On Self Selection of the Corrupt into the Public Sector

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Abstract

Do corrupt people self select themselves in professions where the scope of corruption is high? We conduct a corruption experiment with private sector job aspirants and aspirants of Indian bureaucracy. The game models embezzlement of resources in which "supervisors" evaluate the performance of "workers" and then pay them. We find that aspirant bureaucrats indulge in more corruption than private sector aspirants but the likelihood of being corrupt is same across two sectors.

JEL Classification: C91 D73 O12 K42
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1 Introduction

The rich literature on labor market sorting indicates that the dimensions of sorting are indeed numerous - more productive firms employ more productive employees (Abowd et al., 1999), gregarious workers flock towards jobs with higher social interaction (Krueger and Schkade, 2007) and better economic incentives attract better quality (more honest) politicians in Brazil (Ferraz and Finan, 2011). In this paper, we use an experimental corruption game to study if corruption is a potential dimension of sorting.

Past studies examining efficacy of food, health, education and employment guarantee programs in developing countries, suggest that enormous amount of public resources end up being embezzled[1]. Despite this and the fact that embezzlement of public resource causes more loss to welfare than petty corruption (Shleifer and Vishny, 1993), the literature on experimental corruption games has largely focused on petty bribery.

[1]Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), a large public sector entitlement program, has been found to have a massive leakage of funds (Niehaus and Sukhtankar, 2013). Olken (2006) estimates that at least 18% of the subsidized rice is diverted from the Operasi Pasar Khusus (OPK) program in Indonesia. Reinikka and Svensson (2004) notes that 87% of school grants, meant to cover non-wage expenditure of primary schools in Uganda, were usurped by local officials.

We let public and private sector aspirants play a corruption game which mimics a situation where resources from the government are claimed by a bureaucrat in order to deliver entitlements to the citizenry. In our set up "supervisors" decide how much to overreport, if any, the amount they need to pay "workers" and how much to underpay them, if at all, for their task. We find that the public sector aspirants are systematically more corrupt than their private sector counterparts but find no statistical difference in the likelihood of engaging in corruption.

2 The Experiment

We compare the degree and extent of corruption across subject pools - one in which students aspire to join the bureaucracy in the government and another, where they aspire to join the private corporate sector[2]. We measure subject pool effects in this artefactual field experiment to measure corruptibility in two non-standard subject pools i.e. from representatives of the population of interest - namely, public and private sector aspirants.

Public Sector Aspirants: In order to join the Indian government administrative service at the highest level, aspiring candidates have to take a three level national examination called the Union Public Service Commission (UPSC) Examination. Each year roughly 500,000 students appear for the Preliminary level of the UPSC exam. Around 2% of them are invited for the second level - the main exam and 0.3% students are finally selected. Once a candidate clears this exam, she can choose from a number of services like Indian Foreign Service (IFS), Indian Administrative Service (IAS), Indian Police Service (IPS) with a starting salary of approximately Rs. 720,000 ($\approx \$28,800$ PPP). The civil servants constitute the "executive bulwark" through which constitutional propriety is enforced, policies implemented and entitlements delivered. However, it is this service which has earned the flak for being corrupt in the recent years[3]. Over the years Delhi in general and Jawaharlal Nehru University (JNU) in particular, has become an important hub for the aspirants of the UPSC exam. In our study, the public sector aspirant subject pool consisted of students who were preparing for the UPSC exam based in JNU.

Private Sector Aspirants: The comparison group comprises of private sector aspirants i.e. students who aspire to work for the private corporate sector in India. For this, we recruited subjects at International Management Institute (IMI) - a Delhi based premier management training institute, which offers MBA degree in Marketing, Finance and Human Resource. Students at IMI train themselves to join India Inc. Over the years IMI has been fairly successful in placing its students in the private corporate sector within India as well as abroad. In 2011, out of around 150 students at IMI, 27% were placed within the financial sector, 21% with consulting firms and the rest with other private sector firms with an average salary of Rs. 900,000 ($\approx \$36000$ PPP).

Design: Subjects, participating in our pen-and-paper, real effort task experiment are randomly divided into two groups - "workers" and "supervisors". They are seated in two separate rooms and each worker is

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[2]This strategy provides a more robust identification than other studies which rely on simply asking for the preferred choice of sector (Alatas et al., 2009; Hanna and Wang, 2013). Our experiment predates the one by Hanna and Wang (2013) and we were unaware of their study at the time our project was conceived and implemented.

