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An Experimental Study of Corruption on Student in Kenya: The Next Generations' Willingness to Change

A Robin Hood study in Kenya

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Abstract

This Thesis investigates how the next generation of Kenyans act in corrupt contexts, when exposed in situations where you can support or inhibit the success for an individual from the same tribe. More specifically we want to understand if mitigating corruption is a priority for them or if their loyalty towards their tribe is stronger. We conducted a three person sequential move game, which was played by 462 students at the Jomo Kenyatta University of Agriculture and Technology. In a classroom environment a corrupt scenario was presented to them and then they had the possibility to take action. There were three different game set-ups with different relationships of the players in the storyline, in referral to tribe belonging. When in the need of bribing an official, this relationship made no difference in the amount of bribes. However, when in the decision making position of accepting the bribe, it resulted in a high rate of students trying to help and protect their own tribe. This pressure of loyalty towards their own group was defined by them as a social norm and it prevented them in taking part in reducing corruption in the country. The last player, who had the possibility to punish the bribing act, chose to punish close to every time. That way of acting still shows a will to mitigate corruption, but this will is many times hindered by values and norms, such as helping your own in the society.

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“I was thinking of the current state of Kenya, where corruption seems to be a cancerous tumor slowly killing Kenya.”

“Corruption will never end. Unless a nuclear mental bomb is dropped and everyone forgets everything not to ever remember corruption again. And that’s inhumane so, corruption will never end.”

“We have to kill the monster called corruption.”

— Survey responses, JKUAT Students

1. Introduction

1.1. Background

Kenya has one of the highest measured levels of corruption, among developing countries in Africa, within the governmental support functions in relation to GDP. Transparency International measures the Corruption Perception Index (CPI) and ranks Kenya as number 145 out of 175 countries in this public sector corruption index. Since the turmoil election in 2008, the government has called for and instituted many corruption reducing reforms in various sectors. During the last election in 2013, one of the major questions brought up still concerned the question on how the next government could reduce corruption. However, in 2014 Kenya has increased the rate of corruption according to the measurement system used by Transparency International. Jain (2011) points at three reasons that permit corruption to survive; rents associated with the government's regulatory powers, corrupt bureaucracies which are somewhat independent from other "honest" institutions and that public institutions that aim to control corruption are weak. For Kenya the last aspect is a major problem, as the legal system is controlled by the politicians who are known to be very corrupt and their cases are frequently brought up in the news. Therefore, the politicians grow an immunity against conviction and nothing is done to mitigate corruption. Due to these issues and slow progress in larger corruption cases of individuals in power of the public sector, the perception of corruption among the inhabitants is very high. Gathii (2013), gives examples of what has been made to mitigate corruption from the government's side, yet little change is noticed within society according to the U4 report from 2012. Even though many aid organizations have put pressure on the Kenyan government, the level of corruption is hard to influence when many of the top politicians in the most powerful positions are involved in the illegal acts. This effect of foreign direct investments (FDI) could have an impact on the country. Pinto & Zhu (2008) come to the conclusion that it raises the level of corruption as the country is authoritarian and poor, but reduces it as it becomes more developed. However, mentioned by Al-Sadig (2009), corruption in itself reduces FDI.

One reason why many underdeveloped countries like Kenya have high levels of corruption is mentioned by Harstad & Svensson (2011). Poor countries experience a higher rate of corruption because they have many of smaller firms which rather choose to bribe than to undertake lobbying activities for changing policies. The bigger the investments of companies become, the

more will shift into lobbying. However, corruption itself keeps investments down and so the country is stuck in a vicious poverty circle, keeping corruption alive.

Another issue adding to this poverty trap is that the Sub-Saharan countries have a widespread problem of political entrepreneurship, investments ending in private pockets or the use of non-market means, which creates more corruption and tribal conflicts as described by Mwanaongoro (2013). The author argues that this bad management in leadership roles is the biggest hinder for economic growth in the Sub-Saharan region. Looking at the case of Kenya, he mentions the role of ethnicities and the promotion of the own tribe as a driver for corrupt behavior. This is further supported by Franck and Rainer (2012), who mention ethnical issues as a main reasons for the Sub-Saharan regions underdevelopment. Yehoue (2007) concludes this could be a negative externality from fresh democracies. Especially when ethnical diversity is involved and is given a function as a rent-extracting technology.

The set of actions that fall under the rubric of “corrupt acts” are large. One of the main interpretations of corrupt actions is the situation to increase your own profit, which by the act will harm a third party as individual or society. Further, corruption is by definition illegal in the Sub-Sahara region. The country consists of 46 different tribes, with five dominant ones in power. With low trust towards the government and present property conflicts between the groups, there might be a linkage between the high corruption rate and attitudes towards different ethnicities. Through an experiment and theoretical model, we cast light on the upcoming generation in Kenya. It is created through a three player game with a corrupt situation that the participants, which are students from the Jomo Kenyatta University of Agriculture and Technology, can relate to. This is accomplished by making use of loaded language, which affects how the students feel towards the situation and expose the players for the decision influenced by ethnical belonging, through referring to a real life scenario and bluntly writing “bribe” instead of “money transfer”.

1.2. Previous Experimental Literature on Corruption

Several experiments have previously examined the consequences of corrupt behavior of individuals with different objectives. The following experiments were relevant when we establish our research approach. Abbink, Irlenburch and Renner (2002) investigate policy impact on different social welfare considerations. The platform uses different punishment levels in a two person trust game between an official in power and a briber. They find that the impact from

raising threats of punishment significantly reduce the level of corrupt behavior. Johnson and Dahlström (2004), also write about the importance of punishment to reduce corruption. This kind of experiment reveals the tendencies to report and create consequences for the bribers, which is relevant for understanding the underlying reasons for corruption. Barr, Lindelow and Serneerls (2004) monitor nursing students in Ethiopia to analyze behavioral differences with different level of sanctions. The decisions by the students predict a lower rate of corruption if income is higher or when risk of being caught increases. Frank and Schulze (2000) focus on the field of study and find that economics students are significantly more corrupt than others. Barr and Serra (2010) investigate if higher rate of corruption is correlated with the country of origin. The results they find show a weak link to the individuals' native culture making a significant difference and are not considered to be the main factor for pushing corrupt behavior. Furthermore, Cooper (1999) and Harrison and List (2005) test if the context of the experiment impact the decisions made by the subjects and find that cases when the context trigger personal experiences or knowledge will affect the decision made by the subjects. Our main interest is within the experiment of Cameron (2006) which focuses on behavioral differences across cultures in a corruption experiment with a possibility to punish the perpetrators. It adds to cross-cultural comparisons of behavior of students. The last player has the possibility to punish a corrupt act but will incur a cost with the punishment. Cameron result indicates differences in corrupt behavior depending on different ethnicities and that punishment also varies depending on the subjects' background.

Our paper differs from the ones previously mentioned, mainly through the approach of analyzing the effects of ethnicity for the level of corruption. Furthermore, it is a cross-field study that combines the quantitative findings of an economics experiment, with management theories and analysis. Bobkova and Egbert (2012) have also examined previous experiments on corruption and highlighted the lack of cross field studies to properly understand the topic and to consider social norms and attitudes towards corruption in different cultures. Through analyzing the experimental findings with management theories, we contribute to an area that is in need of development. The previous experiments will give us a broader base for our analysis of received results. Focus will be on how participants' ethnic background and the visibility of other players' ethnicities affects their behavior. Our paper is the first to our knowledge, to raise the question regarding how ethnicity affects the decision made in a corrupt scenario, where tribal belonging is

weaved into the storyline. We will make use of Abbink and Henning-Schmidt (2002) as a tool to build up a loaded framework within the game built by Cameron (2006).

2. Problem Definition and Approach

2.1. Our approach

It is suggested by Tanzi (1998) that corruption is a phenomenon that has increased and given its large negative impact, the causes of corruption needs understanding and the ways in which it can be reduced. Cameron (2006) highlights three aspects of future research regarding corruption especially regarding an experimental scenery. Firstly, to more precisely define the role that institutional change plays in changing attitudes towards corruption. This was made by Abbink (2013) and Engel (2013) when introducing a law enforcement game on how punishment was made when reporting a corrupt behavior. Secondly, Cameron (2006) suggests further experimental research involving other countries with different levels of corruption and thirdly, one should develop a theoretical models to understand the mechanism through which institutional change may help reduce corruption. By running a replicated game platform in Kenya and changing the frame for the experiment instructions we cast light to the suggestions by a deeper analysis of corrupt behavior and the decision base of the individuals, in regards to ethnicity. The experiment adds further research to countries with high corruption and will be the basis for our research with an in depth analysis, using an extensive theoretical platform to define where ethnical issues may harm the progress for reduction of corruption in a social system.

The hypothesis about how ethnicity may affect individuals and their decisions, between the control and treatment groups are gathered from the literature “It's Our Turn to Eat: The Story of a Kenyan Whistle-Blower” by Michela Wrong (2009). Wrong discusses the role of ethnicity in Kenyan politics and response of the international aid community to the case of a Whistle-Blower. She describes who benefits from the growth and the link between corruption and sociality as the official at municipals and governmental levels. Wrong also describes the cost of acting as a whistle-blower, such as negative impact on support, society benefits and lost power to further influence. Without any action, corruption in societies such as Kenya will impose larger gaps of income and reducing the overall growth with wrong incentives to adopt and accept new welfare policies and agreements.

Isaksson (2013) goes deeper into the micro-perspective of this situation, about the individual and its incentives to build a corrupt society due to ethnicities. It shows that corruption among co-ethnics is higher and thus individuals' parts of a larger ethnic group in a country have higher possibility of previously experiencing corruption. Like Isaksson (2013), our experiment covers the micro-perspective, but the findings are drawn to a larger scale by looking at how the individual behavior affects the system in the long-run.

In addition to examining behavioral differences of ethnical groups in corruption the experimental treatment between groups were varied to examine whether there is correlation of the visibility and variability of ethnicities and a difference in behavior. We modelled a system with high transparency for all involved parties for making different and same ethnical belonging visible for the players of the game. The experiment was executed with "loaded-words", for mitigating the experimental effects such as Levin and List (2006) mention and to test for the impact of the ethnicity's role in corruption and punishment.

As Kenya has been target of many corruption scandals and is known for tribal conflicts during the 90s, we take the approach of observing a common situation, known for a Kenyan citizen. Furthermore, the country is much affected by the fact that many rather feel loyal towards their tribe, than the country Kenya as such. Articles in Bloomberg, the Economist and Reuters discuss this issue and the research will determine if this also is the case for younger individuals. That is why the observations are made of the students at the Jomo Kenyatta University of Agriculture and Technology and further due to the high present level of corruption rated in Kenya (Transparency International). Hereby, one gains an insight in the behavior of the country's next generation of citizens and what traditions and beliefs they keep alive.

2.2. Research Question

Our study analyzes the results of an ethnical three sequential move corruption game, through measuring the number of corrupt actions in three different ethnical set ups (storylines). As a conclusion we want to answer the following question with the help of the corruption game, survey and previous literature on ethnicity and corruption.

