

Burgstaller, Lilith; Pfeil, Katharina

Working Paper

Why whistleblowing does not deter collaborative tax evasion

Freiburger Diskussionspapiere zur Ordnungsökonomik, No. 24/3

Provided in Cooperation with:

Institute for Economic Research, University of Freiburg

Suggested Citation: Burgstaller, Lilith; Pfeil, Katharina (2024) : Why whistleblowing does not deter collaborative tax evasion, Freiburger Diskussionspapiere zur Ordnungsökonomik, No. 24/3, Albert-Ludwigs-Universität Freiburg, Institut für Allgemeine Wirtschaftsforschung, Abteilung für Wirtschaftspolitik und Ordnungsökonomik, Freiburg i. Br.

This Version is available at:

<https://hdl.handle.net/10419/305289>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



Walter Eucken
Institut

Freiburger Diskussionspapiere
zur Ordnungsökonomik

Freiburg Discussionpapers
on Constitutional Economics

Why Whistleblowing Does Not Deter Collaborative Tax Evasion*

Lilith Burgstaller und Katharina Pfeil

24/3

Walter Eucken Institut
Goethestraße 10
79100 Freiburg
www.eucken.de
wei-freiburg@eucken.de

universität freiburg

Albert-Ludwigs-Universität Freiburg
Institut für Wirtschaftswissenschaften
Abteilung Wirtschaftspolitik und
Ordnungsökonomik

Why Whistleblowing Does Not Deter Collaborative Tax Evasion*

Lilith Burgstaller[†]

Katharina Pfeil[‡]

Abstract: Does whistleblowing deter rule violations when such violations are believed to be common? We examine this question in an online experiment about collaborative tax evasion. We vary whether subjects can blow the whistle on their partner in crime and introduce a high-evasion environment by framing the social norm such that evasion is expected to be common. Our findings show that giving partners in crime the option to blow the whistle on their partner does not significantly deter collaborative tax evasion. Collaborative tax evasion significantly increases in a high-evasion environment compared to an unspecified norm environment, even when whistleblowing is possible. This finding underlines that the norm environment is crucial for evasion and corroborates that whistleblowing is ineffective when both partners benefit from collaborative evasion. We offer several explanations for these findings.

Keywords: Collaborative Tax Evasion, Social Norm, Peer Reporting, Whistleblowing, Online Experiment

JEL: H26; E26; O17; D91

This version: September 22, 2024

*This project was pre-registered on OSF (<https://doi.org/10.17605/OSF.IO/RM76A>) and we obtained an IRB approval from the German Association for Experimental Economic Research (GfeW), No. khQLQF4P. We gratefully acknowledge the financial support from the Science Foundation of the University of Freiburg. The paper benefited from participants' comments at the IAREP 2023, GfeW 2023, Annual Conference of the NTA 2023 and Annual Meeting of the SEA 2023. We thank Matthias Kasper for his insights and Lars P. Feld for invaluable guidance on the paper. Arrita Domi provided excellent research assistance. Declaration of interest: none.

[†]Corresponding author: Walter Eucken Institute, Goethestraße 10, 79100 Freiburg, Germany; University of Freiburg, Rempartstraße 10-16, 79098 Freiburg, Germany, burgstaller@eucken.de

[‡]Walter Eucken Institute, Goethestraße 10, 79100 Freiburg, Germany, pfeil@eucken.de.

1 Introduction

Uncovering rule violations is challenging, whether it concerns individuals, firms or the authorities. Often, informants play a crucial role in getting the word out and reporting misconduct. One of the numerous examples of whistleblowers revealing wrongdoing is the Cum-Ex Case, in which a business lawyer uncovered fraudulent tax practices that led to an estimated loss of tax revenue of around 150 billion Euros worldwide (Spengel, 2021). In many cases, whistleblower programs are accompanied by leniency policies. One example is the IRS Whistleblower Program in the US, that reclaimed 6.6 billion US dollars of tax revenue between 2007 and 2022 (IRS Whistleblower Office, 2023). However, there are no one-size-fits-all solutions and the mechanisms of such programs still need to be fully understood (Butler et al., 2020). Particularly, it remains an open question whether whistleblowing is an effective policy tool to deter collaborative tax evasion, i.e., in settings where both parties are involved in wrongdoing rather than one person acting as an external bystander.

Collaborative tax evasion is compelling to explore because two parties' collusion often does not produce a verifiable paper trail (Nygård et al., 2019). Many collaborative settings are characterized by high rates of tax evasion, for example, in the construction sector (Williams et al., 2011), agriculture (Williams & Horodnic, 2018), hospitality, retail, personal services (Williams & Kayaoglu, 2020), and in household services (OECD, 2021). In such high-evasion environments, individuals may perceive and expect evasion as common and acceptable, which decreases compliance even further (Burgstaller & Pfeil, 2024). Since auditing is costly and enforcement capacities are limited, authorities can incentivize individuals to create a paper trail themselves by collecting receipts or acting as whistleblowers (e.g., Naritomi, 2019).

In light of this, our paper examines two questions. First, does whistleblowing deter collaborative tax evasion when potential whistleblowers directly participate in and benefit from evasion? Second, how effective is whistleblowing in a high-evasion environment where individuals expect evasion to be the common behavior?

The effectiveness of whistleblowing has been studied in various contexts, such as cartels (Aubert et al., 2006; Apestegua et al., 2007), corporate fraud (Mechtenberg et al., 2020; Butler et al., 2020), organized crime (Piccolo & Immordino, 2017), corruption (Buckemaier et al., 2020; Guerra & Zhuravleva, 2021) and tax evasion (Naritomi, 2019; Chapkovski et al., 2021; Masclet et al., 2019). It can reduce instances of undetected wrongdoing through two channels. First, additional cases of wrongdoing are detected if individuals blow the whistle. Second, the threat of whistleblowing can deter wrongdoing in general. Prior research indicates that both channels enhance compliance: The opportunity to blow

the whistle increases the fraction of uncovered misconduct. Moreover, the threat of whistleblowing decreases misconduct through deterrence (Masclot et al., 2019; Chapkovski et al., 2021; Abbink & Wu, 2017; Schmolke & Utikal, 2018). However, it is an open question to what extent whistleblowing is also effective in high-evasion environments. Social norms are crucial for understanding the observed compliance rates and individuals' motivation to pay taxes, especially when it comes to collaborative compliance (Luttmer & Singhal, 2014; Hallsworth et al., 2017). According to Bicchieri (2006), one component of a social norm is individuals' expectation of what is common in the society. We term a setting in which individuals expect evasion to be common a high-evasion environment. Curtis et al. (2021) have studied this expectation of evasion and attitudes of whistleblowing. They show that high-evasion environments makes individuals more critical towards whistleblowers and more forgiving when judging wrongdoers. There is no evidence, however, on the effectiveness of whistleblowing in detecting and deterring collaborative evasion when evasion is expected.

Experimental studies are particularly suitable to study whistleblowing as they can construct clean counterfactuals in which rule violations can also be measured when whistleblowing is not in place (Butler et al., 2020). Therefore, we implement a collaborative tax evasion game in which a seller and a buyer jointly decide whether to evade a transaction. Seller and buyer can communicate in a chat before they decide whether to declare or evade. The seller then makes an offer for a transaction with or without a tax declaration that the buyer accepts or rejects. There is a random audit probability of 10%, and when pairs are found evading, both players pay a fine of twice the evaded tax payment.

We implement three treatment conditions: A condition with whistleblowing, a condition with whistleblowing in a high-evasion environment and a control treatment. In the first condition, we give subjects the possibility of reporting their partner to the tax authorities. To incentivize individuals to report misconduct, we provide whistleblowers with a tax amnesty, exempting them from both tax repayment and fines. Only if both partners report each other, there is no amnesty, and both must pay a fine. This incentive structure is similar to a prisoner's dilemma: It is most beneficial to evade and then report the partner in order to receive the amnesty. However, if both players follow this reasoning, both lose the amnesty and have to pay the fine. Participants may avoid or opt out of the dilemma by declaring the transaction. In the second condition, in addition to the option of whistleblowing, we create a high-evasion environment by giving subjects information that the majority of participants chose to evade the transaction in a similar study. In such a norm environment, subjects should expect evasion to be common. In the control treatment, subjects make decisions in the evasion game described above. They cannot blow the whistle, nor do we inform them that evasion is common.

Our results show that the possibility of whistleblowing does not affect collaborative evasion, neither directly through instances of whistleblowing nor indirectly through enhanced deterrence. Post-experimental questions reveal mechanisms behind this striking result: Many individuals are not afraid of being reported when evading and trust that their partner will not report them. The fraction of individuals feeling this way is higher for individuals in the high-evasion environment. This supports our second main finding: When subjects believe evasion is prevalent, the fraction of evaded transactions is significantly higher (+ 11 percentage points) than without information about the high-evasion environment despite the possibility of whistleblowing.

Our study contributes to three strands of literature. First, we contribute to studies on whistleblowing as a means to uncover and deter tax evasion. We show that in collaborative tax evasion, the possibility of whistleblowing does not significantly aid in either exposing or preventing evasion. These results are in contrast to findings in the individual tax evasion literature, which show that whistleblowing is an effective deterrence instrument (Masclot et al., 2019; Naritomi, 2019; Bazart et al., 2020; Dwenger & Treber, 2022). Opposed to previous studies that often place individuals in larger groups acting as bystanders who observe wrongdoing and decide whether to report their peers (see, e.g., Schmolke & Utikal, 2018, for an overview on ‘traitorous’ versus ‘watchdog’ whistleblowing), whistleblowers are directly involved in the transaction in our study and can also report each other (bilateral or symmetric whistleblowing).