[3]Bertrand et al. (2008) find that the average license getter in Delhi pays Rs. 1080 while the official license fee is Rs. 450 - the difference being usurped by "the insidious nexus of bureaucrats and agents."

anonymously matched to a supervisor. Workers are asked to solve twenty matrix problems in ten minutes[4]. Their answers are graded by a randomly matched supervisor located in an adjacent room. The workers are entitled to a payment of 1 token (1 token=Rs. 50) for each correctly solved matrix, as reported by the supervisor.

A supervisor, after having graded the answer sheet, goes to a token counter located outside the room, claims the total number of tokens that he needs to pay the worker and pay himself his salary of 2 tokens. He returns and puts the worker's earnings into the envelope, kept on his desk and seals it. He keeps the rest of the tokens with himself and leaves the worker's envelope in a box. At this point he chooses from: Overreport at the token counter and Underpay the worker's performance, Overreport at the token counter and be Truthful with the worker's performance, Be Truthful at the token counter and Underpay the worker's performance, Overreport at the token counter and Overpay the worker's performance, Be Truthful at the token counter and be Truthful with the worker's performance. These envelopes are then sent to the corresponding workers.

We use loaded terms with words such as "Overreport" and "Underpay" in our design of the corruption game. Previous studies have shown that the loaded terms do impose a sense of "immorality" on the subjects (Banerjee, 2014) and the results obtained are externally valid (Armantier and Boly, 2013). Besides, a unique feature of our corruption game is there are two margins of corruption - *overreporting* and *underpaying* and thus several possible combinations of choices are possible. Our interest mainly lies in - overreport and underpay, overreport and pay honestly, report honestly and underpay and report honestly and pay honestly.

We also implement two diagnostic games to measure prosociality and attitude to competition among supervisors - the data is used as control variables. While corruption is a potential sorting dimension, prosocial motives or lower competitiveness may be other such dimensions. Further, recent studies suggest that these behavioral traits are not orthogonal to unethical behavior (Falk and Szech, 2013; Cojoc and Stoian, 2014).

3   Results

Table 1 shows that average number of tokens overreported is significantly higher among public sector aspirants, 4.02, than their private sector counterparts, at 0.67 (t-test, p-value$<$0.001). The average underpayment by private sector aspirants, 2.61, is less than that of the public sector aspirants which is 3.54, but the difference is not statistically significant (t-test, p-value$=$0.46). The mean corrupt earning, which is the sum of overreporting and underpayment, is significantly higher for the public sector group than for their private counterpart (7.56 *vs.* 3.27, t-test, p-value$=$0.03). The results are similar for the sample which chose to be corrupt.

Figure 1 plots the data in an overreport-underpayment panel where the size of the circle became larger with corrupt earning. All the elements of the strategy space discussed in Section 2.2 can be seen here. The solid dots show the points where corrupt earnings are zero[5].

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[4]In each matrix they are asked to find two numbers which add up to ten.

[5]Solid dots at places other than the (0,0) coordinate are "benevolent" subjects who overreport at token counter and overpay workers.

Figure 1: Overreporting and Underpayment
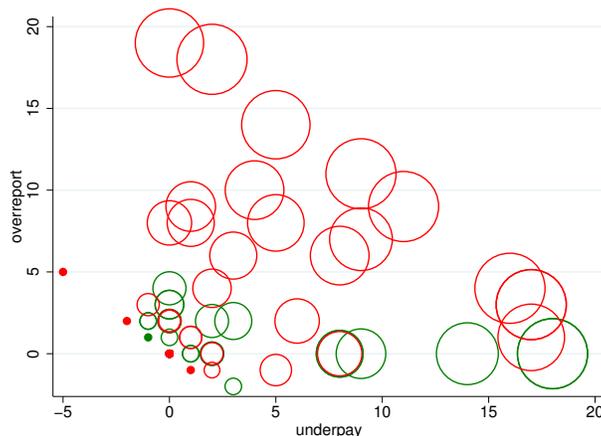
Red (Green) : public (private) sector aspirants. The scatter of overreporting and underpayment is weighted by total corrupt earnings e.g. circle at (5,10) means that supervisor underpaid 5, overreported 10 and has corrupt earnings of 15 tokens.

