Dishonesty Concessions in Teams: Theory and Experimental Insights from Local Politicians in India[*]

Arnab K. Basu Nancy H. Chau Anustup Kundu Kunal Sen[†]

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Abstract: How does team composition influence the tendency for self-dealings when public servants, both honest and corrupt, work together to make decisions under the veil of within-group secrecy? This paper designs a field experiment guided by a theory of group dishonesty as a cooperative bargain between group members. The experiment is implemented amongst a sample of village council members in the state of West Bengal in India. We unpack the sources and distinctive contributions of peer dishonesty influence, social image concerns, and power asymmetry effects in shaping the dishonesty concessions that individuals make in a team setting.

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[†]Basu: Charles H. Dyson School of Applied Economics and Management, Cornell University, Ithaca, NY 14853 & Institute for the Study of Labor (IZA) (email: arnab.basu@cornell.edu); Chau: Charles H. Dyson School of Applied Economics and Management, Cornell University, Ithaca, NY 14853 & IZA (email: hyc3@cornell.edu); Kundu: UNU-WIDER, Helsinki (email: anustup.kundu@helsinki.fi); Sen: UNU-WIDER, Helsinki, & IZA (email: sen@wider.unu.edu.)

1 Introduction

In governments and civil service organizations alike, public servants of virtuous characters serve alongside individuals more prone to engage in corruption (Besley, 2005; Prendergast, 2007). Given these individual proclivities, and among the corruptibles, economic theory predicts that corruption tends to thrive in secrecy, when individual benefits are more likely to exceed perceived costs (Becker, 1968; Rose-Ackerman, 1975; Shleifer and Vishny, 1993; Banerjee, 1997; Aidt, 2003; Olken and Pande, 2012; Banerjee et al., 2012). What has remained poorly understood in this vast literature regarding the roots of corruption is how the incidences and severity of corruption can change when honest and corrupt public servants work together in teams to make decisions under the veil of within-group secrecy. Does team composition matter in safeguarding the delivery of truth for given financial gains associated with lying? How do ethical, psychological, and power differences between members affect team-based self-dealings? In this paper, we conduct a field experiment in which we gauge the mechanisms that moderate the tendency for team-based dishonesty among local government leaders. Our objectives are to explore three potential mechanisms and specifically whether an individual's tolerance for dishonesty in a group-based rather than individual setting, henceforth the dishonesty concession, depend on (i) peer effects – other group members are dishonest, (ii) social image concerns – other group members are present, and (iii) power differences – other group members are persuasive / influential.

Political scholars have long been interested in how peers affect the decision-making of politicians, where exposures to peer influence take the form of seating proximity in parliament on vote similarity (Fisman et al., 2015; Saia, 2018), for example. Studies have also investigated the effects of peers working through office proximity on voting and bill cosponsorship (Rogowski and Sinclair, 2012), socialization and legislative histories on career advancements (Canen and Trebbi, 2016), as well as alumni networks on log-rolling and political contributions (Cohen and Malloy, 2014; Battaglini and Patacchini, 2018).

While offering many helpful insights, these studies do not directly address how dishonest team behavior protected under plausible deniability can arise depending on team member composition. Yet, team-based decisions are ubiquitous in public policy making. Government committees and legislative bodies draft bills, handle sensitive information, serve as watchdogs of the executive, and adjudicate wrongdoings.[3] Furthermore, elaborate committee-specific rules typi-

[3] An emerging body of research points out that group decisions differ from individual decisions. In particular,

cally exist to guide the selection of committee members, including whether they are to be elected or nominated, serving single or multiple terms, and whether specific eligibility and membership quotas apply (Congressional Research Service 2006). Our study contributes to this hitherto understudied area of public policy making using a field experimental approach to generate variations in team member composition. We do so in a setting where public servants are given the opportunity to provide a team response to a dishonesty elicitation game using die rolls (Fischbacher and Föllmi-Heusi, 2013).

The original die game *à la* Fischbacher and Föllmi-Heusi (2013) is played by individuals. The game provides an individual-level indicator that serves as a proxy for the tendency to engage in dishonest behavior. The idea is simple and elegant. In the version we adopt, each participant is asked to roll a die N times in private. The participant is then asked to report the number of times a particular die number, say x, is cast. The higher the number of reported x's, the higher the monetary rewards. Since the experiment is conducted privately, any roll count of the die weakly less than N, whether realized or not, is probable. Importantly, while no one other than the participant knows with absolute certainty whether a reported number of x is true, the die roll report provides a sufficient statistic for the likelihood that the respondent has lied.

The die roll experiment has been used extensively to study the propensity for dishonest behavior. In terms of relevance and external validity, the results of die roll experiments have been shown to be correlated with personalities (Gino and Ariely, 2012; Hilbig and Zettler, 2015), public service motivations (Barfort et al., 2019; Olsen et al., 2019), and actual dishonest acts, offenses against law enforcement, or corruption-like behavior such as absenteeism (Cohn et al., 2015; Cohn and Maréchal, 2018; Hanna and Wang, 2017).

To this growing literature, the contributions of this paper methodologically are two-fold. We introduce a two-stage design to implement the canonically lab-based die game in the field. In the first stage, we ask individual participants to play the die game on their own. We use the reported first-stage die counts both as a proxy for individual-level dishonesty in our empirical analysis, and also as a metric for screening participants to form teams of two to play the die game in the second stage. In so doing, we generate exogenous and balanced group-level variations in individual dishonesty pairings as in the lab-based study in Kocher et al. (2018), along with variations in other characteristics, such as gender and age. In the team die game, in order to mimic committee

studies have shown that groups may be less susceptible to behavioral biases than single individuals (Kugler et al., 2007; Charness and Sutter, 2012)

rather than individual decisions, we adopt payoff incentives that encourage participants to have a collective mindset, by assigning each player the same monetary payoff depending only on the team die roll report.

Second, we theoretically model the decision problem of the team in order to guide our empirical inquiry. We model the negotiation between the members of the team as a Nash bargaining problem. Thus, we posit a negotiation outcome that satisfies the well-known axiomatic problems of the Nash bargaining solution.[4] The Nash bargaining problem has the additional advantage that the bargaining strength of a player already features prominently as part of the bargaining outcome.

For team member preferences, we write a utility function that shows the interplay between the monetary gains and the personal psychological (self-image) cost of dishonesty. While the cost of dishonesty is naturally player-specific and unknown to the researcher, we show that the outcome of the first-stage individual die roll game provides a sufficient statistic that captures the strength of the psychological cost of dishonesty for each participant. Moving from individual to team die games, we also bring together lessons from studies showing that decision-making outcomes depend critically on the social environment in which decisions take place (Bursztyn and Jensen, 2017). In particular, since lying in team games involves a within-group display of tolerance to dishonesty, social image concerns (e.g., Bénabou and Tirole, 2006; Akerlof and Kranton, 2000, 2005), if at play, may guide an individual to behave differently than when dishonesty occurs in total secrecy in the individual game setting. Indeed, research has shown that the identity that a person adopts is context-dependent (Charness and Chen, 2020). A priori, therefore, the direction of the social image effect may go either way, for while a within-team display of dishonesty may be unpalatable for some, others might find having a team member serve as a scapegoat to be an antidote to any psychological guilt associated with self-dealing (e.g., Charness et al., 2019; Kocher et al., 2018).

Our theory generates a simple closed-form solution that shows how peer effects, social image concerns, and power dynamics jointly determine the level of team dishonesty given the individual-specific ethical cost of lying. First, the presence of peer effect is a property of the Nash bargain – the more corrupt is one's partner team member, the more a team member will tolerate a

[4]These include: Pareto optimality, individual rationality, independent of expected utility representations, independent of irrelevant alternatives, and symmetry.

more corrupt team outcome relative to her own ideal position.[5] Second, controlling for individual indifference to dishonesty, social image concerns can compel players to adjust their lies in front of the other member in the group. Finally, a more influential participant will tilt the team outcome to a level closer to her ideal position.

Motivated by these observations, we empirically test the salience of peer effects, social image concerns, and power asymmetry on team dishonesty. For each participant, we construct a variable henceforth referred to as "dishonesty concession" – the difference between the team die roll count in the second stage and the individual die roll count in the first stage – as a proxy for the change in tolerance to dishonesty going from individual- to team-based decision making. We say that peer effects are present if dishonesty concession rises with a team partner's indifference to dishonesty demonstrated independently in the first stage before the pair games. Meanwhile, we interpret individual characteristics that give rise to a change in dishonesty concessions, after controlling for each participant's individual indifference to dishonesty (assessed in the first stage), as suggestive evidence of individual characteristics that are associated with social image concerns. Finally, in order to assess the role of power asymmetry, we look at a number of interactions motivated by theory. Specifically, we construct pair-specific power difference variables (e.g., age gap, gender gap, openly elected or reserved seats and caste differences) and interact these with the corresponding gap in the participants indifference to dishonesty in the first stage.

To work in an experimental setting as close as possible to real-world policy making, and where plentiful market imperfections enable corruption to thrive (Banerjee, 1997), we conduct the experiment with local government leaders in a developing country, India. Within the government hierarchy, we choose to implement our experiment at the level of the local village council. Within the Indian context, there is now a large volume of work showing the salience and impact of corruption at this level of government.[6] In total, 111 village council members (Panchayat members) from 10 Gram Panchayats (village councils), henceforth GPs, in the state of West Bengal participated in the experiment and completed a respondent survey.

We visited each of the 10 GPs to implement the two-stage protocol (individual and pair-die

[5]The only exception being a fully incorruptible individual, for whom no amount of team dishonesty will be tolerated, and will be seen as a deal breaker.

[6]Corruption by local village council members has been shown to bias the allocation public goods (Besley et al., 2012), and publicly funded jobs (Jeong et al., 2022). Varying the presentation of village council members has been shown to significantly alter the effectiveness of public investments such as drinking water, roads, health, and education Iyer et al. (2012); Bhalotra and Clots-Figueras (2014); Bardhan et al. (2010); Bardhan and Mookherjee (2023).

game). The statistical expectation of the number of times a 6 should appear after 18 die rolls is 3 ($= 18 \times (1/6)$). In individual die games, after 18 requested die rolls, the participants reported that on average a 6 appears 3.6 times. In the pair games, the pairs reported that on average 6 appears 3.4 times. This implies a level of dishonesty concession equal to -0.2 $(= 3.4 - 3.6)$ on average. Thus, individual dishonesty on average exceeds group dishonesty.

We then estimate the determinants of the dishonesty concession using both OLS and Poisson regressions with fixed effects and clustered standard errors at the GP level. Several findings are salient and consistent in both the OLS and the Poisson regressions. Specifically, we find strong evidence of peer effects – an individual's dishonesty concession going from individual to a group setting is strongly and positively associated with higher dishonesty of the team member. In particular, a unit increase in the number of 6's reported by participant's peer member in the team increases the individual's dishonesty concession by 0.116 to 0.242 across different specifications that include peer, social image and power asymmetry effects. Since the Nash bargaining solution is nonlinear, we also check if these results hold in a nonparametric quantile regression setting. We find the results to hold well for levels of dishonesty concessions away from the extremes, and between 30 and 70 percentiles.

We consider a list of different personal characteristics that may be associated with social image concerns. We included both observable and plausibly common knowledge characteristics at the time of the experiment, as well as characteristics that may be less well known as potential social image concerns contributors. These included (i) demographic controls such as the gender, age, and caste of the participant; (ii) political status controls such as whether the seat currently occupied is a reserved seat for under-represented castes or an uncontested seat with no other person running for the position, and (iii) economic status controls such as the level of education and earnings.

Of these correlates, we find that being male appears to be a marker negatively associated with dishonesty concession – a male participant tends to scale down his die reports in a group setting compared to what he would have selected in full secrecy. This provides suggestive evidence of gender-based differences in social image concerns. However, having two male participants in the group dials the dishonesty concession of a male participant back up, so that overall, the effect of a pair of male participants on dishonesty concession is no different than other types of gender composition on average. These results speak to a growing literature on the role of gender and corruption (e.g., Barnes and Beaulieu, 2019; Muehlheusser et al., 2015), and highlight the role of

gender composition effects on dishonesty in teams as a so far understudied issue(e.g., Decarolis et al., 2023; Abeler et al., 2014; Conrads et al., 2013; Childs, 2012; Dreber and Johannesson, 2008; Dufwenberg and Muren, 2006; Chaudhuri et al., 2024).

The role of age composition as a trigger for dishonesty concessions is another potential issue of interest that has not been extensively studied.[7] We find that in teams where both participants are junior (less than the average age of 45 years), there is a tendency for participants to scale down the team die reports relative to individual die reports. The observation that lying decreases in teams of junior participants is consistent with the role of social image concerns driven by reputation-building in teamwork – junior participants who have not had as many opportunities to interact with one another stand to gain most from demonstrating honesty.

Turning to power-asymmetry effects, we enlist power-asymmetry correlates from a number of different lenses. In particular, we include only observable and plausibly common knowledge characteristics for the simple reason that unknown characteristics are by definition unable to create changes in power perceptions. Thus, we include power asymmetry related to (i) demographics (male (own) vs. female (other), older than (own) vs. younger than (other)), (ii) political status (reserved seat (own) vs. not reserved seat (other), majority political party (own) vs. minority political party (other)),[8] (iii) economic status (more educated (own) vs. less educated (other)), and (iv) caste-based status (General Caste (own) vs. Other Backward Caste, Scheduled Castes, and Scheduled Tribes (other)).[9]

Motivated by theory, we then interact these power asymmetry metrics with the difference between a player and her peer's individual level of dishonesty assessed in the first-stage individual experiment. Power asymmetry effect consistent with a change in bargaining strength in the Nash bargain, according to our theory, would imply that the interacted term has a statistically significant effect on the dishonesty concession. We find that having a reserved seat is strongly and negatively associated with power influence over the level of dishonesty concession one makes. In other words, individuals holding reserved seats are less able to impose their dishonesty prefer-

[7] Interestingly, Chaudhuri et al. (2024) finds that inexperienced female politicians in India are more honest in individual die roll experiments, although this gender-related gap dissipates with experience. By contrast, we explore these gender and experience related drivers of dishonesty in a team environment.