Experiments by Abbink & Wu (2017) and Buckenmaier et al. (2020) include collaboration between individuals but focus on corruption rather than tax evasion. Implementing a setting where taxpayers can bribe tax officers to evade taxes, Buckenmaier et al. (2020) find that unilateral whistleblowing reduces tax evasion and corruption. Abbink & Wu (2017) find that bilateral whistleblowing deters corruption of an importer bribing a public official to overlook imported goods. In contrast to our collaborative tax evasion game, there is more scope for distrust in this setting as the public official may betray the briber and decide to report the goods after collecting the bribe. Additionally, we are curious about a norm environment specific to collaborative tax evasion across various sectors: the awareness that numerous other individuals evade their taxes.

The second strand of the literature we add to is the sparse research on the impact of social norms and expectations that shape the decision environment for whistleblowing (Waytz et al., 2013; Curtis et al., 2021). The high prevalence and commonness of collaborative tax evasion in many sectors may limit the effectiveness of whistleblowing. Experiments have shown that information about the acceptance or occurrence of tax evasion significantly affects collaborative compliance (Abraham et al., 2017; Burgstaller & Pfeil, 2024). We find that whistleblowing is ineffective when individuals believe that evasion occurs frequently.

Collaborative tax evasion is more prevalent than when individuals are unaware of others' actions, even when they can blow the whistle.

Third, we contribute to the literature that finds that leniency policies do not deter cartel formation or stability if there is free-form communication (Andres et al., 2021; Dijkstra et al., 2021). Our findings support and extend these findings for subjects colluding to evade taxes. The predominant fraction of individuals in our experiment does not feel obliged to report their partner when evading taxes. In general, subjects feel more loyal to their partner in crime than they feel obliged to report wrongdoing to be fair to society. Apart from free-floating communication which can explain high levels of trust among study participants, the type of leniency may also shed light on these results. Diverse types of leniency programs and amnesties to increase tax disclosure have long been discussed in the literature (see Hoopes et al., 2023; Gil et al., 2023, for recent overviews).¹ Financial incentives to report the partner in collaborative evasion may need to be stronger or more certain than implemented in our setting, not crowding out an intrinsic motivation to pay taxes at the same time (Blaufus et al., 2017; Feld & Frey, 2010).

Our findings highlight that policymakers need to consider whether tax evasion is committed individually or collaboratively when implementing whistleblowing as a cost-effective additional deterrence instrument. The effectiveness of whistleblowing in deterring individual tax evasion does not translate to collaborative tax evasion. Whether individuals believe that noncompliance is common in a high-evasion environment or are unaware of the norm environment, implementing whistleblowing is ineffective in reducing or detecting evasion. Incentives to encourage whistleblowing in collaborative decisions should be carefully set and policymakers should bear in mind that due to the collusive nature of such transactions, trust between partners may be high enough to discourage whistleblowing even in one-time transactions.

The remainder of this paper is structured as follows. In Section 2, we explain the experiment including treatments, theoretical considerations and implementation. In Section 3, we describe the results. In Section 4, we discuss the results and mechanisms and Section 5 concludes and develops policy implications.

2 The experiment

We use an online experiment to examine whether whistleblowing affects the propensity of collaborative tax evasion. In the following, we describe the flow of the experiment,

¹For instance, voluntary public disclosure programs have been intensely researched in various countries such as the US (Johannesen et al., 2020; Langenmayr, 2017), Norway (Alstadsæter et al., 2022), Pakistan (Slemrod et al., 2022) and Colombia (Londoño-Vélez & Ávila-Mahecha, 2021).

followed by the treatment conditions, theoretical insights and the detailed implementation on MTurk.

2.1 Flow of the experiment and incentives

In a one-shot experiment, we observe pairs of two subjects deciding on the declaration of a transaction. The experiment is as short as possible to avoid dropouts because participants' attention spans are lower in online experiments (Chandler et al., 2014; Zhou & Fishbach, 2016). By only playing for one round, we also ensure that our treatment with additional information about the majority's evasion behavior is not neglected over multiple rounds. The game comprises up to nine stages, depending on the treatment condition and decision that partners take. Figure 1 visualizes the experimental procedure. The instructions and selected screens are available in Appendix A.

All subjects first enter a lobby stage where they are matched into pairs on a first-come-first-served basis. We inform subjects that it can take up to three minutes to be matched with a partner. If they are not matched after three minutes, they can stay in the lobby or leave the experiment. Once they are successfully matched, subjects receive further information on their roles and incentives. Sellers receive the information that they are providing a service, and buyers are informed that they are looking for a service.

There is a separate stage for the subjects in *WhistleT* and *WhistleExpectationT* (see Section 2.2 for a detailed explanation). In this stage, they receive information about the possibility of whistleblowing and the financial consequences. Whistleblowing leads to a certain audit. Subjects in *WhistleExpectationT* additionally receive information about the majority's evasion behavior in a similar study. Note that we randomly vary the order of the information about the possibility of whistleblowing and the information that evasion is common to avoid order effects in *WhistleExpectationT*. Subjects in *ControlT* do not receive any information and skip these stages.

Next, there is a stage with a chatbox in which partners can communicate for up to 2.5 minutes and discuss whether to declare the transaction. After chatting, the seller is asked to make an offer with or without tax declaration. The offer is then sent to the buyer, who accepts or rejects the offer. If subjects in *WhistleT* or *WhistleExpectationT* agree to transact without declaring taxes, they are asked if they want to report their partner in the next stage. In the final stage, transactions are audited, and information about payoffs and audits is displayed. Note that an audit stems from either a random audit generator that determines whether a pair is audited with a probability of 10% or from the partner blowing the whistle in treatments *WhistleT* and *WhistleExpectationT*. When a pair is audited, the tax authority detects the entire amount of evaded tax payments.

We explicitly frame the instructions with terms such as tax rate, audit rate or penalty to place our experiment in the tax context we want to investigate. The two roles and the transaction are described in broad terms such as seller, buyer and transaction, so we obtain generalizable results for all types of goods and sectors. For simplification reasons and since previous results on the type of redistribution or financing of public goods remain inconclusive (Masclot et al., 2013; Doerrenberg, 2015), there is no redistribution of the tax payment. The instructions inform subjects about the tax, audit rates and payoffs. We make the consequences of decisions very salient by displaying tables showing all possible payoffs in the instructions and on the chat stage.

	<i>ControlT</i>	<i>WhistleT</i>	<i>WhistleExpectationT</i>
1	Matching into pairs		
2	Description of roles and setting		
3		Description of whistleblowing	
4			Evasion expectation
5	Chat		
6	Seller decides on offer with or without tax declaration		
7	Buyer decides to accept or reject offer		
8		If evasion: Possibility to blow the whistle	
9	Information about tax audit and payoff		

Figure 1: Experimental procedure

Notes: The highlighted stages are only displayed to subjects in *WhistleT* or *WhistleExpectationT*. We randomly vary the order of the third stage and the fourth stage in *WhistleExpectationT* to avoid order effects. Order effects imply that the possibility of whistleblowing predominates the evasion decision for subjects reading the whistleblowing information first, and vice versa.

In addition to a fixed show-up fee of 0.50 US dollars (USD) for participation in our study, we fully incentivize the decisions in the experiment. Participants can receive an additional bonus payment between 1.20 and 2.10 USD, depending on their decision. We align the incentives for both roles to reach the same monetary outcomes in each possible final decision. Therefore, we do not expect any differences in behavior between the roles, and if we find evidence for differences, pecuniary motives do not drive them. During the experiment, the monetary value of transactions and payoffs is indicated in experimental currency units (ECU) and converted to USD at an exchange rate of 0.003.

At the beginning of the experiment, every subject receives a fixed endowment (400 ECU). There are four possible monetary outcomes from our experiment.

- **With declaration:** If a pair agrees to declare the transaction, both subjects receive a total payoff of 610 ECU (1.83 USD). The buyer’s endowment (400 ECU) increases by the value of the transaction (600 ECU) minus the price (390 ECU). In turn, the seller’s endowment (400 ECU) increases by the price (390 ECU), but the seller pays taxes and other fees such as social security contributions to the authorities (180 ECU). Taxes and fees comprise the buyer’s share (90 ECU) and the seller’s share (90 ECU).
- **With evasion and without audit:** If a pair agrees on a transaction without declaration and is not audited, both subjects receive 700 ECU (2.10 USD). The price for the transaction is lower (300 ECU) as it does not include taxes or fees.
- **With evasion and audit:** If a pair agrees on a transaction without declaration and evasion is detected in a tax audit, the payoff is 520 ECU (1.56 USD). Both partners are fined, and each subject’s payoff from evasion decreases by the fine of twice the evaded tax payment (180 ECU).
- **Rejection:** If the buyer rejects the seller’s offer, the payoff from the experiment corresponds to the initial endowment of 400 ECU (1.20 USD) for both subjects.