We estimate a probit model with the choice of professional sector as the dependent variable and corrupt earnings along with demographic and other exogenous variables as covariates. Covariates were so chosen that they control for all possible factors that may affect occupational choice: gender, presence of public servants in the family, higher family income, caste, worker's true performance and perception of corruption in the society[6]. Charity contribution and choice of competitive scheme were included as a proxy for prosociality and attitude to competition, respectively. The marginal effects are reported in col (1) - (2) of Table 2. Results indicate that there is an effect of corrupt earning on choice of sector after controlling for other variables. Corrupt earning has a positive effect on probability of choosing public sector and is highly significant in both specifications. The size of the estimate suggests that a 10% increase in corrupt earning leads to a 0.2 percentage point increase in probability of being an aspirant public servant. Presence of public servants among immediate family members, lower caste identity, motivation for public service significantly increase the probability of choosing the public sector while family income significantly decreases it. Interestingly, worker's true performance in the task is significantly less for the public group than the private (Table 3 in Appendix 1) and predicts the choice of sector. The former may truly have had a lower ability in the task or they may have deliberately underperformed in anticipation that the matched supervisors would cheat them. However, we cannot isolate these two effects with our data[7]. Finally, unlike in Hanna and Wang (2013), we find no effect of choice of incentive scheme and charity contribution on choice of sector. Col (3) - (4) report the ordinary least square estimates of demographic and preference variables on corrupt earnings - none of the variables predict corrupt earnings.

Table 1 reports the proportion of subjects, across the two subject pools, who indulged in corruption. We find that 66% of the public sector overreported as against only 33% of private sector aspirants (χ^2test,

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[6]Table 3 in Appendix 1 reports the statistical difference in the covariates between the two sectors. Though public sector group has a significantly higher proportion of low caste and a lower proportion of female than the private sector group, our results are not driven by the differences in these demographic compositions - this is indicated by the regression results (Table 2) and also grouped mean differences for each category (not reported).

[7]We thank an anonymous referee for pointing this out.

p-value=0.005). Also, 59% of the former underpaid as against only 39% of the latter (χ^2test, *p*-value=0.10). However, when it comes to corruption, though 70% of former are found to be more corrupt as against 63% of the latter, the difference is not statistically significant (χ^2test, *p*-value=0.516). These results when juxtaposed with that of the bribe amount, imply that while public sector aspirants are not more likely to be corrupt, but on an average they are more corrupt.

4   Conclusion

Contrary to the conventional wisdom[8], our paper finds that corrupt people self select themselves into the public sector. Also, unlike the existing experimental corruption literature, which studies petty corruption, we use a new corruption game which models embezzlement rather than bribery. Our results are important as they suggest that the occupational choice of a person is correlated with the intrinsic characteristics, such as the moral cost of indulging in unethical acts, besides standard socioeconomic factors. This makes corruption even harder to fight in an environment which is already widely corruption ridden. Not only is it important that existing corruption is eliminated through systematic institutional interventions, a strong and credible signal should be sent to aspirant bureaucrats that corrupt activities will be effectively dealt with.

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[8]For instance, Besley and Ghatak (2005) hypothesize that mission oriented individuals join the government.

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Table 1: Mean difference corruption

Mean	Private	Public	Mean difference[a]	t/χ^2-test, p-value	MW Test, p-value
			Full Sample Mean		
Overreporting	0.67	4.02	-3.36**	0.000	0.001
Underpayment	2.61	3.54	-0.93	0.458	0.193
Corrupt Earning	3.27	7.56	-4.29**	0.006	0.031
$\mathbf{1}$(Overreporting>0)[b]	0.33	0.66	-0.32**	0.005	
$\mathbf{1}$(Underpayment>0)[b]	0.39	0.59	-0.19*	0.100	
$\mathbf{1}$(Corrupt Earning>0)[b]	0.63	0.70	-0.07	0.516	
			Corrupt Sample mean		
Overreporting	2.18	6.22	-4.04**	0.000	0.007
Underpayment	6.85	6.37	0.47	0.823	0.822
Corrupt Earning	5.14	10.68	-5.54**	0.003	0.289

[a] *** p<0.01, ** p<0.05, * p<0.1.
[b] 1(.>0): all subjects who made a non-zero decision. p-values are from χ^2 test.

