



Departamento de Economía
Facultad de Ciencias Sociales
Universidad de la República

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**Permissiveness toward illegal actions in Uruguay
Are Belief in God, income and education relevant?**

Natalia Melgar y Máximo Rossi

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Permissiveness toward illegal actions in Uruguay
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Natalia Melgar*

Máximo Rossi*

Abstract

This paper assesses the willingness to justify illegal actions and whether this attitude has changed between 1995 and 2005. Our dataset are 1995 and 2005 waves of World Values Survey.

Permissiveness or the willingness to justify illegal actions is a cultural phenomenon that can be defined in several ways depending on societies and people. Hence, we consider firstly the four dimensions available (accepting bribes, evading taxes, etc.), and we estimated multivariate regressions. Secondly, from principal component analysis, we generated a new variable "willingness to justify" as a weighted average of the previous dimensions.

We find that socio-demographic variables such as age and education reduce permissiveness, political affiliation with the Center hikes it, being employed full time reduces permissiveness while income has the opposite effect, even when religiosity reduces permissiveness, beliefs in God do not matter, living in Montevideo reduces permissiveness and finally, between 1995 and 2005 the permissiveness among Uruguayans has changed, the model show that the probability of being permissive is significantly higher in 2005 than in 1995.

Key words: permissiveness, illegal action, microeconomic behavior, Uruguay.

JEL Classification: A13, D01, D73, K42.

Resumen

Este trabajo analiza la disposición a justificar ciertas acciones ilícitas y si esta actitud ha cambiado entre los años 1995 y 2005. Los microdatos utilizados corresponden a dos olas de la Encuesta Mundial de Valores realizada en esos años.

Esta disposición a justificar acciones ilícitas es un fenómeno cultural que puede ser definido de diversas formas según cada sociedad e individuo. Por lo tanto, en primera lugar se analizan las distintas dimensiones consideradas en la encuesta (aceptar un soborno, evadir impuestos, etc.), y estimamos regresiones multivariadas; en la segunda, a partir del análisis de componentes principales se generó la variable "disposición a justificar" como promedio ponderado de las dimensiones analizadas.

Se encuentra que: variables socio-demográficas como la edad y la educación reducen la disposición del individuo a ser permisivo, la afiliación política con el Centro aumenta la permisividad, variables económicas como trabajar a tiempo completo reduce la permisividad mientras que se reduce al aumentar el nivel de ingresos del hogar, el lugar de residencia juega un rol muy importante, los montevideanos tienen menor probabilidad de justificar una acción ilícita que el resto de los uruguayos y por último, entre los años 1995 y 2005 las actitudes han cambiado, es posible afirmar que la probabilidad de ser permisivo es significativamente mayor en el año 2005.

Palabras claves: permisividad, acción ilegal, comportamiento microeconómico, Uruguay.

Clasificación JEL: A13, D01, D73, K42.

1. Introduction

The aim of this paper is twofold. First, we assess what are the significant characteristics that shape the willingness to justify a set of illegal actions in the case of Uruguay. Second, we analyze whether there is a change in Uruguayans' attitudes between 1995 and 2005. Our starting point is the acceptance that this attitude is a cultural phenomenon. Whether the acceptance of rules and laws differ among people depends on their characteristics (such as education or moral values), we should ask: what are the individual characteristics that shape the willingness to justify an illegal action? or what factors determine permissiveness?

Cábelková (2001) studies the incentives to take an illegal action and she holds that this phenomenon is affected by individual perception about the level of occurrence of these events and the authority's level of tolerance. Both levels could affect the demand and supply of illegal actions. Given this objective factors (level of occurrence or tolerance) and when the fulfillment of rules is costly; the decision making process would vary depending on values and moral views because these non-objective elements play a relevant role in determining the expected costs and expected benefits. *Ceteris paribus*, to take an illegal action would not mean the same to people depending on their values and moral views. For example, while a person could be against bribery regardless of the perceived level of corruption someone else views could depend on the existing level of corruption.

Our dataset are the World Values Surveys carried out in 1995 and 2005. Both surveys included a set of questions that allow us to identify the individual level of permissiveness.

We find that there is a set of socio-demographic characteristics that play a relevant role in shaping the willingness to justify an illegal action (age and education reduced the intrinsic individual willingness to be permissive, while the affiliation with the Center and feelings such as patriotism increase it). Moreover, those who live in Montevideo are less likely to justify an illegal action. Finally, between 1995 and 2005 the attitudes of the population showed a relevant change, the probability to justify an illegal action is higher in 2006 than in 1996 and this difference is significant.