Note, that an outcome under auditing can be reached in two ways: Either through the random audit probability of 10% or when auditing is triggered through one or both partners blowing the whistle. In the latter case, the incentives are asymmetric: While the whistleblower receives the amnesty and thereby the payoff described in the second option, the person that was reported pays the fine as described in the third option. In Section 2.2 we describe whistleblowing outcomes in more detail.

2.2 Treatments

To examine the effect of whistleblowing on collaborative tax evasion, we randomly assign subjects to one of three conditions as displayed in Table 1. Subjects in *ControlT* make decisions in the collaborative tax evasion game.

In *WhistleT*, we add the possibility of whistleblowing to the basic setup. Disclosure of tax information, whether self-disclosed or reporting others, can create publicity and increased social control (e.g., Bø et al., 2015). However, in our experiment, the whistleblowing mechanism is not connected to public awareness. Since we do not publish information revealed by whistleblowers, public shaming, social comparison and social control do not play

a role. Instead, on a separate screen in the instructions, we inform subjects that they can blow the whistle on their partner if they agree on a transaction without declaration. They report the information directly to the tax authority and remain completely anonymous. We inform them about a leniency policy that grants them tax amnesty if they report their partner and their partner does not report them (Figure 7 in Appendix A). Note that the possibility of whistleblowing is announced before the pairs agree to evade. However, the stage on which subjects can decide to report their partner only appears if they have agreed to evade. Subjects who decide on a transaction with declaration or who do not agree to transact do not have the option to blow the whistle.

In *WhistleExpectationT*, subjects also make decisions in the collaborative tax evasion game with the possibility to report their partner. To examine the effectiveness of whistleblowing in a high-evasion environment, we additionally inform subjects of the majority’s evasion behavior and thereby create an empirical expectation of evasion. Note that empirical expectations are considered one component of a social norm. They refer to beliefs about *what others do*. Normative expectations on the other hand are beliefs about *what others approve or disapprove of* (see, e.g., Bicchieri, 2006). In our case, an empirical expectation of evasion creates a norm environment in which people should believe that it is common to evade. We manipulate the norm environment by displaying the following sentence after the instructions: “*In a similar study, the majority of participants evaded the transaction.*” Previous evidence shows that this additional sentence successfully manipulates subjects’ evasion expectations (Burgstaller & Pfeil, 2024). The empirical foundation for this particular sentence stems from pilot data in a similar setup. With this approach, we follow a growing strand in the literature on conditional preferences and social information (Bicchieri et al., 2023; Bicchieri & Dimant, 2019).

Treatments	Variation relative to <i>ControlT</i>	N
<i>ControlT</i>	/	162
<i>WhistleT</i>	Whistleblowing	156
<i>WhistleExpectationT</i>	Whistleblowing + evasion expectation	158

Table 1: Treatment overview

Note: The collaborative tax evasion game is the basic framework for subjects’ decisions in all treatments.

In both treatments that incorporate whistleblowing, evaders may receive a tax amnesty if they blow the whistle on their partner. The amnesty exempts whistleblowers from paying a fine and repaying their tax liability. This is similar to whistleblower rewards that serve

as incentives to report tax evasion, both in individual as well as in collaborative settings (IRS Whistleblower Office, 2023). In contrast to most whistleblower rewards, however, individuals cannot be sure that they will receive the reward as there is uncertainty about the partner's decision in our setting.

Note that there are four possibilities of how whistleblowing affects outcomes when a pair decides to evade. Figure 2 captures the four scenarios in a decision tree. First, if both players decide not to blow the whistle on each other, they are subject to a random audit probability of 10%. Second, one of the partners can blow the whistle unilaterally so that the seller reports the buyer but the buyer does not report them or vice versa. In this case, the whistleblower will receive the amnesty, while the reported partner pays the fine of twice the evaded tax payment. In the last case, both partners report each other and both have to pay the fine.

The expected reward from whistleblowing depends on the probability that a player assigns to their partner blowing the whistle on them. If they perceive this probability to be zero, their expected reward from whistleblowing corresponds to the gains from the tax amnesty such as exemption from a fine and tax repayment. However, if they expect their partner to report them, the reward from whistleblowing is zero and they have to pay the fine even if they decide to report their partner as well.

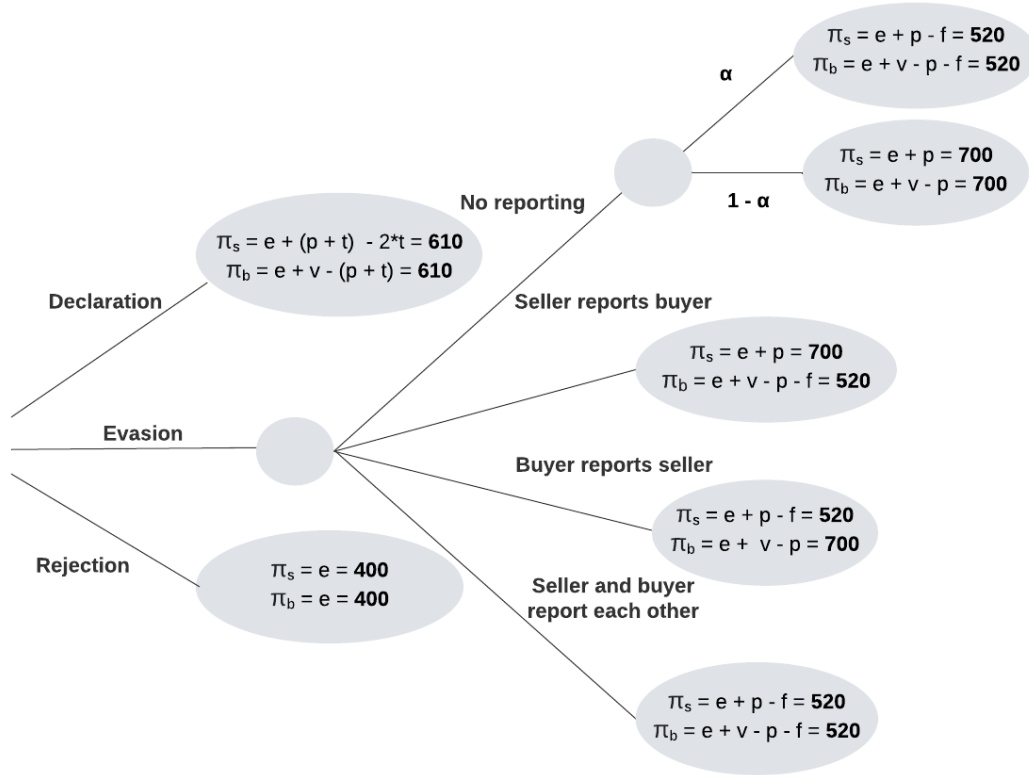


Figure 2: Overview of payoffs with whistleblowing

Notes: The figure displays the possible payoffs for the game with whistleblowing for the seller (π_s) and buyer (π_b) in experimental currency units (ECU). In *ControlT*, only the “no reporting” outcome applies in the case of evasion. e is the endowment every individual receives in the beginning of the game (400 ECU). p is the price of the transaction (300 ECU), v is the value of the transaction for the buyer (600 ECU), t is the amount of taxes due (90 ECU), f is the fine of twice the evaded tax payment that needs to be paid if evasion is detected (180 ECU). α corresponds to the audit probability of 10%.

Note that the option to choose evasion and report the partner is only marginally more attractive than to evade without reporting the partner (700 ECU vs. 682 ECU in expected values). This design feature is due to the low audit probability and due to the reward from whistleblowing not exceeding the benefits from undetected evasion. Still, the incentives in our experiment are larger than in the field. The audit probabilities are extremely low, e.g., 0.38% in 2022 in the United States (TRAC, 2023) with collaborative tax evasion being even less likely to trace. Moreover, the rewards for whistleblowing are usually much lower, e.g., 0.15% of the evaded amount in the United States (IRS Whistleblower Office, 2023). Therefore, we likely overemphasize the attractiveness of whistleblowing to examine how it

affects collaborative tax evasion in our controlled setting.

2.3 Theoretical considerations and hypotheses

Theoretically, the possibility of whistleblowing may affect tax compliance through two channels.² First, there is a direct effect on detection probabilities and revenue through individuals that blow the whistle on their partners who then have to repay taxes and fines. Second, through the fear of being reported by a partner, whistleblowing may indirectly discourage collaborative evasion, leading to higher tax compliance irrespective of actual whistleblowing.

Regarding the direct effect of whistleblowing, the more individuals blow the whistle on the partner, the greater the increase in tax revenues through detection. Previous literature has identified monetary and non-monetary incentives that individuals consider when contemplating on whistleblowing (Butler et al., 2020). Monetary incentives have been proven to effectively encourage whistleblowing in some studies (Butler et al., 2020; Schmolke & Utikal, 2018; Nyreröd & Spagnolo, 2021). Incentives include legal immunity or amnesty with reduced repayments, interests or penalties to encourage taxpayers to report previously undisclosed liability or assets (see Le Borgne & Baer, 2008; Gil et al., 2023, for overviews).

In our experiment, the incentives to report the partner are set as follows: The amnesty is granted only if individuals report their partner unilaterally. However, they both have to pay the fine if they report each other bilaterally, i.e., if both partners report each other. The setup of the whistleblowing incentives is akin to a prisoners' dilemma with three (pure) strategy Nash equilibria (Table 2): First, the seller reporting the buyer, while the buyer does not report the seller. Second, the buyer reporting the seller, while the seller does not report the buyer. Third, both partners reporting each other. For each individual, it is most beneficial to evade and report the partner and receive amnesty as long as the partner refrains from reporting them. However, if both follow this consideration, it will result in both players losing the amnesty and having to pay the fine.