Research Question

Will corruption in Kenya be mitigated with the country's next generation?

To answer the research question with the experimental set up we analysis the game results through the following sub question.

Sub question

Is the next generation and their willingness to reduce corruption affected by ethnical belongings?

As we are looking at ethnicity as a factor for corruption, we can define our scope to political corruption. We are using the concept “Our Time To Eat (OTTE)” of Wrong (2009) as a foundation for our research. The assumption are made that her theories are describing the Kenyan society of today and we will check if it still holds for the next generation. The concept entails the belief that the ethnicity of the leaders in the country will be the ethnicities being privileged in society and them being benefitted by the government officials. We want to test this hypothesis due to the actuality of the topic. It has been written about in many different forms, however no quantitative study has been done in Kenya to our knowledge that covers this topic. Therefore we will test the well-known concept on students, to further investigate if and how deep this behavior is rooted in the country.

When answering this question we will look further into if corruption is a major inhibitor for the utility maximization of the student. Does visible ethnical background change the corruption and sanctions level?

3. Theoretical Framework

This section presents the theoretical framework to analyze the strategies chosen by each subject that will answer the research question. First we define corruption as a term for the research approach. Further presented are the action strategy and the decision model by Argyris & Schön (1974) to structure each individual behavior. Last, we present the Pfeffer (1981) political power model on the macro level to explain external factors that affect alterations in strategies and beliefs.

3.1. Corruption

Corruption can take various shapes and be executed by all types of people, but is commonly said to be “the abuse of entrusted power for private gain” e.g. by Transparency International. Overall it is hard to define corruption, as it is an ambiguous topic with many layers. For our purpose we scope the definitions suitable for this case, which is to narrow the definition of corruption down to be the necessity of a network, contacts or the need to use monetary means such as bribes for a reciprocation. Johnson (2004) defines examples of different kind of corruption. Following her setting our experiment will fall under the topics of Bribery and graft (extortion and kickbacks), Acceptance of improper gifts ("speed" money) and Manipulation of regulations (bias and favoritism) on a systematic basis. The focus lies with the bribe and networks in form of ethnic belonging.

3.2. Argyris & Schön - The Behavioral World

Argyris & Schön (1974) developed the Theory of Actions model to describe the individual behavior and actions that are controlled by underlying beliefs. They define each action as based on assumptions which lead to consequences. Consequences in turn can either progress or inhibit the individual beliefs which create double or single loop learning. Argyris & Schöns theory consists of multiple models of behavior, however we use the *Model O-I: The Behavioral World* to analyze our case. It is based on a model that is affected by the individuals in the society, but also the other way around; it affects the individuals within it. Furthermore, it will include the theory-in-use Model I, when referring to the mismatch between the consequences and the individuals own beliefs. The following figure 1 describes the theory of actions.

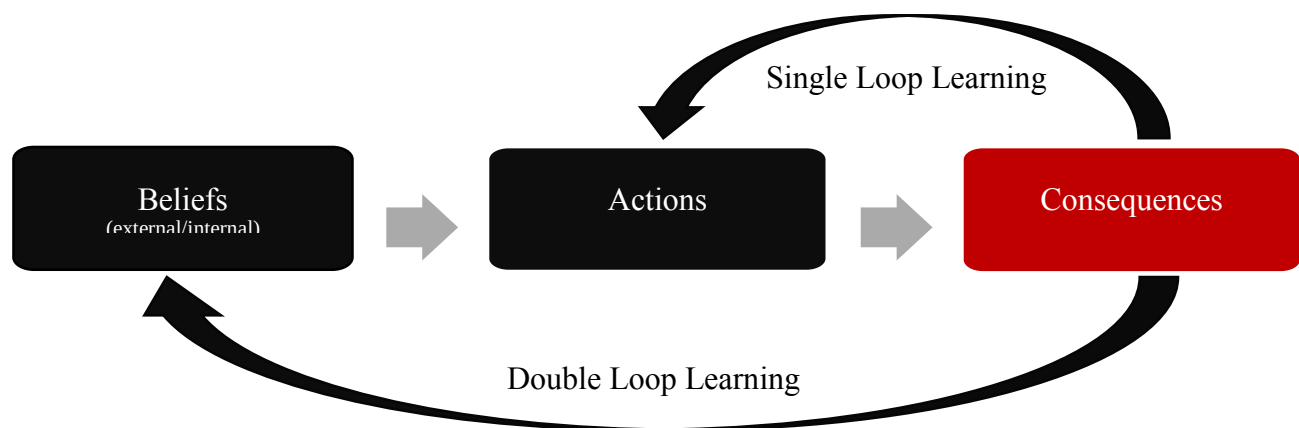


Figure 1 - Argyris & Schön: The theory of actions

The model will give us a clear picture of the game strategy that the students will undertake and

we will be able to analyze their actions from a micro perspective. The game and survey result will show if the actions are in line with the underlying beliefs which are based on previous theories and shown in the Pfeffer analysis of external factors. The following definitions outline the Argyris & Schön theory-in-use, which summaries the Behavioral World framework used in our research approach.

Model I – Individuals who perform model I thinking emphasis self-protective, interpersonal behavior. The basic assumptions lead the subjects to follow a predictable set of steps in their attempts to influence others or to follow the system. The natural pattern of Model I is that the subject first assumes the problem to be caused by someone else and develop a solution to the problem defined. The assumptions associated with a model I thinking leads to passive decision making and inhibits a double loop learning to their personal beliefs.

Model II – Individuals emphasizing model II integrate and encourage an analysis in the decision making process. Common goals and mutual influence gives opportunities to test assumptions and beliefs that differ in the behavioral world. The individuals who are consistent with model II combine high level of advocacy and inquiry which generate self-fulfilling decisions and integrative learning which fulfill the needs for the double loop learning, where the belief and consequence go together.

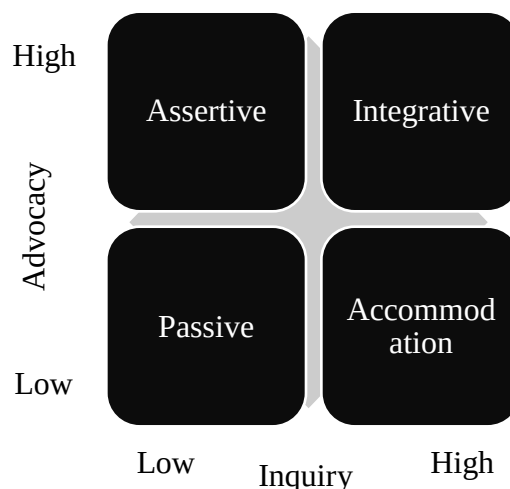


Figure 2 - Advocacy and Inquiry

Espoused theory – The espoused theory are the beliefs the subject claims to hold when deciding on an action strategy. This must not correlate with what they actually use as a decision tool.

Theories in use – This theory is looking at what the subject actually does and what beliefs their actions is based on, which must not correlate with what the subject says itself.

Single-loop learning: The single-loop learning is when the individual sees a correlation between its acts and the result. Furthermore, one can change the way of acting to receive a different result. In single-loop learning the subject do not reflect on the underlying assumptions to the corresponding action which inhibit a learning process to the third part, in our case the society.

Double-loop learning: The double-loop learning takes the process of change one step further by letting the individual question also the underlying assumptions behind the actions made. This makes the individual much more reflective about the prevalent actions it makes use of. The individual communicate knowledge and actions. Furthermore, the individual seeks to find the underlying assumptions in the organization and society to create a match in own and others beliefs. The learning occurs through adapting the underlying assumption, which affects the actions and should end up in the wished consequences. This happens when the double-loop is fulfilled.

3.3. Pfeffer's Power Analysis

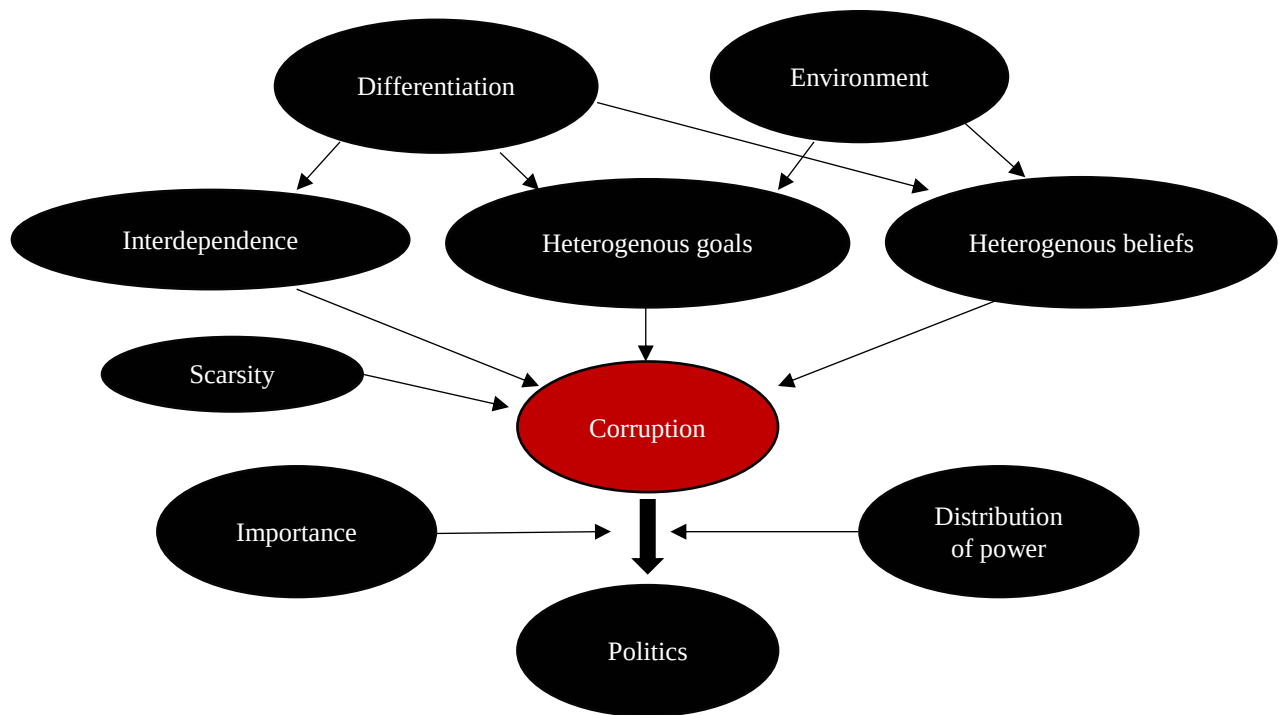


Figure 3 – Pfeffer: Theory of organizational politics

To be able to understand the structure and causes of corruption we will evaluate the country situation through Pfeffer (1981) organizational power analysis of conflict. A minor adjustment is made as the conflict in this case is the level of corruption in the country. Furthermore, through the model we can identify if ethnicity plays a major role in creating a corrupt society. All societal factors are analyzed to understand whether they support and enhance a corrupt system, how this is acted upon and why. The analysis of Pfeffer explains the external factors used in Argyris & Schön - The Behavioral World, to understand the underlying assumptions and beliefs of the individuals.

