Social Norms Regarding Bribing in India:
An Experimental Analysis

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Abstract

We conduct incentive-compatible economic experiments to measure norms regarding social appropriateness of bribes in India. We adopt a stylized real world situation (obtaining a driver's license) in which the possibility to engage in unethical behavior is common. Using coordination game technique to elicit social norms, we measure social appropriateness of engaging in this type of unethical behavior. We find that the social appropriateness ratings of bribing vary with the bribe amount. For smaller bribes, there is a lack of coordination on the modal social appropriateness rating, whereas larger bribes are considered inappropriate by the majority of participants. We also vary the information regarding common behaviors at the driver's license testing facility by letting participants know in some treatments that bribe-taking by public officials is prevalent. When bribe-giving and bribe-taking are framed as widespread behaviors, participants perceive bribes to be less socially inappropriate.

JEL Codes: C91, D80, J10

1. Introduction

Corruption is endemic in many developing countries and is often perpetuated by existing social norms (Fisman and Miguel 2007, 1020; Truex 2010, 1133). Economic literature identifies norms as a set of normative prescriptions for behavior that characterizes how members of the group ought to behave in a particular situation (Krupka and Weber 2013, 495). In this study, we use a novel technique developed by experimental economists to measure social norms regarding bribing to obtain a driver's license in India. Our method provides an

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incentive-compatible mechanism to elicit social norms, taking into account this specific *context* in which bribe-giving and bribe-taking is commonly used. We examine whether social norms differ depending on the size of the bribe, initiator of the bribe request or offer, and salience of bribery in the population.

Dysfunctional institutions, red tape, lack of transparent rules and laws, weak legal systems and law enforcement, and poor leadership provide fertile ground for nurturing corruption (Tanzi 1998, 559). When institutions repeatedly fail to enforce punishment against corruption, the legal, social and moral costs of engaging in corrupt activities are weakened and corruption might become a social norm. Economic agents who adhere to social norms derive their utility from realized outcomes as well as from norm compliance (Chang et al. 2016, 2). Economic incentives that affect outcomes such as increased monitoring, punishment, and higher wages might not be sufficient to curb corruption if they do not simultaneously affect existing social norms.

As with any illicit behavior, there are many empirical challenges in measuring both corrupt behavior itself and prevailing norms about such behavior. In this paper, we focus on measuring social norms about a specific type of petty corruption behavior: bribes at a driver's license testing facility. Bertrand et al. (2007, 1639) use administrative data and a field experiment to document that corrupt behavior in this context is rampant and leads not only to reallocation of surplus between bureaucrats and citizens, but also to socially undesirable outcomes such as unqualified drivers with driving privileges. We base our experimental design on an innovative approach to measure social norms developed by Krupka and Weber (2013, 495), which overcomes the concern about the lack of truth-telling by respondents in a sensitive situation.

The advantage of this measurement technique is that participants do not report judgments about what they themselves would do in a particular circumstance but what others would consider most appropriate. This takes away concerns about biased measurement associated with self-image enhancement distortions in reporting. Furthermore, as is common in experimental economics, participants are incentivized to truthfully report their beliefs, in the case of norms about common behaviors of others in specific contexts described using stylized vignettes. Effectively, participants play coordination games (Schelling 1960, 3) with multiple equilibria in which equilibrium selection reflects the joint consensus of beliefs regarding social norms. Game theorists and experimental economists have argued that a similar culture can create focal points which help with equilibrium selection (Schelling 1960, 3; Mehta et al. 1994, 658; Sugden 1995, 533). Prevailing social norms can act as such focal points. If there is a joint agreement on the social acceptability of some actions, respondents will rely on such shared beliefs to match their responses to responses of others. In order to generate truthful responses, participants are paid for coordinating with other participants on the modal rating of social appropriateness. Participants are presented with descriptions of different hypothetical situations

and the sets of actions available in those situations. Participants are then asked to rate the social appropriateness of each action on a Likert scale and are paid based on the degree to which their responses match with responses of other participants. We use this method to elicit the social norms regarding both bribe-giving and bribe-taking when obtaining a driver's license. Our approach highlights another advantage in using this methodology when applied to research in contextual economics. Our vignettes are hypothetical situations which reflect a particular context of interest to researchers. Our norm elicitation procedure creates incentives for participants to carefully consider these situations and report their beliefs about common prescriptive norms about behavior in those situations which are shared by others in their social group.

Consequently, our norm elicitation methodology can be applied in a variety of contexts and with different subject pools. In this study, we recruit participants in India, a developing country where corruption is quite high and multifaceted including red-tape, nepotism, embezzlement, and bribing. According to the corruption perception index, produced by Transparency International, India ranked 76 among 168 countries in 2015. Indian politicians attempt to confront corruption legacy both by more severe enforcement, such as a new anti-corruption unit; technology which enables citizens to report corrupt acts anonymously; and public speeches in which government officials attempt to shift existing social norms about corruption to make it more socially inappropriate. For example, on the eve of Independence Day in 2015, the Prime Minister of India, Narendra Modi, expressed his concerns regarding corruption in his speech addressed to the entire nation and emphasized that India needs to fight against corruption. He stressed, "I want to reaffirm that this nation will get rid of corruption, we have to start from the top," adding, "Corruption is like a termite, it spreads slowly, reaches everywhere but it can be beaten with timely injections" (The Economic Times, August 15, 2015). While such public campaigns against corruption might make unethical behavior more socially inappropriate, websites that promote anonymous reporting could help by making the officials who accept bribes more restrained, or have an unintended consequence of making corruption more acceptable by demonstrating its prevalence.