Given this incentive structure, the decision to blow the whistle is not straightforward but depends on individuals' expectations of their partner's behavior. If an individual is convinced that their partner will not report them, it is most beneficial for them to report their partner as they will receive the tax amnesty. If an individual expects to be reported by their partner, their own payoff is independent of whether they report their partner as well as they will pay the fine in both cases. Therefore, decisions to blow the whistle when expecting to be reported must be motivated by non-monetary factors. Such factors may

²Our conceptualization is similar to the twofold effect of leniency programs on cartel stability and formation (Clemens & Rau, 2019). In this context, the first effect is inducing admissions of wrongdoing within a cartel, whereas the second effect is discouraging the creation of new cartels.

include ostracism (Curtis et al., 2021; Reuben & Stephenson, 2013) as well as retaliation against whistleblowers (Eisenstadt & Pacella, 2018). This suggests that individuals might perceive an urge to take revenge. In that case they should report their partner to make them pay a fine as well. Second, the possibility of whistleblowing introduces a “loyalty-fairness trade-off” (Butler et al., 2020; Waytz et al., 2013). In a collaborative setting, subjects weigh the social consequences of reporting evasion to the authorities against the consequences for their partner. They may be loyal to their partner by not reporting them or fair towards society by blowing the whistle. If individuals expect their partner to report them, their loyalty towards them is likely less pronounced giving rise to the fairness dimension that suggest that individuals should blow the whistle on their partner.

	Seller does not report	Seller reports
Buyer does not report	B: 682; S: 682 1,364	B: 520; S:700 1,220
Buyer reports	B:700; S: 520 1,220	B: 520; S: 520 1,040

Table 2: Overview of whistleblowing incentives – Expected values

Note: This table displays individual payoffs as expected values in experimental currency units (ECU) for the buyer (B) and seller (S), as well as the sum of expected payoffs for the pair below.

Besides the direct effect of whistleblowing on tax revenue by uncovering evaded transactions, the threat of whistleblowing may indirectly deter evasion decisions and increase compliance. There is evidence of such a deterrent effect of whistleblowing across various domains (Masclot et al., 2019; Chapkovski et al., 2021; Nyrreröd & Spagnolo, 2021; Reuben & Stephenson, 2013; Bazart et al., 2020; Antinyan et al., 2020).

Individuals’ decision to evade or declare the transaction depends on their expectations about whether their partners will report them. In our setup, there are four outcomes. First, if an individual has no intention to report their partner and does not expect their partner to report them, their behavior should be similar to a scenario without whistleblowing. Second, if an individual has no intention to report their partner and expects their partner to report them, they should not evade. This way, they will achieve a higher payoff by declaring the transaction than if they were fined for evasion. Third, if an individual intends to report their partner and does not expect their partner to report them, they should evade. This way, individuals secure the amnesty for themselves while the partner pays the fine. Fourth, if an individual intends to report their partner and also expects their partner to report them, they should not evade. This way, both avoid fine payments.

Recall from the incentive structure above that when choosing evasion, at least one of the partners is expected to blow the whistle. Therefore, individuals should expect their partner to report them. If this is the case, single individuals should not agree to evade a transaction. Recall, that the decision requires mutual consent and that coordination before making the decision is possible in the chat. If one individual opposes to evade the transaction, the second-highest payoff comes from declaration. We therefore expect pairs to declare the transaction as soon as one individual expects their partner to blow the whistle on them. Literature on endogenous group formation in prisoners' dilemmas supports these considerations: Some individuals seem to avoid entering prisoners' dilemmas if an outside option exists. This holds even when this outside option provides a lower payoff (Wilson & Wu, 2017; Keser & Montmarquette, 2011). In our case, the outside options to avoid the whistleblowing dilemma are declaration or not transacting at all (rejection). Since the payoff from declaration surpasses that of not transacting and a pair may reach an agreement in the chat, we expect a general deterrent effect from the possibility of whistleblowing.

Hypothesis 1: *If there is a possibility to blow the whistle on the partner, compliance increases compared to when whistleblowing is not possible.*

This paper's second main research interest is whether whistleblowing is an effective policy tool to increase compliance in a high-evasion environment. We create this environment by giving information that the majority evaded in a similar context. Thus, we manipulate subjects' empirical expectations so that they believe evasion to be common. In contrast to normative expectations about what individuals *should* do, empirical expectations are beliefs about what individuals actually *do*. Both together constitute a social norm (Bicchieri, 2006). While unconditional individuals would either always be compliant or non-compliant when making decisions, the preferences of conditional norm-following individuals depend on social norms (Bicchieri et al., 2023; Bicchieri & Xiao, 2009). Hence, when we give information about the majority's evasion behavior, it should affect conditional norm-followers' behavior by making them aware of a particular empirical expectation.

Empirical expectations have been shown to significantly affect individual and joint tax compliance (Hallsworth et al., 2017; Burgstaller & Pfeil, 2024). Broadly, there are three mechanisms why empirical expectations have a strong effect on compliance behavior. First, empirical expectations may highlight a widespread standard of dishonesty that shapes taxpayers' perceptions of normal behavior (Bicchieri et al., 2022b). This may in turn affect normative expectations and individuals' perception of what others sanction (Bicchieri et al., 2023). Second, empirical expectations may impact how taxpayers rationalize their actions. Recognizing that others engage in evasion offers a rationale for their own dishonest

behavior (Bicchieri et al., 2023). Third, the manipulation of expectations can alter individuals' expectations of their partners. When evasion appears to be the predominant behavior, individuals may believe it is more likely that their partner will also consider evasion acceptable and assume their partner's readiness to engage in evasion, which may diminish internal obstacles, such as concerns over tarnished reputation (Besley et al., 2023).

So, how do whistleblowing and the high-evasion environment interact and affect compliance? First, as individuals receive information on others' non-compliance, they may have lower psychological costs of evasion, crowding out their intrinsic motivation to comply (Blaufus et al., 2017; Alm et al., 2017; Koch & Müller, 2024; Feld & Frey, 2002; Torgler & Schaltegger, 2005). Second, the amnesty might be a signal of weak enforcement capacities on the tax authority's side if it is implemented in a high-evasion setting as authorities feel the need to involve citizens in the enforcement process. If this is the case, the subjective perception of the audit probability might be lower than in a setting without an empirical evasion expectation.

Third, the belief that it is common to evade may affect the "loyalty-fairness trade-off." Because of the perceived commonness of evasion, individuals may expect their partners to intend and accept evasion. This may foster loyalty towards the partner when committing evasion. Conversely, concerns about societal fairness might justify evasion, if evasion is prevalent in society and individuals define the fairness norm self-servingly in this context to avoid being the sole last taxpayer (Feld & Frey, 2010). Suppose individuals believe that their partner will not report them based on the empirical expectation. In that case, the effectiveness of whistleblowing in reducing the fraction of evaded transactions may be significantly attenuated or even exhausted.

Hypothesis 2: *The compliance-increasing effect of whistleblowing diminishes in a high-evasion environment.*

The previous hypotheses address the indirect effect of whistleblowing on tax compliance. We predict that knowing that there is a possibility to be reported by the partner increases average compliance through a deterrent effect. However, we assume that this effect diminishes in a high-evasion environment, when evasion is believed to be common.

Since we also measure individuals' decisions to blow the whistle, we can additionally observe the direct effect of whistleblowing on detected evasion. This includes to what extent individuals report their partner and, thereby, if whistleblowing increases tax revenues directly by uncovering unpaid taxes. This does not per se increase compliance, but it increases revenues from fines. As established above, when a pair agrees on evasion, each individual could either blow the whistle on the partner or not. Regardless the environ-

ment, it is rational to always blow the whistle once evasion is agreed upon so that the tax amnesty can potentially be secured. However, in a high-evasion environment, individuals are likely motivated primarily by loyalty to their partner and a reluctance to collaborate with an enforcement agency that might be perceived as ineffective. Therefore and in line with the second hypothesis, we expect that the empirical expectation also decreases the fraction of whistleblowers.

Hypothesis 3: *In a high-evasion environment, the willingness to blow the whistle decreases.*

2.4 Implementation

We implement our experiment on Amazon Mechanical Turk (MTurk) and use CloudResearch to recruit high-ranked workers, which ensures that our data is of high quality (Litman et al., 2017). MTurk is a frequently used online labor market (Aguinis et al., 2021; Huff & Tingley, 2015). We conduct multiple sessions per treatment and run each session as a human intelligence task (HIT) on MTurk, posted online for 30 minutes to 1 hour. The study is programmed with *LIONESS Lab*, an online platform developed especially for interactive experiments (Giamattei et al., 2020).

To determine the minimum required number of observations for analyzing a given effect size, we conduct a power analysis with G*Power (Faul et al., 2007). We assume a small to medium-sized effect (Cohen’s $d = 0.4$) (Cohen, 1977). For a power level of $(1 - \beta) = 0.8$ and a significance level of 0.05, we planned to collect observations from 105 individuals per treatment. Note that our final sample size allows us also to identify smaller effect sizes.