[8] In the Nadia district of the state of West Bengal at the time of our experiment, the All India Trinamool Congress (AITC) is the majority political party. The minority parties include the Bharatiya Janata Party (BJP), the Indian National Congress (INC), and other independents (IND).

[9] Thus, we eliminated earnings comparison as a power asymmetry variable. However, including it does not change our result.

ence on their peer in the group experiment. We emphasize that individuals with reserved seats do not show up as having a social image concern. Only after interacting with the difference in pair-level dishonesty metrics does the reserved seat effect emerge. This finding echoes earlier work of Bhavnani (2009) and Jensenius (2017) showing that GP members occupying reserved seats have low chances of getting reelected in an open contest when the quota no longer applies, suggesting therefore that on average GP members in reserved seats may be viewed as having lower political standing than individuals who won openly contested seats.

When information that is unknown to third parties enables dishonesty to thrive without impunity, a natural tendency is to rely on multiple pairs of eyes to foster honesty in decision making. Notwithstanding this tendency, we find that dishonesty can thrive in team settings, and furthermore, our findings provide a new lens into the simultaneous contributions of three effects in driving the dishonesty concessions individuals choose to make in a team setting, via peer dishonesty influences, social image concerns, and power asymmetry between team members.

2 Related Literature

This paper speaks to a fast-growing literature on theory and empirics of the determinants of dishonesty. Extending studies of the determinants of lying at the individual level (e.g., Kartik, 2009; Gneezy et al., 2018; Kajackaite and Gneezy, 2017; Abeler et al., 2019) which explore the self-image and strategic contributors to lying depending on whether the cost of lying depends on the size of the lie and the perception associated with any potential self-dealing, this paper examines team-level dishonesty under plausible deniability as a negotiation outcome between individuals with potentially different attitudes about lying. We incorporate a typical utility function accounting for lying cost in a Nash bargaining problem, and show that the Nash solution presents three types of team dynamics hitherto underappreciated in understanding team-based public policy making: peer effects, social image concerns, and power asymmetry. We then empirically test the salience of these factors by adding a pair stage to the canonical die roll experiment (Fischbacher and Föllmi-Heusi, 2013), so that both individual-level indifference to dishonesty can be captured in the first stage and exogenously varied across teams in the second stage.

Closely related to our work, Chaudhuri et al. (2024) examines dishonesty among Indian local politicians in the State of West Bengal using the die roll experiment and finds that young and inexperienced female village council members report a lower die count. Chaudhuri et al. (2024)

explores for the first time the root of this gender- and experience-related marker of dishonesty and shows that having family political connections and having received help in political work can contribute to a disappearing gender gap in dishonesty tendencies over time. In contrast, our focus in this study is the team interaction between politicians with different tendencies to dishonesty. Our complementary findings likewise highlight the role of gender and seniority by showing that the juxtaposition of these characteristics among team members can drive variations in dishonesty concessions through social image concerns after a politician's own dishonesty tendency is controlled for. Furthermore, we also find that the standing of a politician in terms of the reserve-status of the occupied seat matter as a power asymmetry marker.

There is also a growing literature on dishonesty in teams (e.g., Gneezy, 2005; Gino et al., 2013; Conrads et al., 2013; Weisel and Shalvi, 2015; Kocher et al., 2018). The literature highlights the tension between two mechanisms with opposing effects on the distance between individual and group dishonesty. First, dishonesty may increase in a team setting, when individuals find it easier to scapegoat other team members as responsible for the dishonest act committed on behalf of the group (e.g., Conrads et al., 2013; Weisel and Shalvi, 2015). This tendency is heightened by better communication (Kocher et al., 2018), and when the benefits of lying are more evenly shared, allowing individuals to adopt a collective mindset (Conrads et al., 2013; Gino et al., 2013; Sutter, 2009; Gneezy, 2005). Operating in the opposite direction, dishonesty may decrease in a team setting when individuals are prone to social image concerns when a dishonest act is committed in front of others in the team (e.g., Bénabou and Tirole, 2006; Akerlof and Kranton, 2000, 2005). In particular, when reputation for honesty is important and must be earned, individuals may limit the level of dishonesty displayed in a team setting. On balance, studies to date have relied on lab settings where interactions between team members socially and professionally unaffiliated with each other are one-shot. The main findings so far suggest that lying in a team setting tend to outstrip lying as an individual (e.g., Kocher et al., 2018; Conrads et al., 2013; Weisel and Shalvi, 2015; Gino et al., 2013), and in particular, with more lying occurring in male groups than in female groups (e.g., Muehlheusser et al., 2015; Abeler et al., 2014; Conrads et al., 2013; Childs, 2012; Dreber and Johannesson, 2008; Dufwenberg and Muren, 2006; Chaudhuri et al., 2024).

In our study, we depart from the lab experimental setup, and work with local government leaders in their own districts. Thus, members of teams (i) already knew each other before the team activity takes place and (ii) will continue to interact with each other after the team work is over.

We do so in order to construct teams more closely aligned with real world policy making settings, in which government leaders interact based on information about observed behavior in the past, and make decisions with the understanding that reputation is built one act at a time. We find that this setting generates a number of findings that complement existing lab-based experimental findings. In particular, we find that in the raw data in our setting, partial lies are the norm. In addition, the distribution of team die reports is less dispersed than individual die reports, with a slightly lower mean. Thus, for the groups of local government leaders participating in our study, the tendency is for team dishonesty to decrease rather than increase, consistent with the relative predominance of social image concern and reputation building.

This paper delves into three separate mechanisms that drive team behavior. The first concerns peer effects (e.g., Boucher et al., 2024; Bramoullé et al., 2020), and in particular among political leaders and government officials. For example, Harmon et al. (2019) finds that voting disagreement is less likely between Parliament members that sit, or have sat, next to each other. Accounting for selection-into-committee characteristics among politicians, Berry and Fowler (2018) finds evidence showing that committee chairs have more influence than members in congressional committees in terms of legislative effectiveness, and judging from campaign contributions.[10] Contrary to these studies that focus on the role of peer effects on job-defined decision-making by political leaders, such as voting on a legislation, our study explores how peer effects among politicians can impact team dishonesty, after each participant has been primed in the first stage to acknowledge their own individual propensity to deviate from the truth. Doing so allows us to test the peer effect prediction of our model, namely, that the *dishonesty concession* that each individual team member makes depend differentially on the characteristics of both themselves, and the peer team members they are matched with.[11]

This paper also connects with studies related to the social psychology of self-image and social-image concerns as a driver of team behavior. In particular, self-image concerns compel individuals to safeguard a moral character through choices that may be monetarily costly, but ethically righteous. Such concerns are consistent with a psychological (intrinsic) cost of lying per se, and / or

[10]There are many other studies that explore the role of peer effects and networks on political outcomes, including Masket (2008) on desk adjacency and voting, Canen and Trebbi (2016) on socialization and political careers, Battaglini and Patacchini (2018) on social networks and political contributions, and Cohen and Malloy (2014) on alumni network and vote trading, for example.

[11]By separatingly accounting for own-dishonesty and peer-dishonesty effects, we depart from one particular empirical specification in Kocher et al. (2018) in which the probability of a group lie depends on the total number of group members that lied as an individual.

an aversion to lying that may be increasing in the size of the lie (e.g., Kajackaite and Gneezy, 2017; Abeler et al., 2019). By contrast, social-image concerns compel an individual to maintain a reputation for being moral and righteous (e.g., Akerlof, 1983; Bénabou and Tirole, 2006; Andreoni and Bernheim, 2009; Fischbacher and Föllmi-Heusi, 2013). A large body of theoretical and empirical studies have been devoted to determining whether, and if so how such social image concerns may manifest in different settings (e.g., Dufwenberg and Dufwenberg, 2018; Abeler et al., 2019; Fries et al., 2021), depending on whether a dishonest act is observed, and whether particular departures from the truth can be seen as more unlikely, and thus more likely a lie when stated (e.g., Gneezy et al., 2018; Khalmetski and Sliwka, 2019; Basic and Quercia, 2022).

Notably, these studies of social image concerns presuppose that the observer of an dishonest act inherently possesses a preference for honesty. This paper sheds light on the salience of social image concerns in a team setting where the observer of an dishonest act can also choose to participate in and benefit from the act. We ask, do individuals continue to demonstrate a desire for a reputation of honesty when the observer of the dishonest act can also partake in the benefit of the lie? Furthermore, are there particular personal characteristics for whom this form of social image concern is more salient? In this paper, we pose these questions for individuals across a broad spectrum of characteristics, including demographic, economic, and political, and find that male participants in all specifications, and pairs of younger participants in some specifications show a social-image preference for honesty.

In addition to peer effects and social image issues, this paper addresses a third driver of team-level dishonesty through the differential power of influence that each committee member may wield. Organization researchers and social psychologists have long highlighted the multiple reasons why individuals interacting in a group can command different levels of influence in making decisions for the group (French and Raven, 1959). Such power asymmetry are naturally dyadic or multilateral in nature depending not just on the characteristics of one person. Rather, what matters is the difference in characteristics between people or the juxtaposition of characteristics in a group of many (e.g., Fousiani, 2020). Two prominent power indicators particularly relevant to our context are position / reward power, and referent power (French and Raven, 1959). Specifically, characteristics such as seniority puts a person in a position of being able to levy punishment / offer benefits to others through words of praise or lack thereof. Such positional power, notably in politics, confer additional external costs for anyone launching disagreements, but particularly to a

person in a weaker, more junior position (Hall and Shepsle, 2014). In our application, since participants are of similar rank in the government hierarchy, we introduce age and education differences as an indicator of positional power.

Referent power is more nuanced - people who harbor referent power are influential as they lead by being able to convince others who identify with them (e.g., respect, admiration, and likability) to behave collectively (Lucas and Baxter, 2012). Referent power due to affinities and similarities may be driven by multiple reasons in our context, including personal characteristics (e.g. age, gender, religion, and caste), and job performance and popularity markers (e.g. winning a reserved seat designated for female and / or backward castes, and being in the majority political party (Bhavnani, 2009; Jensenius, 2017)). In this paper, we operationalize these notions of power asymmetry in a team dishonesty experiment.

This paper contributes to understanding interpersonal dynamics in a team-based setting by simultaneously testing the salience of peer effects, social image concerns, and power asymmetry. We do so by following the predictions of our model, and estimating the determinants of dishonesty concession by account for (i) the propensity for dishonesty one's team members elicited in the first stage, (ii) personal characteristics conditional on own propensity for dishonesty elicited in the first stage, and (iii) the interaction between power-proxies and the gap in dishonesty preference between team members.

3 The Experimental Setting

Our study targeted the Nadia district in West Bengal, India. This selection was made based on feasibility of conducting the project, accessibility, and cooperation from local authorities. We also excluded areas that are experiencing ongoing violence or political instability. Following these criteria, we shortlisted four blocks within the Nadia district: Chakdaha, Haringhata, Kalyani, and Krishnaganj. From these blocks, 12 Gram Panchayats (GPs), or village councils, were selected for further evaluation.[12] Before formal visits, we visited the Gram Panchayat offices to schedule meetings with the Panchayat Pradhans (heads). During these meetings, we introduced ourselves

[12]In accordance with Article 40 of the Indian Constitution, in 1992, the 73rd Amendment Act was enacted by the Indian national government to improve local self-governance in India. The Act formalizes a three-tier (villages, block and district levels) Panchayat Raj system of local governance, which functions to decentralize governance authority and resources to democratically elected local officials. In every village council, seats are set aside by law for members of the Scheduled Castes and Schedule Tribes. At least one-third of all seats to be filled by direct election are reserved for women. Such seat may be allotted by rotation to different constituencies. The typical term of office is five years.

as a research team from Cornell University, UNU-WIDER, and the University of Helsinki. We explained that our study aimed to understand how politicians in India make decisions under uncertainty and report outcomes of events that involve chance.

Out of the 12 GPs originally invited to participate, we were able to conduct our surveys and field experiments in 10 of them. A total of 167 Panchayat members (village council members) were invited to participate. Of these, 124 members (74%) completed the survey and 121 members completed both the individual survey, the individual- and pair-die game. The research team visited each of the 10 GPs to complete surveys and die games. The number of participating Panchayat members ranged from 4 to 18 per GP. In each GP, we implemented the two-stage experimental protocol shown in Figure 1. In the first stage, each Panchayat member was asked to play the die game alone, in which each participant is requested to roll a die 18 times and count the number of resulting 6's. We will refer to a member that rolled greater than 3 6's as a high roller (H), and a low roller (L) otherwise. Participants are not aware during the first stage that there will be a second stage in which teams of individuals will pair up to participate in a second round of experiments.

We use the first-stage observations to form pairs of GPs to play a second-stage game. Our pairing strategy is as follows. Each participant will play at least one paired die game. Participants are matched, as much as possible, to yield an even number of pairings that are higher rollers only, low rollers only, and a mixture of high and low rollers. In GPs with more participants, we also strive to have balanced gender and age representation in each of the three types of pairings. For these reasons, some players may need to repeat the group game, so all players play at least one paired game. Accordingly, we record and take into account the history of play for each player, and in particular, only make comparisons between players for whom it is their first instance to participate in a paired-die game in our empirical analysis.