Our first research question is whether social appropriateness of bribing varies with bribe amounts. Mazar and Ariely (2006, 117) find that people often do not cheat to the full extent due to internal reward mechanisms favoring honesty. Also, while engaging in unethical behavior people care not only about their own benefits but are also sensitive to the losses of others (Gneezy 2005, 384; Lundquist et al. 2009, 81). Therefore it is plausible that some individuals are comfortable bribing or asking for smaller bribes, but more participants would find larger bribes unacceptable. Therefore we expect to see lack of coordination on a particular social norm for smaller bribe amounts. However, for large bribe amounts there are fewer opportunities for moral wiggle room, making them more likely to be considered inappropriate. We also investigate whether social

appropriateness of bribing varies with contextual situations depending on whether bribes are initiated by officials or private citizens. Often in these contexts, individuals respond to exploitation and public officers respond to temptation. These external situational factors can influence what is considered socially appropriate. Miller et al. (2006, 371) find that both citizens and officials condemn the use of bribes. However, they find that people do bribe if needed and officials do accept bribes if such an opportunity arises.

In our second research question, we study whether norms regarding bribe-giving and bribe-taking vary when prevalence of corruption is made salient through framing in task instructions. In real life, such salience might arise either from a long history of corruption or from introduction of reporting technology and exposure on social media.[1] We hypothesize that measured social appropriateness of bribing increases when prevalence of corruption is made salient. Research shows that there is a strong influence of social norms on an individual's propensity to engage in dishonest behavior (Gino et al. 2009, 393; Fisman and Miguel 2007, 1020; Tirole 1996, 1; Andvig and Moene 1990, 63). As the perceived levels of corruption in a country increase, corruption is justified since citizens feel less guilty when engaging in a corrupt activity. There is less embarrassment in being caught and it reduces the personal cost of engaging in unethical behavior.

Our study is the first to measure social norms regarding bribe-taking and bribe-giving in India for a particular type of unethical behavior using an incentive-compatible laboratory experiment. In line with our hypotheses, we find that the modal responses of the social appropriateness ratings vary positively with bribe amounts. Participants coordinate less on the social appropriateness rating for small bribe amounts, whereas most subjects consider larger bribes inappropriate. These results suggest that fighting petty corruption might be more difficult without first creating an understood norm of intolerance. We also find that it is socially more inappropriate to ask for bribes than agreeing to pay them. This suggests that norms vary with situations. The social appropriateness ratings of bribe-giving and bribe-taking are higher when information regarding prevalence of bribes is provided. This result suggests that social norms are malleable to framing and there is room for tackling corruption by influencing existing social norms directly. Economic incentives coupled with large scale intensive public education campaigns might be more effective in this context in changing the norms in a society and consequently curtailing corruption (Hauk and Marti 2002, 311).

This article is structured as follows. Section 2 discusses the related literature. Section 3 describes the experimental design and participant pool. In Section 4

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[1] See, for example, an anonymous reporting website called http://www.ipaidabribe.com.

we present our empirical analysis and results. Section 5 considers limitations of this study and proposes directions for future research.

2. Related Literature

The main contribution of this paper consists of using techniques from experimental economics to get truthful measurements of social norms about bribery. Traditionally, social norms have been measured using surveys (Kanazawa and Still 2001, 274; Perkins and Wechsler 1996, 961; Schwartz 1973, 349; Cullen and Bronson 1993, 667; Victor and Cullen 1988, 101). Participants in these surveys are volunteers who either provide responses without compensation or get flat payments regardless of their responses. While this is problematic for most data collection efforts (as participants might not take the task seriously enough to provide truthful responses), the concern about data quality is particularly strong for illicit behaviors such as bribery. In sensitive situations, respondents might be reluctant to give truthful responses either to deny socially undesirable traits or to portray a positive image (Nederhof 1985, 263). Therefore, in these situations surveys might not reveal truthful beliefs (Furnham 1986, 385) of respondents and lead to biased responses. Respondents are more likely to respond in socially desirable and appropriate ways. Szinovacz and Egley (1995, 995) find, for example, that subjects tend to under-report violence in marriage. Economic experiments can mitigate the social desirability bias often created by surveys by creating incentives to report truthfully.

Most of our knowledge so far is drawn from the survey data. The World Values Survey (WVS) has been used extensively by economists to study norms and personal perceptions regarding corruption (Gatti et al. 2003, 2; Swamy et al. 2001, 25). For example, one WVS question measures attitudes towards corruption by asking survey respondents to rate "whether someone accepting a bribe in the course of their duties is justified." Gatti et al. (2003, 2) use this question to study attitudes towards corruption and find that women, the employed, the less wealthy, and older individuals are less tolerant of corruption. Using this data, Swamy et al. (2001, 25) find that women are not only less likely to engage in corrupt behavior but they are also more likely to disapprove of corrupt behavior by others. Several related studies use country-specific national survey data to study perceptions regarding corruption (Guerrero and Oreggia 2008, 357; Truex 2011, 1133; Miller et al. 2006, 371). Guerrero and Oreggia (2008) investigate individual determinants of bribing in Mexico using National Survey on Corruption and Good Governance data and qualitative focus group meetings. They find that there is a trade-off between perceptions, social dynamics and individual incentives for corrupt behavior. Truex (2011, 1133) studies individual attitudes towards different types of corruption using Corruption Acceptance survey data in Nepal. In line with our results, he finds

that people disagree over petty corrupt behaviors but there is agreement over large scale bribery. He also finds that educated people are more averse towards corrupt behavior. However, survey responses about unethical behavior might suffer from social desirability bias (Arnold and Feldman 1981, 337; Chung and Monroe 2003, 291).