Besides the experiment, which we describe in detail in Section 2.1, participants are required to fill in two questionnaires. The first questionnaire is completed before the experiment and contains sociodemographic questions. The second set of questions is implemented after the experiment. This post-experimental survey includes manipulation checks and questions on attitudes and experiences towards whistleblowing and social norms. Appendix B includes an overview of all pre- and post-experimental variables.

There is a debate in the literature concerning the validity of data from online experiments and whether a more diverse and experienced subject pool over-weighs the lower level of control online. As Prissé & Jorrot (2022) show, there are no significant differences when comparing subjects’ decisions online and in a controlled laboratory environment. However, due to the difficulty of observing subjects online, bots or less attentive subjects likely enter the experiment (Hauser et al., 2019). Moreover, dropouts can be more frequent in online experiments, as subjects enter and exit studies quickly and at lower costs than in a lab. A

high attrition rate reduces internal validity when dropouts are treatment-specific (Zhou & Fishbach, 2016).

We use several strategies to ensure sufficient data quality and to limit attrition. First, as is standard in the literature (Arechar et al., 2018; Peer et al., 2014), we restrict our sample to individuals in the US and have an approval rate of at least 95% with more than 500 completed HITs. We choose US residents because they constitute the largest share of workers on MTurk (Difallah et al., 2018), facilitating our matching procedure. Second, we implement a captcha test to stop nonhuman subjects from entering the experiment. In addition to that, we test subjects’ understanding of the experiment with control questions after subjects have read the instructions. Among the questions, we use an attention check similar to the Eckel Grossmann task (Schneider & Mill, 2022; Eckel & Grossman, 2002). In this attention check, participants read a short text and are required to select the third option of a multiple-choice question. Subjects who do not answer the control questions and the attention check correctly in two attempts are excluded from the experiment. Furthermore, we block duplicate participation as subjects who participate more than once can seriously affect the validity of our results. Third, we provoke early attrition and manage participants’ expectations by informing them about the experiment to reduce treatment-specific dropouts (Zhou & Fishbach, 2016). Our HIT description informs participants that they will participate in a decision-making task with a partner. Finally, we provide extensive information about the procedure and tasks to ensure that participants do not drop out in the interactive part of the experiment (Section A.1 and Figure 6 in Appendix A).

Since we observe decisions in pairs, we need to exclude subjects from further participation when their partner leaves the experiment. In these cases, participants only earn the fixed participation fee of 0.50 USD, which may be less than expected. Alternatively, we could have used computer-generated random decisions in such a case. However, this may impair internal validity and lead to deception if we do not inform participants of this approach in advance (Arechar et al., 2018; Giamattei et al., 2020).

3 Results

In the following, we present the results of our experiment. We describe the sample, analyze treatment effects and explain the mechanisms behind our findings by examining the post-experimental survey.

3.1 Sample characteristics

In total, 883 individuals click on the link to enter the experiment. Of these, 407 (46%) do not complete the experiment. This dropout rate is comparable to other experiments on MTurk (Aguinis et al., 2021). In the majority of cases, dropouts occur in response to quality controls and the collaborative nature of the experiment (Figure 8 in Appendix B). 33% of dropouts occur during the control questions. A third of these are excluded because of inattentiveness. Another 23% of dropouts occur because a partner leaves the experiment during the interactive stages.

We check whether dropouts are related to specific treatments, stages or sociodemographic characteristics (Table 7 in Appendix B). Using a Mann-Whitney U (MWU) test, we find no evidence that the dropout rates in the treatments are significantly different from the dropout rate in *ControlT* (all $p > 0.169$). However, significantly more dropouts occur in *WhistleT* compared to *WhistleExpectationT* (MWU, $p = 0.048$). Therefore, we check whether dropouts vary by specific stages between treatments, but do not find any statistically significant differences (MWU, all $p > 0.562$). In addition, an attrition analysis shows no relationship between any sociodemographic characteristic and the probability of dropping out of the experiment.

Our final dataset comprises of data from 476 subjects in three treatments. On average, subjects complete the experiment in 8 minutes. The average earning, including the fixed participation fee, is 2.05 USD, which is equivalent to an hourly wage of 14.73 USD. Participants in our experiment are, on average, 41 years old and spend 13 hours per week on MTurk or similar online platforms. 51% of the sample are female, 68% have at least a bachelor’s degree and 58% are employed full-time. Regarding household income, 16% report that their household income was below 20,000 USD in 2022.

3.2 The effects of whistleblowing on collaborative tax evasion

We first focus on the fraction of evaded transactions as a measure of the deterrent effect of whistleblowing on tax evasion. For this fraction, we divide the number of transactions without declaration by the sum of all transactions (transactions with and without declaration as well as rejections). We include rejections in the denominator as we want to examine the frequency of evasion in the case of all possible transactions and not only the transactions on which a pair agreed. Our results do not considerably change when we conduct the analyses with a smaller denominator of only successful transactions. As a second outcome variable, we analyze the fraction of whistleblowers by dividing the number of actual whistleblowers by all potential whistleblowers, i.e., the number of subjects who choose to transact without

declaration. This variable examines the direct effect of the possibility of whistleblowing. Note that each pair jointly decides whether to declare a transaction so that we observe one outcome per pair. However, we control for sociodemographic characteristics on the individual level.

Regarding the fraction of evaded transactions, we observe the following pattern on the aggregate: 58% of pairs agree on a transaction with declaration. 34% of pairs choose a transaction without declaration, and in 8% of cases, the buyer rejects the seller’s offer. Most rejections occur when sellers offer a transaction without declaration (63%). Rejections do not vary significantly by treatment (MWU, all $p > 0.635$). This implies that the possibility of whistleblowing does not affect economic activity as the level of transactions remains the same irrespective of the treatment.

Regarding the deterrent effect of whistleblowing on evasion, we find that 36% of transactions are agreed upon without declaration in *ControlT* (Table 3). This fraction decreases by 8 percentage points in *WhistleT*, but the difference is not statistically significant (MWU, $p = 0.147$), showing that whistleblowing does not have a significant deterrent effect in our setting.

Result 1: *The null hypothesis that the possibility of whistleblowing does not increase compliance cannot be rejected.*

Comparing *WhistleT* to *WhistleExpectationT* allows us to study the effectiveness of whistleblowing when implemented in a high-evasion environment. *WhistleExpectationT* significantly increases the fraction of evaded transactions by 11 percentage points compared to *WhistleT* (MWU, $p = 0.039$). This finding shows that bringing the majority’s evasion behavior to the subjects’ awareness increases collaborative evasion despite whistleblowing being possible. Whistleblowing remains ineffective in deterring evasion in a high-evasion environment.

Result 2: *There is support for Hypothesis 2 that the possibility of blowing the whistle on the partner enhances compliance less in a high-evasion environment than in an unspecified norm environment. Evasion increases significantly in a high-evasion environment even when whistleblowing is possible.*

Besides the indirect effect on compliance, we measure the direct effect of whistleblowing as the fraction of individuals that blow the whistle on their partner when the pair decided to evade. Strikingly, this direct effect does not exist in *WhistleT*: there is not a single individual that blows the whistle on their partner. In comparison, 10% of evading

individuals act as whistleblowers in *WhistleExpectationT* (MWU, $p = 0.035$, Table 3). In absolute terms, this fraction amounts to six individuals. This finding suggests that subjects who expect evasion to be common blow the whistle significantly more often than subjects who have no information about what behavior is common.

Result 3: *When subjects expect evasion to be common, the willingness to blow the whistle increases, although the overall fraction of whistleblowers is extremely low. Therefore, the hypothesis that whistleblowing decreases in a high-evasion environment is rejected.*

There are two possible explanations for this finding: First, as shown above, the empirical expectation of evasion increases the fraction of evaded transactions compared to a setting without an expectation of evasion. Since individuals can blow the whistle only if they evaded the transaction, the increased occurrence of whistleblowing in *WhistleExpectationT* may in part be a result of more evaded transactions when evasion expectations are present. Second, the information about the empirical expectation may shape individuals' expectation of their partners' whistleblowing behavior. If, due to the expectation of evasion, individuals expect their partner not to report them, it is rational for them to report their partner. This way, they can secure the tax amnesty while the partner has to pay the fine. However, these considerations should be treated with caution as the difference in the propensity to blow the whistle is driven by very few subjects.

Another measure of the effectiveness of whistleblowing is to examine whether the additional tax revenues generated from fines offset tax payments lost to evasion. Examining the sum of tax revenues excluding fines by treatment (Table 3), it is the highest in *WhistleT*, where the fraction of evaded transactions is the smallest, and the lowest in *WhistleExpectationT*, where evasion is the most pronounced. Total revenues from fines are higher in *ControlT* and *WhistleExpectationT* than in *WhistleT*. Similarly, total tax payments lost to evasion are more considerable in *ControlT* and *WhistleExpectationT* than in *WhistleT*. This means that the possibility of whistleblowing in *WhistleT* significantly increases tax revenues and decreases tax losses compared to the other treatments. However, the sum of lost tax payments is still higher than the sum of revenues from fines. Moreover, total tax revenues including fines are the highest in *ControlT* when whistleblowing is not possible, indicating that neither the direct effect of whistleblowing via auditing and collecting more fines, nor the indirect effect of increasing compliance improves total revenues in our setting.