We also varied the payment rate. In 4 of the 10 GPs, respondents receive 50 rupees for every 6 they report having observed. In the other 6 GPs, the payment rate is 10 rupees. As a large majority of GPs already knew each other before the experiment, we chose not to perform payment randomization within GP. This is because we expect that unequal treatment based on payment rates can potentially reduce the participation or affect how participants think about working with their partners in the paired game.

Our pairing strategy generates exogenous variations in peer pairings based on individual in-

difference to dishonesty. At the end of each paired game, we record the die count for each pair and the identity of (including the number of times played by) each member of the pair. To motivate how we approach organizing and working with the data so collected, we present a model of dishonesty concession in teams to explain our estimation strategy and identification assumptions.

4 Modeling Dishonesty in Teams

Consider a die roll experiment, where player i is asked to roll a 6-sided die n times, and report the number of times a given number # appears (e.g. 6), r_i. Let t denote the true number of times # appeared, $t \in \{0, ..., n\}$. t is distributed binomial, with cumulative distribution function $B(t, n)$ and mean ν.

Individual Die Report, r

Let the utility function of the player be approximated by a quadratic utility function:

$$u_i(r_i, t) = \begin{cases} (r_i - t) - (r_i - t)^2/(2\delta_i) & \text{if } r_i \geq t \\ (r_i - t) & \text{otherwise} \end{cases}.$$

The utility function reflects the trade-offs between the benefits of cheating $r_i - t$, and the psychological cost of dishonesty parameterized by δ_i (e.g. Kartik, 2009; Gneezy et al., 2018; Abeler et al., 2019).

Henceforth, δ_i will be referred to as the player-specific level of indifference to dishonesty. δ_i adjusts the cost of dishonesty depending on the size of the deception measured in die roll count deviation from the truth, $r_i - t_i$.[13]

For each revelation of t after n throws, the utility maximizing choice of r_i, call it r_i^*, is:

$$r_i^* = t + \delta_i > t \tag{1}$$

if and only if $\delta_i > 0$. The die roll report is equal to the true value t plus a player-specific adjustment term given by δ_i (indifference to the extent of dishonesty).

[13]The cost of lying can come in multiple forms. Some lying costs are related to the size of the lie due, for example, to the psychological and reputational consequences of lying (e.g., in terms of actual deviation from the truth, the likelihood of that a reported outcome is viewed as a lie (Gneezy et al., 2018; Bénabou and Tirole, 2006; Fischbacher and Föllmi-Heusi, 2013). Studies have also taken into account the intrinsic cost of lying per se, regardless of the size of the lie (e.g. Kajackaite and Gneezy (2017); Abeler et al. (2019)) in terms of a fixed cost of lying. See Abeler et al. (2019) for an extensive treatment including other contributors associated with lying aversion, such as inequality aversion and social image concerns, for example. In our setting, $r_i - t_i$ directly measures the size of the lie. Furthermore, the larger r_i is, in the context of our die-roll experiment, the more likely it is a lie. Thus, r_i measures the size of the lie in both outcome and likelihood terms. Finally, when $\delta = 0$, the individual is incorruptible and never lies. This is isomorphic to having a high fixed intrinsic cost of lying.

Importantly, therefore, r_i^* directly gives an estimate of δ_i for each individual i, for $t = \nu + \epsilon$ is an i.i.d random variable with mean ν for participant i:

$$\delta_i = r_i^* - \nu - \epsilon. \tag{2}$$

Group Dice Report, R

We again let the utility function of the player be approximated by a quadratic utility function, in which

$$U_i(R, t; \delta_i + \sigma_{ip}) = \begin{cases} (R-t) - \frac{1}{\delta_i + \mathbb{I}_G \sigma_{ip}} (R-t)^2 / 2 & \text{if } R_i \geq t \\ (R_i - t) & \text{otherwise} \end{cases}.$$

$U(R, t, \sigma_i)$ takes into account the utility adjustment required when an individual participates in a social act of dishonesty. $\mathbb{I}_G$ is an indicator variable that equals unity when decisions are made in a group, and zero otherwise. σ_{ip} complements δ_i to indicate any revised psychological cost of dishonesty within a group setting (Akerlof and Kranton, 2000, 2005; Bénabou and Tirole, 2006; Bursztyn and Jensen, 2017; Charness and Chen, 2020). In particular, we assume:

$$\sigma_{ip} = \sigma_o + \beta^{\mathbf{x}} \times \mathbf{x}_i + \beta^{\mathbf{y}} \times \mathbf{y_p}$$

where $\beta^{\mathbf{x}} \times \mathbf{x}_i + \beta^{\mathbf{y}} \times \mathbf{y}_p$ captures social image effect associated with dishonesty – how the vector of individual characteristics of group member i ($\mathbf{x}_i$) (such as gender, age, education level, and political seat characteristics (e.g. reserved / uncontested)), and the vector of pair-wise characteristics $\mathbf{y}_p$ (such as similar gender, age, education level, political position characteristics and political affiliation) for example, are associated with whether i prefers to scale up or down the level of dishonesty relative to his individual dice report r_i^* when decision-making takes place in the presence of others.

The two individuals in the pair die game jointly report one single die roll count. We assume that the decision, R_{ij}^* is reached via Nash bargaining, which solves:

$$R_{ijp}^* = argmax_R \left[U(R, t, \delta_i + \sigma_{ip})\right]^{\alpha_i} \left[U(R, t, \delta_j + \sigma_{jp})\right]^{1-\alpha_i} \tag{3}$$

for any revelation of the true die roll count t. $\alpha_i \in [0, 1]$ is a bargaining strength parameter.

Let $\rho_{ijp} \equiv R_{ijp} - t$. An interior solution R_{ijp}^* solves:

$$R_{ijp}^* = \left\{ \rho_{ijp} \left| \frac{\alpha_i(\delta_i + \sigma_{ip} - \rho_{ijp})}{2(\delta_i + \sigma_{ip}) - \rho_{ijp}} + \frac{(1-\alpha_i)(\delta_j + \sigma_{jp} - \rho_{ijp})}{2(\delta_j + \sigma_{jp}) - \rho_{ijp}} = 0 \right. \right\}. \tag{4}$$

It follows directly from (4) that the group die report deviation from the truth ρ_{ijp}^* lies between $\delta_i + \sigma_{ij}$ and $\delta_j + \sigma_{jp}$, reflecting a compromise between $\delta_i + \sigma_{ip}$ and $\delta_j + \sigma_{jp}$. Interestingly, note

that if one of the two individuals, say i, happens to be incorruptible, or if $\delta_i + \sigma_{ip} \to 0$, $\rho^*_{ijp} = 0$ uniquely solves (4) since no degree of compromising the truth $R^*_{ijp} > 0$ can make i better off than disagreement.

More specifically, let $D_{ip} \equiv \delta_i + \sigma_{ip}$ denote the sum of the individual and social image-related propensity for dishonesty. Also let θ_i be the a share in $[0, 1]$, such that the solution ρ^*_{ijp} of the Nash bargaining problem is given by:

$$\rho^*_{ijp} = \theta^*_i D_{ip} + (1 - \theta^*_i) D_{jp}, \quad \theta_i \in [0, 1].$$

Equation (4) requires that

$$\frac{\alpha_i(1 - \theta_i)(D_{ip} - D_{jp})}{D_{ip} + (1 - \theta_i)(D_{ip} - D_{jp})} = \frac{(1 - \alpha_i)\theta_i(D_{ip} - D_{jp})}{D_{jp} + (1 - \theta_i)(D_{jp} - D_{ip})}.$$

Rearranging, we have

Proposition 1 *The solution $\rho^*_{ijp} = R^*_{ijp} - t$ to the Nash Bargaining problem in (4) satisfies the following properties:*

- *ρ^*_{ijp} is a weighted average of $D_{ip} \equiv \delta_i + \sigma_{ip}$ ad $D_{jp} \equiv \delta_j + \sigma_{jp}$:*

$$\rho^*_{ijp} = \theta^*_i D_{ip} + (1 - \theta^*_i) D_{jp}, \quad \theta_i \in [0, 1],$$

- *the weight θ^*_i is a function of bargaining strength (α_i) and relative indifference to dishonesty (D_{ip}/D_{jp}) only. θ^*_i is the unique solutions to the following*

$$\theta^*_i(\alpha_i, D_{ip}/D_{jp}) = \left\{ \theta_i | \frac{1 - \theta_i}{\theta_i} \frac{\alpha_i + \theta}{1 - \alpha_i + (1 - \theta_i)} = \frac{D_{ip}}{D_{jp}} \right\}$$

- *the weight θ^*_i is baselined at (greater than, less than) the bargaining strength parameters α_i of each player if and only if $D_{ip} = D_{jp}$ ($D_{ip} < D_{jp}$, $D_{ip} > D_{jp}$).*

$$\theta^*_i = \alpha_i - \Omega \left(\frac{D_{ip} - D_{jp}}{D_{jp}} \right), \quad \Omega \equiv \theta^*_i(1 - \alpha_i + 1 - \theta^*_i) \geq 0.$$

Henceforth, define the dishonesty concession for player i in the paired game as

$$\kappa_{ijp} = \rho^*_{ijp} - \delta_i.$$

It follows directly from Proposition 1 that

$$\kappa_{ijp} = (1 - \theta^*_i)(\delta_j - \delta_i) + \theta^*_i \sigma_{ip} + (1 - \theta^*_i)\sigma_{jp}. \tag{5}$$

From (5), it is apparent that the determinants of κ_{ijp} is across three dimensions. First, peer effects (δ_j) occur when κ_{ijp} increases with higher δ_j. Social image effect (σ_{ip}, σ_{jp}) is present when κ_{ijp} rises with σ_{ip} and σ_{jp}. Finally, power asymmetry effect (α_i) is present when κ_{ijp} is increasing in α_i (via θ_i^*) if and only if $D_{ip} > D_{jp}$.

4.1 Estimation Notes and Identification Assumptions

Equation (5) is non-linear. The equation we estimate is a linearized version, whereby:

$$\begin{aligned} \kappa_{ijp} &= \kappa_o + a\delta_i + a_o\delta_j \\ &\quad + \mathbf{b^x} \times \mathbf{x}_i + \mathbf{b_o^x} \times \mathbf{x}_j + \mathbf{b^y} \times \mathbf{y_p} \\ &\quad + \mathbf{c} \times \alpha_i(\delta_i - \delta_j) + \epsilon_{ijp} \end{aligned} \tag{6}$$

where κ_o is a constant. a_o the peer effect coefficient which shows the extent of dishonesty compromise when the team member's tolerance for dishonesty changes. $\mathbf{b^x}$ and $\mathbf{b_o^x}$ are vectors of social image coefficients for the player and the other (o) partner player. $\mathbf{b^y}$ is the vector of coefficients that capture the impact of pair characteristics on the extent of social image sensitivity. Finally, $\mathbf{c}$ is a vector of coefficients capturing the interactive effect of a vector of bargaining strength proxies α_i and the dishonesty difference $\delta_i - \delta_j$.

Although r_j^* is the best we can do even in an experimental setting to elicit δ_j, there are other potential estimation challenges. From equation (2), we know that our use of r_j^* as a proxy for δ_j as an explanatory variable in our estimation gives rise to a classical errors-in-variables problem (Angrist and Pischke, 2009). This directly implies endogeneity-related biases, potentially resulting in a negative bias in our estimate of the peer compromise effect a_o if the true a_o is positive, and a positive bias if the true a_o is negative. Thus, if we observe a positive estimate of a_o, the true a_o should in fact be higher due to the classical measurement error that we cannot avoid.

Another concern is that our power asymmetry effect should ideally take into account the interactive effects of the team-based dishonesty differential ($D_{ip} - D_{jp} = \delta_i + \sigma_{ip} - \delta_j - \sigma_{jp}$), and not just the individual dishonesty difference, proxied by the observed $r_i^* - r_j^*$ measured in the first stage. Our rationale is that since we do not know the precise form that the social image concern difference ($\sigma_{ip} - \sigma_{jp}$) will take, the best we can do is to use the individual dishonesty difference alone as a proxy of a part of the difference. We also note that social image effect σ_{ip} potentially has

two parts, based on individual characteristics, x_i, and pair characteristics y_p. Now,

$$\begin{aligned}\sigma_{ip} - \sigma_{jp} &= \sigma_o + \beta^{\mathbf{x}} \times \mathbf{x}_i + \beta^{\mathbf{y}} \times \mathbf{y_p} \\ &\quad -[\sigma_o + \beta^{\mathbf{x}} \times \mathbf{x}_j + \beta^{\mathbf{y}} \times \mathbf{y_p}] \\ &= \beta^{\mathbf{x}} \times (\mathbf{x}_i - \mathbf{x}_j).\end{aligned}$$

In the sequel, to address the potential missing variable biases introduced here, we will include additional specifications in our empirical analysis that interact our power asymmetry (α_i) proxies with pair-wise difference in individual characteristics such as gender types, education levels, and age to account for the difference in $(\mathbf{x}_i - \mathbf{x}_j)$ as shown above.

A final concern is that of spurious correlation. In particular, it may be the case that our first-stage dishonesty proxies are correlated with observable individual characteristics. As such, our measure of peer effects may not necessarily measure how a peer player's level of dishonesty affects dishonesty concession. Rather, players may just be responding to the individual observable characteristics associated with dishonesty. This is an important point, and we will address this question by checking whether our individual dishonesty proxies (r_i^*) are indeed correlated with observable individual characteristics x_i, to ascertain whether the power asymmetry effects were driven by individual observable characteristics rather than individual dishonesty levels in Section 5.