4. Method, Experiment and Survey Design

To fulfill our goal we have conducted a combined quantitative and semi-qualitative data set. Ethnicity is a sensitive topic, especially in connection to corruption and raises strong feelings among the inhabitants in Kenya; this could result in bias answers if presented without a thought through procedure. To gain a general behavior statistic, a quantitative study regarding subjects' behavior has been made to create a basis for our analysis and theoretical findings. A qualitative one would not be sufficient as the individuals are not aware of the underlying reasons for their

behavior and furthermore we would not be able to get as many answers that are necessary for our research. However, to control for the noise in biased answers we perform a survey to understand the participants' background and values. Throughout this section more details regarding the design and procedure are presented.

4.1. Experiment Design

We designed a three-person, sequential-move game that focused on a common bribery problem. The model for the game was created by Cameron (2006) and we added modifications to change it into an experiment of culture specific research, the game-payoffs for each game position are found in Figure 6. The first player acts as a First Applicant (FA) which has the option of initiating a corrupt act by offering a bribe to a Jury (J) in order to increase its own payoff at the expense of society, in this case the last player, the Second Applicant (SA). We assume FA can offer a bribe by choosing an amount (B) in a five stage range from $B \in [40, 80]$. It costs FA to offer a bribe and FA incurs this cost regardless of the action by the Jury. The second player, acts as a Jury, has the option to either accept or reject the bribe. If J accepts the bribe then the payoff for FA and J increases by three times the amount of the bribe ($3B$).¹ The last player is SA and moves after the decisions made by the first and the second player. If J accepts the bribe then the payoff for SA decreases by the amount ($7B$).² If the bribe is accepted, SA has the choice to punish both the two previous players for the corrupt transaction by choosing an amount (P) as punishment in a range of ten from $P \in [20, 120]$. Punishment will be costly for the SA and reduce the players' payoff by the same amount. However, the punishment given will impose a payoff reduction on the other players. These payoffs are modified from the game made by Cameron (2006) to suit the current economic state in Kenya and create real incentives for the subjects. The total payoff gains from the first and second player do not exceed the payoff loss to the last player. To enforce the storyline we use experimental Kenyan Shilling in the instructions.³

¹ Officials payoff increase with $3B$ even through the amount paid by the firm is B . This is due to the marginal utility of income between the three subjects in the game.

² The magnitude of the payoff reduction is the same as used in the welfare reduction game played by Cameron (2006). We use the welfare reduction platform for comparison and to give a more true scenario in the outlined game.

³ The game was set up with a ratio from the Cameron game. This for making the requisite as similar to the previous game to make the results comparable and then we converted into an average payoff of 208 Kenyan Shilling (Ksh) for the players, which is based on the one day of work for an unskilled employee within Agriculture in Kenya, which corresponds to an amount of approximately 204 Ksh. a day (Shah and Mwaura 2013). The students were informed that they played with amounts that will be converted. More detailed instructions are found in appendix II.

In the game equilibrium, a payoff maximizing Second Applicant does not punish. With the mathematic payoffs in mind, the First Applicant (briber) offers the bribe and the Jury accepts. Moreover, the First Applicant offers the maximum amount of bribe, since the payoff increases with the amount offered. Previous experimental literature has evidence that punishment takes place even in one-shot games; we anticipate the Second Applicant behavior to be in line with foregoing evidence and divide from the theoretical prediction.

To avoid signaling we group the participants randomly and code every record sheet. By using a one-shot nature of the game; every participant in our game only play once and only one role which helped us avoid serial in decisions. We chose to use emotive terms such as “bribe” and “punishment” in the instructions. This deviates from the standard practice of using neutral language in economic experiments but in-line with Cameron (2006). Our aim was to visualize a real-life corrupt act through the use of loaded language as stated by Abbink and Henning-Schmidt (2002). Since the decision to punish is not affected by further rounds and strategies of economic gains, the results will illustrate the willingness to engage in corrupt acts and the punishment of corruption more directly.

4.2 Survey Design

The survey strategy is similar to the experiment. The survey finds variables for drawing parallels to the decision made by each subject in the experiment. Questions regarding their age, gender, field of study, work experience, ethnicity, exposure to corruption first hand and their perceptions of corruption in the Kenyan society. To prevent the survey from influencing the experiment results, it was conducted by participants after the game was finished and all experimental tasks were done. Through the survey we got greater understanding of our research subjects and if the experiment results rely on specific variables from the participants backgrounds, with main focus on their ethnicity.

The survey support believes and describes why the results turned out differently than first expected. Through a couple of open-ended questions the survey was made a semi-qualitative tool and an important base for our analysis. It helped us understand the mentality and culture in Kenya and the mindsets for choosing specific actions. Through getting the students thoughts we

can make a further analysis of their values and underlying assumptions and possible reasons for the prevalent situation of corruption in the country.^{4,5}

The answers to the open-ended questions “what is causing people to engage in corrupt actions?” and “Why did you do your decision in the game?” were categorized into 5 (Greed, Social Norm, Poverty, Speed and Other) and 7 (Moral, to reduce corruption (social costs), Necessary given the situation, Social Norm, Equity, Participation and Other) different answers respectively.

Greed is defined as enriching yourself in any way. *Social norm* is when answered that everyone else does this or that it is the way things work in Kenya and *Speed* when it is for speeding up processes. Other is answers such as ethnicity, getting away with crimes or the patriarchal society. In the second question *Participation* means that the individual simply wanted to take part of the experiment and *Equity* that it were for the means of getting the reward and is a mix of people who simply wanted any return and those profit maximizing. Even though some students stated they were profit maximizing, in many cases the action they took was not correspondent to it. *Moral* was either the individuals’ belief or religious view of the participant. For the open-ended question about which sector is believed to be the most corrupt one, they were categorized and if below 5 percent of the answers, to be included in the category “Other”.

4.3 Treatment Groups

We conducted the following three storyline concepts to examine whether ethnicity has an impact on the bribing and punishment behavior.⁶

Different - No ethnical belonging where stated in the storyline, this group only present the storyline and represent our control group.

Same - All players have the same ethnicity in the storyline; the decision by a subject will benefit and harm someone from the same tribe.

Mixed - The first and second player has same tribe belonging and the third player has a different. The storyline illustrates the case of two different groups within the same society and one group has the possibility to benefit by a corrupt act and this will harm the other group.

⁴ We created a pilot survey before we arrive to Kenya. At site, the final survey was conducted, after two test groups, first 28th Mars and second 31th Mars, had filled in the survey and necessary adjustments were discovered due to the sensitivity of the topic.

⁵ A copy of the survey are found in the appendix I and could be handed out by the authors on request.

⁶ All storylines can be found in Appendix IV.

With an instructional change to the subjects we give the specific detail of tribe belonging to the players and clearly point this out in the instructions. By using the ethnicity related word tribe as a bond between different roles in the game we make a distinction between the different treatment groups. However, due to the anonymity about who they are playing against, the actual ethnicity of the players does not matter within each game, we solitary state if they belong to the same tribe or a different one. Our objective in the treatment is to observe whether a bond between the subjects changes the tendency to corrupt behavior and amount of punishment. The storyline is relatable for the subjects. The game reflects a true bribing scenario to receive money from a youth development fund.⁷ The first applicant with a weak application has the opportunity to bribe a jury member to get the fund. The effects from an accepted bribe by the official jury member affects a second applicant, who will not receive the fund and therefor reduce these players' payoff.

4.4 Experiment Procedure

The experiment was run at the Jomo Kenyatta University of Agriculture and Technology (JKUAT) in Nairobi.⁸ To minimize the experimenter effects, one of the authors presented the instructions to all participant groups. The experimental session was non-computerized to limit the use of technology and risk of a system breakdown. Due to administrative and organizational capacity the experiment was done at two different occasions.⁹ Each session began by dividing the group of participating students to the different games. Each group could see the members of the same group and it was unknown to them that everyone in the same room were assigned the same role. All record sheets were coded to make them unaware of which specific subjects constituted a particular role in the game.

Each participant receives a copy of the game's instructions, which also was read out loud to them.¹⁰ The experimenter gave a number of examples explaining how the payoffs would be calculated for specific bribe and punishment amounts. Every subject had a record sheet to write down his action, which was collected by the experimenter after a decision was made. The subjects playing the role of a First Applicant were asked to decide whether they wanted to offer a

⁷ All storylines are found in appendix IV and could be handed out by the authors on request.

⁸ Two pilot experiments including survey were made prior to the final experiment; 5 games including youngsters with upper education background the 28th March 2015 and a second pilot with 4 groups of JKUAT students the 31st March 2015.

⁹ The experiment was made 3rd April 2015 with 235 participants and 7th April 2015 with 215 participants.

¹⁰ Copy of the game instructions are found in appendix II and can be handed out by the authors upon request.

bribe. If they chose to offer a bribe, they also needed to specify an amount. The subjects participating as the second role (Jury) made their decisions based on the First Applicant bribe, which was corresponded to a Second Applicant. The second (Jury) and last player (punisher) only made a decision if a bribe was offered or accepted. The last player only gets to play if the bribe was accepted and the player will know how high the bribe amount was. After the last players decision to punish the game ends. The decision made by all of the subjects was entered into a spreadsheet which generates their payoffs. The results were evaluated and the subjects were paid according to each groups specific payoff was calculated using a payoff ratio.

In the end of each session the subjects filled out the survey, which ask them a series of 20 questions. Total participation time for one subject was approximately 30 minutes and a total of 15 game rounds were executed.

4.5. Statistical Procedure

The statistical procedure analysis characteristic for certain behavior in the experiment was made using Excel and STATA software. The relevant information can be captured with the binary dependent variable “engage”, which can be described with one for engaging in corrupt act and zero otherwise. Same procedures for the decision to punish a corrupt behavior by one for “engage” and zero otherwise. The probability function of “engage” is equal to $P(y = 1|x) = E y|x$, with probability that $y = 1$ is the expected value of y to a one unit increase in an explanatory variable.

We control the behavior by t-test of differences in mean between the game groups to find evidence regarding the storyline effect. To find characteristic differences the following variables have been used to describe certain behavior by each subject in our experiment; male, work experience, experience of corruption first hand and the three major ethnicities in our experiment (Kikuyu, Kalenjin and Lou). We have chosen to focus on this variables because those are the only statistical significant and most interesting in our data set.

4.6. Delimitation

Our study will consider the population of students at the Jomo Kenyatta University of Agriculture and Technology. The population delimits the age to youth individuals below the age of 30 years to as they all are university students. Sample observations have included several fields of study but mainly agricultural, engineering and economics students.

The considered study question is if corruption is an issue in Kenya due to the strong tribal bonds that are prevalent. It will clarify what effects the ethnical background has on the different roles and their decisions in a corrupt scenario with monetary incentives.

The written and spoken language during the experiment was English and all our quotations are taken from the survey responses.

5. Results

The result sections are divided as follows; first we present the summarized statistics, the second section presents differences between the subject groups and the regression results, section three present the general key findings from the survey.