The structure of the paper is as follows. The second section is theoretical in nature and it assesses the notions of tolerance, illegal actions and its most important interpretations. Section three is devoted to the existing theory on the subject. Section four sketches the main features of the econometric methods applied in this analysis, the data source and the description of variables. The fifth section deals with results. Finally, the conclusions are presented in section six.

2. What is meant by illegal action?

The concepts of permissiveness and corruption as well as what we consider an illegal action vary not only among societies and in history but also depending on each individual. Indeed, social norms also vary, so that what in a given culture can be seen as an illegal conduct in another culture can be considered as a normal and an accepted behavior.

For example, there are several definitions of corruption. Werlin (1973) characterizes corruption as the use of public office for making private gains and Blackburn et al. (2004) consider public sector corruption as the illegal, or unauthorized, profiteering by officials who exploit their positions to make personal gains. Focusing on public sector, Shleifer and Vishny (1993), define it as the sale of state assets by civil servants in order to make gains. However, it is worth noting that even when there is no single definition of corruption; all of them included a common aspect: the misuse of public office with the purpose of making private gains.

Maingot (1994) classifies the theories that explain illegal behavior at different levels. Firstly, those theories that are premised on cultural behavior: cultural explanations are very common in Latin America and tend to adhere to two well-established theories of criminal behavior, both emphasizing the socialization process. For example, the theory of cultural transmission maintains that offenders adhere to a unique value system which endorses, rather than condemns, the deviant behavior. This would mean that Latin American officials are corrupt because there exists a bifurcated moral sense in which corrupt behavior, while in office, is not only not condemned but, on the contrary, is actually approved. The second example is that of differential association: e.g., because of their intimate, small-group interaction and association with deviants, individuals engage in similar behavior. One often

hears that because the big fish are "biting," one should naturally expect the smaller fry to "bite" also.

Secondly, there are theoretical schools which emphasize social conflict or social strain explanations. According to Maingot (1994), this approach tends to be popular among more radical interpreters of the Latin American and Caribbean reality. It is assumed that, due to the obstacles to legitimate social mobility presented by the steeply stratified nature of its social structures, there is a propensity to resort to deviant means in order to achieve socially approved goals.

Finally, there are theories which emphasize individual choice and focuses on the individual as a rational actor, one who makes utilitarian choices in a particular social and economic context. This theory focuses on the individual who, in contemplation of a corrupt act, is able to weigh rationally his moral scruples, fear of official sanctions and public disapproval on the one hand against the potential material gains and psychological gratifications provided by the act on the other. Evidently, while the desire for gain might be strong, the legal and moral context is subject to change and, thus, is able to alter the outcome of the calculation. This approach combines rational actor theory with more economic theories. Therefore, it enables us to understand why so many officials still opt for honesty even in the face of powerful, almost all-encompassing, pressures towards deviance and corruption. In that sense, Maingot (1994) argues that elements such as moral sentiments and fear of public disapproval must carry a powerful counter weight.

3. What are the elements that facilitate the occurrence of an illegal action?

In general, if individuals believe that the illegal actions occur without offenders being punished; people perceive that it is "easier" to take an illegal action. For example, high levels of corruption perception have fostered the growth of institutional instability and the persistent erosion of relations among people, institutions and States. As it was mentioned, permissiveness is a cultural phenomenon which varies depending on societies, cultures and people. Accepting this fact, it is possible to assess the objective and subjective aspects that influence on the willingness to justify an illegal action.

Cábelková (2001) studies the incentives to take illegal actions and she holds that this phenomenon is affected by individual perception about the level of occurrence and the authority's level of tolerance. Both levels affect the demand and supply of these actions. Therefore, corruption perception is shaped by individual characteristics such as education and the capability to analyze information. As she indicates, the perception of occurrence of illegal actions may influence the actual level in two opposite ways.

For example, when people perceive that the level of corruption is high it is likely that: 1) citizens think that a bribe is needed and 2) government employees do not consider that a bribe is improper. Consequently, a bribe is thought to be necessary, it seems unlikely that this bribe would not be accepted and civil servants consider that this activity is risk-free. Therefore, corruption may increase. On the other hand, when corruption is high, the government may take greater actions in order to reduce it and therefore, corruption could decrease.

4. Database and methodology

The data source is the World Values Survey. We used two waves, the surveys carried out in 1995 and 2005. These surveys include economic and socio-demographic data and opinions on various issues (corruption, democracy, etc.). In particular, they include a set of questions to analyze the intrinsic willingness to justify an illegal action.