5 Data

Table 1 displays summary statistics on the results of the die experiments, as well as the characteristics of individuals and pairs. Recall that the theoretical average number of 6's that will be observed after 18 dice rolls should be 3 ($= 18 \times (1/6)$). In the first round, we find that the average reported number of 6's is slightly higher than 3 at 3.631. In the pair-game, the pair-game average is slightly lower at 3.450. This indicates a dishonesty concession of -0.181 on average. In other words, group reports are slightly more consistent with the theoretical average of 3, indicating that group behavior tended to be slightly more honest. This observation echoes findings from an emerging literature that show that groups are less susceptible to behavioral biases than individuals (Kugler et al., 2007; Charness and Sutter, 2012). In Figure 2, we display the theoretical binomial plots of the frequency of 6's in 18 dice rolls, and the observed individual and group densities. Evidently, both individual and group densities in our experiment tend to be more spread out to the right, and

furthermore, the individual density plot is more spread out than the group density. These suggest that when respondents work in groups, they are less likely to report extremely high counts of observed 6's.

Group Composition

There are additional interesting differences between individual and group die counts when the characteristics of the individual and the group partner are taken into account. The box plots in Figure 3 show four sets of own and partner characteristics combinations. The first baseline compares individual first-stage and group die roll counts for the full sample. The plot shows a slightly more right-skewed individual die count distribution (individual mean at 3.631 and group mean at 3.450) although the median counts are the same at 3. In contrast, the graph labeled "Both Male" considers the subsample of male participants who are paired with another male participant in the group game. Here, after holding the gender of the participants constant, the mean die count difference between the individual and group game widens (individual mean at 3.129 and group mean at 3.484) although the median counts are still the same at 3.

Turning to the subsample of junior politicians at below average age who paired with another junior politician in the "Both Junior" graph, we see an even wider difference in individual and group die counts (individual mean at 4.241, group mean at 3.276). The median value of individual counts for this subgroup of politicians is also higher at 4 instead of 3. Finally, the subsample of politicians holding reserved seats in the "Both Reserved Seats" diagram shows similar patterns in the mean (individual mean at 3.944 and group mean at 3.583) and median counts (individual median at 4 and group median at 3).

These observations suggest that individual characteristics as well as the composition of such player characteristics in the group may both play a role in determining the level of dishonesty concession the individual is inclined to take in the group game. We will examine this feature of participant behavior using the full list of individual characteristics in our regression.

Dishonesty Concession, Own- and Other- Individual Die Counts

To more specifically examine the relationship between group and individual die counts when the characteristics of the group peers change, we show a binscatter plot of the dishonesty concession (group count in the second stage net of the own individual count in the first, $R^*_{ij} - r^*_i$) against the individual count of the pair partner r^*_j in Figure 4 by gender with GP fixed effects as controls. We find that for both male and female players, the more dishonest the peer player, the higher

the dishonesty concession. Figure 5 shows a binscatter plot of the dishonesty concession against the individual's own first-stage die roll count with GP fixed effects as controls. We find that for both male and female players, the more dishonest the individual player, the smaller the dishonesty concession. Both of these observations, although not yet controlling for other variables, are consistent with the theory presented in Section 4. Interestingly, from these figures we also observe hints of social image effects by gender. In particular, dishonesty concession by male participants appears to be uniformly lower than that of females in both figures. In other words, when operating in a team environment, male respondents tend to scale down the die roll count relative to their individual reports by more than their female counterparts do.

Balancing

Returning to Table 1, a few observations regarding the balancing work we conducted prior to the group games are in order. In particular, about 68.5% (76 out of 111) of the respondents are first-stage high rollers. In the pair groupings, we seek to maintain a similar ratio of high rollers, 71.2% (79 out of 111) as peers for both first-stage high rollers (73.7%, 56 out of 76) and first-stage low rollers (65.7%, 23 out of 35). The gender shares of the group partner are also quite similar. In all, 46.8% of all players are male. In turn, 48.7% of male peers are matched with first-stage high rollers and 54.3% of male peers are matched with first-stage low rollers. In addition, 26.3% of first-stage high rollers are treated with pairing in which both players are male, compared to 31.4% of first-stage low rollers who received the same both-male treatment. Pair partner average age range from 43 to 47 across first-stage high- and low-rollers.

We are interested in the role of relative age and political position differences as determinants of pair outcomes. The average age of the participants is 45 years. The average age of participants matched with first-stage high and low rollers, respectively, are 43 an 47. 26.1% of all pairings have two participants below average age. For political position differences, we note that 58.6% of the players hold reserved seats in our sample. The shares of high- and low-first stage rollers that are matched with reserve seat holders are 64.5% and 51.5% respectively. 32.4% of all pairings have both participants holding reserved seats.

Table 1 reports a list of other potentially important individual and political characteristics of local politicians in the Nadia district. For example, the shares of participants of general caste and scheduled or other backward castes are about even, at 48.6% and 51.4%, respectively. About 20% of all paired experiments had both general caste players. About 77.5% of the participants are

from the main political party of the district, AITC. Finally, a large majority of the participants are Hindus (91.9%), and 88.3% of all paired experiments are Hindu pairings.[14]

In 4 of the 10 GPs in which we conducted the experiment, we introduced a payment treatment, whereby respondents receive 50 rupees per observed 6 reported. In the rest of the GPs, the payment rate is 10 rupees. Table 1 shows the associated summary statistics. We see that a 40 rupee difference in the payment rate appears to have little effect, if at all, on the average individual die count. However, the group die count is higher on average with the low-payment treatment. In all of our regression results in what follows, we will include GP fixed effects, which will capture both the effects of differences in experiment site settings and payment differences.[15]

Validation

To validate the die counts elicited in the first stage of our protocol as meaningful proxies of dishonesty preference when the tradeoffs are potential monetary gains, we implement two additional steps. First, we add a 12-sided die count exercise in the first stage. Here, we ask each participant to record the number of 6's they observe after 24 die rolls,[16] with adjusted payoff multipliers so that the 6-sided and the 12-sided die games yield the same expected payoffs if participants tell the truth.[17] We do so to check the consistency in the preferences elicited in the die games and sought in particular to see if elicited preferences may be perturbed using different preference elicitation tools, in our case, the type of die used. Figures A1 and A2 display a pair of binscatter plots, respectively with and without GP fixed effects as controls, showing that players who reported higher die counts in the 6-sided case generally reported higher die counts in the 12-sided case as well. OLS and Poisson regressions (Table A2) confirm that the correlations are statistically significant at the 1 % level, and the average number of 6's reportedly observed in the 6-sided and the 12-sided cases are 3.66 and 3.77, respectively.

Next, to validate that die counts are indeed correlated with individual preferences about the

[14]With very few observations coming from Muslim local politicians, we perform two sets of regressions, one with religion controls, and one without. The findings of our estimations related to the main variables of interest remain unchanged with or without religion in the model. We note that the few observations contrasting individuals with different religions makes inference related to the role of religion vulnerable to individual differences rather than group differences based on religion. We therefore do not draw conclusions related to religion, but only include it as a control. Results when religion controls are included are available in the Appendix.

[15]We do not introduce payment difference within GPs because we expect that participation rate will fall midway through the experiment when players realize some are paid more than others.

[16]The statistical expectation of the number of times a 6 should appear after 24 die rolls using a 12-sided die is 2 ($= 24 \times (1/12)$).

[17]Thus, players who received 10 (50) rupees per reported number of 6 observed in the 6-sided die game will receive 13.33 (66.66) rupees per reported number 6 observed in the 12-sided die game. The average payoff is 40 rupees (200 rupees) per game per participant.

social appropriateness of taking self-serving monetary advantages out of a common pot, we also elicited responses from participants related to their views about the social appropriateness of different ways in which money is allocated in a dictator game, and in a bully game as in Krupka and Weber (2013). In the dictator game, participants are presented with a hypothetical outcome from a Dictator Game between two individuals A (the dictator) and B (the recipient). The allocation we ask the participant to consider is that individual A gets the entire endowment (Rs. 1000) while individual B is never made aware of this choice by individual A and thus receives nothing. In the bully game, we ask the participants to consider another hypothetical setting between A and B, but here individuals A and B are initially allocated Rs. 500 each to begin with. Individual A now has to decide whether to take Rs. 500 from individual B, leaving B with nothing. Participants are asked to choose from 4 options corresponding to each hypothetical allocation made by individual A, and label them as "very socially appropriate", "somewhat socially appropriate", "somewhat socially inappropriate" or "very socially inappropriate".

Using the responses, we estimate two multinomial logit regressions to examine the relative odds of three options with and without GP fixed effects, relative to the base response category "very socially inappropriate". Standard errors are clustered at the GP level. Table A3 shows the results. We find that a participant with a higher first stage die count (6-sided dice) is relatively more likely to consider the dictator takes all scenario to be "somewhat socially appropriate" and "very socially appropriate". Similarly, a participant with a higher first-stage die count (6-sided die) is relatively more likely to consider the bully takes all scenarios to be "somewhat socially appropriate". The relative effect is statistically significant at the 1% level in both cases.[18]

Thus, the first-stage die count using 6-sided dice appears to portray individual characterstics that are quite consistent across die types. The 6-sided die counts also appear to show meaningful relationship with the individual attitudes concerning the appropriateness of taking money from a common pot without (the dictator game) or with (the bully game) the knowledge of others. Henceforth, we will use the 6-sided die count as a proxy for the indifference towards dishonesty, or the δ_i in our model.

[18]We asked the respondents to assess the social appropriateness of other allocation of money between A and B. For completeness, we show these results in the Appendix and discuss these in relation to our work.

6 Empirical Findings

Tables 2 and 3 show estimation results on the determinants of the levels of dishonesty concession displayed in our field experiment. As defined in Equation (5) above, the dishonesty concession is the gap between the group die count in the second stage and individuals i's own die count in the first stage. Table 2 presents OLS estimates with GP fixed effects and standard errors clustered at the GP level. Since we work with a small number of GP-clusters, and the number of participants across GPs are not the same, in Appendix Table A7 we replace the cluster-robust estimators in Table 2 with wild cluster bootstrap estimators due to Cameron et al. (2008) following the same specifications in Table 2 to assess whether the small number of GP clusters may have skewed our assessment about the determinants of dishonesty concession. Finally, since we work with count instead of continuous variables, Table 3 presents Poisson regression results with GP fixed effects and standard errors clustered at the GP level. These tables report coefficient estimates that are consistently statistically significant across most specifications in the OLS and Poisson regressions. The full list of results can be found in the Appendix in Tables A4 and A5.

Column 1 only includes the peer effect variable, namely, the individual die count of the group partner in stage 1 r_j, $j \neq i$. A positive coefficient here will suggest that dishonesty increases relative to one's own baseline when the group partner is also dishonest. Columns 2-3 include a vector of potential social image effects correlates, to include the gender, age, earnings, the level of education, respectively, of both players. A negative coefficient associated with an individual who is male, for example, would indicate that conditional on δ_i, a male scales down the extent of dishonest reporting when the reporting is done in the presence of another respondent. In this case, male respondents are more responsive to the social stigma associated with dishonesty. Meanwhile, a negative coefficient associated with the group partner being male, for example, would mean that a player is more susceptible to the social stigma of dishonesty when the person observing the choice is a male. A player is classified as junior if he/she is younger than the average village council member (at 45 years of age).

Columns 4-5 add power asymmetry variables, A_{ij}. We consider power asymmetry that may arise due to differences in demographic attributes (e.g. gender, age), skill levels (e.g. education), power-conferring majority/minority status (e.g. caste, political party), and seat-based differences (e.g. holding reserved seats or not).[19]

[19] A longstanding literature laid the groundwork for understanding power asymmetries in many negotiation con-

Thus, we construct the following pair-specific dummy variable. For power asymmetry driven by gender differences, we let $A_{ij}^{gender} = 1$ if player i is male and j female and zero otherwise. For age-related power asymmetry, we let $A_{ij}^{age} = 1$ if player i is older than j, and zero otherwise. To accommodate power asymmetry when players differ in educational attainment, we define $A_{ij}^{edu} = 1$ if i has more years of education than j, and zero otherwise. We also let $A_{ij}^{gen-caste} = 1$ if player i belongs to the general caste (caste categories not listed in Scheduled Caste, Scheduled Tribes and other backward caste reservation lists) but not player j. $A_{ij}^{gen-caste} = 0$ otherwise.[20]

Turning now to political power asymmetry, we look at the power asymmetry that may arise when one member of the pair holds a reserved seat, while the other a nonreserved seat by defining the variable $A_{ij}^{reserve} = 1$ if i holds a reserved seat and j not, and zero otherwise. Following our theory, we interact these power asymmetry proxies with the corresponding individual dishonesty difference $\gamma_i - \gamma_j$ to assess whether a particular form of power asymmetry enables the player i to more readily impose his/her dishonesty preference on another player.

The Salience of Peer Effects

We begin our discussion with a look at our findings related to peer effects – in other words, whether the a player's own dishonesty concession is correlated with the group partner's first-stage die count. To recall, the first stage die count is our proxy for an individual's indifference to dishonesty. We find that in all specifications, the coefficient for the group partner die count is always positive and statistically significant, indicating that an individual becomes more tolerant towards group dishonesty the more dishonest the group partner is. In terms of the size of the effects, we note that a unit increase in the number of 6's reported by participant's peer member in the team increases the individual's dishonesty concession by 0.129 to 0.201 across different specifications that include peer, social image, and power asymmetry effects. Since the coefficient is positive and significant, accounting for the classical error-in-variable bias (Angrist and Pischke,

texts. These include (i) information asymmetry about the costs of disagreeing with another person (Stiglitz, 1975; Mirrlees, 1976), (ii) the actual difference in costs and benefits associated with disagreeing with another person (Chamberlain, 1951), and (iii) the social context of the negotiation that captures existing power dynamics between individuals formed during or prior to exchange (Blau, 1964; Emerson, 1976), to name a few. Real-world relationships are nuanced, and our power asymmetry controls can touch on multiple or all of the above reasons for power asymmetries. Our goal here is simply to identify individual and pair characteristics consistent with power asymmetries, rather than to single out one single reason why power asymmetry exists.