5.1. Summarized Statistics

We have summarized statistics over the population in Table 1, to provide an overview of the three different game groups. Overall, 462 students signed up for participation in the experiment. Out of 154 games, 54 using same, 50 different and 50 games mixed ethnicities. After all games where played 291 participants made a decision and recorded a survey, other participants signed up for the game where not included in the data set since no decision was taken. Due to that the characteristics for each subgame have no significant difference; the validity of the experiment was not at risk. However, smaller differences between the mixed group and the other two are prevalent. The distribution between men and women is 54 percent, also the lower percentage of subjects that have experienced corruption first hand, 54 percent compared to 76 percent and 81 percent. Furthermore, the set up with not more than 50 students participating at the same time have resulted in irregular distribution in the field of study between the different treatment groups. From the decisions made by the subjects we find that no particular field of study had a significant impact. As anticipated, a large portion of the subjects believe engaging in corruption is morally wrong and that corrupt acts are good to punish. A majority of the subjects believe men are most corrupt. The result show a correlation in the belief of women being more corrupt with being female themselves.

5.2. Differences between Subject Groups; Same, Different and Mixed

The storyline for each group and player role was made to personally affect the subject in their decision. Thereby we could measure if the ethnical relationship, which in previous literature is mentioned as one of major factors for corruption in Kenya, has an influence on the decisions of

the younger and educated generation. All groups were exposed to the same loaded storyline framework. Its effect and that the students understood the situation as very real became clear in the survey and also through the t-test of differences in mean.

In the survey many students referred to the storyline on why they did their decisions and answered as if their decision in the game would influence their life. E.g. "... I stood a better chance to be considered rather than if I didn't [bribe]." "I made my decision because I know all the other people will give out the bribe, therefore me too should do so in order to increase my chances of qualifying for the Job." "Bribing someone would at the end deny someone else a chance to benefit from the fund and hence I decided not to bribe." It can be understood that the students felt emotional involved in the situation described for them. Hereby, we also draw the conclusion of the awareness of the ethnicity bond described for the treatment groups. Referring to the theories of e.g. "Our turn to eat", one would expect the results to have a high variation.

Table 4 present the differences in mean from each sub-game. From the decision we find that Same, Different and Mixed had 61 percent, 62 percent and 66 percent respectively that offered a bribe to the Jury.¹¹ The average bribe given from a range of 40 to 80 experimental shilling was 60.61, 69.74 and 69.68 respectively; the distribution of the bribe amount is found in figure 7. The acceptance percentage from the Jury was 24 percent, 47 percent and 68 percent for the respectively groups, figure 8. The p-value for difference between the acceptance rates Same/different, Different/Mixed and Same/Mixed is statistical significant at 0.0638, 0.0992 and 0.0003 respectively. All three players' behavior divide from the game equilibrium and theoretical predictions.

The results of choosing to bribe were not significantly different, which leads us to rather surprising conclusions of ethnicity not being the major influencer on the students when taking the decision whether to offer a bribe. However, the influence of ethnicity was significant different at the power position of the game. This shows that the possibility of getting your bribe accepted is the highest when you are belonging to the same tribe as the Jury and both of you are not related to the second applicant, predicting that you intend to help one of your own.

Punishment behavior differs from the theoretical predictions, resulting in 95.2 percent of the

¹¹ The acceptance rate could be seen as very low compared to students in India, Singapore, Australia and Indonesia with 92.86%, 96.08%, 88.89% and 78.72% respectively when the welfare reduction game was played (Cameron et al, 2006)

second applicant deciding to punish the corrupt act and reducing their own payoff. Average punishment between the treatment groups same, different and mixed was 83.75, 91.677 and 78 respectively, figure 9. The result corresponds to a high level of willingness to report and punish corrupt acts, slightly lower but not significant when relationship differ between the victim and the subjects engaging in corrupt acts.

In Table 5 we control for subject characteristics that may affect the decision by each subject. We first control for engaging in corrupt acts, to either bribe or accept the bribe. Furthermore, we divide the positions into “briber” or “accepter” to see differences in roles. The Probit -regression imply the same result as the t-test of differences in mean regarding the treatment groups effect with one deviation. The Mixed and Same group are slightly less significant as “accepter” compared to the t-test differences in Mean, but still the storyline generate a significant impact on the different game groups. Furthermore, Male are statistically more corrupt (p-value 0.014) and to send bribe (p-value 0.003). Differences in ethnicities in our data sample we find Kalenjin to be statistically more corrupt (p-value 0.010) and Luo to be statically more willing to Accept (p-value 0.021). The regression results also show a indication between “engaging” and experience corruption first hand. Work experience has a weak effect to reduce the probability to “engage” in corruption. Due to the low number of punishers no regression results are presented of “engage” characteristics for the last player.

5.3. Survey Finding

The survey questions create opportunities for deeper analysis to understand the subjects reasoning and these results will now be presented further. The reason for the action are present in Table 3, with the main reason to bribe being “Necessary given the current situation” which also was the most common answer in each game. Reason to not bribe was “Moral” or “To reduce corruption”, 44 percent respectively. The Jury position to accept the bribe was dependent on sub-game; Same, Different and Mixed had “Equity”, “Necessary Given the Current Situation” and “Social Norms” as most common explanation respectively. In the Mixed group “Social Norms” counted for 42 percent which indicate a society idea about how people should behave. Most common reason not to accept the bribe was “Moral”, 59 percent and “Reduce corruption”, 30 percent. Furthermore, reason in Mixed not to accept the bribe was 80 percent “Moral” and no one claimed the decision to be caused by “to reduce corruption”. The last player reason to punish was mainly “Moral” or “to reduce corruption”.

The open ended questions find interesting denials of a number of individuals. Even though they had chosen to engage in the experiments corrupt actions, the answers they gave in the survey stated that they did not and rejected corruption as an ill in the country. Others admitted they were corrupt in the experiment, but stated they were strictly against corruption in any form. The most common reason if they choose not to bribe was that out of religious reasons or that they had strong moral beliefs and wanted to participate to make Kenya corruption free. Most subjects had strong feelings toward corruption and wanted to mitigate the existence of this issue. However, many blamed the government and bigger institutions for being at fault for the bad development of Kenya. Table 3 further present which sector the subject believe is the most corrupt and the most common answer with 59 percent was the governmental institution and its. "The government is the most corrupt sector and its officials, because they can bend whatever they want due to the fact that they are at the top of the food chain". If not stating the government self or generally the public sector, 16 percent of the subjects accused the security sector, such as the police and the law as being the most troublesome areas and these making it impossible to fight corruption. The institutions who should punish corrupt activities in the country are corrupt themselves. "...the law enforcing part of government – they too are corrupt and shady in their dealings and therefore they accept bribes instead of prosecuting the wrong doers". Different kind of leaders were held responsible for solving the issues, which we interpreted as people with power, others were excused. "The group responsible for most corruption are the leaders who are the holders of governmental resources and they do thus to benefit themselves and their friends". There was a high acceptance for poor people to be corrupt. When answering the police to be corrupt, it was often added that it was understandable due to their low salaries. "...many people get involved in corruption, but not because they are willing but because circumstances do force them to do so out of desperateness". When asked about what was the main cause behind corruption, the subjects answered 21 percent poverty. However 51 percent said it is due to greed.

When generalizing there were three different answers to who was responsible to make corruption end; every individual takes their responsibility, the leaders (government) should change and enforce a strict law system against corruption or the regular citizen. Many students enforced their answers with believes that corruption will never end. There was a correlation between the subjects writing about the leaders and those how did not believe corruption could end to "engage" in corruption. Yet again the first answer, which promotes the individuals responsibility,

was an opinion stated also by students who choose to bribe. Thereby they went against their own beliefs or opinion, when confronted with a corrupt situation.

5.4. Validity

Knowing that our experiment was in a closed classroom environment, we know that this has an impact on our results. Levin and List (2006) state that people do not behave in the same matter when crossing the road with a child compared to when they cross by their own. To avoid this phenomena we clearly state in the start of each session that they have been mixed up randomly and that the experiment is made anonymously. The result is not comparable with a real life scenario which always will affect the outcome of actions taken by the subjects. In real corruption scenario the payoffs are never for certain and corruption is rarely visible for the victim in a direct response. Furthermore, corruption in an illegal situation would rarely be written down and precisely stated what outcome it should get. In reality a corruption scenario relies heavily on trust and needs which have a large impact on the daily environment for the participant, the broader consequences of engaging in corruption is the main drawback with our game setup. The study is reliable to the level that the students from JKUAT might not be representative for all young people in Kenya.

6. Analysis

With our experiment and survey we have highlighted two key findings; first the subjects attitude towards people in power positions and the issue of ethnical favoritism. Through the survey it becomes clear that in the culture of Kenya's inhabitants, everyone sees the problem of corruption arising from the politicians in government. That is the most popular topic that people introduce when asked about corruption in the survey. Wrong (2009) and Isaksson (2013) highlight this perceptions as the major beliefs in the current issue of reducing corruption. This perception is that corruption is the fault and responsibility of the government and we will analyze this through Pfeffer's organizational power model and the game decisions will be analyzed on a micro level through Argyris & Schön. With the findings from Pfeffer and Argyris we try to understand the major enhancers for the level of corruption in Kenya.

6.1. Pfeffer Political Power Model

The model will show what factors that create the corrupt environment and who has the power to change the society. This will create the foundation for the use of our second model by Argyris & Schön.

6.1.1. Differentiation

There are two major ways of differentiating the inhabitants of Kenya, wealth and ethnicity. There is an excessive gap between the poorest and the richest people in the country. This implies further differences in possibilities for the different income groups, with low level of social services. Money equals possibilities, not at least because of the prevalent corruption in the country. Thereby one can equate wealth with power and see that there is a differentiation here. Even the students mark this as they believe it is acceptable for poor people to bribe as they have no other choice. Furthermore, another differentiator in the country, which mostly correlates or at least is more important are the various ethnicity groups. The 46 tribes that currently are living in Kenya all have their own language and the loyalty rather lies within the tribes than with the country. As shown in the experiment, when having the chance to favor the own ethnicity 44 percentage points more student would do this in comparison to when they interacted with different ethnicity members. However, this was not something the students even mentioned, even though they behave accordingly when playing the role of the jury in the experiment. If some members are wealthy or powerful this will mirror itself in the ethnicity group as they support each other to these power positions. This will be brought up in the distribution of power section.

These factors divide the country and are increasing the tendencies to corrupt behavior.

6.1.2. Interdependence

If looking at the two differentiations mentioned above we can see two interdependence scenarios. However, in both there is a hierarchical structure. The poor are dependent on the rich and according to Isaksson (2013), the smaller less influential ethnicities are dependent on the bigger more powerful ones as they own more positions of power in society. As shown in the experiment the dependent individual like the first applicant in the game, does not feel that they can contribute to the reduction of corruption. People blame others, such as the politicians that are on top power positions. The hierarchical structure invites to a Model I thinking of Argyris, as it prevents the inhabitants of Kenya to discuss the issue on an equal level amongst themselves.

Therefore, this hierarchical system inhibits people from engaging in preventive actions of corruption.