One approach to overcome this survey measurement bias is to infer norms by studying observed behavior instead. For example, Fisman and Miguel (2007, 1020), using administrative data from United Nations diplomatic parking violations in New York, find a strong correlation between the number of diplomatic parking violations and the home country corruption index. Experimental economists created stylized laboratory environments with an opportunity for participants to engage in unethical behavior if they so choose (Fischbacher and Heusi 2008, 1). Gangadharan et al. (2009, 843) study individual decision-making in engaging in corrupt activity through laboratory experiments in four countries: India, Indonesia, Australia, and Singapore. They find cultural differences in acceptance of unethical behavior. In particular, participants in India are more tolerant of corrupt behavior than in Australia. Barr and Serra (2006, 862) find that people from corrupt countries behave more unethically in a corruption experiment. The primary advantage of using economic experiments is because laboratory environments create an incentive-compatible mechanism to reveal true underlying preferences. However, since norms are indirectly measured by observing the decisions made by individuals in an experiment (e.g., the decision to pay a bribe), it is difficult to distinguish between preferences for particular outcomes and preferences for obeying an associated norm. Since preferences for norm compliance might be important determinants of observed behavior, researchers need to have incentive-compatible mechanisms to measure social norms separately from behavior (Chang et al. 2016, 2).

Krupka and Weber (2013, 495) propose a novel experimental method to measure social norms using coordination games in which participants receive payoffs when their responses about social appropriateness of actions match responses of other participants. This approach has been used extensively to study norm-driven behavior in dictator games (Krupka and Weber 2013, 495; Erkut et al. 2014, 28), gift-exchange games (Gächter et al. 2013, 548), oligopoly pricing games (Jiang et al. 2016), women leadership (Gangadhar et al. 2016), bribery games (D'Adda et al. 2015, 1; Banerjee 2016b, 240; Banerjee 2016a, 1), behavior of financial advisers and their supervisors towards their clients (Burks and Krupka 2012, 203), and fund-raising (Croson and Krupka 2016, 1). In this paper we adopt this methodology to measure social norms related to bribe-giving and bribe-taking for the case under consideration: obtaining a driver's license in India.

3. Experiment Design

In this experiment, we elicited participants' social appropriateness ratings for four hypothetical situations related to bribe-giving and bribe-taking in India. Table 1 summarizes the four vignettes presented to participants. In total, we recruited 74 participants from a large public university and a business school in India. Three sessions were held at the public university and one session at the management school. All sessions were run as non-computerized experiments and identical procedures were used in each session.

Table 1

Summary of Vignettes

Vignette	Description	Corruption Prevalence
Situation 1	Bribe-taking	Neutral frame
Situation 2	Bribe-giving	Neutral frame
Situation 3	Bribe-taking	Widespread corruption frame
Situation 4	Bribe-giving	Widespread corruption frame

In the first vignette we described a hypothetical *bribe-taking* situation where a person visited a driver's license testing facility to take a driving test and failed. This vignette reads as follows:

A person goes to obtain a driver's license at the local government office. The current official fee of obtaining a driver's license for a car is 1000 rupees. The person is asked to appear for a driving test. The person fails the test and the officer communicates using one of the following messages:

   i *Pay me 200 rupees and you will get the driver's license*

   ii *Pay me 500 rupees and you will get the driver's license*

   iii *Pay me 700 rupees and you will get the driver's license*

   iv *You will have to appear for the test again.*

If the officer sends either of the messages (i), (ii), (iii) or (iv), then the person can either accept or reject the offer. For each of the actions (i), (ii), (iii) and (iv), please indicate your social appropriateness rating.

We elicited participants' appropriateness ratings for four actions of the officer which vary in the bribe amount from low bribe to high bribe. Our measurements reflect beliefs about appropriateness of bribe-taking initiated by the government official. In the vignette we also described the applicant's actions where s/he can either accept or reject the bribe requests from the officer. We then elicited participants' appropriateness rating for the applicant's actions which reflect norms about bribe-giving.

In the second vignette we described a *bribe-giving* situation initiated by the applicant. A driver's license applicant, after failing a driving test, offered different bribe amounts to the public official to obtain the driver's license. First, we elicited the social appropriateness ratings of the applicant's actions. Each action referred to a different amount of bribe offered by the applicant. The bribe amounts were chosen such that they reflect a low bribe (200 rupees), medium bribe (500 rupees), high bribe (700 rupees) and no bribe (honest action). Second, participants also reported the appropriateness ratings for the officer's actions, i.e. whether he decided to accept or reject the bribe offers from the applicant.

In the third and fourth vignette we made bribing norm-salient by using a common technique from social psychology called *priming*. Our prime focused on the social prevalence of bribing. Specifically, in the vignette description we included an extra piece of information stating that most of the officers at the driver's license office asked for a side payment if the applicant failed the driving test. The third vignette reads as following:

A person goes to obtain a driver's license at the local government office. The current official fee of obtaining a driver's license for a car is 1000 rupees. He is asked to appear for a driving test. It is known that a majority of officers at the driving test office ask for a side payment if the candidate fails the driving test. If asked to pay a side payment, almost all of the applicants agree to pay it. Now he fails the test and the officer also sends him the following message.

   i   *Pay me 200 rupees and you will get the driver's license*

   ii *Pay me 500 rupees and you will get the driver's license*

   iii *Pay me 700 rupees and you will get the driver's license*

   vi *You will have to appear in the test again*

If the officer sends either of the messages (i), (ii), (iii) or (iv) then he can either accept or reject the offer. For each of the actions (i), (ii), (iii) and (iv), please indicate your social appropriateness rating.

In all four vignettes, the social appropriateness rating for each action was elicited on a 7-point scale: "very socially inappropriate," "socially inappropriate," "somewhat socially inappropriate," "neutral," "somewhat socially appropriate," "socially appropriate," and "very socially appropriate." We provided incentives to participants to match their ratings with the ratings of other participants. In the instructions, we emphasized that participants should think about the beliefs of other subjects and not their individual beliefs. A common practice in economic experiments is to calibrate compensation to the typical hourly wage of the relevant subject pool. In our study, each participant received a fixed participation amount of INR 300, which is equivalent to $4.50 and an additional payment of INR 300 if their social appropriateness rating for an action matched with the modal response for that action. However, if their rating

did not match the modal response, they only received the participation amount, INR 300. Furthermore, to incentivize their rating for every situation, we randomly selected only one of the vignettes and one of its actions to determine the payoffs of participants. Paying for one decision randomly is often used to make sure that participants consider each question carefully and do not hedge their responses to maximize payoffs. After the norm elicitation experiment, we collected participants' demographic information using a non-incentivized survey.

