters to the fact that certain families have special talents for political activities.

It is important, then, to explore the causes of the existence of political dynasties in order to assess if the presence of political elites may impose a threat to political representation. The question is then: which are the causes of the existence of political dynasties in democratic countries? Do some families have certain characteristics that make them more prone to political success? Or, alternatively, is political power self-perpetuating, in the sense that holding political power for a longer period of time increases the probability that other family members would hold political power in the future?

A first contribution of this paper is to test the hypothesis of self perpetuation using a neat natural experiment that allows a causal interpretation of the findings. To test the hypothesis of self perpetuation I need to study whether there is a causal relationship between tenure length and posterior dynastic success. This is a difficult task as tenure

¹ The need of guaranteeing political competition by banning political dynasties is addressed explicitly in the Constitution of the Republic of the Philippines, which in its Article 2 states that "The State shall guarantee equal access to opportunities for public service, and prohibit political dynasties as may be defined by law."

length is potentially endogenous in a model of political dynasties. To overcome this identification problem I exploit a natural experiment in Argentina that provides a source of exogenous variation for tenure length. With the return to democracy after seven years of dictatorship and the formation of the Congress of 1983, the duration of elected legislators' terms was randomly allocated. I exploit this exogenous variation for the duration of legislators' terms as an instrument for tenure length. I find that having a longer tenure in Congress increases the probability of having a relative in a future Congress, thus providing support to the hypothesis of self perpetuation.

This result is not novel. A previous paper by Dal Bó, Dal Bó, and Snyder (2009) shows that having a longer tenure in the US Congress increases significantly the probability of establishing a political dynasty. The institutional setting faced by legislators in the US and Argentina, however, is quite different. For instance, representatives in Argentina are elected through a closed party list at the provincial level, and not through a uninominal race at the level of a smaller legislative district, as in the US. The similarity between the results found for the US and the ones reported here for Argentina suggests that self perpetuation of political elites is a phenomenon that arises under different institutional environments.

A second contribution of the paper is to explore the various channels through which political power is transmitted. For example, i could be that a longer tenure allows a legislator to accumulate an asset in terms of name recognition, or that a longer tenure may induce a vocation in other family members. I find evidence that the particular channel behind self perpetuation is family name recognition.

The rest of the paper is as follows. Section 2 discusses the related literature. Section 3 describes the natural experiment and presents the data. Section 4 reports the econometric model and the results. Section 5 concludes.

2. Related literature

Even though there is an important body of literature documenting the presence of political dynasties all around the world (see, for example, Imaz 1964; Camp 1982; Hess 1997), there is no much evidence on the causes behind the arising of these political dynasties. An exception is the work by Dal Bó, Dal Bó, and Snyder (2009), who use two different instrumental variables strategies in order to establish a causal link between tenure length and the probability of establishing or continuing a political dynasty. In a first approach they instrument for whether a legislator's first reelection attempt is successful using the reelection rate of fellow party Representatives in the same state and year. Identification in this first approach relies on the assumption that an electoral shock affects the probability of having a relative in a future Congress only through its impact on the predecessor's election to another term. In a second approach they use a regression discontinuity design that relies on the outcome of close elections as an instrument for tenure length. The regression discontinuity approach identifies a causal effect under the assumption that winners and losers of close elections have similar (observable and unobservable) characteristics. Identification would be jeopardized if, for example, winning a close election depends on personal characteristics that are also correlated with having future relatives in Congress. Under any of the two approaches they identify a local treatment effect for those legislators that attempt to be reelected.

More generally, my work is also related to the literatures on persistence of political elites (Mosca 1939; Michels 1911; Acemoglu and Robinson 2008) and on legislative careers (Scarrow 1998; Diermeier, Keane, and Merlo 2005; Padró I Miquel and Snyder 2006; Mattozzi and Merlo 2008).

3. Natural experiment and data

Argentina is a federal republic consisting of twenty four legislative districts: twenty three provinces and an autonomous federal district. The National Congress has two chambers, the Chamber of Deputies (i.e., the House) and the Senate. At the time of the return to democracy after seven-year of dictatorship, on December 10 of 1983, all 254 deputies and 46 senators were elected at the same time.