Furthermore, we can conduct a simple back-of-the-envelope cost-benefit-calculation of whistleblowing by weighing the forgone tax revenues due to tax amnesties against additional revenues from fines that were only collected due to whistleblowing. We observe that two partners bilaterally blew the whistle, whereas in four cases only one person reported their

respective partner. The costs for giving four individuals amnesty amount to 720 ECU, and the benefits of additional tax revenues amount to 1,080 ECU. Hence, in our setting with very infrequent occurrences of whistleblowing, the benefits outweigh the costs of whistleblowing.

	ControlT	WhistleT	WhistleExpectationT	Total
Fraction of successful transactions	0.93	0.92	0.91	0.92
<i>Indirect effect</i>				
Fraction of evaded transactions	0.36	0.28	0.39	0.34
<i>Direct effect</i>				
Fraction of whistleblowers	.	0.00	0.10	0.06
Fraction of whistleblowers (buyer)	.	0.00	0.06	0.04
Total tax revenues (in ECU)	8,280	9,000	7,380	8,217
Total revenues from fines (in ECU)	2,160	1,080	2,520	1,926
Total tax loss due to evasion (in ECU)	5,310	3,960	5,580	4,957

Table 3: Summary statistics of the main outcomes by treatment

Notes: The fractions of successful transactions, evaded transactions and whistleblowers are defined in Section 3.2. The fraction of whistleblowers (buyer) denotes the number of whistleblowers in the role of the buyer conditional on having evaded. The total tax revenue is the sum of tax payments in each treatment if declaration is chosen, excluding the revenue of fines. The total revenue from fines is the extra tax revenue collected in each treatment when individuals are caught evading; the total tax loss is the sum of tax payments that are lost because of evasion.

We further check whether our results change when we include sociodemographic characteristics in a probit model (Table 4). We can confirm the non-parametric results. When we regress sociodemographic characteristics on the treatment dummies, there is no significant effect of *WhistleT* on the probability of evasion compared to *ControlT* (Model 1). In this model, we find that being female significantly reduces the probability of evading a transaction by 14 percentage points. This aligns with a large strand of the tax evasion literature that finds that women are more compliant (Alm & Malézieux, 2020; D’Attoma et al., 2020).

In Model (2), we use *WhistleT* as a reference category to investigate the effectiveness of whistleblowing in a high-evasion environment. *WhistleExpectationT* increases the probability of evading a transaction by 11 percentage points. This difference is significant at

the 5 percent level and supports the descriptive results. Moreover, obtaining a low income significantly increases the probability of evasion by 15 percentage points in this model.

	Probit (ME)–Evaded Transaction	
	(1)	(2)
WhistleT	-0.060 (0.051)	
WhistleExpectationT		0.114* (0.052)
Age	-0.004 (0.002)	-0.002 (0.002)
Female	-0.135* (0.051)	-0.015 (0.055)
Bachelor’s Degree	-0.003 (0.059)	-0.061 (0.058)
Full-time Employment	-0.003 (0.057)	0.074 (0.061)
Low Income	0.065 (0.041)	0.147* (0.067)
Experience Mturk	0.002 (0.002)	-0.001 (0.003)
Observations	318	314
Pseudo R^2	0.045	0.036

Table 4: Multivariate analysis of evaded transactions

Notes: The dependent variable is the fraction of evaded transactions. *WhistleT* and *WhistleExpectationT* are treatment indicators. The reference group is *ControlT* in Model (1) and *WhistleT* in Model (2). Coefficients are marginal effects; standard errors are in parentheses. The results do not change when we define the denominator of the outcome variable as only successful transactions.

*** $p < 0.001$, ** $p < 0.01$, and * $p < 0.05$.

3.3 Explaining the mechanisms behind the effectiveness of whistleblowing

To investigate the mechanisms associated with the effectiveness of whistleblowing as a deterrence instrument, we enquire about subjects’ perceptions of the possibility of whistleblowing and potential motivations to report their partner. We first ask all subjects in *WhistleT* and *WhistleExpectationT* to evaluate how each of the following considerations

applies to their decision-making process to declare or evade the transaction on a five-point Likert scale: 1) fear that their partner would report them, 2) trust in their partner that they would not report them and 3) decision-making principles (e.g., always choosing transactions with declaration).³

Figure 3 plots the responses over the two whistleblowing treatments. In *WhistleT*, 56% of participants report that their choice was affected by the fear that their partner would report them. This fraction is 11 percentage points lower for individuals in *WhistleExpectationT*. Moreover, over both whistleblowing treatments, it is 38 percentage points lower among individuals that evaded than individuals that declared the transaction. This suggests that a high-evasion environment affects expectations towards the partner, i.e., individuals express less fear of being reported in a high-evasion environment which may explain why whistleblowing is not compliance-enhancing in these settings.

We find a similar trend regarding individuals' trust in their partners. 26% of subjects in *WhistleT* state that trust in their partner to not report them influenced their decision. This fraction increases by 10 percentage points when individuals receive information about the majority's evasion behavior. It amounts to 62 percent among individuals that evade compared to 16 percent among individuals that declare the transaction.

Regarding decision-making principles, 54% of participants in *WhistleT* state that they decided according to their convictions. With 52%, this fraction is similar in *WhistleExpectationT*. A possible interpretation is that the possibility of whistleblowing does not affect the choice when subjects are sure to agree on evasion or declaration by principle. Declarers decide more often according to convictions, as the fraction of individuals reporting that they considered their convictions is 18 percentage points higher for declarers than evaders. We conclude that a considerable fraction of individuals is not afraid of being reported by their partner and expresses trust in their partner. When deciding in a high-evasion environment, these fractions increase, supporting the notion that the environment affects subjects' expectations of their partners.

³We introduce these questions as follows: "How did the possibility to report services without declaration affect your decision to make a transaction with or without declaration? Please rate how the aspects below apply to you on a scale from 'Does not apply at all' to 'Fully applies'. If you did not consider the aspect at all, please choose the point in the middle."

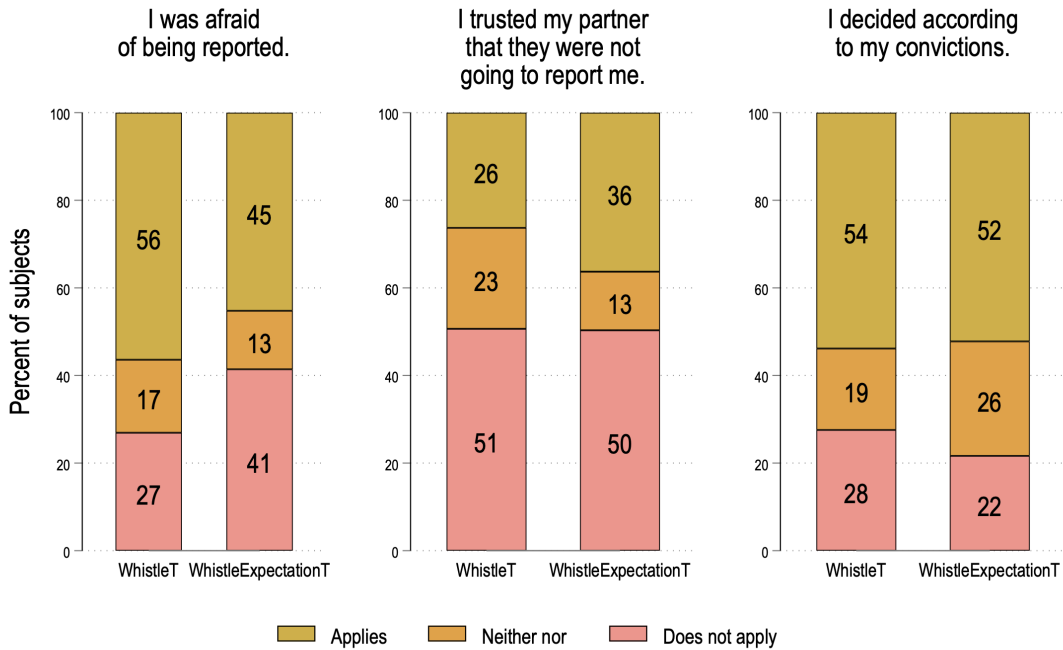


Figure 3: Considerations on how the possibility of whistleblowing affected decisions

Notes: Only participants in *WhistleT* and *WhistleExpectationT* are asked ($N = 314$). The five-point Likert scale is transformed into three categories, indicating whether subjects think the statement applies to them, does not apply to them, or neither applies nor does not apply.

Additional post-experimental questions that we only display to individuals choosing evasion shed light on why we find a meager fraction of whistleblowers. We ask evading individuals to indicate whether their decision to blow the whistle on their partner was affected by feeling obliged to report misbehavior or trusting that their partner would not report them.⁴

A large majority of 85% indicate that they did not feel obliged to report their partner’s misbehavior (Figure 4). At the same time, subjects regard this feeling as reciprocal, as 71% of subjects indicate having trusted that their partner would not report them. Theoretically, if an individual is confident their partner will not report them, they would receive a higher payoff from blowing the whistle and receiving tax amnesty. However, a lack of perceived obligation to report seems to over-weigh as only 6% of evading individuals report their

⁴We introduce these questions as follows: “How did the following aspects affect whether you reported your partner? Please rate how the aspects below apply to you on a scale from ‘Does not apply at all’ to ‘Fully applies’. If you did not consider the aspect at all, please choose the point in the middle.”

partner.