4. Results

4.1 Social Appropriateness Ratings Depend on Bribe Amount

In order to test our first hypothesis, we start by summarizing the distribution of social appropriateness ratings for each Vignette. We converted participants' social appropriateness ratings into numerical scores. The ratings lie between –3 to 3. A rating of "very socially inappropriate" received a score of –3, "neutral" a score of 0 and "very socially appropriate" received a score of 3. Table 2, Table 3, Table 4, and Table 5 describe the distribution of social appropriateness ratings of Vignette 1 – the bribe-taking scenario, Vignette 2 – the bribe-giving situation, and Vignettes 3 and 4 with priming of corruption prevalence, respectively.

In Table 2 each row corresponds to an actionable choice that the officer and the driver's license applicant can choose. The columns of Table 2 report first subjects' mean social appropriateness rating and then the distribution of responses. The ratings are ordered in the sequence starting from the least socially appropriate (–3) to the most (+3).

We find that as the bribe increases from low bribe amount (Action 1) to high bribe amount (Action 3), the modal response receives a higher number of responses. To test whether there is a statistically significant difference in ratings between different actions, we conduct a chi-square test. The value of the chi-square test is 277.34 and 204.871 (p-value < 2.2e-16) for the actions of the officer and applicant, respectively, and is statistically significant. Therefore, we find evidence that subjects demonstrate less agreement over low bribe amounts compared to high bribes. This is consistent with the hypothesis in our first research question. We also find that the mean social appropriateness rating for each action of the officer and applicant decreases monotonically with bribes.

We find similar results for Vignette 2, Vignette 3 and Vignette 4. For Vignettes 2, 3 and 4, the modal response for the high bribe amount and honest action of the driver's license applicant and officer receives the highest number of responses. The chi-square test is significant for all vignettes. Following our Hypothesis 1, this suggests that there is "more moral wiggle room" in evaluating the social appropriateness of giving/accepting low bribe offers. However, a

Table 2

Distribution of Appropriateness Ratings of Vignette 1 – Bribe-Taking Situation

Officer	Ratings								
Action	**Mean**	**–3**	**–2**	**–1**	**0**	**1**	**2**	**3**	**Std. Dev**
1. Low bribe	–1.01	17.57%	18.92%	**36.49%**	9.46%	12.16%	2.70%	2.70%	1.48
2. Medium bribe	–1.47	18.92%	**40.54%**	25.68%	4.05%	5.41%	5.41%		1.31
3. High bribe	–2.10	**58.11%**	20.27%	12.16%		5.41%		4.05%	1.49
4. Honest action	2.41	2.70%		1.35%	5.41%	2.70%	16.22%	**71.62%**	1.27

Applicant	Ratings								
Action	**Mean**	**–3**	**–2**	**–1**	**0**	**1**	**2**	**3**	**Std. Dev**
1. Low bribe	–0.54	22.97%	8.11%	**29.73%**	6.76%	13.51%	9.46%	9.46%	1.95
2. Medium bribe	–1.28	16.22%	**40.54%**	25.68%	1.35%	8.11%	5.41%	2.70%	1.5
3. High bribe	–1.84	**43.24%**	27.03%	14.86%	5.41%	6.76%	2.70%		1.44
4. Honest action	2.07	6.76%	1.35%	1.35%	6.76%	2.70%	14.86%	**66.22%**	1.74

Ratings: –3– "Very Socially Inappropriate", 0– "Neutral", 3– "Very Socially Appropriate". The modal responses are marked in bold.

Table 3

Distribution of Appropriateness Ratings of Vignette 2 – Bribe-Giving Situation

Applicant	Mean	Ratings							Std. Dev
Action	Mean	−3	−2	−1	0	1	2	3	Std. Dev
Low bribe	−0.62	21.62%	18.92%	**24.32%**	2.70%	13.51%	5.41%	13.51%	2.04
Medium bribe	−1.16	21.62%	**33.78%**	18.92%	5.41%	6.76%	12.16%	1.35%	1.69
High bribe	−1.73	**44.59%**	21.62%	18.92%	1.35%	8.11%	1.35%	4.05%	1.62
Honest	1.97	6.76%	1.35%	2.70%	8.11%	4.05%	12.16%	**64.86%**	1.79

Officer	Mean	Ratings							Std. Dev
Action	Mean	−3	−2	−1	0	1	2	3	Std. Dev
Low bribe	−0.88	**24.32%**	20.27%	21.62%	4.05%	17.57%	6.76%	5.41%	1.85
Medium bribe	−0.95	21.62%	**29.73%**	18.92%	4.05%	8.11%	12.16%	5.41%	1.89
High bribe	−1.35	**51.35%**	10.81%	10.81%	2.70%	8.11%	5.41%	10.81%	2.16
Honest	1.93	6.76%	2.70%	2.70%	8.11%	1.35%	14.86%	**63.51%**	1.84

Ratings: −3– "Very Socially Inappropriate", 0– "Neutral", 3– "Very Socially Appropriate". The modal responses are marked in bold.