6.1.3. Environment

The political environment depends on two different factors. First there is an external pressure from international forces. In the recent years there has been more pressure from international companies and aid organizations that have chosen to withdraw their activities from Kenya, due to the high rates of corruption. This reaction is described by Al-Sadig (2009) on how corruption mitigates FDI, but as Harstad & Svensson (2011) state, it is important with big companies investing in a country to change bribing into lobbying. Thereby, this can turn out both as a negative or positive spiral in regards to the level on corruption, depending on how the Kenyan government chooses to respond. Furthermore, the internal pressure from the inhabitants of Kenya has the possibility to affect current level of governmental corruption by voting or support for the government. There has been turmoil in connection with the election 2008, however the laws introduced to sustain stability have not been respected by the politicians. The low combined internal commitment roots in a divided public opinion about and governmental support systems to benefit some groups in the society. The current environment leads to different goals and beliefs within the political system of Kenya, where the turmoil rather becomes a fight between ethnicity groups than against the politicians and their actions. But for the people it might be the same fight, due to the tribal focused politics that have been pushed.

6.1.4. Heterogeneous Goals

As seen in the survey results the society is divided in two regarding corruption. One part of the students believe if everyone works together and takes their responsibility, they can end corruption together. The other part has already accepted the current state of the country and goes with the system without having any goal of changing it.

We can see that many individuals in the country have the goal of mitigating corruption. Looking at the development, one can see that the society itself goes in the other direction and therefore cannot be seen as a societal belief. The people in power gain from this situation as the distribution of power is more in their favor with corruption. A change in attitude and goal for society is therefore not probable to be seen soon. As stated by Wrong (2009), the people tend to support their own ethnicities and as long as this goal is stronger than reducing corruption, it does

not make a change that individuals have an anti-corruption attitude as their loyalty forces them to support their tribe instead. Depending on how important the different forces of corruption reduction or the tribalism are to the individual, it will affect their actions as will be further shown with Argyris & Schön model.

6.1.5. Heterogeneous Beliefs in Evolvment

The belief in the evolvment of the country is very much correlating with the goals. There are a few who do not believe that corruption will end, but still would have it as a goal for the country. However, most commonly if you believe corruption can have an end you also believe there is a future of mitigated corruption and vice versa. The power and economical distance between groups in Kenya has built up the belief that only powerful people have the chance to influence the current corrupt situation in the country. This is also why individuals build up a self-sealing behavior of blaming the politicians and not taking any action against corruption themselves. Furthermore, small bribes in everyday situations are very common which impact the citizens' view of what to be considered as a bribe or illegal act. Corruption among a majority of the students in the experiment, is considered to be an issue that the government creates and the system is generating and is not involving the individuals in society. When the participants were asked about which sector they believe are the most corrupt, 75 percent mention a governmental owned sector.

6.1.6. Scarcity

As Kenya is a poor country, with few governmental resources and a great part of people living in poverty the resources are scarce. There are few job opportunities, as the unemployment rate is at around 40 percent, and other things that are accounted for as privileges. 51 percent of the students answer that they believe greed is the reason for engaging in corruption. Their definition of greed in the survey is mentioned earlier and is arising through the low living standard of the people. The poverty in the country is another self-sealing excuse for not engaging in the fight against corruption, which only enhances the extent of it. Furthermore, the welfare systems in Kenya provide little security for the citizen. The family is accounted for the only support an inhabitant has which bring high pressure to the micro community. The economical gap and the lack of support from the social net increase the willingness to take opportunities that may provide extra benefits to the individual without harming someone in their own microsystem.

6.1.7. Corruption

Concluding from the factors, mentioned above, influencing the level of corruption it becomes clear that the circumstances in Kenya build up a scenario where corruption is very likely. There are high differentiations, where some ethical groups are dependent on the powerful ones. The amount of resources is scarce and the beliefs and goals are divided in two, which gives us a result of a high risk of individuals engaging in corruption when influenced of the expectations of the society and its structures. The conflict for the individual is to choose between their own belief of reducing corruption or following the pressure of loyalty towards their ethnic group.

6.1.8. Importance

Seen in the surveys and the impact of corruption on the economic state of the country one can see that the issue is of major importance. It influences everyone from the government, business owners to the regular citizen. No one can escape its effect and therefore, very few view corruption to not be of great importance. However, Pfeffer proves that the importance to change the current risk of corruption, is differing between the inhabitants of Kenya. From the interdependence the smaller tribes have less influential power to affect the government, which mainly consists of individuals from the greater tribes, to evolve in a corrupt society and larger tribe can see possibilities to gain from this structure. The structure makes it hard to live without participating in the illegal acts and is not encouraging the inhabitants to be honest and bribe free.

6.1.9. Distribution of Power

As seen by the differentiation, interdependence and environment part, there is a group of people deciding in which direction the country is heading. The government is in charge of executing legislation that would address the problem and not least mitigate the issue amongst themselves. The individuals in the government are paid a good salary and are often belonging to one of the bigger tribes within the country. This implies that they are on top of all of the hierarchical ladders mentioned in the differentiation section. Furthermore, the individuals in power tend to choose their own ethnicity members when hiring and placing new people in power. Thereby, the power in the country is centralized on a few number of ethnicities and following Isaksson's (2013) concept the small ethnicities have very little power. This divide of power, makes many individuals feel powerless, as the ones at the top get away with big corruption crimes and there are no consequences. The regular citizen gets paralyzed to take action against corruption on their

own as they do not believe in the system as fair and just. Yet again there are trapped in the self-sealing beliefs, where this thought of not having an impact, makes the system even more corrupt.

6.1.10. Summary of the Political Environment and Beliefs

The politicians are the ones in the country with the most power. They in turn decide over many job opportunities for influential positions. As it is common knowledge in Kenya that the tribes supports their members, people in power positions see it as necessary to support their own as well. Otherwise their own ethnicity would have a disadvantage as the others will only support their own. This is a vicious circle which leads to what Wrong describes as “our turn to eat”. When the tribe is in power, it is their turn to provide their own people and the parts of the country where they live. The politics in Kenya have been branded by this idea and it is hard to stop it, as the people will not trust each other to all stop this behavior together. The belief to support your own works only if the next generation follows the same behavioral pattern. With the Argyris & Schön model we illustrate these beliefs through the actions taken by the different treatment groups and if they follow the political patterns that may result in higher rate of corruption.

6.2. Argyris & Schön: Theories of Action

From the political analysis made through Pfeffer, we can understand the underlying behavioral beliefs that will be analyzed to see if the current political state of Kenya is affecting the younger generation to continue preserving a corrupt society. To present this we use Argyris & Schön Model O-I: The behavioral world. It describes how the action taken by the students in the game is due to their beliefs (governing variables) which in turn will affect the result or consequences. Through Pfeffer we draw forward one underlying norm that is part of the behavioral world. People in Kenya tend to primarily help members of their own ethnicity when the opportunity arises. This believe has been built up through the elder generation of Kenyans and has become the foundation of the behavioral world. Believes are described as underlying assumptions which affect all of society, also the younger generation and how they are expected to participate and act in society. The individual itself also has its own beliefs, which are when in contradiction, ranked together with the world beliefs. There is a conflict between the espoused theory and the Theories-in-use among the treatment compared to the control group. Most individuals in the experiment answered that they wanted to mitigate corruption, but still many of them chose to participate in corrupt actions themselves during the game. Furthermore, most of the corrupt

individuals end up in Model I with a self-sealing behavior. Let us explain this through Argyris for all of the three different positions and their reasoning.

Governing Variables (beliefs of the subject for choosing their action)

- Help your own (when the opportunity arises and you are in a position to affect the outcome)
- Corruption is something bad for the society and has to be reduced (The importance depends on scarcity factors, the confidence in own influential power in the situation and the personal characteristics for each subject)

Figure 4 - Governing Variables

The governing variables, which are prevalent among the subjects in our experiment, describe each belief at a micro level. The experiment made has brought light to beliefs action strategies and consequences of the students' actions. The different treatment groups represent a quantitative map of the younger generation's action strategies. Through the governing variables one can answer why the students actions in the first position (the briber) do not significantly differ between the different set ups. The first player is in the need of something, which is distributed through a person in power. Thereby, they are dependent on someone else and reduced power in the situation. According to their beliefs they do not have the absolute power to reduce corruption and thereby a high degree, indifferent of storyline chose to engage in the corrupt act. The importance rate of corruption reduction is lowered through the lack of confidence in their influential power and so their own belief of reducing corruption was trumped by the hierarchical system. Only by the storyline read and the position names, the students get a picture where they are not in power of making a decision, but it is actually the jury player that has the power over them. Even though, in the game the first player position has much more influence, the survey answers showed how stated the students were facing the situation. When feeling impuissant, they go back to follow the system and pay the bribe. The results tells that the storyline impact gave them incentives to engage in corrupt acts either through "Necessary given the current situation" or the "Equity" possibility. This result was also consistent with what the second player (Jury) decided to do. When first looking at the storyline, where the focus was not on ethnicity (control), the students who choose to engage in corruption where already fewer than the number of first

players who choose to bribe. Reason for this is most likely that the jury players saw themselves as in a position of power. Now they felt they had the chance to affect the level of corruption and the confidence in their influence rose, which made more students in this position to take the chance of reducing corruption. However, the more interesting part starts when looking at the games where the jury would either hurt one of their own tribe or when helping their own and only hurting someone from a different tribe. The quantitative results show that there is an inconsistency with the theory-in-use and espoused theory. Instead of prioritizing to reduce corruption as they were in a power position, the belief of supporting their own tribesmen takes the leading role. When hurting their own, 24 percent decided to engage in corruption, which still supports the view of reducing corruption as important. More likely this is also interpreted as they not want to hurt their own. This action could be seen as a disloyalty toward the own tribe. Even though you would help one of the same belonging, hurting your own ethnicity group is severe. The result of the treatment mixed supports the interpretation of the important factor to rather be the belief of supporting their own as in this group the corruption rate went up to 68 percent. Even though this act goes against their individual belief of wanting to reduce corruption, they prioritize the world belief of supporting their own. Generally, looking at the game strategy of the jury player was the most fruitful disclosure, as it is not the confidence in the influential power that makes them act in a certain way, but rather the prioritization of the beliefs the individual has. The Second Applicant also had a sort of power. They could choose if and how much the corrupt act should be punished, but at a self-cost. Even though this subject lost their own return, they decided to punish the corrupt action. Most likely, they felt that they had influential power and could thereby make an impact on the situation. Close to all students then choose to punish the corrupt behavior, which goes against a game equilibrium of a rational player.