The dependant variables were generated taking into account the following question: *“please tell me for each of the following actions whether you think it can always be justified (10), never be justified (1), or something in between (from 2 to 8):*

- 1. Claiming government benefits to which you are not entitled.*
- 2. Avoiding a fare on public transport.*
- 3. Cheating on taxes if you have a chance.*
- 4. Someone accepting a bribe in the course of their duties.”*

Insert TABLE 1: Weighted distribution of answers

Table 1 shows that, in all cases, more than 55% of respondents indicated that the action is never justify. In addition, in both years, the lower level of permissiveness is found in case 4 (90.95% and 74.52% answered that it was never justifiable).

However, Uruguayans are more permissive in 2005 than in 1995. Table 1 also shows that the percentage of people who indicated number 1 (“*it is never justifiable*”) is, in all cases, lower in 2005 than in 1995. Furthermore, considering this category, it is worth noting that the highest variation is found in case 1 (that reaches 17.1 percentage points).

As it was mentioned, the concept of permissiveness involves so many dimensions; therefore we estimated multivariate regressions taking into account the same set of independent variables. Moreover, with the aim of analyzing the individual determinants to justify an illegal action and given that each considered case describe a particular case of illegal action, from common factor analysis we construct a new continuous variable: “*willingness to justify*” as a weighted linear combination of the previous cases.

Insert TABLE 2: Description of independent variables

5. Results

Table 3 shows the estimated models. Given that we estimate linear regressions, the estimated coefficients provide direct information on the impact of each independent variable.

Insert TABLE 3: Estimated models

Firstly, we find no gender bias; in all cases the variable man is not significant. Traditionally men see the world in more competitive and conflictual terms, while women are more cooperative and nurturing (Smith, 1997). However, these differences do not affect permissiveness. Secondly, the models show that, in general, age reduces permissiveness. Hence, regarding this attitude, there are life course adjustments. The highest impact could be found in regression 2. Moreover, age is not significant only in regression 4, only in the case of accepting a bribe there are no differences regarding age.

Taking into account education, we find negative effects. However, the impacts are very different depending on the specific illegal action to be considered. This result could imply that access to information and the capability to process this information matter: more educated people have more information and better capabilities to process it. It is worth noting that the highest effect is found in the case of secondary. Finally, considering the composite variable "*willingness to justify*," we find the same effects that the impacts observed in regression 4.

Regarding marital status, it is found that, in general, it does not play a significant role in determining this attitude. While it is possible to see divorce as just another miscellaneous negative life event, it makes no significant difference. Smith (1997) holds that divorce will have a distinct and especially strong impact on shaping judgments about human nature since it concerns broken commitments involving very close, interpersonal relationships. The exception is case 1 in which it is found that those who are married are less likely to justify this action. In addition the number of children, in general, does not impact on permissiveness. The exception is regression 3, in which those who have a child tend to be more permissive.

Furthermore, the models show that religiosity matters in all cases with the exception of regression 4. This result implies that weekly attendance at religious services reduces permissiveness. On the other hand, beliefs in God do not affect permissiveness.

The models also included variables linked with labor market. The models showed that unemployment does not influence on the willingness to justify an illegal action. However, being employed full time decreases the probability of being permissive (when it is significant). It might be possible that this group of people is exposed to more illegal actions.

Moreover, according to the models, income is significant and the impact is positive, it makes people more permissive. According to Ghersi (2006) the cost of legality is inversely proportional to an individual's income and in line with this You and Khagram (2005) show that income inequality is a significant determinant of corruption. With the increased inequality, the rich, as a class or as interest group, can use lobbying, political contributions

or bribery to influence law-implementing processes and to buy favorable interpretations of the law. The authors add that “the rich are likely to believe that corruption is an acceptable way of preserving their societal position as this behavior goes unpunished and social networks of corruption expand” and people will more easily justify their corrupt activities as inequality increases.

Regarding political affiliation, we find that there are significant differences among those who identify with the left, center or right. In both models, it is found that people who identifies with the center tend to be more permissive. Furthermore, attachment to the country also matter. In all cases, patriotism reduces permissiveness.

It is worth noting, that the place of residence also is significant in shaping this attitude. In particular, we find that those who live in Montevideo tend to be less permissive.

Finally, we find a significant change in attitudes between 1995 and 2005. The models show a significant increase in permissiveness between these years (with the exemption of regression 2).

6. Conclusions

We find that socio-demographic characteristics that play a relevant role in shaping the willingness to justify an illegal action.

The estimated models show that age and in general, education reduces permissiveness. On the other hand, and in most cases, the number of children plays no significant role in shaping this attitude. Regarding attachment to the country (national pride), we find that those individuals who are proud of the country tend to be less permissive. Furthermore, political affiliation also matters, those people who identify with the center tend to be more permissive. On the other hand, there are no significant differences among those people who identify with the left and those who identify with the right. Moreover, we find that some of the variables linked with labor market also impact on permissiveness. Those employed full time tend to be less permissive while income level raises the probability of justifying an illegal action. On the contrary, unemployment does not influence in this

attitude. In all cases, the place of residence has a significant effect. In particular, we find that those who live in Montevideo are less likely to justify an illegal action.