Table 4

Distribution of Appropriateness Ratings of Vignette 3 – Socially Acceptable Bribe-Taking Situation

Officer		Ratings							
Action	**Mean**	**−3**	**−2**	**−1**	**0**	**1**	**2**	**3**	**Std. Dev**
Low bribe	−0.07	13.70%	10.96%	19.18%	12.33%	**20.55%**	15.07%	8.22%	
Medium bribe	−0.81	13.51%	**29.73%**	27.03%	5.41%	5.41%	16.22%	2.70%	1.73
High bribe	−1.5	**41.89%**	20.27%	17.57%	2.70%	6.76%	5.41%	5.41%	1.82
Honest action	1.93	2.74%	4.11%	5.48%	9.59%	2.74%	13.70%	**61.64%**	

Applicant		Ratings							
Action	**Mean**	**−3**	**−2**	**−1**	**0**	**1**	**2**	**3**	**Std. Dev**
Low bribe	0.43	13.51%	1.35%	16.22%	16.22%	**18.92%**	17.57%	16.22%	1.9
Medium bribe	−0.47	9.46%	**28.38%**	20.27%	9.46%	12.16%	14.86%	5.41%	1.79
High bribe	−1.14	**31.08%**	20.27%	20.27%	4.05%	13.51%	5.41%	5.41%	1.85
Honest action	1.24	10.81%	13.51%	2.70%	2.70%	5.41%	13.51%	**51.35%**	2.3

Ratings: –3– "Very Socially Inappropriate", 0– "Neutral", 3– "Very Socially Appropriate". The modal responses are marked in bold.

Table 5

Distribution of Appropriateness Ratings of Vignette 4 – Socially Acceptable Bribe-Giving Situation

Applicant		Ratings							
Action	**Mean**	**−3**	**−2**	**−1**	**0**	**1**	**2**	**3**	**Std. Dev**
Low bribe	0.19	12.16%	5.41%	**25.68%**	8.11%	17.57%	18.92%	12.16%	1.9
Medium bribe	−0.32	10.81%	20.27%	**22.97%**	9.46%	14.86%	16.22%	5.41%	1.8
High bribe	−1.01	24.32%	18.92%	**29.73%**	4.05%	10.81%	8.11%	4.05%	1.75
Honest action	1.56	10.81%	2.70%	4.05%	10.81%	1.35%	12.16%	**58.11%**	2.1

Officer		Ratings							
Action	**Mean**	**−3**	**−2**	**−1**	**0**	**1**	**2**	**3**	**Std. Dev**
Low bribe	−0.01	12.16%	13.51%	**21.62%**	8.11%	17.57%	14.86%	12.16%	1.94
Medium bribe	−0.27	10.81%	**25.68%**	18.92%	4.05%	12.16%	21.62%	6.76%	1.93
High bribe	−0.89	**31.08%**	20.27%	16.22%	4.05%	6.76%	10.81%	10.81%	2.12
Honest action	1.66	10.81%	2.70%	6.76%	6.76%	6.76%	8.11%	**64.86%**	2.15

Ratings: −3– "Very Socially Inappropriate", 0– "Neutral", 3– "Very Socially Appropriate". The modal responses are marked in bold.

majority of the participants agree with the social inappropriateness of high bribe amounts.

4.2 Offering Bribes vs. Accepting Bribes

Next we study the norms associated with citizens giving bribes if asked for them and officers accepting those bribes. We compare the distribution of ratings of the officer asking for a bribe and the conditional distributions of the citizens agreeing to pay a bribe for bribe-taking vignettes (Vignettes 1 and 3). Results are summarized in Table 6. We find that there is a statistically significant difference in the distributions (i.e., the p-value of Wilcox sum rank test is significant). In Vignette 3, which primed prevalence of bribing, the mean appropriateness ratings of the officer's action is lower than the mean appropriateness rating of the applicant for different types of bribes. This suggests that for bribe-taking situations, it is socially more inappropriate to ask for bribes than to agree to pay them.

Table 6

Test of Statistical Difference between Officer's and Applicant's Action in Vignette 1 and 3

Vignette 1			
Action	**Officer**	**Applicant**	**Wilcox p value**
Low bribe	−0.62	−0.88	9.47×10^{-2}
Medium bribe	−1.16	0.95	1.08×10^{-4}
High bribe	−1.73	1.35	2.33×10^{-6}
Honest action	−1.97	1.93	8.20×10^{-1}
Vignette 3			
Action	**Officer**	**Applicant**	**Wilcox p value**
Low bribe	−0.07	0.43	0.05
Medium bribe	−0.81	−0.47	0.03
High bribe	−1.5	−1.14	0.06
Honest action	1.93	1.24	0.95

Next we compare the distribution of ratings of the applicant offering a bribe and the conditional distributions of the officer accepting the bribe offers for bribe-giving, i.e. Vignette 2 and 4 (refer to Table 7). There is no statistically significant difference in the distributions of appropriateness ratings of an applicant offering a bribe and conditional actions of the officer accepting bribes in bribe-giving situations (the p-value of Wilcox sum rank test is significant). This

evidence suggests that in case of bribe-giving, the identity of actors in the bribing game does not play a role in determining social appropriateness.

Table 7

Test of Statistical Difference between Officer's and Applicant's Action in Vignette 2 and 4

Vignette 2			
Action	**Applicant**	**Officer**	**Wilcox p value**
Low bribe	−.62	−.88	.98
Medium bribe	−1.16	−.95	.67
High bribe	−1.73	−1.35	.22
Honest action	1.97	1.93	.89
Vignette 4			
Action	**Applicant**	**Officer**	**Wilcox p value**
Low bribe	.19	−.01	.88
Medium bribe	−.32	−.27	.76
High bribe	−1.01	−.89	.22
Honest action	1.56	−1.66	.73

4.3 Priming Prevalence of Corruption Influences the Appropriateness Ratings of Bribe-Taking and Bribe-Giving

In this section, we test our second hypothesis: whether social appropriateness ratings depend on priming participants about prevalence of bribing. We first compare the bribe-taking vignettes, i.e. Vignette 1 and Vignette 3. In Vignette 3 we prime participants by informing them that bribe-taking is widespread behavior. The results are summarized in Table 8. Comparing columns 2 and 3 of Table 8, we see that the mean social inappropriateness rating of actions in Vi-