In Argentina deputies have four-year terms and the Constitution requires the renewal of half the chamber every two years. In order to get the staggered renewal mechanism going it was necessary to allocate half of the representatives elected in 1983 to two-year terms. The allocation of two- and four-year terms in this foundational Congress was done through a well documented random assignment. Analogously, at that time Senators had nine-year terms, and the Constitution required the renewal of a third of the chamber every three years.² Thus, it was necessary to allocate one third of the senators elected in 1983 to three-year terms and one third to six-year terms. Again, the allocation of terms was done through random assignment.

In order to assign terms, the 254 House representatives were first divided into two groups of 127 representatives each. The allocation of individual legislators into the two groups was done at the level of the party-province delegation, which implies that all province districts and political parties were, whenever possible, proportionally represented in each group. The procedure for the random allocation of terms, set by the *Comisión de Labor Parlamentaria* (the equivalent of the Rules committee in the US) involved dividing the representatives in two groups of equal size. Each party-province delegation apportioned an equal number of its members to each group. In the case that a party had an odd number of representatives from one province the imbalance was

 $^{^{2}}$ As a result of a constitutional reform in 1994, now Senators have six-year terms and the Constitution requires the renewal of a third of the chamber every two years.

corrected with the analogous surplus from another province where the party also had an odd number of representatives. During a public legislative session in January 1984, the *Secretario Parlamentario* jointly with a representative from each party performed the lottery draw. The experiment in the Senate is simpler. At that time each province had two senators, and each province delegation to the senate was randomly assigned a three-, six-, or nine-year term.

Database

The database has information for all legislators that entered the Congress of 1983, either in the House or in the Senate. Political power is measured by *Total Tenure*, a variable recording the total number of years the legislator served in Congress (either in the House or in the Senate). As instruments for tenure length I use a set of dummies for the output of the random assignment: *Four-Year Term*, *Six-Year Term*, and *Nine-Year Term*, which are indicator variables that take the value of one for those legislators which were randomly assigned to an initial four-year, six-year, or nine-year mandate, and zero otherwise.

To characterize political dynasties I create a dummy variable, *Post-Relatives*, that takes the value of one if the legislator has a relative entering Congress after him or her, and zero otherwise. Approximately ten percent of legislators have relatives entering future congresses.

The database includes six objective measures of individual legislative performance for House representatives in the period December 1983 to December 1985 (floor attendance, committee attendance, number of committee bills in which the legislator participated, number of times the legislator spoke on the floor, the number of bills introduced by the legislator, and the number of those bills that were approved) and three measures of legislative performance for Senators in the period December 1983 to December 1986 (floor attendance, the number of bills introduced, and the number of those bills that were also approved). Using these measures of legislative performance, I follow the procedure used in Kling, Liebman, and Katz (2007) to construct an index of performance at the legislator level.

The database also includes information on the age (as of November 1983) and gender (a dummy variable that takes the value of one for males) of legislators, and a set of dummy variables for political party and province district. Summary statistics are reported in Table 1.

Although the duration of terms was randomly assigned, it is useful to examine whether, *ex post*, legislators' characteristics are balanced between the different groups. Table 2 examines this by reporting the results of a regression of the probability of being randomized into the four-, six-, and nine-year term groups on the set of individual characteristics. As expected given randomization, in all cases the pre-treatment characteristics are not jointly significant predictors of eligibility status (only *Age* is individually significant at the ten percent level in the model for *Nine-Year Term*), thus suggesting that the randomization was successful in ensuring orthogonality between covariates and treatment assignment.³ In addition, the main results in the paper do not change substantially if the set of individual characteristics are included as controls.

4. Econometric model and results

I estimate the following regression model for the probability of having relatives in Congress in the future:

$$Post - Relatives_i = \mathbf{a} + \mathbf{g} Total Tenure_i + \mathbf{b} X_i + \mathbf{e}_i \quad (1)$$

where g is the parameter of interest, X_i is a matrix of legislators' characteristics, and e_i is the error term.

³ Similar conclusions are obtained if a probit model is used instead of OLS.

As discussed above, *Total Tenure* may be endogenous in a model of political dynasties due to unobserved family characteristics, thus potentially biasing Ordinary Least Squares (OLS) estimates. To address this problem I report Two Stage Least Squares (2SLS) using the randomly allocated term variables as instruments for *Total Tenure*. Table 3 reports the estimated coefficients for the first stage regression, which also includes an indicator variable for whether the legislator entered the Congress of 1983 in the House or in the Senate. The explanatory variables of the first stage regression are jointly significant, and the value of the F-statistic suggests that the instruments are strong. Column (2) shows that the first-stage results are robust to computing the total number of years in Congress since 1983 (excluding from the computation of *Total Tenure* all participation in Congress before the random allocation of terms).

