

The Moral Costs of Lying in the Land of Organized Crime. Evidence from a lab-in-the-field online experiment

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Abstract

Although lying behaviour is a widely observed phenomenon, for many people it entails moral costs. Indeed, several experimental studies shows that subjects do not lie to the maximum extent possible (e.g., Fischbacher and Föllmi-Heusi, 2013; Abeler et al. 2014; Gneezy et al., 2018). This result can be taken as evidence that misreporting private information entails significant intrinsic costs deriving from the violation of a moral code.

Norms of moral conduct, however, are likely to be shaped by the features of the social contexts in which individuals live. For example, the exposure to extreme events - e.g., natural disasters (see Becchetti and Conzo 2014) - can significantly affect individuals' pro-social behaviour. In a similar vein, we conjecture that living in a context exposed to organized crime violence (an instance of extreme events) can influence individuals' moral attitude and lying behaviour. Given the ubiquity of the opportunities of misreporting private information (e.g., frauds for health care, taxes and occupation), it is indeed important to better understand the social determinants of lying, with particular attention to the role of organized crime violence.

To investigate this issue, 200 university students were recruited to take part in a lab-in-the-field online experiment based on the task of flipping a fair coin. Subjects were asked to flip the coin for 30 times and before each toss they had to predict the face of the coin that would come out. Then, they had to report the number of times their predictions were correct. Although misreporting is not directly detectable (and subjects knew this), the number of the coin tosses allows us to approximate an individual measure of lying behaviour. Importantly, we elicited the time it took subjects to complete the task in order to understand whether they truly completed it or not.

We identified towns plagued (not plagued) by criminal attacks according to the classification of the DIA (*Direzione Investigativa Anti-mafia*) within the region of Campania in the south of Italy. For the treatment group, we implemented the lab-in-the-field online experiment with 120 university students coming from those towns in the province of Caserta – one of the main city in Campania – under the influence of the *Casalesi*, who are known to be one of the most violent clan in the

criminal organization of *Camorra*. For the control group, we implemented our experimental design with 80 university students coming from neighboring municipalities in the same province not exposed to the violence of the clan.

Our preliminary results indicate that, aggregating across treatment and control group, subjects exhibit a mild tendency to lie: i.e., on average subjects declare that their predictions are correct 60-65% of the times. This confirms that subjects experience moral costs of lying as they do not take full advantage of the possibility of misreporting the private information.

Nonetheless, significant differences emerge between the two groups. In the control, subjects complete the task in 200 seconds on average. In this case, the distribution of the declared correct predictions ranges from 0 to 20. We infer, therefore, that in the control group subjects *actually* completed the task and lie a bit in reporting the number of correct predictions. In the treatment group, subjects completed the task in 60 seconds on average, with a distribution of declared correct predictions that ranges on average from 0 to 30. Interestingly, the range of the distribution of declared correct predictions widens as the time for completing the task decreases. Therefore, compared to the control, treated subjects did not complete the task actually and tend to lie slightly more.

Overall, our evidence shows that subjects living in contexts exposed to organized crime violence experience a lower moral cost of lying. This can be inferred from both the lower time it took them to complete the behavioral task and the wider range of variation of the distribution of declared correct predictions compared to the control group. Nonetheless, further analysis is required to better qualify these preliminary findings. Specifically, we are going to control both for subjects' risk aversion and their perception of probability through additional behavioral tasks. Moreover, we are going to control for subjects' self-reported experience of episodes of violence.

References

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