

Review of the doctoral thesis

Experiments in Corruptibility

by Iryna Momotenko

This thesis is composed of three main chapters that I will discuss in turn.

Chapter 1 is a study on the reverse public goods game. I see strengths and weaknesses, and while I think that overall this is an interesting and worthwhile contribution, let me start with the weaknesses:

- The author considers her experiment as one on corruption. She justifies this on p.9. However, a crucial element of corruption is missing, namely a briber (and thus the potentially reciprocal relationship with the briber, the feeling of obligation to "pay back" through a favour that helps he briber but harms others). This is a minor point, however. As the author clearly defines what she considers corrupt behavior in her experiment, she cannot be wrong in a narrow sense; still I find her terminology misleading and would prefer to speak of embezzlement (harming others by stealing from funds for a public good) instead of corruption in this case.
- Second, in the overall introduction the author suggest that previous studies, especially those based on international cross-section data, did not sufficiently inform

current anticorruption programs. This places a burden on her to improve on that, and while the policy implications for the following chapter 2 are straightforward, this is not so for chapter 1. Unfortunately, policy implications are confined mainly to the meagre last paragraph that states recommends concentrate, first of all, "on the formation of people's perceptions about the level of corruption in the country". How exactly to do that is hard to imagine in a free society without details being given, and it neglects the importance of transparency for the fight against corruption.

- Third, very reasonably the author hypothesizes that subjects' expectations about others' behaviors has an impact on their own decisions. However, she ignores the possibility of reverse causality: The own decision (or attitude) might be a small (n=1) sample used to form expectations about others (see the literature on the false consensus effect). To me it is not clear how to resolve this, but still it should be discussed.

However - and here I come to the *strengths* of this paper -, the problem of a reverse causality is not an issue for other results featured in this paper. Information about what others actually have done is found to have a significant impact (for one of two types of information) with clear causality. The major problem the author had to overcome is this: How to vary information received by subjects without deceiving them? Her approach is inspired by earlier studies on peer effects on norm violation, but the specific method improves on the predecessors and seems most convincing to me; I would copy her approach if I wanted to do an own experiment in this area. Furthermore, her experiment allows her to test a relatively large number of supplementary hypotheses, and she does that carefully and reports her results in a way that leaves no wishes open (minor point: imputing zeros instead of missing values, as reported in footnote 14, seems suboptimal to me, instead, regressing without the major-dummy is an obvious candidate).

Also, Chapter 1 is well written - all very clear to me.

Chapter 2 ("An Experimental Study on the Wage-Corruption Trade-Off") is different from Chapter 1 in that it uses a design that doubtlessly reconstructs corruption. In a two-player game, the "firm" F moves first and decides whether to offer a bribe, which then the "official" O can reject or accept, and in a final stage O decides whether to help F (which would be costly to society, represented by real charities). The idea to use this basic corruption experiment to investigate the effect of public officials' wages on corruption is not new, but the way how exactly the author determines subjects' wages is new and innovative.

Her use of a real effort task - a quiz - is convincing; again she managed to overcome the problem not to deceive subjects. (Initially, I could not see why she used the quiz not only for creating a sense of entitlement concerning the wages, but also for assigning roles. However, I found no argument against her reasons given on p.4.)

While overall I find the design at least as interesting as that of Chapter 1, and surely more convincing as an experimental study on corruption, the writing and presentation is notably worse. I presume Chapter 2 is the "fresher" paper, so to say, that has undergone less polishing. Otherwise, it would be clearer what exactly is compared when the author, on p.5, speaks of "more selfishly" and "more often", just to name one point. And there are a number of redundancies. For example, while her experimental results are shedding new light on Schulze et al. (2016) and Chen and Liu (2018), her way of constantly (16 times, to be precise) mentioning these two papers is exaggerated and a sign for a suboptimal organization. Of course, generally it is a good idea to connect the experimental research to earlier studies using field data, and the author deserves praise for her ability to spot opportunities to do so.

Contrary to my assumption that a newer paper can be expected (and excused) to be less polished, I found the final chapter 3 to be very well written, even though it is clearly the latest one in the dissertation, building on chapter 2 and trying to come up with a new explanation for the U-shaped wage- corruption relationship. Compared to chapter 2, chapter 3 has the more concise literature review even a better description of more or less the same design, but maybe this is an order effect misleading the present reviewer.

Anyway, what this experiment adds to the one in Chapter 2 is a priming stage that makes subjects aware of their self-perceived (or subjective) socio-economic status (SSES). Unlike Adler et al. (2000) and others who used a similar priming, Ms. Momotenko makes her subjects derive their SSES from the first stage (the earnings stage) of the experiment itself.

I am not sure the author has really found a way to investigate the mechanism that might increase corruption for high wages. She has demonstrated that

1. beyond some threshold, an increase in wages might foster corruption behavior, and
2. a higher SSES might in certain cases foster corruption,

but it is not clear (to me) that the first result is in some way driven by the effect of wages on SSES (in a situation without SSES priming!) Nevertheless, the results are interesting, even though the hypotheses are supported only under certain circumstances

(high bribe offers) that were probably figured out post hoc, but that is fine for me; a necessary caveat is provided by the author herself in footnote 30.

Summing up, I have read this thesis with interest and found it to be a worthwhile contribution that is likely to inspire further research. The methods are appropriate; the author experimentally obtained new results and presents them clearly and carefully. I have no doubt that this should count as fulfilment of requirements for a doctoral degree. The draft warrants a dissertation defence.

Kassel, August 12th

A handwritten signature in blue ink, appearing to be 'B. K.', is located below the date. The signature is stylized and written in a cursive-like font.