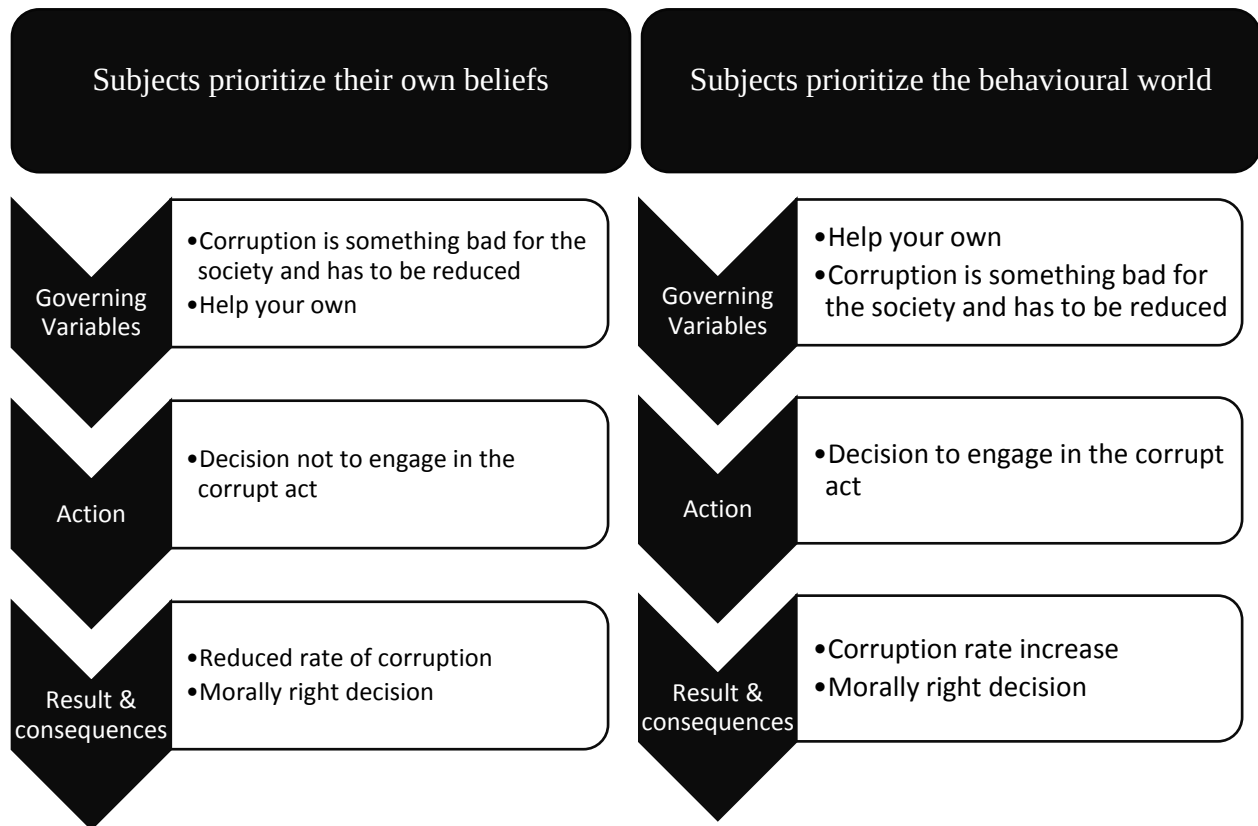


Figure 5 - Subjects action strategy

As seen in figure 5, whatever decision they made, it was morally correct according to them. Depending on if they were corrupt or not, they prioritized certain beliefs which gave them a fulfilled loop of right decisions and reasoning. The model I thinking is integrated with those prioritizing helping their own or their basic needs, as they blame others. Putting the responsibility on the government, to state that corruption is a never-ending problem and to become passive yourself is a clear model I behavior. The group corresponding to the model I strategy is the group which has the possibility to change the current state of Kenya and reduce corruption. The passive model I thinker have to raise the actual topic and communicate their personal beliefs instead of discourage the open discussion. Without any individuals taking action and having an integrative behavior the current state of the country will be preserved. Furthermore, to evolve to a double learning loop and to change from passiveness an open discussion is necessary, for creating a valid analysis of the situation. Even though the topic is brought up in the society, it is frequently hopeless to discuss when in the corrupt situation. The reason for this is the hierarchical society, where a regular citizen has little power. A number of students believe they have no chance to affect the situation where they must pay a bribe and this

at least keeps them from achieving a double-loop of learning. In a society where they feel that they have no position of discussing or negotiating, it is hard to learn how to handle the corrupt situation in a better and corruption mitigating way. Also, they might have a self-fulfilling reasoning of being powerless and in the situation where the bribe is demanded, they see this belief as fulfilled. However, there were students that believed corruption will never end and that it can be effective with giving bribes. When having this belief and deciding to be corrupt, both advocacy of your interests and the inquiry are fulfilled and these individuals have a double-loop learning and follow Model II in their reasoning.

The reasons as a jury for accepting the bribe in the “Mixed” game was because of a “Social Norms”. This answer was only given in this specific set up and those who did not bribe did it because of their own moral beliefs. The “Mixed” group is when you could help your own and hurt another tribe in the set-up, where the two different ways of reasoning or prioritizing values become the most visible. These answers go hand-in-hand with the concept of two different prioritizations, where the strength of the belief “help your own” is clearly shown. Therefore, it might be hard to mitigate corruption through education or enlighten the younger generation, as they already reason to get to their decisions of action. The high awareness the students have of the corruptions effect on the development supports this as well. What makes the students act their way are the beliefs and the factors that affect their choice to follow their beliefs such as poverty, power and characteristics. The country cannot correct issues such as corruption if they need to alter the governing variables in the country. These build double binds for subjects committed to reduce corruption in Kenya. They see the problem with corruption but would be perceived as disloyal to their tribe if they didn’t support the beliefs of the governing variables.

To further understand the individuals we investigated if certain characteristics tend to engage more in corrupt act and if these characteristics reflect the underlying assumptions. The regression results show Male as to be more corrupt and thereby rather are affected by the behavioral world. This has parallels with the current state of Kenya where Male have more governmental positions and a high amount of corruption cases. Furthermore, people that have experienced corruption are more willing to engage in corrupt acts, which lead to a vicious circle where one corrupt act leads to more corruption. In this way it is spread like a disease, where an encounter with it has a high risk of contamination and turning the individual into one prioritizing to help their own. Work

experience reduces the level of corruption and especially in the position of a briber. This would say that the more own societal experiences you make and the more independent you are, it gives you strength to choose what beliefs you want to have. When controlling for certain ethnicities we find that subtribe belonging may affect the subjects' willingness to engage in corruption. If a subject belongs to one of the larger ethnicities the risk of engaging in corruption rises. The current political environment gives opportunities to inhabitants from the influential tribes which then give power to people with a higher risk of engaging in corruption. Most likely a tribal behavior to engage in corrupt act already in the experiment will inhibit the chance to reduce corruption when the next generation will obtain power positions.

The analysis between the characteristics and the game result cast light on three types of participants with different incentives and they therefore rank beliefs in different orders. One kind of student did not believe corruption will end and sees this as a part of society, these individuals will continue with the corrupt behavior even though they get a chance to reduce it. The second kind believes corruption will end if everyone takes their responsibility and stops it now. Both of the two are double-loop learners and fulfill their loops as their actions has the effect they want to achieve. The third and biggest group are the individuals who want to end corruption, but prioritize other beliefs. Depending on the inquiry about corruption as something that the subject has a chance to distress or not will be both committed to a double-loop learning and have a strong personal incentive to "engage" or "not engage" in the corrupt act. The third group with an undermining inquiry or advocacy suffer from the behavioral world beliefs to help the own tribe and therefor changes their action strategy depending on the storyline set up. In a society with the loyalty focused on the own ethnical group rather than the country the risk is high that subjects, who depend on the behavioral world beliefs will engage in corrupt acts. This will lead to an increase in the level of corruption in Kenya.

7. Conclusion

The youth of Kenya are very much aware of the high level of corruption in the country. Most students see it as important that they contribute to the reduction of the issue, however not all are acting accordingly. The two underlying assumptions: You have to support your own tribe members and that corruption is a problem which needs to be mitigated, are the main drivers for the next generation of Kenyans. Unfortunately, most students prioritize the first belief, which in

most cases is corruption enhancing. Even though there are people who prioritize corruption, they are not many enough to make the necessary difference. The willingness to change among the youth in Kenya is not strong enough, to make the next generation one with lowered corruption levels, rather the opposite. The greatest problem in the development process is the belief of supporting your own when the opportunity is there. This issue of favoritism and tribalism, was only found in the decisions of the individuals in power (the jury in the game) in our experiment. If this factor was not prevalent the corrupt acts amongst individuals with power would, according to our study, decrease with the younger generation. The findings go hand-in hand with the OTTE concept of Wrong (2009). Still the younger generation live the tradition of when given the chance to be in a decisional role, they favor their own ethnicity. Even though the students are mixed together with all different ethnicities in the university, their ethnical background still is steering their decisions when they have the chance to influence the outcome. If the current government has the possibility to affect the younger generations, as people blame the Public for spreading corruption, with the same beliefs the system will be inherited by all new generations. Our experiment has highlighted a sample of students which clearly show the impact from the behavioral world and the current system to support your own when the chance is given. Our research provides evidence that the political system affects the beliefs of the younger generation which raises the risk of further corruption due to ethnical belonging in Kenya.

Some values and basic assumption are deeply rooted in a great part of the Kenyan youth. These societal beliefs act as corruption enhancers and will continue to influence the upcoming generations of Kenyans. A society where it is taken for granted that you need to support your own ethnicity to let them have a chance and where the fault of the ill-doings are blamed on others, is hard to change. The individuals with these beliefs rooted are part of the crucial group to influence if wanting to make a difference in the level of corruption. They do not fulfill their learning loop to reduce corruption, but by changing the belief of protecting their own they could become corruption reducers. However, if the students in the experiment were representative for the youth in Kenya, corruption will remain as a development inhibitor in the future.

8. Further research

To gain further understanding regarding the ethnicity impact on how corruption could be reduced further research could be conducted in the area of countries with less tribalism. This study could be enhanced if societies with less ethnicities have less corruption. Furthermore, an increased sample size to gather higher population number in each subgame could contribute to the current not significant conclusion regarding if specific ethnical groups and sub tribes have different behavior and impact on the corruption level in Kenya.

To investigate how to decrease corruption in the country research about the underlying assumptions and how to change theses should be made. This could be done through a study of micro behavioral changes with different policy enforcements, using quantitative management theories.