Table 2: Marginal Effects

VARIABLES	(1) public	(2) public	(3) corruptearning	(4) corruptearning
corruptearning	0.02***	0.02***		
	(0.00)	(0.01)		
male	0.05	0.05	-2.71	-2.72
	(0.09)	(0.09)	(1.88)	(1.91)
age	0.05***	0.05***	-0.31	-0.30
	(0.01)	(0.02)	(0.34)	(0.35)
familypublic	0.20***	0.19**	-2.05	-2.01
	(0.07)	(0.08)	(1.64)	(1.69)
lfamilyinc	-0.10***	-0.10***	-0.69	-0.67
	(0.03)	(0.03)	(0.80)	(0.82)
caste	0.21***	0.21***	1.15	1.10
	(0.07)	(0.07)	(1.08)	(1.12)
workerstrueperformance	-0.01***	-0.02**	-0.20	-0.18
	(0.01)	(0.01)	(0.15)	(0.16)
charity		0.01		-0.12
		(0.01)		(0.29)
incentivescheme		0.00		-0.39
		(0.08)		(1.84)
Constant			25.12**	25.97**
			(10.99)	(11.30)
Observations	74	74	74	74
R-squared			0.126	0.129
Pseudo R-sq	0.620	0.623		
Log Likelihood	-19.32	-19.18		

[†] Note: Numbers in the parentheses are Standard errors. *** p<0.01, ** p<0.05, * p<0.1. The dependent variable in Col (1) - (2) is dummy variable indicating public or private sector aspirants. The dependent variable in Col (3) - (4) are corrupt earnings. (1)-(2) and (3)-(4) reports probit and OLS estimates, respectively.

Appendix 1 (Online only)

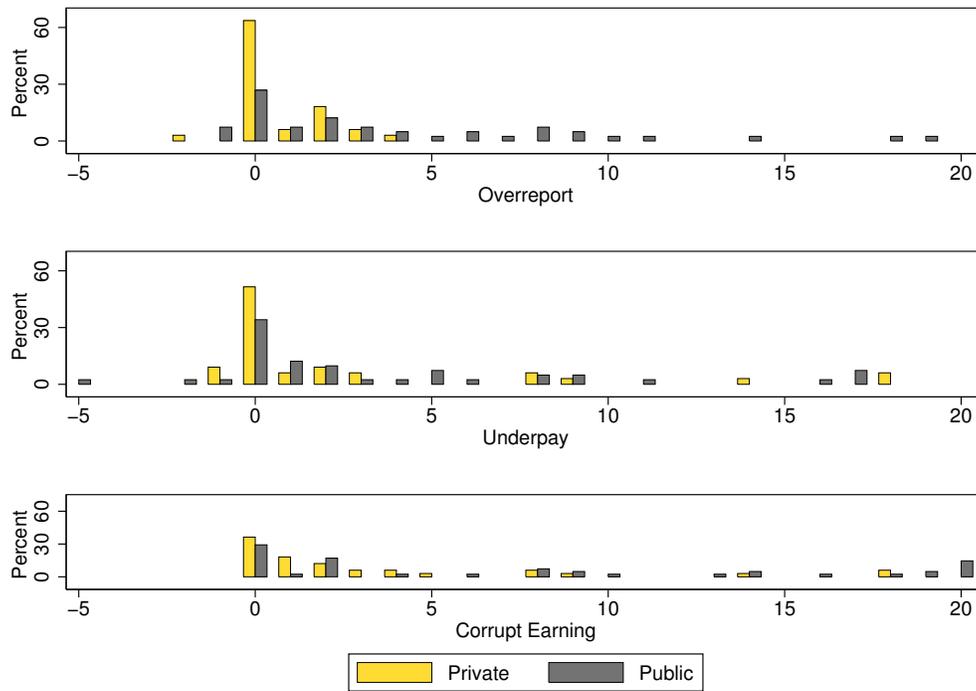Figure 2: Corrupt Earnings by private and public sector aspirants

Table 3: Descriptive Statistics

	Definition	Private	Public	Difference[a]
male	=1 if gender is male	0.52	0.73	-0.21 (0.06)
age	Age	22.8	24.5	1.7 (0.00)
caste[b]	Caste Category	0.03	0.76	-0.73 (0.00)
familypublic	whether a close family member works in the public sector	0.36	0.51	-0.14 (0.21)
lfamilyinc	Log Family Income	11.27	10.26	1.01 (0.00)
workerstrueperformance	Number of matrices correctly solved by worker	16	12	-4 (0.00)
charity	Number of tokens paid to charity of their choice	4.06	3.36	-0.70 (0.30)
incentivescheme[c]	Choice of wage scheme for the addition task	2.03	1.95	-0.08 (0.49)
Number of subjects[d]		33	41	-8

[a]The figure in the parenthesis give the p-values corresponding to the t-test of the difference between private and public sector aspirants.