The main results are presented in Table 4. In column (1) I report OLS estimates of equation (1) without controls. *Total Tenure* has a positive and significant coefficient suggesting a positive correlation between total tenure in Congress and the probability of having relatives entering the Congress later. Results from the OLS specification provide evidence that is consistent with the hypothesis of self perpetuation. The fact that legislators with longer tenures are more likely to have relatives in future congresses, however, could arise due to unobserved family characteristics. To address this endogeneity concern, in column (2) I report 2SLS estimates of equation (1). Again, instrumental variable estimates indicate that being in Congress for a longer tenure has a positive and significant impact on the probability of having a relative in future congresses: an extra year of tenure increases 1.6 percentage points the probability of having a posterior relative in office.⁴

⁴ In the 2SLS model I cannot reject the hypothesis of exogeneity of the extra instruments according to a test of over-identifying restrictions.

In order to test the hypothesis that tenure length is exogenous in the model of political dynasties I perform a Hausman test and I cannot reject the hypothesis of exogeneity of tenure length (p-value equal to 0.84), thus suggesting that OLS is the correct (more efficient) specification. The finding that OLS estimates are consistent is encouraging from the possibility of replicating the exercise in other settings where a natural experiment is not available.

Columns (3) to (5) show that the main conclusions remain unchanged when I compute the total number of years in Congress since 1983,⁵ and when I use an alternative probit specification.

Given random assignment of treatment, including legislators' characteristics as controls in the regression model is not necessary for consistency but it may reduce standard errors. Column (6) in Table 4 reports estimates including the set of legislators' characteristics as controls. In this specification all the included controls are individually and jointly not significant. *Total Tenure* has a positive and significant coefficient, and its value is similar to the one obtained in the models without controls. As shown in column (7), similar results are obtained when I include the set of province dummies as additional controls.⁶

As documented in Dal Bó and Rossi (2008), longer terms are associated with higher performance. A potential concern then would arise if legislators awarded with longer terms in the foundational Congress of 1983 ended up having more relatives entering the legislature in the future because of the higher performance induced by the longer terms rather than by the extra number of years they stayed in Congress. In column (8) I show that results remain unchanged when controlling for political performance. Interestingly,

⁵ Again, the hypothesis of exogeneity of *Total Tenure* cannot be rejected according to a Hausman test.

⁶ Conclusions remain unchanged if I control for entering Congress in the House or in the Senate. All results mentioned but not shown are available from the author upon request.

legislative performance is not a significant predictor of success in transferring political power to other family members.⁷

Finally, I constructed a dummy variable that takes the value of one if the legislator has a relative that entered Congress before him or her, and zero otherwise. Given the lack of appropriate historic information on the legislature prior to the return to the democracy in 1983, this variable is likely to have an important measurement error (I was able to document seven percent of legislators with previous relatives in Congress). Taken this caveat into account, the main results (not shown) do not change significantly when I control for having previous relatives in Congress.⁸ In particular, *Total Tenure* remains positive and significant. In this specification, having previous relatives in office is an important predictor of the probability of having relatives entering a future Congress, a result that is in line with previous evidence from the US.

Overall, the results indicate that having a longer tenure in Congress increases the probability of having a relative in future congresses thus providing evidence in favor of the hypothesis of self perpetuation of political power. The point estimates of *Total Tenure* indicate that five additional years in office (the average term for current Argentine legislators) increases the probability of having a relative in future congresses by approximately eight percentage points. These results are similar to the ones presented in Dal Bó, Dal Bó, and Snyder (2009) for the US, who estimate that staying in office for more than one term doubles the probability that a legislator will have a relative entering Congress in the future.

Various alternative channels may explain the finding of self perpetuation of political power. For example, it could be that a longer tenure allows a legislator to accumulate an asset in terms of name recognition, or that longer tenure induces a vocation in other

⁷ All the additional controls are also individually and jointly not significant in a 2SLS specification.

⁸ The dummy variable *Pre-Relatives* (takes the value of one if the legislator has a relative entering Congress after him or her) is orthogonal to treatment assignment.

family members. In order to explore the various alternative channels through which political power is transmitted I follow three strategies.