[20] We can similarly define religion-based power asymmetry. Let $A_{ij}^{hindu} = 1$ if player i is Hindu (the religious majority in the Nadia district of West Bengal) and not player j. $A^{hindu} = 0$ otherwise. As discussed previously, there are only a very small number of Muslim politicians, which makes inference based on these estimates challenging. Table A6 in the Appendix shows these results. Our main variables of interest are unchanged after including religion-based social image and power controls.

2009) will only reinforce the conclusions that the peer effect is positive. These qualitative findings are also supported in alternative specifications, including in Table A7 which reports the wild cluster bootstrapped coefficients, and in Table 3 which reports Poisson count regression results.

Gendered and Age-Related Markers of Social-Image Effects

To capture social image effects, we include for consideration an extensive list of individual and pair characteristics including (i) demographic controls such as the gender, age and caste of the participant; (ii) political status controls such as whether the seat currently occupied is: a reserved seat for under-represented castes, and (iii) economic status controls such as the level of education. We introduce these potential correlates, after controlling for the individual's own first-stage die count – our proxy for the individual's own dishonesty preference. Thus, suppose we find that being older was shown to be associated with a lower dishonesty concession, controlling for the individual's own first-stage die count. The interpretation we draw will be that being older is associated with a stronger desire to appear, in the company of others, to uphold a more ethical stance due to social-image concerns.

Among the variables included, we find that being male is strongly and negatively associated with dishonesty concession, in other words, male participants tend to scale down their die counts in a group setting. Specifically, being male implies a reduction in the corresponding group die count by 1.440 to 1.967 (across specifications) relative to their female counterparts, conditional on individual die count. Having a male peer has a similar negative (though smaller) effect on the group count, consistent with the property of the Nash bargaining that incorporates both player's aversion to dishonesty in the group die report. Finally, and interestingly, if both players are male, this social image effect is curtailed, as having both males in a group has a positive effect on dishonesty concession, indicating that the gender-based social image effect is dependent on the gender of group peer. These findings provide suggestive evidence of gender-based differences in social image concerns, and speak to a growing literature on the role of gender and corruption (e.g., Barnes and Beaulieu, 2019; Muehlheusser et al., 2015), and importantly add the effects of gender composition on dishonesty in teams as a novel observation (e.g., Decarolis et al., 2023; Abeler et al., 2014; Conrads et al., 2013; Childs, 2012; Dreber and Johannesson, 2008; Dufwenberg and Muren, 2006).

Social-image concerns in group die counts appear to be salient when both members of the team are junior as well (less than the sample mean 45 years of age), although the effect is mild.

In particular, having two junior participants reduces the corresponding group die count by 0.799 to 1.337. This is consistent with the importance of reputation building as the underlying cause of social image effects. In particular, junior participants who are at the beginning of their political careers may benefit the most from demonstrating honesty.

The Power of Elected Politicians in Non-Reserved Seats

Turning to power asymmetry effects, we construct a list of possible power asymmetry correlates to include power asymmetry related to gender, age, education, caste, reserve seat status, and uncontested seat status. Guided by theory, we interacted these power asymmetry metrics with the difference between a player and her peer's individual level of dishonesty assessed in the first-stage individual experiment. We find that having a reserved seat is strongly and negatively associated with the ability to impose one's dishonesty preference on group outcome. Interestingly, individuals who hold reserved seats do not seem to exhibit social image concerns per se. After interacting with the difference in pair-level dishonesty as a power asymmetry variable control, a reserved seat status matters. While research on the ability of GP members with reserved seats on public goods provision has generated findings suggestive of public-conscious preferences shown by individuals holding reserved seats (e.g., Pande, 2003; Chattopadhyay and Duflo, 2004), and a low likelihood of re-election success if the quota was removed (Bhavnani, 2009; Jensenius, 2017), the concessions made by reserved seat holders in group / committee settings have, to the best of our knowledge, not yet been studied or demonstrated.

6.1 Checks and Model Selection

We conducted several additional checks to verify these findings. One concern may well be that if individual dishonesty is correlated with discernible individual characteristics, our peer effects may be a reflection of the effect of these individual characteristics on dishonesty concession, rather than the tolerance to dishonesty of the peer per se.

In Table 4, we present OLS estimates of the individual die roll count in the first stage with a list of individual characteristics with GP fixed effects to control for differences in experimental sites and payment rates. We find that individual-level dishonesty is uncorrelated with individual characteristics.[21]

[21]Thus, unlike Chaudhuri et al. (2024), we do not find that inexperienced females tend to be more honest. A key reason may be that the average age of our participants is higher. Indeed, the average age of our participants is 45, which is strictly higher than the average age of experienced (average age $= 39$) and inexperienced (average age $= 36$) female participants in Chaudhuri et al. (2024), but similar to experienced male participants at 47 when the study finds

In addition, since the original theoretical prediction related to the outcome of the Nash bargaining yielded a nonlinear relationship between peer effect with the dishonesty concession, we ran a series of quantile regression to see whether the peer effect continues to be salient at different quantiles. In Table 5, we find that the peer effect is in fact very robust across quantiles, except for the extremes ($< 30\%$, $> 70\%$).

Finally, our empirical model takes into account multiple potential social image and power asymmetry covariates, as there are no *a priori* reason to rule out one or more of these variables. In doing so, there is a risk of overfitting the model. To address this potential drawback, we implement a Least Absolute Shrinkage and Selection Operator (LASSO) to select the empirical model that is better able to balance the trade-off between coefficient accuracy and model simplicity (Tibshirani, 1996). We use a cross-validation method to select the shrinkage parameter. Table A8 shows the subset of covariates selected by LASSO cross-validation.

As shown in Table A8, LASSO selects a subset of variables associated with peer effect (group partner die count), social image concerns (male (own), male (other), both male), and power asymmetry effect (seat-based power (reserved seat)). We then rerun our estimation using the LASSO selected variables only. The results are shown in Table A9. Noteworthy here is that our conclusion so far about the salience of these three effects on dishonesty concession remain unchanged.

7 Conclusion

Group-based decisions are ubiquitous in public policy making. In this paper, we ask whether a politician's propensity to act in a dishonest fashion changes when dishonesty occurs in a group rather than an individual setting. We identified three types of mediating influences, including peer effects, social image effects, and power asymmetry effects.

We conducted a die-roll dishonesty experiment among local village council members in 10 GPs in the state of West Bengal in India. The novelty of our work is based on a novel two-stage experimental design, whereby in the first stage, we elicit individual propensity for dishonesty in full secrecy in private. In the second stage, we form balanced pairs of individuals and ask them to play the same die game as a pair. We exogenously generate group-level variations in individual

that the gender gap no longer applies. We also checked using a binary variable that indicates whether the politician is serving a first term in office to replace the average age group in the regression. We find that being first term in office is not a significant determinant of first-stage individual die roll count. We also find that being first term in office affects dishonesty concessions in group in ways similar to being of less than average age.

dishonesty pairings, along with variations in other characteristics such as gender and age. We also theoretically model the decision-problem of the team in order to guide our empirical inquiry, and so the potential roles that peer effects, social image effects, and power asymmetry effects can play in the group outcome.

We empirically test the salience of peer effects, social image concerns, and power asymmetry on dishonesty concession – the difference between the team die roll count in the second stage and the individual die roll count in the first stage. We find a number of novel results. First, we find that individual dishonesty on average exceeds group dishonesty. Quite intuitively, dishonesty does indeed tend to thrive in secrecy. In addition, we find that peer effects are salient – an individual's dishonesty concession going from individual to a group setting is strongly and positively associated with higher dishonesty of the team member. We also find evidence of gender-specific social image effects – male participants tend to scale down their dice reports when in a group setting relative to what they would have selected in full secrecy. Finally, in terms of power asymmetry effects, we find that holding a reserve seat is associated with a reduced ability to impose once dishonesty preference in a group setting.

Many future research questions come to mind, building on what we have learned from this study. First, real-world team interactions are sometimes one-shot by design, or longer-term (Eckel and Grossman, 2005; Charness et al., 2014). Incorporating the role of interaction history can provide novel nuances on how repeated interaction may deepen or weaken each of the three effects elaborated in this paper. Might player's individual sense of the cost of dishonesty change with repeated interactions with corrupt individuals, and how should the history of peer effects be evaluated? What is the meaning social image concern among people interacting for the first time, and others who might be working together on a more continual basis? Finally, does power beget power in long-term relationships? These are all important questions to address in future studies on dishonesty concession in teams.

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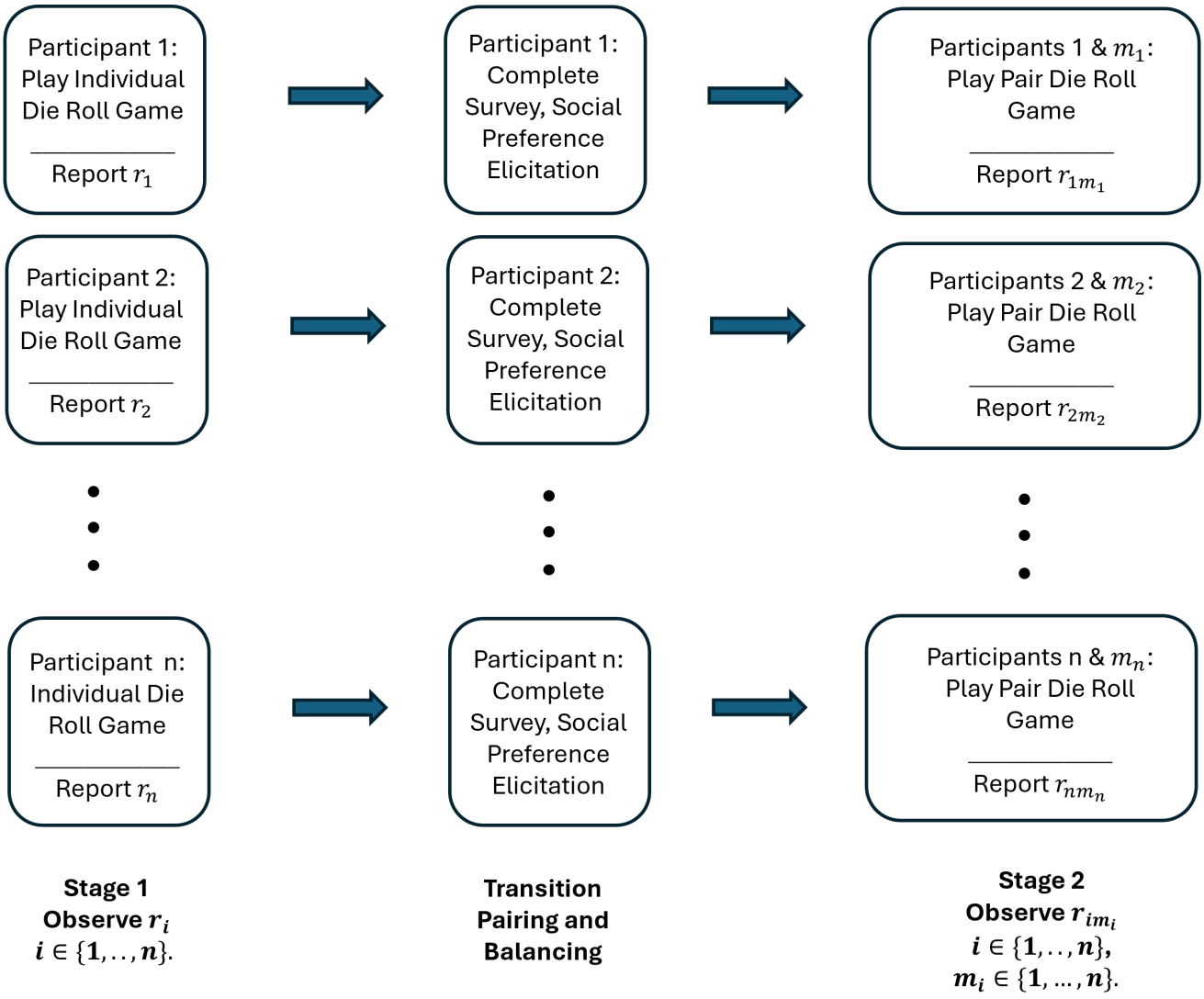
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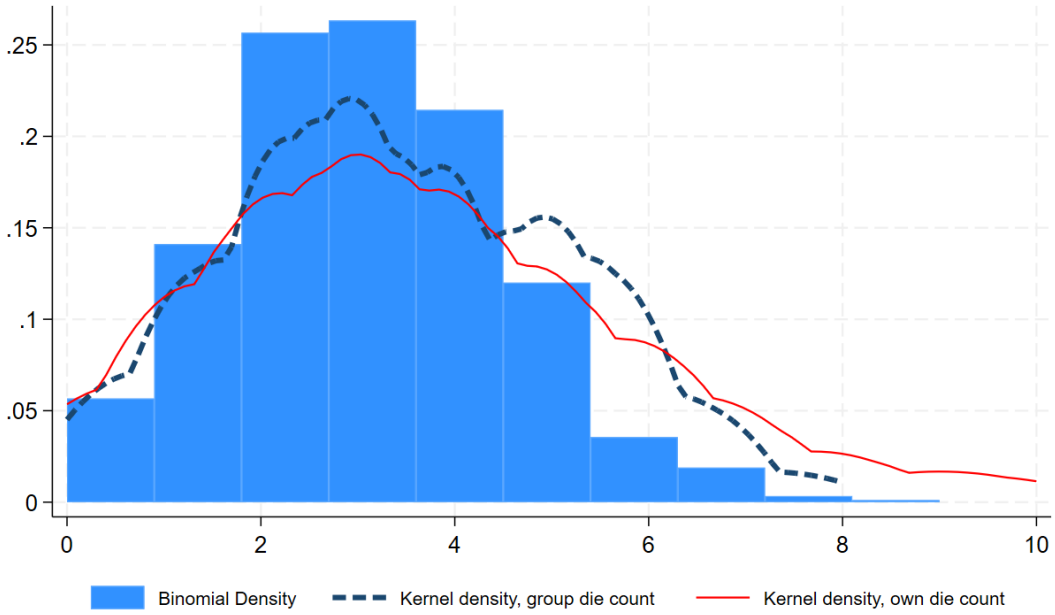
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Figure 1: Experimental Design