[b]=0 for upper castes, =1 for other backward castes, =2 for Scheduled Castes and =3 for Scheduled Tribes.

[c]=1 for fixed wage, =2 for piece rate wage, =3 for tournament wage.

[d]8 students had appeared for UPSC exam once, 8 twice and 4 twice or more.

Appendix 2: Instructions (Online only)

Instructions for Supervisors

Introduction

You are now taking part in an economic decision making study. You will get a fixed participation fee of Rs. 300 but you can earn additional money depending on the decisions that you make. During the experiment you can earn money by receiving tokens.

All tokens that you can earn in the experiment will be exchanged into Rupees at the end of the experiment, The exchange rate is:

$$1 \text{ Token } = \text{ Rs. } 50$$

At the end of the experiment you will receive the amount of money that you have earned during the experiment in cash.

The experiment consists of several parts and a survey. The instructions will explain in detail what the respective part of the experiment is about. Please follow the instructions carefully. If you have any questions please let us know by raising your hand. Your question will be answered by us in private.

In this experiment you will have to solve few math problems. Use of helping devices like calculators,cell phones is strictly prohibited. If you use helping device, you will be immediately excluded from the experiment and from all payments. Please note that communication between participants is strictly prohibited during the experiment. Further instructions will be provided at the beginning of each step of the experiment.

Each of you will be given an identity number. Please do not lose your identity number. This entire experiment is anonymous. We will sometimes form pairs of two participants. The matching of two participants has been randomly determined in advance. You will never be informed of the identity of the participant with whom you have been matched. You will not know the names of your partner. We will use identity number for payment. If you lose your id number we wont be able to pay you. Please raise your hands if you have any questions.

Part 1 : Game 1

We divided the total number of participants in this experiment session randomly into two equal groups: Workers and Supervisors. Your role has been randomly assigned to you by us at the beginning of the experiment. All the participants in this room are Supervisors. All the workers are in another adjacent room.

Description of Game 1

In this part each one of you is a "Supervisor" and you are paired with a "Worker" who is in the other room. Each one of you will receive a booklet filled out by the worker you are paired with. Nobody will ever be informed of the identity of the worker he/she is paired with. Your task is to count the number of correct answers in their Worker's booklet and pay her 1 token for each correctly solved box. In order to do it, we provide you with the "Solution Manual" which contains the list of correct answers to the problems.

The Worker's booklet

The worker's booklet consists of simple math problem of the following type. It has boxes like this:

1.79	3.70	2.99
8.34	7.19	5.55
9.01	4.45	6.32

The worker has to find a pair of numbers in the box which add up to to 10. Having found the pair, they are required to encircle the corresponding numbers and put a tick into the box corresponding to "Got it". In this example note that only 4.45 and 5.55 add up to 10. The booklet will contain 20 such boxes and if the worker solves all of them she earns 20 tokens. The identity number of the worker is written on top of the booklet.

Your Task

The Solution Manual given to you contains the correct answers to the problems. In each box the correct answers are underlined and bold. Your role is to find the number of correct answers in the worker's booklet with the help of this manual. We will not monitor your work.

Description of Game 1

You will be paid 2 tokens for checking the worker's booklet. Once you are done checking the booklet of the worker, throw the booklet in the basket along the door and proceed towards the token counter located outside the room. At the token counter, ask for the total number of tokens that you need to pay the worker plus your 2 tokens. You just need to mention only one number to the cashier.

You will then return to your seat and put the number of tokens that the worker has earned in the envelope and seal it. The workers identity number is written on the envelope. Then place the envelope containing the worker's earnings on the table kept in front.

Finally you will redeem the tokens that are left with you from the token counter at the end of the experiment along with the other earnings that you will receive in the subsequent games we will play.