Table 8

Test of Statistical Difference between Vignettes 1 and 3

Officer	Vignette 1	Vignette 3		
Action	**Mean**	**Mean**	**Wilcox p value**	χ^2 **p value**
Low bribe	−1.01	−0.07	0.0007	4.23×10^{-6}
Medium bribe	−1.47	−0.81	0.01	.01
High bribe	−2.10	−1.5	0.01	.006
Honest action	2.41	1.93	0.94	.002

gnette 3 is lower than Vignette 1. We performed a Wilcoxon rank-sum test, a non-parametric comparison of the distributions of social appropriateness ratings of actions in Vignette 1 and Vignette 3. We find that the distribution of ratings of actions $1-3$ (i.e. low, medium and high bribe) under Vignette 1 and Vignette 3 are significantly different. The chi-square test is also significant suggesting that participants treated these two vignettes differently. Participants perceive bribe-taking as less inappropriate when it is widely prevalent. This might be because social prevalence of corruption reduces the social, legal, and personal costs of engaging in unethical behavior.

Next we compare the distributions of appropriateness ratings of actions in Vignette 2 and 4, i.e. the bribe-taking situations. In Vignette 4 we again provided additional information regarding the social prevalence of bribing. The results are presented in Table 9. The Wilcoxon rank-sum test is significant. This suggests that distribution of ratings of different actions is significantly different. The results of the chi-square test are also significant. This evidence provides support that subjects perceive bribe-giving as less inappropriate when corruption is widely prevalent. Both of these findings highlight that corruption is justified when the society is perceived to be more corrupt.

Table 9

Test of Statistical Difference between Vignettes 2 and 4

Officer	Vignette 2	Vignette 4		
Action	**Mean**	**Mean**	**Wilcox p value**	**$\chi 2$ p value**
Low bribe	−0.62	0.19	0.005	.015
Medium bribe	−1.16	−0.32	0.01	.09
High bribe	−1.73	−1.01	0.01	.07
Honest action	1.97	1.56	0.85	.8609

4.4 Social Appropriatness Ratings and Demographics

Finally, we estimated a linear mixed effect model to check whether the difference in the social appropriateness ratings is due to the difference in the situations or within personal variations in ratings. We ran the following linear mixed effect model:

$$Y_{it} = \beta_0 + \beta_1 Z + \beta_2 X + \alpha_i + \epsilon_{it}$$

$$E(\alpha_i) = 0, E(\epsilon_{it}) = 0, Var(\alpha_i) = \sigma_\alpha^2, Var(\epsilon_{it}) = \sigma_\epsilon^2$$

The dependent variable is the social appropriateness rating. Z includes the dummies for different vignettes (i.e., Vignette 1, 2, 3, or 4). X consists of dummies for four actions (i.e., low, medium, and high bribe and honest action). To control for the effect of variation in rating for each individual, we introduced a random effect (i.e., α_i). Studies (Swamy et al. 2001, 25; Gatti et al. 2003, 2) find that women are more averse to bribing. Research also shows that norms are often related to "identities" or groups and often norms vary between groups (Krupka et al. 2012, 203). Therefore, it might be that the norms held by the women differ from those of men. Also norms can vary by career aspirations of participants. We included gender and the aspirations of the subjects to join the public sector or the private sector in the regression analysis too.

Table 10 summarizes the results of the linear mixed effect model. Vignette 1, where the public official is asking for a bribe, is the baseline category. Compared to the baseline vignette, the social appropriateness rating in vignettes 3 and 4 (i.e., the socially acceptable treatment) is higher. The low bribe action is the baseline comparison group. Compared to lower bribe actions, medium and higher bribe actions have a lower social appropriateness rating and the honest action has the highest social appropriateness rating. We do not find a statistically significant effect of gender and the aspiration to join the public sector on the social appropriateness ratings.

Table 10

Linear Mixed Effect Model Results: Social Appropriateness Ratings on Vignettes and Actions

Linear mixed effects model	
	Estimate
Intercept	–0.633
Vignette 1 applicant	0.145
Vignette 2 applicant	0.159
Vignette 2 officer	0.233
Vignette 3 officer	0.433**
Vignette 3 applicant	0.561***
Vignette 4 applicant	0.652***
Vignette 4 officer	0.666***
Medium bribe	–0.527***
High bribe	–1.129***
Honest Action	2.167***
Male	–0.027
Public	–0.032
N	2112

Significant: '***' 0.01 % '**' 1 % '*' 5 %'.' 10 %.
Overall R-sq: .4026

5. Conclusion

We use a unique experimental method to measure the social norms about bribe-giving and bribe-taking in India for a quotidian situation in which there is an opportunity to engage in petty corruption: obtaining a driver's license. We provide incentives to the subjects to report their beliefs of how others perceive bribe-giving and bribe-taking actions. Reporting the same beliefs as other participants in this simultaneous move coordination game generates additional payoffs for participants and therefore encourages truth-telling. Whenever we document higher coordination, we effectively measure a social norm, a shared belief about appropriateness of particular sets of behaviors.

We find that the social appropriateness ratings are malleable to the prices of bribes. The modal response ratings for lower bribes received a lower percentage of responses, whereas there is higher coordination for higher bribes. Since corruption is pervasive in India, social norms related to lower amounts of bribes are more relaxed, and there is more disagreement on what is considered ethical and justifiable than for higher bribe amounts. When we prime prevalence of bribery among participants by providing additional information about common behaviors at the driver's license testing facility, we find that the social appropriateness rating of bribe-taking and bribe-giving is higher in these vignettes as compared to the vignettes where we do not provide this information. This evidence suggests that when corruption is socially acceptable, it reduces the social, legal, and personal costs for engaging in corrupt activities. Therefore changing existing social norms directly can be an effective mechanism to tackle corruption. In this study, we overcame the social desirability bias encountered in surveys. However, a limitation of this study is the nature of our participant pool. We conducted this experiment with university students in India who might hold different beliefs about corruption compared to the general population. Future research can extend this study to a field setting in order to achieve more generalizable measurements.