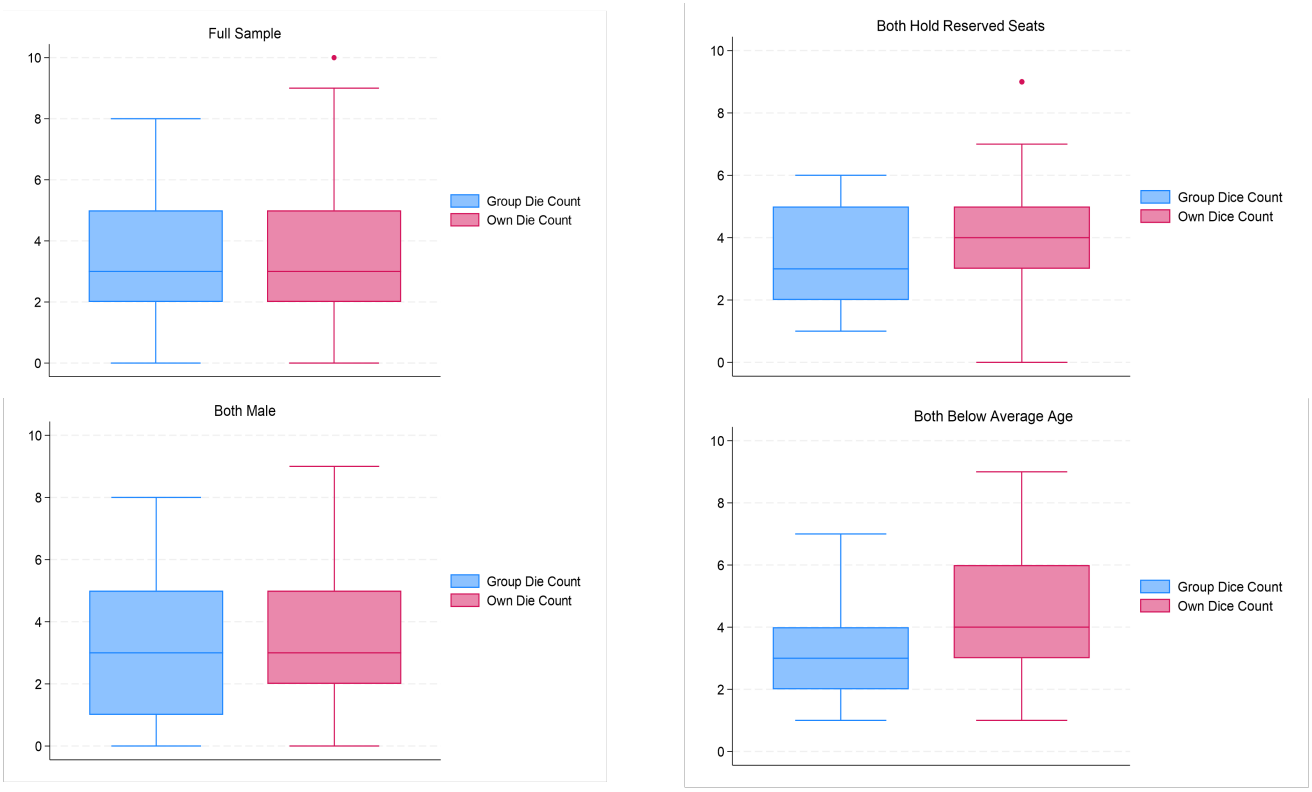
Note: 1. This figure shows the two-stage experimental protocol of the dice game as implemented within a GP. 2. In the first stage, each participant plays the die game in private. 3. In the transition period, participants are asked to complete a survey, and a social norm elicitation questionaire. During this time, participant pairs are formed based on their first stage die count. 4. In the second stage, pairs of participants play the die game in private.

Figure 2: Die Roll Plots: True, Individual and Group



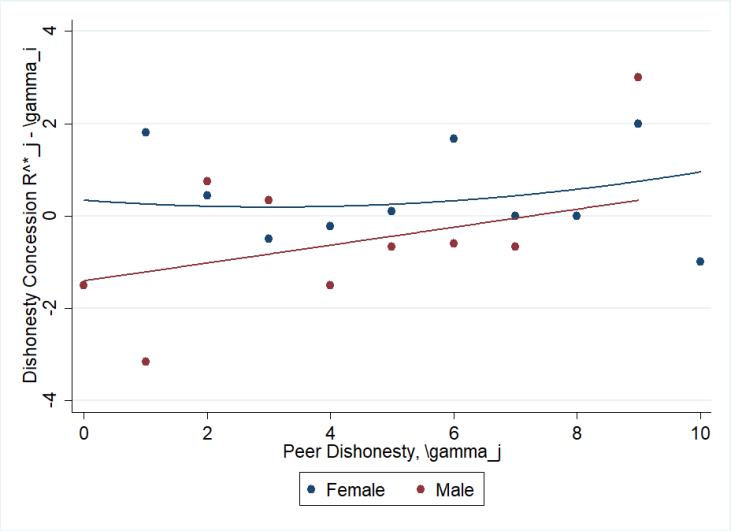
Note: 1. This figure plots the histogram of a binomial distribution with 18 trials and probability of success of 1/6, and the kernel densities associated with the individual and pair die roll experiments.

Figure 3: Comparing Group and Individual Die Roll Counts By Pair Characteristics



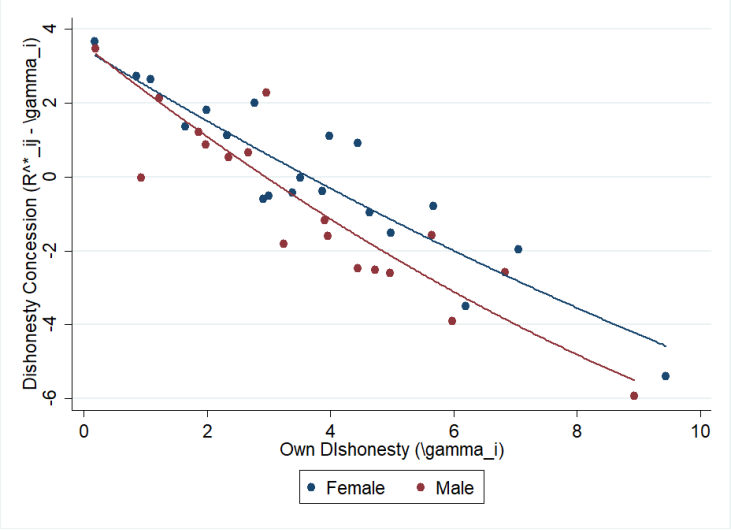
Note: 1. This figure shows box plots of die counts by subgroup characteristics. 2. The subgroups include the full sample, both males, both below average age, and both reserved seat holders.

Figure 4: Binscatter Plots of Group and Peer Die Roll Counts



Note: 1. This figure shows a binscatter plot of the dishonesty concession (Group count in the second stage net of own individual count in the first, $R^*_{ij} - r^*_i$) against the individual count of the pair partner r^*_j . 2. GP fixed effects are included as controls.

Figure 5: Binscatter Plots of Group and Own Die Roll Counts



Note: 1. This figure shows a binscatter plot of the dishonesty concession (Group count in the second stage net of own individual count in the first, $R^*_{ij} - r^*_i$) against the individual own first-stage die count r^*_i . 2. GP fixed effects are included as controls.

Table 1: Summary Statistics

	(1) All	(2) High Roller First-Stage ($>= 3$)	(3) Low Roller First Stage (< 3)	(4) With High Payment	(5) With Low payment
	mean	mean	mean	mean	mean
Group Die Count	3.450	3.513	3.314	3.182	3.714
Own Die Count	3.631	4.658	1.400	3.600	3.661
Group Partner Die Count	3.856	3.921	3.714	3.945	3.768
First-Stage High Roller Share (own)	0.685	1.000	0.000	0.655	0.714
First-Stage High Roller Share (other)	0.712	0.737	0.657	0.745	0.679
Male (own)	0.468	0.461	0.486	0.491	0.446
Male (other)	0.505	0.487	0.543	0.491	0.518
Both Male	0.279	0.263	0.314	0.327	0.232
Years of Education (own)	11.145	10.960	11.543	11.636	10.655
Years of Education (other)	11.162	11.224	11.029	11.345	10.982
Both below average education	0.270	0.276	0.257	0.164	0.375
Age (own, years)	45.261	43.684	48.686	45.436	45.089
Age (other, years)	44.378	43.171	47.000	45.836	42.946
Both below average age	0.261	0.329	0.114	0.255	0.268
General Caste (own)	0.486	0.487	0.486	0.473	0.500
General Caste (other)	0.432	0.355	0.600	0.527	0.339
Both General Caste	0.198	0.184	0.229	0.218	0.179
AITC Party (own)	0.775	0.763	0.800	0.782	0.768
AITC Party (other)	0.802	0.816	0.771	0.800	0.804
Both AITC Party	0.703	0.684	0.743	0.745	0.661
Reserved Seat (own)	0.586	0.579	0.600	0.545	0.625
Reserved Seat (other)	0.604	0.645	0.514	0.545	0.661
Both Reserved Seats	0.324	0.382	0.200	0.255	0.393
Hindu (own)	0.919	0.921	0.914	0.964	0.875
Hindu (other)	0.928	0.908	0.971	0.964	0.893
Both Hindu	0.883	0.882	0.886	0.927	0.839
Observations	111	76	35	55	56

Note: 1. This table displays summary statistics, including the results of individual- and paired-die experiments, respondent characteristics, as well as the characteristics of the political position they hold. 2. Group Die Count and Own Die Count report the number of 6's observed in the pair- and individual games respectively. 3. A player is referred to as a high (low) roller if the player's first stage count of 6's observed is greater than or equal to (less than) 3. 4. The high (low) payment games offer 50 (10) rupees for each stated observation of 6.

Table 2: The Determinants of Dishonesty Concession ($R_{ijp} - \delta_i$, OLS and GP Fixed Effects)

	(1) Peer Effect Only	(2) + Social Image Effect (male and age)	(3) + Social Image Effect (all)	(4) + Power Asym Effect (reserve)	(5) + Power Asym Effect (all)
Group Partner Die Count	0.178**	0.193***	0.201***	0.129**	0.157***
	(0.057)	(0.056)	(0.042)	(0.043)	(0.040)
Own Die Count	-0.962***	-0.924***	-0.985***	-0.883***	-0.924***
	(0.069)	(0.063)	(0.080)	(0.067)	(0.077)
Male (own)		-1.440***	-1.745**	-1.967**	-1.893**
		(0.405)	(0.607)	(0.666)	(0.704)
Male (other)		-0.810*	-1.201*	-1.448**	-1.472**
		(0.394)	(0.572)	(0.595)	(0.604)
Both Male		1.408**	1.885*	2.223**	2.142*
		(0.616)	(0.886)	(0.947)	(0.972)
Below average age (own)		0.042	0.141	0.378	0.388*
		(0.308)	(0.367)	(0.237)	(0.212)
Below average age (other)		0.067	0.462	0.625	0.595
		(0.564)	(0.489)	(0.438)	(0.437)
Both below average age		-0.799	-1.004	-1.309*	-1.337*
		(0.743)	(0.811)	(0.631)	(0.625)
Seat-based Power (Reserved Seat)				-0.358***	-0.306***
				(0.092)	(0.091)
Constant	3.034***	3.657***	4.202**	5.119***	5.080***
	(0.359)	(0.485)	(1.362)	(1.395)	(1.333)
GP fixed effects	X	X	X	X	X
N	111	111	111	111	111
r2	0.651	0.688	0.721	0.742	0.747

Note: 1. This table displays the results of OLS regressions that unpack the relationship between dishonesty concession and peer effects, social-image effects, and power asymmetry effects. Standard errors in parenthesis. 2. The peer effect variable is the "Group Partner Die Count" in Columns 1 - 5. 3. The social-image concern variable includes gender, age, level of education, caste, political party affiliation, and seat status (reserved or not, contested or not) in Columns 2 - 5. 4. Power asymmetry variables include gender-, age-, caste-, party-, in addition to reserved seat-based power in Column 5. 6. Standard errors (in parentheses) are clustered at the GP level.