Finally, we find that this attitude changed between 1995 and 2005. The results indicate that the probability to justify an illegal action is higher in 2005. Therefore, Uruguayans seem to be more permissive than a decade ago.

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Annex

Table 1: Weighted distribution of answers

	<i>Claiming government benefits to which you are not entitled</i>		<i>Avoiding a fare on public transport</i>		<i>Cheating on taxes if you have a chance</i>		<i>Someone accepting a bribe in the course of their duties</i>	
	1995	2005	1995	2005	1995	2005	1995	2005
Never justifiable	77.66	60.57	71.38	55.52	80.37	68.62	90.95	74.52
2	4.82	8.74	3.46	8.41	3.17	8.7	2.95	7.58
3	5.12	5.59	3.97	7.09	3.78	5.16	1.73	4.04
4	2.36	4.07	3.46	4.76	2.35	4.45	0.92	2.53
5	4.71	9.76	8.45	10.54	4.81	6.07	1.53	5.36
6	1.13	5.28	1.83	4.66	1.33	3.54	0.51	2.22
7	0.51	2.34	1.22	3.04	1.23	1.82	0.20	2.22
8	0.82	1.22	1.32	2.03	0.61	0.61	0.31	0.61
9	0.20	0.81	0.61	0.91	0.41	0.51	0.20	0.51
Always justifiable	2.66	1.63	4.28	3.04	1.94	0.51	0.71	0.4
Total	100	100	100	100	100	100	100	100

Note: values in percentage

Table 2: Description of independent variables

Variable	Definition	Media 1996	Media 2006
MAN	1 if respondent is a man	0.41	0.44
AGE	Respondents' age	46.35	46.53
INCOMPLETE SECONDARY	1 if respondent has not finished secondary education (but he/ she approved the first three years)	0.41	0.35
COMPLETE SECONDARY	1 if respondent finished secondary education	0.09	0.13
UNIVERSITY	1 if having an university degree	0.07	0.13
NO CHILDREN	1 if respondent has no children	0.24	0.24
ONE CHILD	1 if respondent has a child	0.17	0.18
TWO CHILDREN	1 if respondent has two children	0.28	0.27
THREE CHILDREN	1 if respondent has three children	0.15	0.15
MARRIED	1 if respondent is married or living as married	0.61	0.57
DIVORCED	1 if respondent is divorced	0.07	0.07
SEPARATED	1 if respondent is separated	0.04	0.02
WIDOWER	1 if respondent is widower	0.10	0.11
GOD	Relevance of God in his/ her life (1 to 10 scale)	6.66	7.32
ATTENDANCE	1 if attending to religious services at least once a week	0.13	0.12
MONTEVIDEO	1 if living in Montevideo	0.50	0.43
FULL TIME	1 if working full-time	0.33	0.30
UNEMPLOYED	1 if being unemployed	0.06	0.10
INCOME	Satisfaction with current economic situation of his/ her home (1 to 10 scale, 1 means totally unsatisfied)	6.73	6.18
RIGHT	1 if respondent's political affiliation is the right	0.29	0.23
CENTER	1 if respondent's political affiliation is the center	0.36	0.34
PATRIOTISM	1 if respondent is proud of Uruguay	3.67	3.70

Table 3: Estimated models

	Multivariate Regressions				Linear Regression
	1	2	3	4	
	Claiming government benefits to which you are not entitled	Avoiding a fare on public transport	Cheating on taxes if you have a chance	Someone accepting a bribe in the course of their duties	<i>Willingness to justified</i>
AGE	-0.011	-0.016	-0.008		-0.005
COMPLETE SECONDARY	-0.254	-0.459		-0.193	-0.165
UNIVERSITY	-0.405	-0.489	-0.293	-0.384	-0.261
MARRIED	-0.228	-0.564			-0.159
WIDOWER		-0.799			-0.240
ONE CHILD			0.244		
ATTENDANCE	-0.275	-0.274	-0.277		-0.152
FULL TIME	-0.289	-0.230			-0.121
INCOME	0.045		0.069	0.067	0.037
PATRIOTISM	-0.216	-0.204	-0.465	-0.212	0.191
CENTER	0.210		0.227	0.140	0.122
MONTEVIDEO	-0.162			-0.242	-0.119
YEAR 2005	0.560	0.399	0.263	0.504	0.293
Observations	1069	1069	1069	1069	1069

Note: only significant variables are presented.