

The Returns to Office in a “Rubber Stamp” Parliament

RORY TRUEX *Yale University*

Are there returns to office in an authoritarian parliament? A new dataset shows that over 500 deputies to China's National People's Congress are CEOs of various companies. Entropy balancing is used to construct a weighted portfolio of Chinese companies that matches companies with NPC representation on relevant financial characteristics prior to the 11th Congress (2008–2012). The weighted fixed effect analysis suggests that a seat in the NPC is worth an additional 1.5 percentage points in returns and a 3 to 4 percentage point boost in operating profit margin in a given year. Additional evidence reveals that these rents stem primarily from the “reputation boost” of the position, and not necessarily formal policy influence. These findings confirm the assumptions of several prominent theories of authoritarian politics but suggest the need to further probe the nature of these institutions.