Table 3: The Determinants of Dishonesty Concession ($R_i - \gamma_i$, Poisson and GP Fixed Effects)

	(1) Peer Effect Only	(2) + Social Image Effect (male and age)	(3) + Social Image Effect (all)	(4) + Power Asym Effect (reserve)	(5) + Power Asym Effect (all)
Group Partner Die Count	0.010***	0.010***	0.010***	0.006**	0.007***
	(0.003)	(0.003)	(0.002)	(0.003)	(0.002)
Own Die Count	-0.057***	-0.054***	-0.057***	-0.052***	-0.052***
	(0.004)	(0.004)	(0.004)	(0.003)	(0.004)
Male (own)		-0.084***	-0.101***	-0.113***	-0.107***
		(0.020)	(0.028)	(0.031)	(0.032)
Male (other)		-0.045**	-0.066**	-0.079***	-0.081***
		(0.021)	(0.028)	(0.029)	(0.028)
Both Male		0.081**	0.105**	0.124***	0.120***
		(0.032)	(0.043)	(0.045)	(0.045)
Below average age (own)		0.002	0.008	0.023*	0.024**
		(0.016)	(0.018)	(0.013)	(0.011)
Below average age (other)		0.003	0.023	0.034	0.030
		(0.029)	(0.024)	(0.021)	(0.020)
Both below average age		-0.043	-0.057	-0.076**	-0.075**
		(0.039)	(0.041)	(0.033)	(0.032)
Seat-based Power (Reserved Seat)				-0.020***	-0.018***
				(0.005)	(0.004)
Constant	3.061***	3.097***	3.130***	3.181***	3.180***
	(0.020)	(0.025)	(0.066)	(0.070)	(0.063)
GP fixed effects					
N	111.000	111.000	111.000	111.000	111.000
Pseudo R2	0.051	0.054	0.056	0.058	0.058

Note: 1. This table displays the results of Poisson regressions that unpack the relationship between dishonesty concession and peer effects, social-image effects, and power asymmetry effects. Standard errors in parenthesis. 2. The peer effect variable is the "Group Partner Die Count" in Columns 1 - 5. 3. The social-image concern variable includes gender, age, level of education, caste, political party affiliation, and seat status (reserved or not, contested or not) in Columns 2 - 5. 4. Power asymmetry variables include gender-, age-, caste-, party-, in addition to reserved seat-based power in Column 5. 6. Standard errors (in parentheses) are clustered at the GP level. 7. Since Poisson variables are strictly positive, we added a constant of 18 to our dishonesty concession variable κ_{ijp} to generate a strictly positive dependent variable for all observations. This constant adjusted dishonesty concession is what we use in the Poisson regression reported here.

Table 4: The Determinants of Individual Dishonesty (δ_i)

	(1) OLS	(2) Poisson
Male (own)	0.351	0.095
	(0.355)	(0.091)
Below average age (own)	0.469	0.127
	(0.399)	(0.099)
Years of Education (own)	0.090	0.025
	(0.092)	(0.023)
Hindu (own)	-1.182	-0.336
	(0.881)	(0.217)
AITC Party (own)	-0.028	-0.008
	(0.408)	(0.097)
General Caste (own)	0.205	0.062
	(0.245)	(0.057)
Reserved Seat (own)	0.069	0.021
	(0.595)	(0.157)
Uncontested Seat (own)	-0.846	-0.240
	(1.104)	(0.283)
Constant	3.325**	1.199***
	(1.454)	(0.373)
GP fixed effects	X	X
N	114.000	114.000
r2	0.076	
Pseudo r2		0.023

Note: 1. This table displays the results of OLS regressions unpacking the relationship between an individual's own die count and a list of observable individual characterstics. 2. GP fixed effects are included. 2. Standard errors are clustered at the GP level.

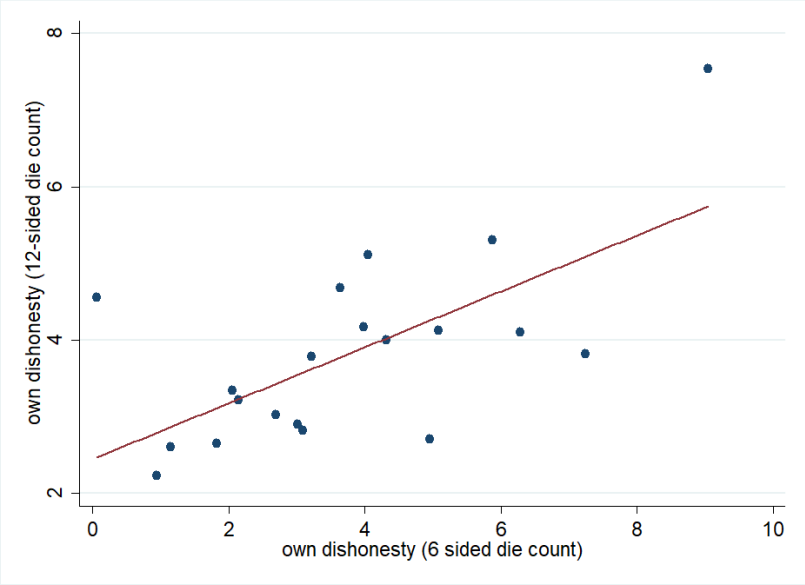
Table 5: The Determinants of Dishonesty Concession (δ_i), Quantile Regression

	(1)	(2)	(3)
	30th percentile	median	70th percentile
Group Partner Dice Count	0.165***	0.110***	0.176***
	(0.060)	(0.035)	(0.048)
Own Dice Count	-0.867***	-0.863***	-0.765***
	(0.084)	(0.063)	(0.082)
Male (own)	-1.000**	-2.137***	-2.353***
	(0.413)	(0.380)	(0.643)
Male (other)	-0.266	-1.397***	-1.647***
	(0.443)	(0.395)	(0.453)
Both Male	0.903	2.329***	2.824***
	(0.651)	(0.501)	(0.976)
Seat-based Power (Reserved Seat)	-0.278**	-0.242**	-0.235**
	(0.111)	(0.117)	(0.113)
Constant	2.645***	4.397***	4.176***
	(0.613)	(0.530)	(0.367)
GP fixed effects	X	X	X
N	111.000	111.000	111.000
Pseudo r2			

Note: 1. This table displays the results of quantile regressions (30%, median, 70%) unpacking the relationship between the dishonesty concession and peer effects, social-image concerns, and power asymmetry effects. 2. The peer effect variable is the "Group Partner Die Count". 3. Gender-based social image concern controls are used. 4. Reserved seat power is used to account for power asymmetry between team participants. 5. GP fixed effects are included. 2. Standard errors are clustered at the GP level.

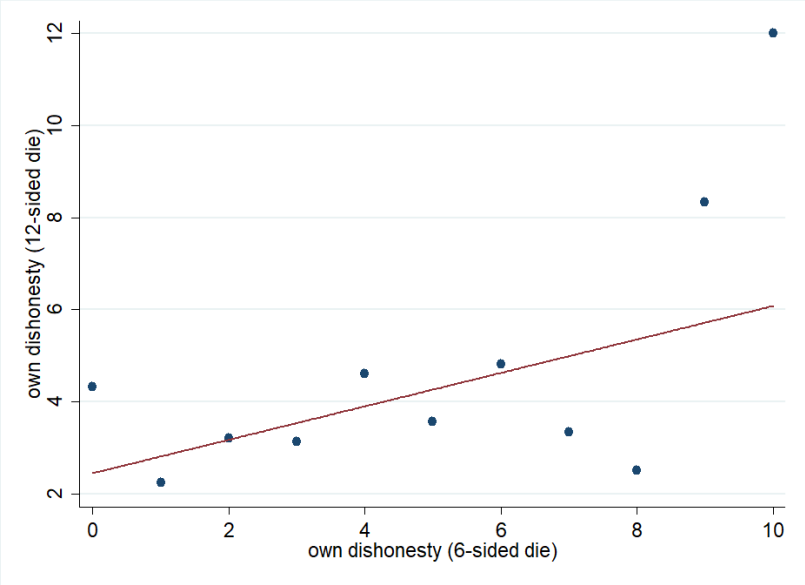
Appendix Figures and Tables

Figure A1: Binscatter Plots of 6-sided and 12-sided Die Roll Counts



Note: 1. This figure provides a binscatter plot of 6-sided and 12-sided die count. 2. GP fixed effect controls are included.

Figure A2: Binscatter Plots of 6-sided and 12-sided Die Roll Counts



Note: 1. This figure provides a binscatter plot of 6-sided and 12-sided die count. 2. GP fixed effect controls are not included.

Table A1: Frequency Distribution of Privately Perceived Social Norms

	(1) Dictator Takes All	(2) Bully Takes All
Very Socially Inappropriate	95	108
Somewhat Socially Inappropriate	8	4
Somewhat Socially Appropriate	7	1
Very Socially Appropriate	6	4
Observations	116	117

Note: 1. This table displays the frequency distribution of the privately perceived social appropriateness of two hypothetical situations. 2. The "Dictator Takes All" scenario has the participant consider a situation where individual A reaps the entire endowment (Rs. 1000) while individual B is never made aware of this choice by individual A and receives nothing. 3. The "Bully Takes All" scenario has the participant consider a situation where individual A takes Rs. 500 from individual B, leaving B with nothing, while individual A gets Rs.1000.

Table A2: Validating Die Counts Across Die Types (OLS, Poisson)

	(1) OLS	(2) OLS (GP FE)	(3) Poisson	(4) Poisson (GP FE)
Own Die Count (6-sided)	0.363**	0.365**	0.091***	0.093***
	(0.145)	(0.154)	(0.032)	(0.033)
Constant	2.450***	3.076***	0.976***	1.115***
	(0.488)	(0.529)	(0.126)	(0.137)
GP fixed effects	X	X	X	X
N	118.000	118.000	118.000	118.000
r2	0.105	0.146		
Pseudo r2			0.035	0.051

Note: 1. This table displays the results of OLS and Poisson regressions showing the relationship between individual 12-sided die count with 6-sided die count. 2. GP fixed effects are included in Columns 2 and 4. 3. Standard errors are clustered at the GP level.

Table A3: Validating Die Counts and Private Perception of Social Norms, Multinomial Logit

	(1) Dictator Takes All	(2) Dictator Takes All (GP FE)	(3) Bully Takes All	(4) Bully Takes All (GP FE)
Somewhat_Socially_Inappropriate				
Own Die Count	0.312	0.334*	-0.501	-0.434
	(0.195)	(0.174)	(0.356)	(0.305)
Constant	-3.699***	-3.242***	-1.909**	-18.563***
	(1.109)	(0.876)	(0.880)	(1.212)
Somewhat_Socially_Appropriate				
Own Die Count	0.552***	0.711***	0.058***	0.154***
	(0.119)	(0.156)	(0.014)	(0.016)
Constant	-5.087***	-22.806***	-4.904***	-21.761***
	(0.442)	(1.597)	(0.999)	(1.057)
Very_Socially_Appropriate				
Own Die Count	0.420**	0.408*	-0.108	-0.144
	(0.198)	(0.209)	(0.241)	(0.265)
Constant	-4.516***	-3.656***	-2.919***	-19.344***
	(1.010)	(1.160)	(0.983)	(1.271)
GP fixed effects	X	X	X	X
N	116.000	116.000	117.000	117.000
r2				
Pseudo r2	0.093	0.249	0.039	0.305

Notes. 1. This table displays the results of multinomial logit regressions showing the relationship between the participant's first stage die count (6-sided) and her private assessment of the social appropriateness of the "Dictator Takes All" and the "Bully Takes All" scenarios. 2. The "Dictator Takes All" scenario has the participant consider a situation where individual A reaps the entire endowment (Rs. 1000) while individual B is never made aware of this choice by individual A and receives nothing. 3. The "Bully Takes All" scenario has the participant consider a situation where individual A takes Rs. 500 from individual B, leaving B with nothing, while individual A gets Rs.1000. 4. GP fixed effects are included in Columns 2 and 4. 5. Standard errors are clustered at the GP level. 6. The base outcome category is "Very Socially Inappropriate".

Table A4: The Determinants of Dishonesty Concession ($R_{ijp} - \delta_i$, OLS and GP FE, Full Results)

	(1) Peer Effect Only	(2) + Social Image Effect (male and age)	(3) + Social Image Effect (all)	(4) + Power Asym Effect (reserve)	(5) + Power Asym Effect (all)
Group Partner Die Count	0.178**	0.193***	0.201***	0.129**	0.157***
	(0.057)	(0.056)	(0.042)	(0.043)	(0.040)
Own Die Count	-0.962***	-0.924***	-0.985***	-0.883***	-0.924***
	(0.069)	(0.063)	(0.080)	(0.067)	(0.077)
Male (own)		-1.440***	-1.745**	-1.967**	-1.893**
		(0.405)	(0.607)	(0.666)	(0.704)
Male (other)		-0.810*	-1.201*	-1.448**	-1.472**
		(0.394)	(0.572)	(0.595)	(0.604)
Both Male		1.408**	1.885*	2.223**	2.142*
		(0.616)	(0.886)	(0.947)	(0.972)
Below average age (own)		0.042	0.141	0.378	0.388*
		(0.308)	(0.367)	(0.237)	(0.212)
Below average age (other)		0.067	0.462	0.625	0.595
		(0.564)	(0.489)	(0.438)	(0.437)
Both below average age		-0.799	-1.004	-1.309*	-1.337*
		(0.743)	(0.811)	(0.631)	(0.625)
General Caste (own)			-0.679	-0.963	-0.878
			(0.808)	(0.842)	(0.815)
General Caste (other)			-0.726	-1.225	-1.170
			(0.753)	(0.739)	(0.731)
Both General Caste			0.199	0.534	0.465
			(0.890)	(0.948)	(0.894)
AITC Party (own)			0.318	0.041	0.063
			(0.623)	(0.525)	(0.531)
AITC Party (other)			0.817	0.633	0.511
			(0.694)	(0.596)	(0.565)
Both AITC Party			-0.254	-0.107	-0.091
			(1.380)	(1.110)	(1.076)
Reserved Seat (own)			-0.332	-0.610	-0.445
			(0.731)	(0.686)	(0.685)
Reserved Seat (other)			-0.611	-0.824	-0.812
			(0.658)	(0.647)	(0.681)
Both Reserved Seats			-0.051	0.056	0.035
			(0.878)	(0.822)	(0.843)
Above Average (11 yrs) Education (own)			0.332	0.351	0.428
			(0.437)	(0.418)	(0.430)
Below Average (11 yrs) Education (other)			-0.401	-0.319	-0.317
			(0.457)	(0.435)	(0.511)
Both above average eduction			0.198	0.124	-0.064
			(0.810)	(0.727)	(0.758)
Seat-based Power (Reserved Seat)				-0.358***	-0.306***
				(0.092)	(0.091)
Gender-based Power (Male)					-0.047
					(0.189)
Age-based Power (Older)					-0.031
					(0.063)
Party-based Power (AITC)					0.375
					(0.382)
Caste-based Power (General Caste)					0.100
					(0.088)
Constant	3.034***	3.657***	4.202**	5.119***	5.080***
	(0.359)	(0.485)	(1.362)	(1.395)	(1.333)

Note: 1. This table displays the full results of OLS regressions with GP fixed effects shown in Table 2. 2. Standard errors (in parentheses) are clustered at the GP level. 3. * p<0.10, ** p<0.05, *** p<0.01.