First, I create two variables that capture whether the post-relative has exactly the same surname of the legislator that precede her: *Post-Relatives Same Surname* (81 percent of dynastic legislators) and *Post-Relatives Different Surname* (19 percent of dynastic legislators). As shown in column (1) and (2) in Table 5, a longer tenure in office increases the probability of having a future relative with the same surname, and has little or no impact on the probability of having a relative without the same surname. This is the expected result if family name recognition were the main channel by which political power is transmitted.

Second, if the channel behind self perpetuation is family name recognition, then one will expect this channel to be less important for those legislators with a common surname. To test this implication I construct a dummy variable, *Common Surname*, that takes the value of one for those legislators with a surname that is among the ten most frequent surnames in Argentina and zero otherwise (five percent of the sample). As reported in column (3) of Table 5 the interaction between *Total Tenure* and *Common Surname* is negative and significant, and its absolute value is similar to the coefficient of *Total Tenure*. This indicates that the advantages of holding a longer tenure in terms of the probability of establishing a political dynasty disappear for politicians with a common surname. This result is robust to alternative definitions of common surnames (such as being among the five or twenty most frequent surnames in Argentina).

Finally, I exploit the fact that married women in Argentina can decide whether to use their husband surname for political activities. If family name recognition were important we would expect women that are married to recognized politicians to be more likely to use their husband surnames. Besides, we would expect women that have

11

themselves a recognized surname to be less likely to use their husband surname in their political activities. To test this implication I constructed a dataset for women that entered the legislature since 1983.⁹ This new database has information on whether the legislator is married (*Married*, 83 percent of women in the database are married), whether the legislator uses or not her husband surname (*Husband Surname*, 26 percent of married legislators use her husband surname), whether the legislator surname is a recognized surname in Argentine politics (*Own Recognized Surname*, 14 percent has a recognized surname), and whether the legislator's husband has a recognized surname in Argentine politics (*Husband Recognized Surname*, 16 percent has a husband with a recognized surname). Then I run a model of the probability that a married legislator will use her husband surname on *Husband Recognized Surname* and *Own Recognized Surname*. As shown in column (4) of Table 5, *Husband Recognized Surname* has a positive coefficient and *Own Recognized Surname* has a negative coefficient, as expected according to the family-name-recognition hypothesis.

Overall, all the evidence is consistent with the hypothesis that the particular channel behind self perpetuation of political power is family name recognition.

5. Conclusions

Using the random allocation of the duration of terms in the foundational Congress of 1983 in Argentina as an instrument for tenure length, I find evidence of a causal positive relationship between legislators' tenure length and the probability of establishing a political dynasty in Congress.

Conditional on the validity of the instruments, I find no evidence that tenure length is endogenous in the model for political dynasties. The finding that OLS estimates are consistent is encouraging from the perspective of replicating the exercise in other settings

⁹ I was able to find information for 72 percent of women that entered Congress since 1983.

where a natural experiment is not available. This should simplify the possibility of exploring the causes of dynasties in political bodies operating under different electoral rules, and in different points in time and space. Indeed, in the context of the existing literature this paper makes a step towards this direction. The point estimates reported in the results section indicate that five additional years in office (the average term for Argentine legislators) increases the probability of having a relative in future congresses by approximately eight percentage points. This figure is similar to the one previously reported for the US, a result that suggests that self perpetuation of political elites is a general phenomenon that arises in different institutional contexts.

I also explore the possible channels behind self perpetuation of political power, and I find evidence that the particular channel behind self perpetuation is family name recognition.

The evidence presented here suggests that exogenous shocks to political power (as the one provided by the random allocation of terms in the foundational Congress of 1983 in Argentina) can have long lasting effects in terms of the composition of the future political class.

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14	Table 1. Summary statistics					
	Mean	Standard deviation				
Total Tenure	5.590	4.307				
Post-Relatives	0.103	0.305				
Four-Year Term	0.423	0.495				
Six-Year Term	0.053	0.225				
Nine-Year Term	0.050	0.218				
Deputy	0.847	0.361				
Age	51.630	10.850				
Male	0.953	0.211				
Performance	0.114	0.579				

Table 1. Summary statistics

Note: The total number of observations is 300, corresponding to 254 deputies and 46 senators.