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Figure 6 - Game payoff table

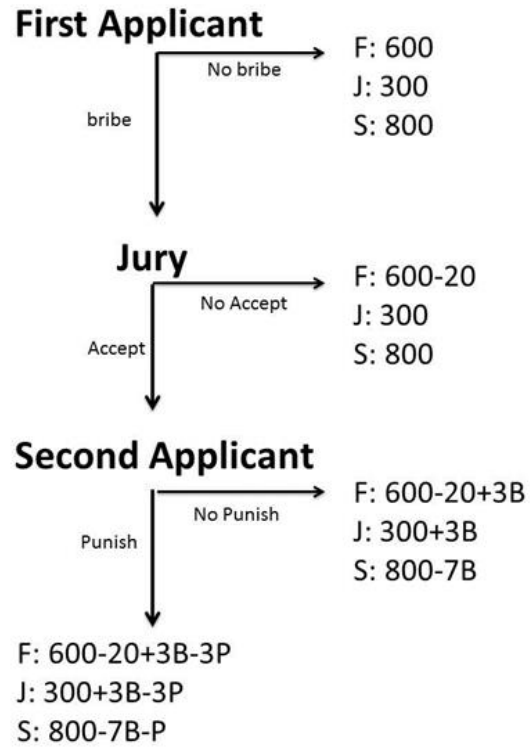


Table 1 - Summery statistics

Variable	Same	Different	Mixed
	Mean	Mean	Mean
Age:	20,72	20,60	20,81
Male:	62%	68%	56%
Year of Study:	2,06	1,94	1,73
Parents Education (0=none;4=University):	3,09	2,97	3,17
Work Experience:	0,37	0,31	0,37
Have experience corruption first hand:	76%	81%	54%
believe men is most corrupt:	86%	99%	90%
Engaging in corruption is morally wrong:	93%	99%	90%
Good to punish corrupt behavior:	94%	99%	92%
<u>Ethnicity:</u>			
Embu	-	2%	2%
Kalenjin	9%	17%	8%
Kamba	4%	5%	13%
Kikuyu	43%	29%	25%
Kisii	5%	8%	12%
Luhya	17%	11%	8%
Luo	14%	16%	15%
Maasai	-	3%	2%
Meru	3%	8%	13%
Mijikenda	1%	-	-
Somali	1%	-	-
Turkana	2%	-	2%
<u>Field of study:</u>			
Agriculture	47%	18%	48%
Economics	21%	22%	2%
Engineering	8%	27%	-
HR	0%	-	33%
IT	13%	3%	-
Management	5%	13%	2%
Marketing	1%	1%	-
Mass communication	4%	16%	15%

Table 2 - Reasons for Behavior

First Applicant		All	Same	Different	Mixed
Bribe?	Equity	24%	23%	21%	28%
Yes	Moral	3%			7%
	Necessary given the current situation	47%	65%	38%	38%
	Participation	8%	4%	13%	7%
	Social Norms	11%	8%	17%	10%
	Reduce corruption	8%		13%	10%
	N	79	26	24	29
No	Equity	7%	5%	6%	10%
	Moral	44%	47%	50%	30%
	Social Norms	4%		13%	
	Reduce corruption	44%	47%	31%	60%
	N	45	19	16	10
Jury		All	Same	Different	Mixed
Accept?	Equity	34%	67%	31%	26%
Yes	Moral	8%			16%
	Necessary given the current situation	26%	33%	46%	11%
	Participation	3%			5%
	Social Norms	26%		15%	42%
	Reduce corruption	3%		8%	
	N	38	6	13	19
No	Equity	5%	5%		10%
	Moral	59%	57%	46%	80%
	Social Norms	7%		15%	10%
	Reduce corruption	30%	38%	38%	
	N	44	21	13	10
Second Applicant		All	Same	Different	Mixed
Punish?	Moral	61%	57%	45%	73%
Yes	Social Norms	9%			20%
	Reduce corruption	30%	43%	55%	7%
	N	33	7	11	15
No	Equity	50%		100%	
	Necessary given the current situation	50%			100%
	N	2		1	1

Table 3 - Survey responses

Most corrupt Sector				
	Sector	Freq.	Precent	Cum.
Governmental owned	Government	82	28.47	28.47
	Police	57	19.79	48.26
	Public Sector	32	11.11	59.37
	Other (law, security)	46	15.97	75.34
Other	Employment Process	31	10.76	86.1
	Transport	19	6.6	92.7
	Property	12	4.17	96.87
	Private	9	3.13	100
	N	288		
Hows responsibility				
Responsibility		Freq.	Percent	Cum.
Everyone		62	21.25	21.45
Government		27	9.34	30.80
Regular Citizen		200	69.20	100
	N	289		
What cause corruption				
Cause		Freq.	Percent	Com.
Greed		148	51.03	51.03
Other		30	10.34	61.38
Poverty		61	21.03	82.41
Social Norms		27	9.31	91.72
Speed		24	8.28	100
	N	290		

Table 4 - T-tests of Statistical Difference in Mean

	Game group						p-value		
	Same		Different		Mixed		Same/Diff	Diff/Mixed	Same/Mixed
% of firm bribing	61.11	(N=54)	62	(N=50)	66	(N=50)	0.9267	0.6806	0.6091
Amount bribed (if>0)	60.606	(N=33)	69.74	(N=31)	69.677	(N=31)	0.0192	0.4349	0.0036
% officials accepting	24.24	(N=33)	46.66	(N=30)	67.74	(N=31)	0.0638	0.0992	0.0003
% citizens punishing	100	(N=8)	92.31	(N=13)	95.24	(N=21)	0.4469	0.7338	0.5468
Amount punished (if>0)	83.75	(N=8)	91.677	(N=12)	78	(N=20)	0.4789	0.1947	0.6270

Table 5 - Regression Results

Control group “Different” are the reference dummy for Mixed and Same.						
	Engage (0/1)		Engage (0/1)		Engage (0/1)	
	Corrupt act	p-value	Bribe	p-value	Accept	p-value
Mixed	0.273 (1.36)	0.175	0.107 (0.42)	0.677	0.544 (1.66)	0.097
Same	-0.229 (1.18)	0.239	-0.023 (0.09)	0.926	-0.615 (1.86)	0.067
Male	0.449 (2.45)	0.014	0.786 (2.99)	0.003	0.079 (0.27)	0.787
exp_corr	0.296 (1.44)	0.150	0.138 (0.41)	0.682	0.381 (1.24)	0.214
Work_exp	-0.262 (1.90)	0.058	-0.342 (1.74)	0.082	-0.004 (0.02)	0.988
Kalenjin	0.761 (2.59)	0.010	0.91 (2.33)	0.020	0.284 (0.45)	0.654
Kikuyu	0.302 (1.54)	0.122	0.217 (0.83)	0.405	0.403 (1.20)	0.229
Luo	0.163 (0.62)	0.534	-0.506 (1.34)	0.178	0.962 (2.31)	0.021
N	244		151		93	
Decisions: estimated with probits regression for the 0/1 decision.						

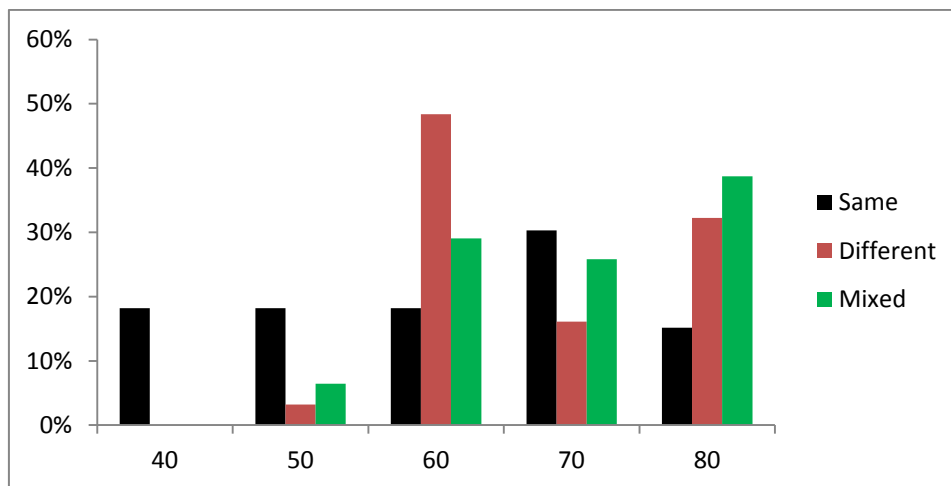


Figure 7 - Bribe amount

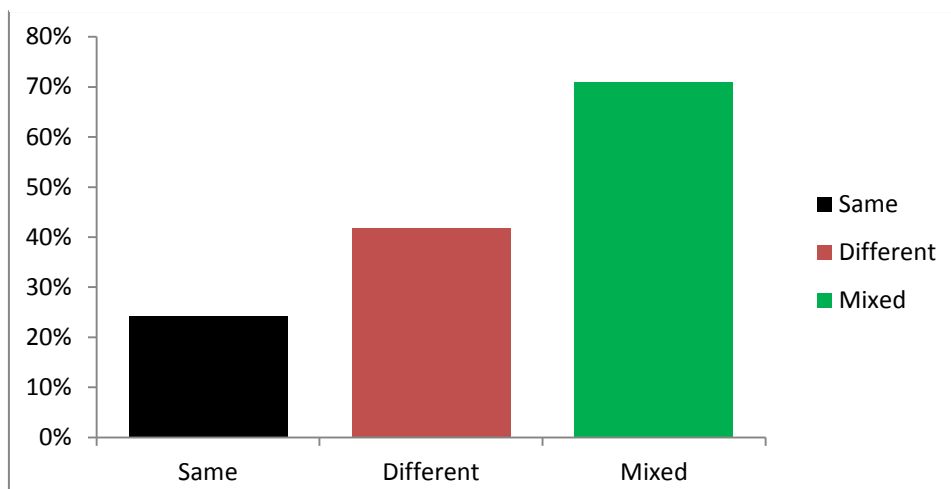


Figure 8 - Accept bribe

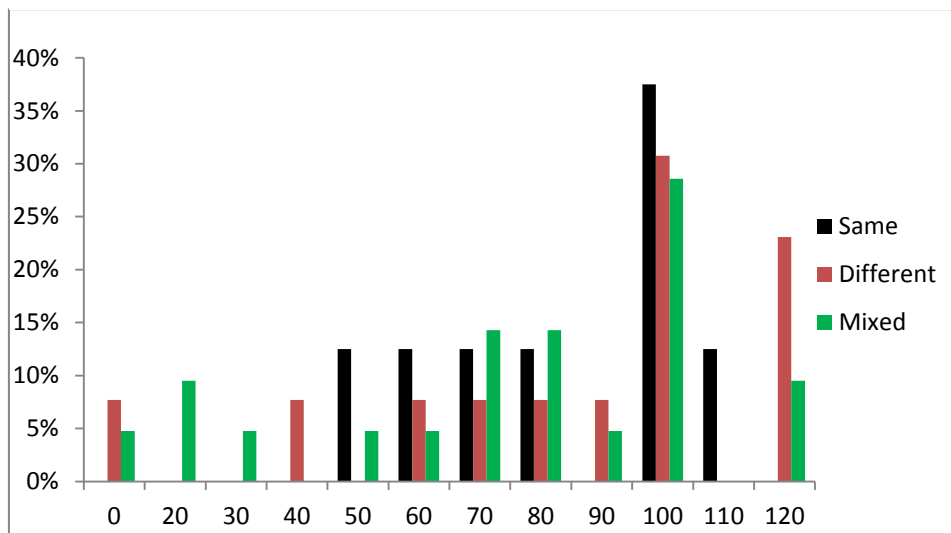


Figure 9 - Punishment amount

Post-experiment Survey

Please fill in an answer to each of the following 20 questions:

1. Age: _____

2. Gender:

☐

Male

☐

Female

3. From which county in Kenya are you?

4. What is your field of study?

5. In what year of studies are you ?

☐ 1

☐ 2

☐ 3

☐ 4

☐ 5

6. What is your parents highest level of finished education ?

☐

None

☐

Primary

☐

Secondary

☐

High School

☐

University

7. What is your mothertongue?

☐

Maasai

☐

Luo

☐

Kikuyu

☐

Luhya

☐

Mijikenda

☐

Turkana

☐

Kalenjin

☐

Somali

☐

Kamba

☐

Kisii

☐

Meru

☐

Embu

8. How much working experience do you have?

☐

None

☐

1 year

☐

2 – 5 years

☐

more than 5 years

9. Why did you make your decision in the game you just participated in, what was your thought behind it?

10. Have you ever experienced corruption first hand ?

☐

Yes

☐

No

11. Who is the most corrupt ?

☐

Men

☐

Women

12. Do you believe engaging in corrupt actions is morally wrong?

☐

Yes

☐

No

13. What is causing people to engage in corrupt actions ?

14. Whose responsibility is it to prevent corruption in society ?

☐

Government

☐

Business Owners

☐

Regular Citizen

☐

Other: _____

15. What is corruption to you ? Describe in maximum 2 sentences.

16. Do you believe it is good to punish corrupt behavior ?

☐

Yes

☐

No

17. Which sector do you believe is the most corrupt one?

18. Why do you believe this is happening?

19. Is there a certain group responsible for this and if so, why?

20. How do you see corruption ending?

Recap - spoken by the experimenter

General

“Thank you for agreeing to participate in this experiment. Funding for this experiment has been provided by the authors. The instructions are simple. If you follow them carefully, you will earn money that will be paid to you after all players in the game have made their decisions.

