

## **ABSTRACT**

*This thesis, titled “**Analisis Faktor Nepotisme Menggunakan Z-Tree**”, is written to increase the awareness about nepotism and its agents. This thesis tries to answer what variables affect nepotism. The independent variables used are trust, favoritism, economic incentive (return to nepotism), monetary punishment, risk aversion, and gender. In relation to the methods, this thesis also aims to be one of the theses that accelerate and augment the use of the experiment method in economic circles of Indonesia.*

*This thesis uses the experiment method, a rarely used method in Indonesian economic studies. The experiment method was first used in 1948, but sometimes it is still regarded as a niche, even internationally, compared to other conventional methods. The type of method used here is a laboratory experiment, with a sample of 40 students. The tool utilized is Z-Tree, with which a play on the dictator game is programmed for the students. After having been run for 2 weeks, the results are analyzed using logistic regression in STATA.*

*The research results show that favoritism and return to investment has more influence to the probability of nepotism than trust. It means that nepotism is more innate than expected from the hypothesis. As a prevention to nepotism, punishment is effective. This research can set a groundwork for future works on the topic of nepotism.*

*Keywords: Nepotism, Favoritism, Trust, Punishment, RTI.*