

The Political Connections of Mid-Level Bureaucrats in Russia: Impacts on Organizational Performance

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ЕВРОПЕЙСКИЙ

Why is this interesting?

- The Russian case has been under scholarly enquiry in relation to clientelism and related practices for quite some time. Researchers have paid special attention to studying how economic elites interact with authorities (Grigoriev & Zhirkov, 2020; Lamberova & Sonin, 2018; Sharafutdinova, 2010; Sharafutdinova & Kisunko, 2014; Yakovlev & Ivanov, 2021).
- However, studies that explore political connections generally concentrate on upper echelons of power, while lower levels remain under-studied. I suggest examining university leaders (rectors) and heads of cultural organizations as mid-level bureaucrats. Given the highly politicized nature of every public sphere in Russia, it is expected that a substantial number of these bureaucrats will possess political capital.
- While literature highlights that political connections might have an influence on organizational performance, it remains unclear whether the political connections of mid-level bureaucrats are of importance.

Research Question

What are the effects of political connections of mid-level bureaucrats on organizational performance?

Theoretical Framework

- Political connections as a constituent part of clientelism. Operationalization of political connections.
- Research on how do political connections affect organizational performance (Lamberova & Sonin, 2018; Hillman & Wan, 2005; Du & Girma, 2010; Tihanyi et al., 2019; Robinson, 2007; Bertrand et al., 2018; La Rocca et al., 2022).
- Why can rectors and heads of cultural organizations be classified as mid-level bureaucrats?

Operationalization of Political Connections

Operationalized as direct institutionalized affiliations with state institutions, political parties, government bodies, state-owned corporations, NGOs, and other entities, these connections play a pivotal role in sustaining clientelist networks (Cull et al., 2015; Fisman, 2001; Goldman et al., 2009; Hillman & Wan, 2005). That is, a bureaucrat is considered to be politically connected if s/he has/had party membership, has run for public office, holds/held public office (regional, federal levels), is/was a higher-standing employee of large state-owned corporations and organizations.

Hypotheses

- **1** (Meritocracy Hypothesis): Appointment of a politically connected leader improves organizational performance.
- **2** (Loyalty Hypothesis): Appointment of a politically connected leader leads to a deterioration in organizational performance.

- official websites;
- open source webpages;
- Monitoring of Effectiveness of Russian HEIs;

Variables [1]

Outcomes of interest:

- teaching performance (student entry exam score);
- faculty salary (the ratio of faculty salary to average value in the regional economy);
- research performance (two variables: 1) the number of citations to publications published within the last 5 years, indexed in the Russian Science Citation Index (RSCI), per 100 faculty members; 2) research & development (the total amount of funds received from R&D per faculty number));
- international communications (the proportion of foreign students in the total number of students)

Variables [2]

Key independent and controls:

Political connections (binary) serves as a key independent variable. Appointment of a politically connected rector serves as treatment.

Controlling for:

- regional living wage (in rubles);
- university size (number of employees);
- university's special status (whether the university is a participant in an excellence program and/or holds the status of a national research university (NRU));
- university's academic track (e.g., classical, medical, humanities, etc.)

Methods

- a panel regression analysis (random effects);
- matching

Package used for estimation of matching: PanelMatch in R

Key Insights

551 public universities and 872 rectors in the sample.

A total of 497 rectors (57%) have been identified as those who have political connections.

73.5% of all universities (405 out of 551) have (or had) a rector with such connections.

Term length on average equals 9.2 years (two terms in a row).

Picture 1: Panel Regression

Table 1. Panel regression results: influence of treatment on university performance indicators

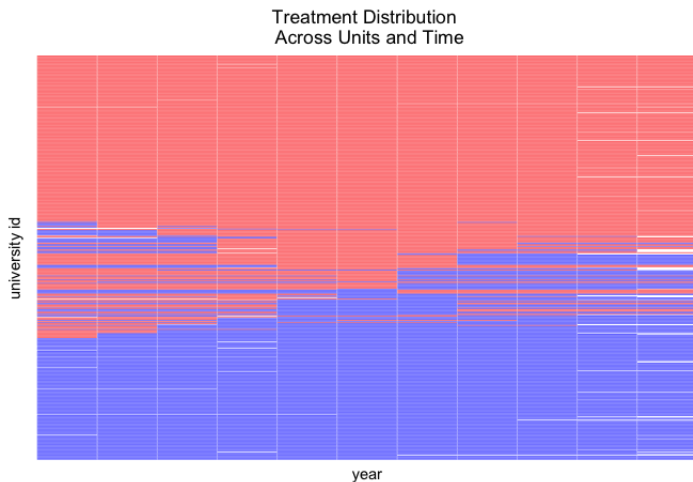
	(1)	(2)	(3)	(4)	(5)
VARIABLES	teaching	faculty salary	international c.	R&D	citations
TREATMENT	-0.0252	-1.544	0.117**	1.704	15.22
	(0.0700)	(1.037)	(0.0582)	(5.409)	(29.99)
rlw	-6.00e-05***	-0.00358***	-6.38e-05***	0.00553***	-0.00329
	(1.20e-05)	(0.000201)	(9.34e-06)	(0.00132)	(0.00562)
n_staff_mon	-2.73e-06	0.00225***	4.54e-05***	-0.000480	0.00531
	(1.47e-05)	(0.000732)	(1.33e-05)	(0.00194)	(0.00657)
special_status	0.268**	1.686	0.215**	80.99***	-7.229
	(0.108)	(2.518)	(0.0997)	(16.23)	(28.64)
Constant	0.908***	60.08***	1.117***	-29.86*	433.4***
	(0.153)	(2.436)	(0.135)	(15.53)	(93.72)
Observations	4,639	4,214	4,615	4,569	4,482
Number of universities	486	487	486	483	487

Robust standard errors in parentheses

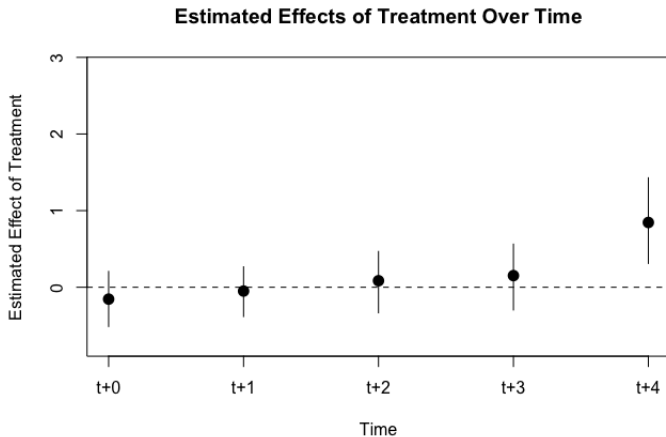
*** p<0.01, ** p<0.05, * p<0.1

Note: Random effects model, university track variable is not reported.

Picture 2: Treatment Distribution



Picture 3: ATE estimation for International Communications



Preliminary Results

- Correlation is rather weak.
- Matching analysis does not reveal a consistently robust relationship between treatment and the outcomes of interest.

How to measure merit?

Use other methods to try to assess casual relationship?