Do not talk to each other during the experiment.

In today’s experiment you will be a part of a group of three people. You will be presented with a real-life-like situation, where you will be randomly assigned to the role of an Applicant, or a Jury member. Your personal storyline and Record Sheet indicates your role in the experiment. We ask you to assume the role assigned to you and to make decisions accordingly. All participants are anonymous and you will not know who the other individuals are.

The money that you make in this experiment will be based on the decisions made by you and the other people in your group. The payoff you earn will be converted from Experimental Shilling into Kenyan Shilling using a convention rate.”

Game Instructions

“Let us now go over the instructions for each person more in detail (whiteboard instructions figure as complement).

In each group, people will make decisions in turn. The FIRST APPLICANT moves first and decides whether it wants to offer the JURY a bribe or not. If the FIRST APPLICANT decides not to offer a bribe, then the experiment ends. If the FIRST APPLICANT decides to offer a bribe, then it has to choose how much to offer. Once the FIRST APPLICANT decides how much of a bribe to offer to the JURY, the JURY gets to decide whether s/he accepts the bribe. If the JURY decides not to accept the bribe, then the experiment ends. If the JURY accepts the bribe, then the SECOND APPLICANT has to decide whether to punish the JURY and the FIRST APPLICANT for offering and accepting the bribe, or not to punish them. If the SECOND APPLICANT decides not to punish, then the experiment ends. If the SECOND APPLICANT decides to punish, then s/he has to decide on a amount of that punishment.”

“One example of what would happen and what the payoffs would be if the FIRST APPLICANT chooses to offer 80 Shilling as a bribe, the JURY chooses to accept, and the SECOND APPLICANT decides to punish the FIRST APPLICANT and JURY by 40 shilling. Notice that in this case the payoffs to the FIRST APPLICANT and the JURY increase by 3 times the bribe amount (3 times 80 = 240 shilling) and get reduced by 3 times the punishment amount (3 times 40 = 120 Shilling), while the payoff to the SECOND APPLICANT gets reduced by the bribe amount 7 times (-560 Shilling) and the punishment amount $-(120+560)=-680$ Shilling).

Please read the instructions carefully and if you have any questions come forward to the experimenter”

Welcome to this session!

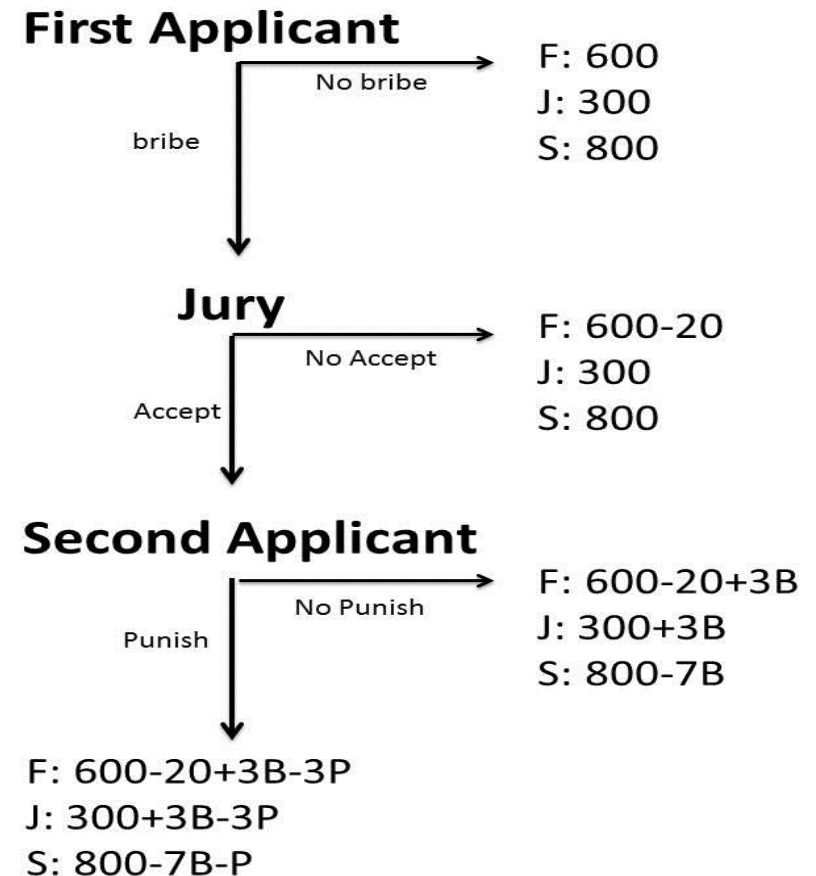
- Three person sequential move game.
- Read the game instructions carefully.
- Ask the Experimenter if any clarification is needed.
- After your decision please hand in the record sheet.
- Read each question in the survey carefully.
- Today's game is played with experimental Kenyan Shilling.
- Money will be paid when all players in your game have made their decision.
- If you violate the restrictions no payment will be done.

Payoff calculation if

First Applicant: $600-20+3B-3P$

Jury: $300+3B-3P$

Second Applicant: $800-7B-P$



Appendix IV: Storylines experiments

First applicant

You, among other youth, have applied for a fund for youth entrepreneurs. You have the opportunity to bribe one of the decision takers in the jury for the distribution of the funding's. If the jury accepts, you will earn 3 times the bribe. However, there is another youth who will therefore not get funded and can then decide whether to report this at his own cost to punish you.

Different

*You, among other youth, have applied for a fund for youth entrepreneurs. You have the opportunity to bribe one of the decision takers, **a member of the same tribe**, in the jury for the distribution of the funding's. If the jury accepts, you will earn 3 times the bribe. However, there is another youth applicant, **a member of the same tribe**, who will therefore not get funded and can then decide whether to report this at his own cost to punish you.*

Same

*You, among other youth, have applied for a fund for youth entrepreneurs. You have the opportunity to bribe one of the decision takers, **a member of the same tribe**, in the jury for the distribution of the funding's. If the jury accepts, you will earn 3 times the bribe. However, there is another youth applicant, **a member of a different tribe**, who will therefore not get funded and can then decide whether to report this at his own cost to punish you.*

Mixed

Jury

You have received the applications for the youth fund. One applicant with a weak application has offered you a bribe to get the loan. If you accept the bribe the total payments will equal triple the amount of the bribe. However, this will influence another applicant negatively, who might at his own cost report and punish you and the briber.

Different

*You have received the applications for the youth fund. One applicant, **a member of the same tribe**, with a weak application has offered you a bribe to get the loan. If you accept the bribe the total payments will equal triple the amount of the bribe. However, this will influence another applicant, **a member of the same tribe**, negatively, who might at his own cost report and punish you and the briber.*

Same

*You have received the applications for the youth fund. One applicant, **a member of the same tribe**, with a weak application has offered you a bribe to get the loan. If you accept the bribe the total payments will equal triple the amount of the bribe. However, this will influence another applicant, **a member of a different tribe**, negatively, who might at his own cost report and punish you and the briber.*

Mixed

Second Applicant

You, among other youth, have applied for a fund for youth entrepreneurs. It has come to your knowledge that another applicant has bribed the Jury and thereby disqualified you. This have affected your payoff negatively and you now have the choose to report and punish those who have taken part in the bribe. This will be costly for you but affect them 3 times as worse.

Different

*You, among other youth, have applied for a fund for youth entrepreneurs. It has come to your knowledge that another applicant, **a member of the same tribe**, has bribed the Jury, **a member of the same tribe**, and thereby disqualified you. This have affected your payoff negatively and you now have the choose to report and punish those who have taken part in the bribe. This will be costly for you but affect them 3 times as worse.*

Same

*You, among other youth, have applied for a fund for youth entrepreneurs. It has come to your knowledge that another applicant, **a member of a different tribe**, has bribed the Jury, **a member of a different tribe**, and thereby disqualified you. This have affected your payoff negatively and you now have the choose to report and punish those who have taken part in the bribe. This will be costly for you but affect them 3 times as worse.*

Mixed

Detailed Instructions for FIRST APPLICANT

In today's experiment you as the FIRST APPLICANT, have to decide whether to offer the JURY a bribe or not. If you decide not to offer a bribe, then the experiment ends and you get 600 experimental Shilling, the JURY gets 300 experimental Shilling, and the SECOND APPLICANT gets 800 experimental Shilling. If you choose to offer a bribe (B), then you have to choose how much to offer. You can choose to offer 40, 50, 60, 70 or 80 Shilling. You incur a cost of 20 Shilling for offering this bribe regardless of whether the JURY accepts it or not.

Please record your decision in the FIRST APPLICANT Record Sheet and hand-in all papers to the experimenter.

If you decided to offer a bribe, then the experiment continues and the other people in your group will make decisions. Your payoff will be determined at the end of the experiment according to the decisions made by all of the people in your group.

*You, among other youth, have applied for a fund for youth entrepreneurs. You have the opportunity to bribe one of the decision takers, **a member of the same tribe**, in the jury for the distribution of the funding's. If the jury accepts, you will earn 3 times the bribe. However, there is another youth applicant, **a member of the same tribe**, who will therefore not get funded and can then decide whether to report this at his own cost to punish you.*

Nr. _____

FIRST APPLICANT RECORD SHEET

Decision 1: (Please circle one)

DO NOT OFFER BRIBE

OFFER BRIBE

If you have chosen to “OFFER BRIBE,” please proceed to Decision 2.

Decision 2:

Please choose an amount of bribe B: (Please circle one)

40 50 60 70 80

Phone number for payment: _____