Table A5: The Determinants of Dishonesty Concession ($R_i - \gamma_i$, Poisson and GP FE, Full Results)

	(1) Peer Effect Only	(2) + Social Image Effect (male and age)	(3) + Social Image Effect (all)	(4) + Power Asym Effect (reserve)	(5) + Power Asym Effect (all)
Group Partner Die Count	0.010***	0.010***	0.010***	0.006**	0.007***
	(0.003)	(0.003)	(0.002)	(0.003)	(0.002)
Own Die Count	-0.057***	-0.054***	-0.057***	-0.052***	-0.052***
	(0.004)	(0.004)	(0.004)	(0.003)	(0.004)
Male (own)		-0.084***	-0.101***	-0.113***	-0.107***
		(0.020)	(0.028)	(0.031)	(0.032)
Male (other)		-0.045**	-0.066**	-0.079***	-0.081***
		(0.021)	(0.028)	(0.029)	(0.028)
Both Male		0.081**	0.105**	0.124***	0.120***
		(0.032)	(0.043)	(0.045)	(0.045)
Below average age (own)		0.002	0.008	0.023*	0.024**
		(0.016)	(0.018)	(0.013)	(0.011)
Below average age (other)		0.003	0.023	0.034	0.030
		(0.029)	(0.024)	(0.021)	(0.020)
Both below average age		-0.043	-0.057	-0.076**	-0.075**
		(0.039)	(0.041)	(0.033)	(0.032)
General Caste (own)			-0.040	-0.055	-0.049
			(0.039)	(0.040)	(0.039)
General Caste (other)			-0.037	-0.064*	-0.063*
			(0.036)	(0.037)	(0.036)
Both General Caste			0.014	0.033	0.030
			(0.045)	(0.049)	(0.046)
AITC Party (own)			0.022	0.005	0.001
			(0.030)	(0.026)	(0.026)
AITC Party (other)			0.047	0.036	0.025
			(0.033)	(0.029)	(0.027)
Both AITC Party			-0.019	-0.012	-0.004
			(0.066)	(0.053)	(0.050)
Reserved Seat (own)			-0.027	-0.045	-0.035
			(0.038)	(0.036)	(0.035)
Reserved Seat (other)			-0.037	-0.048	-0.046
			(0.032)	(0.032)	(0.033)
Both Reserved Seats			0.006	0.016	0.011
			(0.044)	(0.041)	(0.041)
Above Average (11 yrs) Education (own)			0.013	0.016	0.022
			(0.020)	(0.019)	(0.020)
Below Average (11 yrs) Education (other)			-0.020	-0.016	-0.013
			(0.022)	(0.021)	(0.025)
Both above average eduction			0.005	-0.000	-0.014
			(0.038)	(0.034)	(0.036)
Seat-based Power (Reserved Seat)				-0.020***	-0.018***
				(0.005)	(0.004)
Gender-based Power (Male)					-0.008
					(0.010)
Age-based Power (Older)					-0.001
					(0.004)
Party-based Power (AITC)					0.021
					(0.017)
Caste-based Power (General Caste)					0.004
					(0.005)
Constant	3.061***	3.097***	3.130***	3.181***	3.180***
	(0.020)	(0.025)	(0.066)	(0.070)	(0.063)

Note: 1. This table displays the full results of Poisson regressions with GP fixed effects shown in Table 3. 2. Standard errors (in parentheses) are clustered at the GP level. 3. * p<0.10, ** p<0.05, *** p<0.01.

Table A6: The Determinants of Dishonesty Concession ($R_i - \gamma_i$, OLS and Poisson with GP FE and Religion Controls)

	OLS		(Poisson)	
	w/ Social Image Effect (all)	w/ Power Asym Effect (all)	w/ Social Image Effect (all)	w/ Power Asym Effect (all)
Group Partner Die Count	0.204***	0.177***	0.011***	0.008***
	(0.046)	(0.051)	(0.003)	(0.003)
Own Die Count	-0.982***	-0.930***	-0.057***	-0.052***
	(0.082)	(0.083)	(0.004)	(0.004)
Male (own)	-1.691**	-2.001**	-0.101***	-0.116***
	(0.588)	(0.759)	(0.027)	(0.036)
Male (other)	-1.215*	-1.628**	-0.069**	-0.091***
	(0.565)	(0.636)	(0.027)	(0.030)
Both Male	1.802*	2.268**	0.104***	0.129***
	(0.827)	(0.956)	(0.039)	(0.044)
Hindu (own)	0.840	0.577	0.037	0.024
	(1.222)	(1.369)	(0.061)	(0.063)
Hindu (other)	0.802	0.231	0.024	-0.002
	(1.239)	(1.387)	(0.061)	(0.065)
Both Hindu	-0.831	-0.005	-0.020	0.021
	(1.558)	(1.913)	(0.075)	(0.090)
Below average age (own)	0.149	0.399	0.009	0.026**
	(0.350)	(0.245)	(0.017)	(0.013)
Below average age (other)	0.469	0.625	0.025	0.034*
	(0.488)	(0.425)	(0.024)	(0.020)
Both below average age	-0.980	-1.316*	-0.056	-0.076**
	(0.808)	(0.630)	(0.040)	(0.031)
Seat-based Power (Reserved Seat)		-0.308***		-0.018***
		(0.088)		(0.003)
Religion-based Power (Hindu)		0.188		0.007
		(0.143)		(0.008)
Constant	3.380*	4.332**	3.091***	3.145***
	(1.589)	(1.616)	(0.074)	(0.070)
GP fixed Effects	X	X	X	X
N	111	111	111	111
r2	0.723	0.752		
Pseudo r2			0.056	0.059

Note: 1. This table displays the results of OLS and Poisson regressions that unpack the relationship between dishonesty concession and peer effects, social-image effects, and power asymmetry effects. Standard errors in parenthesis. 2. The peer effect variable is the "Group Partner Die Count". 3. The social-image concern variable includes gender, age, level of education, caste, political party affiliation, religion and seat status (reserved or not). 4. Power asymmetry variables include gender-, age-, caste-, party-, religion- in addition to reserved seat-based power. 5. Standard errors (in parentheses) are clustered at the GP level.

Table A7: The Determinants of Dishonesty Concession ($R_i - \gamma_i$, Wild Cluster Bootstrap, Full Results)

	(1) Peer Effect Only	(2) + Social Image Effect (male and age)	(3) + Social Image Effect (all)	(4) + Power Asym Effect (reserve)	(5) + Power Asym Effect (all)
Group Partner Die Count	0.178**	0.193**	0.201***	0.129*	0.157**
	[0.0547 0.302]	[0.0838 0.314]	[0.102 0.303]	[-0.0344 0.212]	[0.0605 0.222]
Own Die Count	-0.962***	-0.924***	-0.985***	-0.883***	-0.924***
	[-1.103 -0.812]	[-1.060 -0.792]	[-1.136 -0.818]	[-1.017 -0.753]	[-1.086 -0.819]
Male (own)		-1.440***	-1.745**	-1.967***	-1.893**
		[-2.393 -0.612]	[-3.450 -0.561]	[-3.724 -0.752]	[-3.813 -0.319]
Male (other)		-0.810**	-1.201***	-1.448***	-1.472**
		[-1.778 -0.00320]	[-2.726 -0.215]	[-3.127 -0.414]	[-3.175 -0.359]
Both Male		1.408**	1.885**	2.223***	2.142**
		[0.216 2.827]	[0.242 4.591]	[0.605 5.338]	[0.590 5.765]
Below average age (own)		0.0424	0.141	0.378	0.388*
		[-0.626 0.930]	[-0.854 0.882]	[-0.304 0.907]	[-0.0410 0.733]
Below average age (other)		0.0667	0.462	0.625	0.595
		[-1.520 1.975]	[-0.971 1.470]	[-0.657 1.496]	[-0.737 1.339]
Both below average age		-0.799	-1.004	-1.309*	-1.337*
		[-2.788 0.680]	[-3.008 1.041]	[-2.953 0.0273]	[-2.941 0.132]
AITC Party (own)			0.318	0.0407	0.0632
			[-3.757 2.529]	[-4.574 1.583]	[-1.432 1.200]
AITC Party (other)			0.817	0.633	0.511
			[-1.266 3.115]	[-0.808 2.546]	[-1.103 2.482]
Both AITC Party			-0.254	-0.107	-0.0912
			[-2.570 2.863]	[-2.103 2.698]	[-1.757 2.735]
General Caste (own)			-0.679	-0.963	-0.878
			[-2.357 1.403]	[-2.860 1.113]	[-2.909 1.182]
General Caste (other)			-0.726	-1.225	-1.170
			[-2.854 0.981]	[-2.999 0.337]	[-2.923 0.396]
Both General Caste			0.199	0.534	0.465
			[-2.220 2.175]	[-2.046 2.665]	[-2.007 2.449]
Reserved Seat (own)			-0.332	-0.610	-0.445
			[-1.816 1.814]	[-1.835 1.412]	[-1.616 1.504]
Reserved Seat (other)			-0.611	-0.824	-0.812
			[-2.057 0.929]	[-2.179 0.671]	[-2.195 0.823]
Both Reserved Seats			-0.0512	0.0560	0.0347
			[-2.238 1.513]	[-1.900 1.403]	[-1.914 1.423]
Above Average (11 yrs) Education (own)			0.332	0.351	0.428
			[-0.702 1.459]	[-0.807 1.218]	[-0.787 1.413]
Below Average (11 yrs) Education (other)			-0.401	-0.319	-0.317
			[-1.480 0.631]	[-1.322 0.627]	[-1.570 0.747]
Both above average eduction			0.198	0.124	-0.0640
			[-1.010 6.253]	[-1.015 4.772]	[-1.328 4.326]
Seat-based Power (Reserved Seat)				-0.358***	-0.306***
				[-0.584 -0.140]	[-0.562 -0.164]
Gender-based Power (Male)					-0.0468
					[-0.551 0.320]
Age-based Power (Older)					-0.0306
					[-0.126 0.156]
Party-based Power (AITC)					0.375
					[-1.057 5.835]
Caste-based Power (General Caste)					0.0998
					[-0.276 0.294]
N	111	111	111	111	111

Note: 1. This table displays the results of wild cluster bootstrap regressions unpacking the relationship between the dishonesty concession and peer effects, social-image effects, and power asymmetry effects as in Table 2. 2. Wild cluster bootstrap confidence intervals in brackets. 3. * p<0.10, ** p<0.05, *** p<0.01..

Table A8: Lasso Model Selection

	Cross-validation
Group Partner Die Count	X
Own Die Count	X
Male (own)	X
Male (other)	X
Both Male	X
Below Average Age (own)	
Below Average Age (other)	X
Both Below Average Age	X
AITC Party (own)	
AITC Party (other)	X
Both AITC Party	X
General Caste (own)	X
General Caste (other)	X
Both General Caste	
Reserved Seat (own)	
Reserved Seat (other)	
Both Reserved Seat	X
Above Average Education (own)	X
Above Average Education (other)	X
Both Above Average Education	X
Seat-based Power (Reserved)	X
Caste-based Power (General Caste)	
Gender-based Power (Male)	
Age-Based Power (Older)	X
GP Fixed Effects	

Note: 1. This table displays LASSO model selection results based on cross-validation. 2. An "X" indicates LASSO selected covariates.

Table A9: The Determinants of Dishonesty Concession ($R_i - \gamma_i$, Wild Cluster Bootstrap, LASSO Model Selection)

	Wild Cluster Bootstrapping
Group Partner Die Count	0.0964*
	[-0.0122 0.201]
Own Die Count	-0.895***
	[-1.139 -0.726]
Male (own)	-1.780**
	[-3.452 -0.213]
Male (other)	-1.187**
	[-3.017 -0.0291]
Both Male	1.557*
	[-0.154 3.686]
Below average age (other)	0.355
	[-0.926 1.499]
Both below average age	-0.966*
	[-1.970 0.189]
AITC Party (own)	0.470
	[-0.149 1.593]
AITC Party (other)	1.078
	[-1.174 4.207]
Both AITC Party	-1.512*
	[-6.245 0.647]
General Caste (own)	-0.707
	[-1.928 0.344]
General Caste (other)	-0.860***
	[-1.825 -0.324]
Both Reserved Seats	-0.483*
	[-1.327 0.0204]
Above Average (11 yrs) Education (own)	0.222
	[-0.220 0.788]
Below Average (11 yrs) Education (other)	-0.391
	[-1.238 0.416]
Both above average eduction	0.433
	[-1.744 10.81]
Seat-based Power (Reserved Seat)	-0.283**
	[-0.611 -0.0958]
Gender-based Power (Male)	0.0383
	[-0.212 0.337]
Age-based Power (Older)	-0.0602
	[-0.204 0.139]
GP Fixed Effect	X
N	111

Note: 1. This table displays the results of wild cluster bootstrap regressions unpacking the relationship between the dishonesty concession and peer effects, social-image effects, and power asymmetry effects as in Table 2. 2. Wild cluster bootstrap confidence intervals in brackets. 3. * p<0.10, ** p<0.05, *** p<0.01.