Further results support this notion: When asked whether they feared being considered disloyal if they reported their partner to the tax authority, 40% of the subjects state that this affected their decision. At the same time, 43% state that this concern did not affect their decision, pointing to heterogeneous loyalty feelings towards the partner. Participants’ fairness perceptions are slightly clearer. 31% of the individuals state that they considered it unfair that only their partner would have to pay a fine. However, 52% indicate that this fairness concern did not affect their decision.

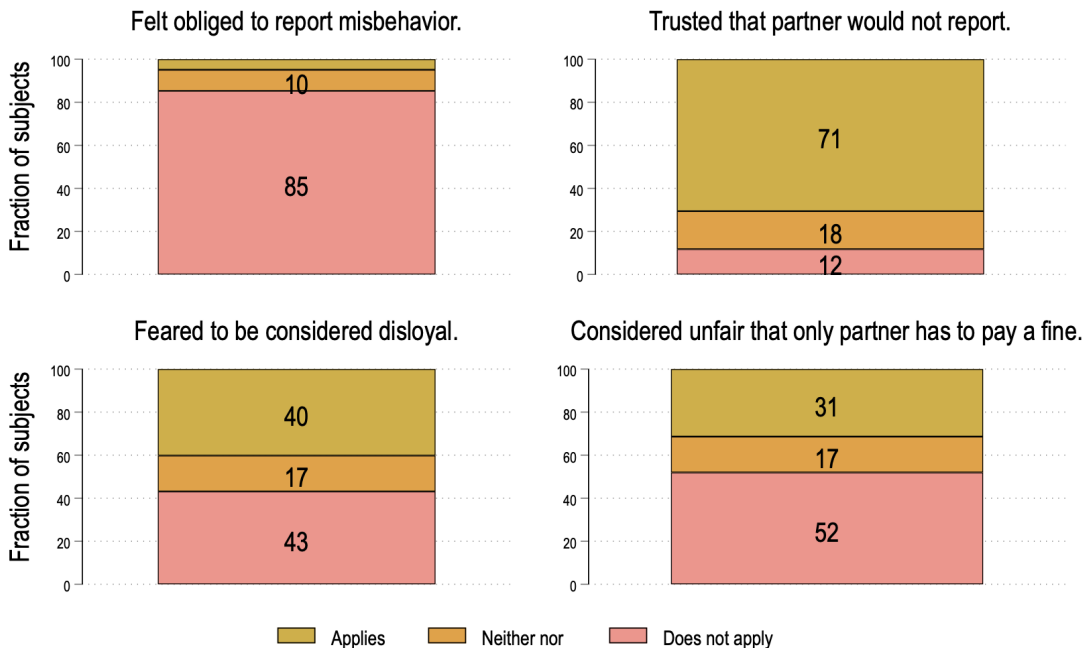


Figure 4: Considerations on whistleblowing conditional on evasion

Notes: Only participants in *WhistleT* and *WhistleExpectationT* that evaded the transaction are asked ($N = 106$). The five-point Likert scale is transformed into three categories, indicating whether subjects think the statement applies to them, does not apply to them, or neither applies nor does not apply.

The analysis of the chat data provides additional insight into the reasons for participants’ decisions in the experiment. We analyze the chat protocols with a dictionary approach and use topic modelling to derive correlates of evaded and declared transactions in the chat data. As our bodies of text are relatively short, we rely on a manual classification of keywords into topics (Ferrario & Stantcheva, 2022). For that, we identify the

words and expressions used most frequently and construct categories that fit these texts best (Table 8 in Appendix B).

In Figure 5, we plot the frequencies of the discussed topics by whether they were mentioned by a pair that later decided to either evade or declare the transaction or not transact at all. The most discussed topic in the chat was risk, with 268 individuals (56% of the sample) talking about risk in total. While pairs who decide to declare or not transact discuss aspects of risk in 48% of cases, 72% of pairs who evade discuss risk. Although the topic of earnings is discussed to a much smaller extent, we observe that it plays a bigger role for pairs who choose evasion (23% of pairs who evade discuss earnings) than for pairs who declare or do not transact (15%). Honesty, however, is more frequently discussed in pairs who choose to declare (13%) than pairs that evade taxes (6%). Fairness topics are infrequently discussed regardless of the final decision. Communication about whistleblowing occurs to a much larger extent in pairs that evade the transaction compared to pairs that declare (16% versus 4% of pairs). This suggests that discussing whistleblowing likely entails reassuring each other that one will not blow the whistle.

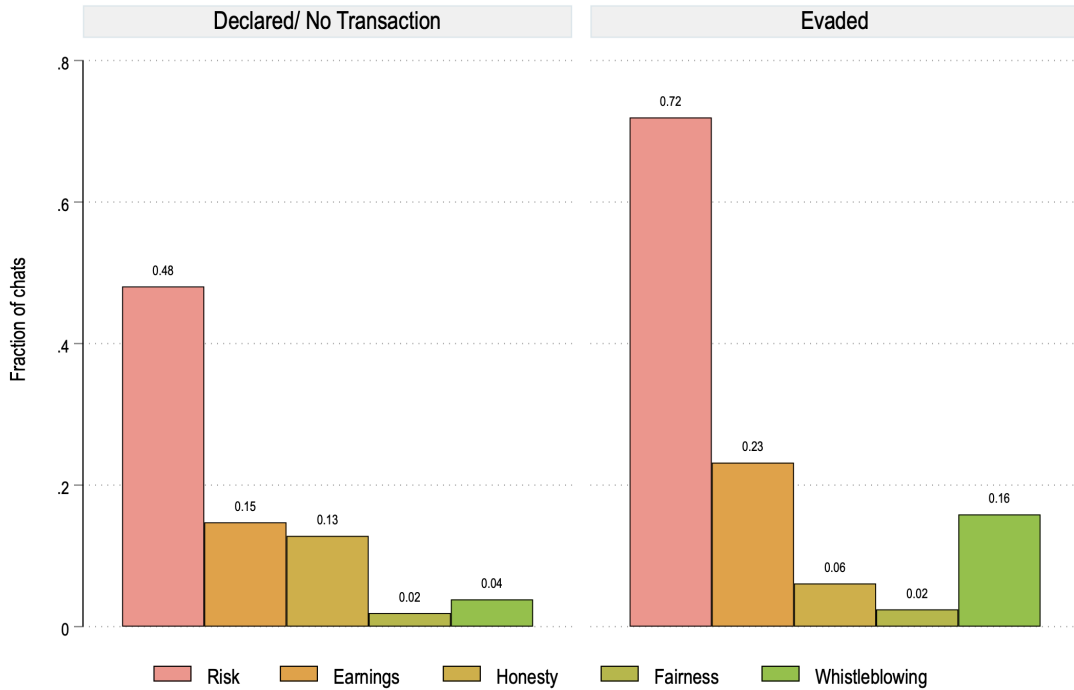


Figure 5: Frequencies of topics discussed in the chat

Note: To derive the discussed topics, we group certain expressions that subjects use into categories, see Table 8 in Appendix B.

In Table 9 in Appendix B, we regress the topics discussed in the chat on the final decision. This analysis underlines the finding that discussions about risk and whistleblowing are associated with decisions to evade rather than declare the transaction. Adding treatment dummies in Model (2) and (3) shows that *WhistleExpectationT* remains significant at the $p < 0.05$ level, increasing the probability of a transaction being evaded by 11 percentage points.

3.4 Empirical and normative expectations towards evasion

We further analyze how information about the majority’s evasion behavior and one’s own decision affect subjects’ perceptions of what is common and acceptable.⁵ We find that information about evasion as the common behavior increases participants’ empirical expectation of evasion. While in *ControlT* and *WhistleT*, subjects believe that 53% of subjects chose the transaction without declaration in the experiment, subjects in *WhistleExpectationT* believe 64% evaded the transaction, on average. The differences between the treatments are significant for both comparisons (MWU, all $p < 0.01$).

Normative expectations follow a similar pattern.⁶ Subjects’ in *ControlT* and *WhistleT* believe that 50% and 51% of the participants in this study find it justifiable to choose a service without declaration, respectively. This fraction increases significantly to 60% when subjects are informed about the majority’s evasion behavior (MWU, all $p < 0.007$). This indicates a spillover effect from empirical expectations to normative expectations, which aligns with recent evidence in the literature (Bicchieri et al., 2023). Individuals’ personal normative beliefs of the acceptability of evasion (tax morale) are not affected by the information about evasion being common (MWU, all $p > 0.101$).

Recall that one of our main results is a significantly higher fraction of evaded transactions when subjects receive information about the majority’s evasion behavior in *WhistleExpectationT*. Subjects’ perceptions may stem from the information about what is commonly done or from their own behavior. We can interpret the latter as a case of self-serving justification with individuals who evade stating higher expectations to justify their behavior (Bicchieri et al., 2023).

To disentangle this channel of self-serving justifications, we concentrate on subjects’ reported empirical and normative expectations in *WhistleExpectationT*. Evading subjects’ empirical and normative expectations are skewed towards evasion compared to non-evading

⁵Empirical expectations are enquired as follows: “Please indicate what fraction of participants in this study you believe chose the service without declaration.” [Numerical input between 0 and 100%].

