

Poverty and honesty are not opposites

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Does poverty cause lying? An international research team led by behavioral economist Agne Kajackaite from the WZB Berlin Social Science Center, Suparee Boonmanunt (Mahidol University, Bangkok) and Stephan Meier (Columbia Business School) examined whether poverty-stricken individuals were especially prone to acts of dishonesty. The researchers ran a field experiment with rice farmers in Thailand which incentivized cheating during a card game. They found that poverty itself did not cause individuals to act dishonestly.

Whether income influences [ethical behavior](#) is a topic of much debate. One approach holds that ethical acts are limited to those who can 'afford'

them. Poverty, in this view, causes individuals to behave immorally. Empirically, the question whether poverty fosters or dampens [prosocial behavior](#), has thus far remained unanswered.

The research team is now shedding new light on this relation. To provide a [causal link](#) between poverty and cheating behavior, the researchers conducted a field experiment with several hundred rice farmers in Thailand. The experiment consisted of a simple card game that rewarded individuals financially for lying about a card they had drawn blindly from a stack. The researchers found that participants cheated to a similar extent both during periods of relative poverty and relative wealth, that is, before and after harvesting season. "Contrary to the standard [economic model](#)—where no cash leads to cheating for cash—we show that poverty itself does not lead persons to behave more immorally", says Agne Kajackaite, head of the research group Ethics and Behavioral Economics at the WZB Berlin Social Science Center.

The study also provides evidence for the effectiveness of social interventions. Briefing subjects on the [ethical implications](#) of cheating changed the participants' behavior when the population was somewhat richer (after harvest), but had no effect when the population was poorer (before harvest). "This suggests that the timing of interventions to improve people's behavior matters", Kajackaite explains the study's policy implication.

More information: Suparee Boonmanunt et al, Does poverty negate the impact of social norms on cheating?, *Games and Economic Behavior* (2020). [DOI: 10.1016/j.geb.2020.09.009](https://doi.org/10.1016/j.geb.2020.09.009)

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