Note that when you ask for tokens at the token counter and when you pay the worker you may choose to do any one of the following :

1. You may **Over-report at the token counter** i.e. claim more tokens than you need and **Under-report the worker's performance** i.e. put less tokens in the worker's envelope than he deserves.

2. You may **Over-report at the token counter** i.e. claim more tokens than you need and be **Truthful with the worker's performance** i.e. put the exact number of tokens that the worker deserves.

3. You may be **Truthful at the token counter** i.e. claim exact number of tokens you need and **Under-report the worker's performance** i.e. put less tokens in the worker's envelope than he deserves.

4. You may **Over-report at the token counter** i.e. claim more tokens than you need and **Over-report the worker's performance** i.e. put more tokens in the worker's envelope than he deserves.

5. You may be **Truthful at the token counter** i.e. claim exact number of tokens you need and be **Truthful with the worker's performance** i.e. put the exact number of tokens that the worker deserves.

You will redeem these tokens from the token counter at the end of the experiment along with the other earnings that you will receive in the subsequent games we will play.

Example to show how to calculate earnings

The worker will get (number of correct answers you find in the booklet)*1 tokens. You earn 2 tokens.

For example, suppose the worker solves 19 problems correctly. Here the worker gets 19 tokens and you get 2 tokens.

In this case, you may ask for 19+2=21 tokens.

Note that you can ask any amount up to 22 tokens depending on the decision you make.

You just need to mention 21 tokens to the cashier.

Please note that your earnings in this part is completely unrelated to that in the next part.

Game 1 begins now..

Now please grade the booklet.

Please go out at the token counter and claim the total number of tokens you need.

Please put the worker's earning in the envelope. Then put the booklet in the basket at the door and proceed towards the counter one by one.

If you have any questions regarding these instructions, please raise your hand. We will answer to your questions in private.

Part 2

Welcome back. Now we will play two games. We will randomly pick up one of these games by tossing a coin and the amount of tokens that you will earn in that particular game will be en-cashed at the end. If coin toss yields a Head then you will be paid based on your decision in Game 2 and if it is Tail then you will be paid based on your decision in Game 2. Notice that you have a fifty percent chance of being paid for Game 1 and a fifty percent chance of being paid for Game 2. However, since you do not know in advance which round will be used, your decisions in these two games are equally important.

Part 2: Game 1

In this game each one of you is given 10 tokens. We will provide you with a list of five charities. We ask you to decide how much would you like to give to one of these five charities given below. You can donate any amount including zero. For example if you decide to give 3 tokens then you get : 10 tokens-3 tokens= 7 tokens. If this round is randomly selected by the coin toss then we will en-cash 7 tokens and pay you in cash at the end, while the 3 tokens will be en-cashed and sent to the charity you mentioned.

Please fill in the following in the **sheet called Part 2.**

"I want to give _____ number of tokens to the charitable organization.

The list of potential charitable organization where you may donate the money to is given below with their respective address. We will calculate the total amount that has been donated to each charity right after the experimental session. A check will be written for each of the organization with the corresponding amount on it and put in a sealed, stamped and addressed envelope. The envelope will be posted by the end of the day. If the organization accepts online payment we shall pay online by the evening tonight.

1. **Ramkrishna Mission.** Contact address : The General Secretary, Ramakrishna Math and Ramakrishna Mission. P.O. Belur Math. Dist- Howrah. W.B. 711 202 India. Tel: (91) 33 - 2654 1144 / 1180 / 9581 / 9681. Fax (91) 33 - 2654 4346. E-mail: rkmhq@vsnl.com

2. **Indian Red Cross Society.** Contact address : Indian Red Cross Society, 1, Red Cross Road, New Delhi 110001, India. Tel: (+91-11) 23716441/2/3 Fax: (+91-11) 23717454,23717063 Web site : www.indianredcross.org

3. **Prime Ministers National Relief Fund.** Contact address : PMNRF, Prime Minister's Office, New Delhi 110011

4. **Snehalaya (Associated with "Save the girl child project" with Satya Meva Jayate).** Contact address : (Office) Snehalaya Bhavan, Opp Chitra Theatre, Near Mahatma Gandhi Maidan, Ahmednagar, Maharashtra, India. Pin - 414001. Telephone: + 91 241 2327593, + 91 241 2327555,+ 91 241 2778656 Fax: + 91 241 2323772. **Online payment:** NGO Account name: SJ-SHL. NGO Account No: 912010021691949

5. **Missionaries of Charity.** Contact address : 78 Acharya Jagadish Chandra Bose Road, Kolkata-700014, West Bengal , India. Telephone +91 33 22175267, +91 33 22640638.