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Appendix:
Instructions for Norm Elicitation Experiment

Instruction and example

You are now taking part in an economic decision making study. We will pay you Rs 300 for participating but you can earn additional money depending on the decisions you and the others make. At the end of the experiment you will receive the amount of money that you have earned during the experiment in cash.

You will read descriptions of a series of situations. These descriptions correspond to situations in which a person must make a decision. For each situation, you will be given a description of the decisions encountered. This description will include several possible choices available to him.

After you read the description of the decision, you will be asked to evaluate the different possible choices available to him. You will have to decide, for each of the possible actions, whether taking the action described would be socially appropriate or socially inappropriate. By socially appropriate we mean the action is consistent with moral or proper social behavior, i.e. most people agree that it is the correct or ethical thing to do. On the other hand by socially inappropriate we mean the action is inconsistent with moral or proper social behavior, i.e. if he were to select a socially inappropriate choice, then others in the society might be angry at him for doing so.

In your responses, we would like you to answer as truthfully as possible, regarding the social appropriateness or social inappropriateness of each of the decisions. You are not being asked to rate according to your own view of appropriateness, but according to how you think society views the appropriateness of each choice. To give you an idea of how the experiment will proceed,

we will go through an example and show you how you will indicate your responses.

Example: Situation

Individual A is at a local coffee shop near campus. While there, Individual A notices that someone has left a wallet at one of the tables. Individual A must decide what to do. Individual A has four possible choices: take the wallet, ask others nearby if the wallet belongs to them, leave the wallet where it is, or give the wallet to the shop manager. Individual A can choose only one of these four options. The table below presents a list of the possible choices available to Individual A.

Table 11

Example of Actions

Individual A's choice	Your Rating
Take the wallet	
Ask others nearby if the wallet belongs to them	
Leave the wallet where it is	
Give the wallet to the shop manager	

For each of the choices, please indicate whether you believe choosing that option is very socially inappropriate, socially inappropriate, somewhat socially inappropriate, neither socially appropriate nor inappropriate i.e. value neutral, somewhat socially appropriate, socially appropriate, or very socially appropriate. Note there are seven categories of social appropriateness rating.

Note: You are not being asked to rate according to your own view of appropriateness, but according to what you think society's view is of the appropriateness of each choice.

If this were one of the situations for this study, you would consider each of the possible choices above and for that choice, indicate the extent to which you believe taking that action would be "socially appropriate" and "consistent with moral or proper social behavior" or "socially inappropriate" and "inconsistent with moral or proper social behavior." Recall that by socially appropriate we mean behavior that most people agree is the "correct" or "ethical" thing to do.

For example, suppose you thought that taking the wallet was very socially inappropriate, asking others nearby if the wallet belongs to them was somewhat socially appropriate, leaving the wallet where it is was somewhat socially inappropriate, and giving the wallet to the shop manager was very socially appropriate. Then you would indicate your responses as follows:

Table 12

Example of Ratings of Actions

Individual A's choice	Your Rating
Take the wallet	very socially inappropriate
Ask others nearby if the wallet belongs to them	somewhat socially appropriate
Leave the wallet where it is	somewhat socially appropriate
Give the wallet to the shop manager	very socially appropriate

Are there any questions about this example situation or about how to indicate your responses? On the following pages, the situations deal with decisions that an individual has to make. For each situation, you will receive a sheet, with a table on which you are required to indicate your social appropriateness rating. For each situation, the experimenter will read a description of the situation. You will then indicate whether each possible choice available to him is socially appropriate or socially inappropriate.

You are given five situations. At the end of the experiment today, we will select one of the five situations, by randomly drawing a number from 1 to 5. For this situation, we will also randomly select one of the possible actions that the person could take. Thus, we will select both a situation and one possible action at random. For the action selected, we will determine which response was selected by the most people here today. If you give the same response as that given by most other people, then you will receive an additional Rs. 300. This amount will be paid to you, in cash, at the end of the experiment.

For instance, if we were to select the example situation above and the possible choice "Leave the wallet where it is," and if your response had been "somewhat socially inappropriate," then you would receive Rs. 300, if this was the response selected by most other people in today's session. Otherwise you would receive nothing from this round. Please wait to turn the page until the experimenter asks you to do so. If you have any questions, please raise your hand and wait for the experimenter to come to you.

Situation 1

A person goes to obtain a driver's license at the local government office. The current official fees of obtaining a driver's license for a car is 1000 rupees. He is asked to appear for a driving test. He fails the test and the officer sends him one of the following messages. (i) Pay me 200 rupees and you will get the driver's license, (ii) Pay me 500 rupees and you will get the driver's license, (iii) Pay me 700 rupees and you will get the driver's license, (iv) you will have to appear for the test again. If the officer sends either of the messages (i), (ii),

(iii) or (iv), then the person can either accept or reject the offer. For each of the actions (i), (ii), (iii) and (iv), please indicate your rating about social appropriateness of sending a particular message by the officer. Note: You are not being asked to rate according to your own view of appropriateness, but according to what you think society's view is of the appropriateness of each message. PLEASE WRITE THE RATINGS ON SHEET CALLED "RATING BOOKLET." DO NOT MARK ON THIS INSTRUCTION SHEET.

