

Meritocracy in Bureaucracy? Evidence from Pakistan*

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Job Market Paper

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Abstract

This paper presents novel evidence on the meritocratic nature of discretionary promotions in bureaucracies. This is explored in a newly digitised civil servant-month panel data-set (1983-2013) which combines personnel records of PAS civil servants in Punjab, Pakistan. The paper uses two key measures of merit (1) recruitment exam scores that are publicly observable (2) historical tax collection records that are only observed by a worker's colleagues at first job assignment as a new recruit. The data can be used to link the future promotions of junior bureaucrats to increases in discretion or seniority of their colleagues in their first job assignment. It can then test whether these promotions are meritocratic. The paper finds that, in the long run, junior bureaucrats of greater (lesser) merit are more (less) likely to be promoted as a function of the seniority of their colleagues. This also holds when the measure of merit is the private information of the initial colleagues. The paper also investigates a channel behind the results based on discretion in choice of team formation finding evidence that as initial colleagues become senior they are more likely to pull high merit bureaucrats into their own team. These results are in line with a small yet growing body of evidence on the value of autonomy and discretion in public sector bureaucracies.

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