Part 2: Game 2

In this game you will need to solve simple three digit addition problems. For example: **What is 345+567?**

You have 2 minutes to solve these addition problems. In these 2 minutes you will be given a booklet of 25 addition problems.You are encouraged to solve as many problems as you can.

Incentive Scheme

Before we start this game you need to make a decision. In this game we will pay you using either of the following three wage schemes. If this round is randomly selected for payment at the end we will use the wage scheme that you will choose now to pay you for this round.

1. Tournament Wage : You receive 8 tokens if you are among the top three performers.

2. Variable Wage : You will receive 0.4 tokens for each problem that you solve correctly during the work session.

3. Fixed Wage: You will receive a fixed amount of 4 tokens. It does not matter how many problems you solve.

Take a look at the example and decide your wage scheme.

Please indicate your choice of incentive scheme on the sheet called Part 2.

Task Session

Your 2 minutes of task session begins now.You are encouraged to solve as many problems as you can. After the 2 minutes is over we will ring a bell. Please bring your booklet in front and keep it inside the box.

Instructions for Workers

Introduction

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. During the experiment you can earn money by receiving tokens.

All tokens that you can earn in the experiment will be exchanged into Rupees at the end of the experiment, The exchange rate is:

$$1 \text{ Token } = \text{ Rs. } 50$$

At the end of the experiment you will receive the amount of money that you have earned during the experiment in cash. Please follow the instructions carefully. If you have any questions please let us know by raising your hand. Your question will be answered by us in private. In this experiment we will have to solve few math problems. Please do not use any helping devices like calculators,cell phones.

Please note that communication between participants is strictly prohibited during the experiment. Each of you will be given an identity number. Please do not lose your identity number. This entire experiment is anonymous. We will sometimes form pairs of two participants. The matching of two participants has been randomly determined in advance. You will never be informed of the identity of the participant with whom you have been matched.You will not know the names of your partner. We will use the identity number for payment. If you lose your identity number we wont be able to pay you.

Please raise your hands once you have read the questions.

Part 1

We have divided the total number of participants in this experiment session randomly into two equal groups: Workers and Supervisors. All the participants in this room are Workers. All the Supervisors are located in another room.

Booklet

You will receive a booklet which consists of simple math problem of the following type. It has boxes like this:

1.79	3.70	2.99
8.34	7.19	5.55
9.01	4.45	6.32

Your task will be to find a pair of numbers in the box which add up to to 10. Having found the pair, they are required to encircle the corresponding numbers and put a tick into the box corresponding to "Got it". In this example note that only 4.45 and 5.55 add up to 10. The booklet will contain 20 such boxes. The identity number of the worker is written on top of the booklet. You will receive 1 token for each correctly solved box.

We have randomly matched you with a Supervisor in the next room. Your booklet will be graded by that matched Supervisor. It is completely anonymous. Only the identity number is written on the booklet.

You can earn extra money based on how the supervisors grades your booklet.

Your Earning = (number of correct answers that the supervisor finds in the answer sheet)*1 tokens.

The supervisor is paid 2 tokens for grading the answers.

After checking the answers, the supervisor will ask for the tokens that is needed to pay you and him.

The supervisors may ask for (Your earning+2) tokens to the cashier. However they can also exercise one of the options given below.

1. He may **Over-report at the token counter** i.e. claim more tokens than he needs and **Under-report the worker's performance** i.e. put less tokens in the worker's envelope than he deserves.

2. He may **Over-report at the token counter** i.e. claim more tokens than he needs and be **Truthful with the worker's performance** i.e. put the exact number of tokens that the worker deserves.

3. He may be **Truthful at the token counter** i.e. claim exact number of tokens he needs and **Under-report the worker's performance** i.e. put less tokens in the worker's envelope than he deserves.

4. He may **Over-report at the token counter** i.e. claim more tokens than he needs and **Over-report the worker's performance** i.e. put more tokens in the worker's envelope than he deserves.

5. He may be **Truthful at the token counter** i.e. claim exact number of tokens he needs and be **Truthful with the worker's performance** i.e. put the exact number of tokens that the worker deserves.