Table 13

Instructions: Please Rate the Actions of the Officer

Individual Choice	Your Rating
Action (i): Pay me 200 rupees and you will get the driver's license	
Action (ii): Pay me 500 rupees and you will get the driver's license	
Action (ii): Pay me 700 rupees and you will get the driver's license	
Action (iv): You will have to appear in the test again	

The person can now either accept or reject the offers of the officer. For each of the choices Accept or Reject made by the person who wants the driver's license, please indicate your rating about social appropriateness.

Table 14

Please Rate the Actions of the Driver's License Applicant

Individual Choice	Your Rating
Accept the message (i) – Pay me 200 rupees and you will get the driver's license	
Accept the message (i) – Pay me 500 rupees and you will get the driver's license	
Accept the message (i) – Pay me 700 rupees and you will get the driver's license	
Reject any of the messages (i) – (iii)	

Situation 2

A person goes to obtain a driver's license at the local government office. The current official fees for obtaining a driver's license for a car is 1000 rupees. He is asked to appear for a driving test. He fails the test and he sends the officer the following message. (i) I will pay you 200 rupees and please give me the

driver's license, (ii) I will pay you 500 rupees and please give me the driver's license, (iii) I will pay you 700 rupees and please give me the driver's license, (iv) I will appear for the test again. If the person who wants the license sends either message (i), (ii), (iii) or (iv), then the officer can either accept or reject the offer. For each of the choices (i), (ii), (iii) and (iv), please indicate your rating about social appropriateness of sending a particular message by the person wanting the driver's license. Note: You are not being asked to rate according to your own view of appropriateness, but according to what you think society's view is of the appropriateness of each choice.

Table 15

Please Rate the Actions of the Driver's License Applicant

Individual Choice	Your Rating
Action (i): I will pay you 200 rupees and please give me the driver's license	
Action (ii): I will pay you 500 rupees and please give me the driver's license	
Action (ii): I will pay you 700 rupees and please give me the driver's license	
Action (iv): I will appear for the test again	

Now the officer can either accept or reject these offers made by the person who wants the driver's license. For each of the choices Accept or Reject made by the officer, please indicate your rating about social appropriateness.

Table 16

Please Rate the Actions of the Officer

Individual Choice	Your Rating
Accept if offered (i) – I will pay you 200 rupees and please give me the driver's license	
Accept if offered (ii) – I will pay you 500 rupees and please give me the driver's license	
Accept if offered (iii) – I will pay you 700 rupees and please give me the driver's license	
Reject any of the offers (i) – (iii)	

Situation 3

A person goes to obtain a driver's license at the local government office. The current official fees for obtaining a driver's license for a car is 1000 rupees. He is asked to appear for a driving test. It is known that a majority of the officers

at the driving test office ask for a side payment if the candidate fails the driving test. If asked to pay a side payment, almost all of the applicants agree to pay it. Now he fails the test and the officer also sends him the following message. (i) Pay me 200 rupees and you will get the driver's license, (ii) Pay me 500 rupees and you will get the driver's license, (iii) Pay me 700 rupees and you will get the driver's license, (iv) you will have to appear for the test again. If the officer sends either of the messages (i), (ii), (iii) or (iv) then he can either accept or reject the offer. For each of the actions (i), (ii), (iii) and (iv), please indicate your rating about social appropriateness of sending a particular message by the officer. Note: You are not being asked to rate according to your own view of appropriateness, but according to what you think society's view is of the appropriateness of each choice.

Table 17

Please Rate the Actions of the Officer

Individual Choice	Your Rating
Action (i): Pay me 200 rupees and you will get the driver's license	
Action (ii): Pay me 500 rupees and you will get the driver's license	
Action (ii): Pay me 700 rupees and you will get the driver's license	
Action (iv): You will have to appear in the test again	

The person can now either accept or reject the offers of the officer. For each of the choices Accept or Reject made by the person who wants the license, please indicate your rating about social appropriateness.

Table 18

Please Rate the Actions of the Driver's License Applicant

Individual Choice	Your Rating
Accept the message (i) – Pay me 200 rupees and you will get the driver's license	
Accept the message (i) – Pay me 500 rupees and you will get the driver's license	
Accept the message (i) – Pay me 700 rupees and you will get the driver's license	
Reject any of the messages (i) – (iii)	

Situation 4

A person goes to obtain a driver's license at the local government office. The current official fees for obtaining a driver's license for a car is 1000 rupees. He is asked to appear for a driving test. It is known that a majority of the officers at the driving test office ask for a side payment if the applicant fails the driving test. If asked to pay a side payment, almost all of the applicants agree to pay it. Now he fails the test and he sends the officer the following message. (i) I will pay you 200 rupees and please give me the driver's license, (ii) I will pay you 500 rupees and please give me the driver's license, (iii) I will pay you 700 rupees and please give me the driver's license, (iv) I will appear for the test again. If the applicant sends either of the message (i), (ii), (iii) or (iv), then the officer can either accept or reject the offer. For each of the actions (i), (ii), (iii) and (iv), please indicate your rating about social appropriateness of sending a particular message by Ali. Note: You are not being asked to rate according to your own view of appropriateness, but according to what you think society's view is of the appropriateness of each choice.

Table 19

Rate the Actions of the Driver's License Applicant

Individual Choice	Your Rating
Action (i): I will pay you 200 rupees and please give me the driver's license	
Action (ii): I will pay you 500 rupees and please give me the driver's license	
Action (ii): I will pay you 700 rupees and please give me the driver's license	
Action (iv): I will appear for the test again	

Now the officer can either accept or reject these offers made by the person who wants the driver's license. For each of the choices Accept or Reject made by the officer, please indicate your rating about social appropriateness.

Table 20

Please Rate the Actions of the Officer

Individual Choice	Your Rating
Accept if offered (i) – I will pay you 200 rupees and please give me the driver's license	
Accept if offered (ii) – I will pay you 500 rupees and please give me the driver's license	
Accept if offered (iii) – I will pay you 700 rupees and please give me the driver's license	
Reject any of the offers (i) – (iii)	