

Honesty Pledges to Curb Dishonesty and Relieve Regulatory Burden

Context and motivation:

A common dilemma in regulation is determining how much trust authorities can place in people's self-reports, especially in contexts where there is an incentive to provide false reports (e.g., when filing for tax returns or applying for permits). Regulators, who are typically risk averse, do not readily confer trust, resulting worldwide in excessive requirements when applying for permits, licenses, tax returns, etc. We propose a solution based on a combination of Responsive Regulation and Behavioral Ethics research.

The Responsive Regulation approach suggest that when the cost of non-compliance is low, means of self-regulation could be effective. Studies in Behavioral Ethics suggest that asking people to self-regulate and ex-ante pledge their honesty can reduce cheating and non-compliance. However, pledges might also backfire, and their effects have not yet been systematically studied.

Method and Results:

Figure 1: Example of self-report problem

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Can you find two numbers that add up to exactly 10 in the table below?

0.46	0.53	3.42
6.13	5.11	1.88
6.58	5.43	4.15
7.15	5.76	4.77

Found it! No

We asked participants in an online study (N=1,158 from the U.S. and U.K.) to solve a series of simple calculus problems (see Figure 1) and report each one that they solved, to gain a bonus. We found that participants who could self-report claimed about twice as much bonuses compared to the control condition, in which participants had to report the solution to each problem (see Figure 2). However, if participants pledged to their honesty ex-ante, that "cheating gap" was diminished considerably, reducing the propensity to cheat by up to 33%. Another study on an Israeli sample (N=480) showed that a pledge and fine combined together can reduce cheating by up to

50%. Further analyses showed that the effect of pledges is not limited to only those who cheated to small extent and also it was generalizable across individual differences in demographic attributes and in prior tendencies to follow rules and norms.

We conclude that pledges could be an effective tool for behavioral regulation of dishonesty and to ensure accurate self-reports.

Applying honesty pledges in regulatory processes can help policy-makers reduce regulatory burden, while limiting dishonesty, and that can foster a more trust-building relationship between government and the public.

"Speak softly and carry a big stick, and you may go far"
T.H. Roosevelt.

***Note:** this research was supported by the Israeli Democracy Institute and the Ministry of Justice.

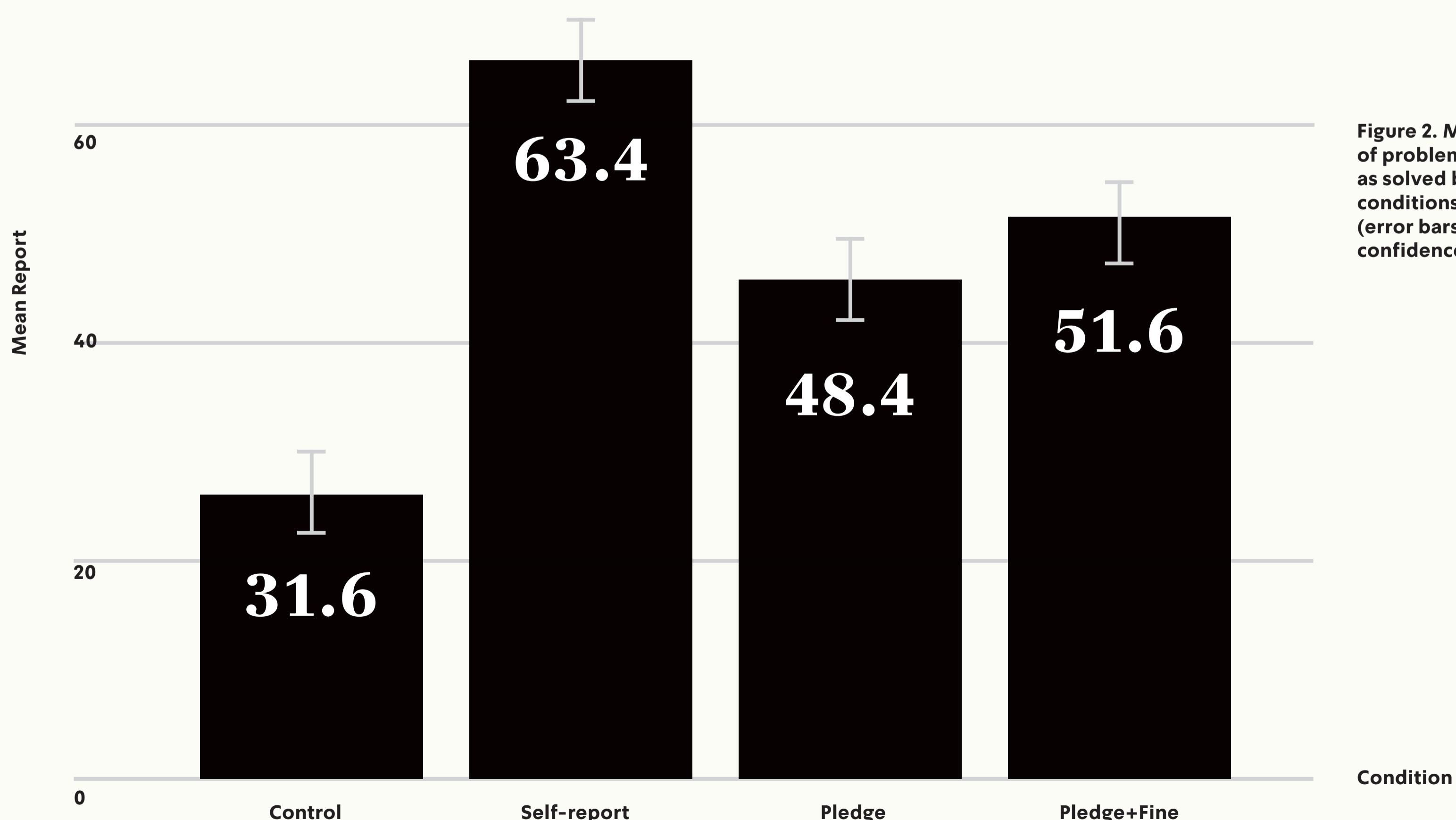


Figure 2. Mean percent of problems reported as solved between conditions (error bars show 95% confidence intervals).