This process is not monitored by anyone.

The supervisors will then make a decision and submit it. Your identity number will be written on the top of the envelope. You will then receive your corresponding payment.

You will have 10 minutes to complete the task. We will collect the booklet at the end of 10 minutes.

Your time begins now....

Please be seated till we get your answer sheets graded and then you will receive your payment.

In the meantime please fill put this survey.

Exit Survey (Common for supervisor and worker)

Please fill out this exit questionnaire. Please write your id number on top.

Occupational choice

1. Do you want to join public/private sector service?

2. Are you preparing for civil service examination?

3. How many times have you attempted to take the civil service examination?

4. What is your preferred choice of service once selected?

5. Are you working at present? Which organisation are you working for?

6. Are you teaching in a college?

7. What is your expected salary for a future job?

Demographics

1. Gender

2. Age

3. What is your major or area of study?

4. Are you an undergraduate, Masters, MPhil or PhD student?

5. What is your home state?

6. Do you belong to Scheduled caste/ Scheduled tribe/Other backward class category?

7. Does any of your family member work in public sector and what is your relationship with that family member?

8. What is the approximate monthly income of your family?

9. What is your CGPA/GPA?

10. Are you involved in student politics? Which political party/parties are you affiliated with?

11. Do you receive any type of scholarship?

Exposure to corruption

1. How significant do you think that corruption is in different spheres of your life and lives of your friends and family around you?

   (a) Political environment around you : $1 \equiv$ not significant, $2 \equiv$ somewhat significant, $3 \equiv$ significant and $4 \equiv$ very significant
   (b) Business environment around you: $1 \equiv$ not significant, $2 \equiv$ somewhat significant, $3 \equiv$ significant and $4 \equiv$ very significant

    (c) Job, recruitment and career progress : 1 ≡ not significant, 2 ≡ somewhat significant, 3 ≡ significant and 4 ≡ very significant

    (d) Day to day affairs in your personal life : 1 ≡ not significant, 2 ≡ somewhat significant, 3 ≡ significant and 4 ≡ very significant

    (e) Education system that you are or were part of :1 ≡ not significant, 2 ≡ somewhat significant, 3 ≡ significant and 4 ≡ very significant

2. Were you ever asked to pay a bribe by a public sector/ government official? 1. No 2. Yes

3. When in need of public health services was it common for you or your family to contact a relative, friend, or friend of a friend who worked in the health service and/or offer favours/gifts to health workers in order to improve the speed or quality of the health service? 1 ≡ not at all common, 2 ≡ not very common, 3 ≡ somewhat common and 4 ≡ very common

4. When trying to secure a job in the public sector, was it common for people you know in your social network to contact a relative, friend, or friend of a friend already working in a position of authority in the sector and/or offer favours/gifts to those in authority? 1 ≡ not at all common, 2 ≡ not very common, 3 ≡ somewhat common and 4 ≡ very common

5. When trying to resolve a problem in hands of the police, is it common for people whom you know in your neighbouhood to contact a relative, friend, or friend of a friend working in the police force and/or offer favours/gifts to police officers? 1 ≡ not at all common, 2 ≡ not very common, 3 ≡ somewhat common and 4 ≡ very common

6. How common is it for you or your family and friends to pay a bribe to expedite a public sector process like getting a passport, driving license etc.? 1 ≡ not at all common, 2 ≡ not very common, 3 ≡ somewhat common and 4 ≡ very common

Public Service Motivation

Mark the statements below on a scale of 1 to 4 where 1 ≡ strongly disagree, 2 ≡ disagree, 3 ≡ agree and 4 ≡ strongly agree

1. I have a special interest in developing public policy programs which are aimed at helping my country or community.

2. I regularly debate and discuss my views on public policies with others.

3. I greatly enjoy discussing political matters with others.

4. My greatest professional satisfaction is/will be when my ideas on public policies are implemented.

5. I get intensely interested in what is going on in my community.

6. I will prefer seeing public officials broaden the road in front of my house even if it means safrificing my patio or verandah.

7. When public officials take an oath of office, I believe they accept obligations not expected of other citizens.

8. The huge financial incentives of a private sector job is well compensated by a low paying public sector job's potential to implement transformational public policy.

9. I regularly participate in political rallies and other political process in my college/university (including college/university elections).

10. How many times did you vote in the last four general/state elections?

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