	Four-Year Term	Six-Year Term	Nine-Year Term
	(1)	(2)	(3)
Age	-0.002	-0.019	0.028*
_	(0.003)	(0.015)	(0.014)
Male	-0.167	-0.259	-0.446
	(0.175)	(0.499)	(0.462)
Constant	0.679	1.419	-0.817
	(0.364)	(1.384)	(1.281)
p-value for the F-Statistic	0.99	0.99	0.95
District dummies	Yes	Yes	Yes
Political party dummies	Yes	Yes	Yes
Observations	254	46	46
Method	OLS	OLS	OLS

Table 2. Relationship between term assignment and pre-treatment characteristics

Note: Robust s tandard errors are in parentheses. *Significant at the 10% level.

	8		
	Dependent variable: Total Tenure		
	(1)	(2)	
Four-Year Term	1.425***	1.370***	
	(0.482)	(0.450)	
Six-Year Term	4.029***	2.879**	
	(1.381)	(1.288)	
Nine-Year Term	2.467*	1.933	
	(1.403)	(1.309)	
Deputy	-3.407***	-2.957***	
	(1.049)	(0.979)	
Constant	7.533***	6.933***	
	(0.992)	(0.926)	
F-Statistic	20.18	15.15	
Observations	300	300	

 Table 3. First stage

Note: Robust standard errors are in parentheses. Column (2) shows first-stage results computing the total number of years in Congress since 1983. *Significant at the 10% level. **Significant at the 5% level. ***Significant at the 1% level.

		1 abic 4. 1	otal tenure and	i posterior rei	atives in office			
	Dependent variable: Post-Relatives							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total Tenure	0.018***	0.016*	0.019***	0.020*	0.012***	0.017***	0.017***	0.017***
	(0.006)	(0.010)	(0.006)	(0.012)	(0.003)	(0.006)	(0.006)	(0.006)
Age						0.002	0.001	0.001
						(0.002)	(0.002)	(0.002)
Male						-0.012	-0.030	-0.030
						(0.083)	(0.081)	(0.082)
Performance								0.003
								(0.039)
Constant	0.004	0.012	0.006	-0.003		-0.085	-0.093	-0.091
	(0.032)	(0.055)	(0.032)	(0.063)		(0.143)	(0.130)	(0.133)
Political party dummies	No	No	No	No	No	Yes	Yes	Yes
District dummies	No	No	No	No	No	No	Yes	Yes
Observations	300	300	300	300	300	300	300	300
Method	OLS	2SLS	OLS	2SLS	Probit	OLS	OLS	OLS

Table 4. Total tenure and posterior relatives in office

Notes: Robust standard errors are in parentheses. Columns (3) and (4) show results computing the total number of years in Congress since 1983. The coefficients on *Total Tenure* in the probit model in column (5) correspond to the marginal effects at the mean of the independent variable. In 2SLS models the instruments for *Total Tenure* are *Four-Year Term*, *Six-Year Term*, *Nine-Year Term*, and *Deputy*. In all 2SLS models I cannot reject the hypothesis of exogeneity of the extra instruments according to a test of over-identifying restrictions (p-values equal to 0.66 in the model in column (2) and equal to 0.68 in the model in column (4)). *Significant at the 10% level.

Table 5. Chamles	benniu the sen	per peruation of	pontical power	
	Post-Relatives	Post-Relatives	Post-Relatives	Husband
	Same Surname	Different Surname		Surname
	(1)	(2)	(3)	(4)
Total Tenure	0.014**	0.004	0.018***	
	(0.006)	(0.003)	(0.006)	
Common Surname			-0.006	
			(0.034)	
Total Tenure*Common Surname			-0.018***	
			(0.006)	
Husband Recognized Surname				0.341***
				(0.095)
Own Recognized Surname				-0.090
				(0.080)
Constant	0.007	-0.004	0.006	0.213***
	(0.030)	(0.015)	(0.034)	(0.035)
Observations	300	300	300	192
Method	OLS	OLS	OLS	OLS

Table 5. Channels behind the self perpetuation of political power

Notes: Robust standard errors are in parentheses. *Common Surname* is a dummy variable that takes the value of one for those legislators with a surname that is among the ten most frequent surnames in Argentina and zero otherwise. *Husband Surname* is a dummy variable that takes the value of one for women married legislators that use their husband surname in their political activities. **Significant at the 5% level. ***Significant at the 1% level.