⁶Normative expectations are enquired as follows: “Please indicate what fraction of participants in this study you believe find it justifiable to choose the service without declaration.” [Numerical input between 0 and 100%].

subjects (+ 21 and 22 percentage points, respectively). Both differences are highly significant (MWU, both $p < 0.000$). While we cannot interpret this finding causally, it suggests that evading subjects interpret their decision environment self-servingly, i.e., as an environment where evasion is common and considered acceptable.

4 Discussion

Previous studies provide strong evidence that whistleblowing effectively deters individual tax evasion and other dishonest behavior (Masclot et al., 2019; Bazart et al., 2020; Butler et al., 2020). However, our experiment shows that whistleblowing is not compliance-enhancing in collaborative settings. Moreover, in environments in which evasion is common and individuals expect others to evade, tax evasion is more prevalent and whistleblowing remains ineffective.

We can reconcile our finding that whistleblowing is ineffective in deterring collaborative tax evasion with four additional strands of literature. First, our setup is similar to studies on endogenous sorting into prisoner’s dilemmas. They show that cooperators rather than defectors are likely to enter a prisoners’ dilemma instead of choosing the outside-option (not entering the game). Moreover, the presence of an outside-option increases cooperation (Orbell et al., 1984; Guido et al., 2019) in the game. In our setting, subjects cooperate by selecting into the whistleblowing dilemma and agreeing to evade the transaction. They collude with their partners by not reporting them to the authorities. This notion is further confirmed in our post-experimental questionnaire in which we find that subjects do not feel obliged to blow the whistle. Once they select into evading, subjects seem to be loyal to their partner rather than fair to society, which explains the ineffectiveness of whistleblowing.

Second, studies on the effectiveness of leniency policies in cartel formation find results similar to ours. Leniency policies offer cartel members incentives to report other cartel members. Recent literature suggests that such policies are ineffective in deterring cartel formation and do not destabilize cartels. This effect seems to be driven by the option to communicate openly as this allows individuals to coordinate and increase trust in their partner (Andres et al., 2021; Dijkstra et al., 2021). Note that our setting also includes a chat in which individuals can collude, discuss their options and build trust (see Section 3.3). Hence, communication between partners may explain why whistleblowing is ineffective in deterring evasion in our experiment.

Third, we can explain the missing effectiveness of whistleblowing by the lack of public knowledge about reported tax evaders in our design. Whistleblowing creates publicity when whistleblowers disseminate information to the media or the public (Hoopes et al., 2023). Whether through social control of the public, the press or targeted programs, observable

information can be used to shame tax delinquents to increase compliance (Perez-Truglia & Troiano, 2018). Bowen et al. (2010) show that whistleblowing is more effective when the media reports the case publicly. We decided to focus on private whistleblowing through the collaborating partner and not mix it with public knowledge, shaming or media. However, this might explain why whistleblowing remains ineffective.

Fourth, previous studies provide evidence of a positive effect of monetary rewards on the propensity to blow the whistle (Schmolke & Utikal, 2018; Butler et al., 2020; Nyrreröd & Spagnolo, 2021). In our experiment, the low fraction of whistleblowers indicates that the amnesty does not incentivize individuals enough to report their partners. The literature on the design and effects of tax amnesties is extensive. There are four reasons why amnesties could boost compliance: (1) individuals perceive the amnesty as policymakers' renewed outreach to non-compliant taxpayers (Feld & Frey, 2010), (2) amnesties reinforce the norm of compliance (Alm & Beck, 1990), (3) individuals fear public shaming if the report is made public (Alm et al., 2017; Blaufus et al., 2017), and (4) amnesties hint at stricter future enforcement (Alm & Beck, 1990). Conversely, a tax amnesty may decrease compliance if (1) taxpayers assume more leniency in future amnesties (Koch & Müller, 2024; Alm & Beck, 1990), (2) the amnesty diminishes the psychological costs of evasion and crowds out intrinsic motivation as individuals observe other taxpayers' noncompliance (Blaufus et al., 2017; Feld & Frey, 2002; Torgler & Schaltegger, 2005), or (3) the amnesty weakens the government's enforcement image (Feld & Frey, 2010; Le Borgne & Baer, 2008).

In our experiment, considerations about future amnesties should not play a role as subjects only transact for one round. We approximate subjects' perceptions of enforcement capabilities by enquiring subjective audit probabilities after the experiment. We find no significant change in the perceived audit probability between *ControlT* and *WhistleT*. However, subjects perceive the audit probability to be significantly lower in *WhistleExpectationT* than in *WhistleT*. This suggests that the amnesty in combination with a high-evasion environment leads subjects to believe that authorities are less capable of enforcing tax compliance. Instead of becoming auditors for the tax authority, subjects take advantage of the perceived enforcement vacuum and increase evasion. Furthermore, the results for *WhistleExpectationT* indicate that the amnesty crowded out intrinsic motivation and decreased psychological costs to evade since it signaled that noncompliance is high. Following these considerations, if anything, the amnesty appears to diminish the perceived enforcement capacity and crowds out intrinsic motivation. This is similar to a decrease in intrinsic motivation when a deterrence policy is made visible as shown by Galeotti et al. (2021). It remains an open question whether other ways of encouraging whistleblowing or differently designed amnesties with more substantial financial compensation and more certainty for being protected are more effective in encouraging compliance in collaborative settings.

Besides the amnesty, our collaborative tax evasion game has two distinct characteristics that are worth discussing and extending in future studies. First, we implement a discrete choice between declaration and evasion such that bargaining about the price of a transaction without declaration is impossible. Since the price may be an important aspect in negotiations, with a lower price of evasion increasing the willingness to evade, we likely estimate a lower bound of evasion. Future studies could explore the role of price bargaining.

Second, our experimental setup depicts transactions that are non-recurrent rather than situations in which two individuals plan to resume the transaction as our game is only played for one round. While this prevents us from measuring effects over multiple rounds it ensures that neither tiredness nor learning or anticipation distorts our results (Dezsó et al., 2022; Calvet Christian & Alm, 2014). Moreover, if participants learnt over multiple rounds that whistleblowing is as infrequent as we observe it in our experiment, they could infer that the possibility of being reported is close to zero, resulting in even less fear of being reported.

5 Conclusion

Many governments around the world use whistleblowing as a means to crack down on tax evasion. Since this deterrence mechanism suffers from considerable identification challenges in the field, most research on tax evasion and whistleblowing relies on experiments. We add to this literature by extending the scope to collaborative decision-making, namely scenarios in which two partners jointly decide and profit from evading. Such situations occur, for example, in VAT fraud or when employers and employees mutually benefit from undeclared work.

We use a collaborative tax evasion game in which a seller and a buyer decide whether to agree on a transaction with or without declaring taxes. In contrast to previous studies on individual tax evasion, for collaborative tax evasion, we do not find a compliance-enhancing effect of whistleblowing. Our study further addresses the effectiveness of whistleblowing in a high-evasion environment, that is, when individuals know that evasion is common. As collaborative tax evasion is a wide-spread phenomenon across different sectors, this expectation is likely to shape joint decisions to evade a transaction (Williams et al., 2011; OECD, 2021). We show that when whistleblowing is possible in a high-evasion environment, the fraction of evaded transactions is significantly higher than when we do not give information about evasion being the common behavior.

There are several explanations for these results. First, the collaborative nature of the decision, including free-form communication, may affect individuals' propensity to report their partner due to loyalty concerns and trust. Second, the financial incentive for reporting

the partner is not as clear-cut as in settings that provide a certain reward when a bystander reports a tax evader.

Multiple avenues for further research arise from our findings. First, bystanders should be directly compared to active collaborators to better understand whistleblowers' motivations and to what extent they depend on their active involvement in a crime. Second, our experiment is one-shot and could be extended to investigate long-term effects. Modelling recurrent transactions could address how the effectiveness of whistleblowing changes when individuals get used to a certain level of whistleblowing or how compliance changes for individuals who have experienced being reported. Third, future research may concentrate on the intensive margin and study how whistleblowing affects the split of the evasion rent between sellers and buyers.

Moreover, two policy implications emerge from our findings: Our results suggest that when implementing whistleblowing in collaborative settings, policymakers should carefully set incentives for whistleblowing. Incentivizing peer reporting by granting a tax amnesty only when one individual reports their transacting partner results in close to no whistleblowing activity in our experiment. At the same time, the size of the whistleblowing incentive affects the cost of whistleblowing. If incentives are high, the cost of this policy instrument may outweigh the benefits from additionally collected tax. Policymakers should therefore carefully weigh benefits against costs and also consider alternative measures to increase tax compliance in collaborative settings. As loyalty to the partner may generally outweigh the incentive of the tax amnesty, alternative policies such as lotteries may be more successful in increasing whistleblowing and collaborative tax compliance.

References

- Abbinck, K., & Wu, K. (2017). Reward self-reporting to deter corruption: An experiment on mitigating collusive bribery. *Journal of Economic Behavior & Organization*, *133*, 256–272. doi: <https://doi.org/10.1016/j.jebo.2016.09.013>.
- Abraham, M., Lorek, K., Richter, F., & Wrede, M. (2017). Collusive Tax Evasion and Social Norms. *International Tax and Public Finance*, *24*(2), 179–197. doi: [10.1007/s10797-016-9417-0](https://doi.org/10.1007/s10797-016-9417-0).
- Aguinis, H., Villamor, I., & Ramani, R. S. (2021). MTurk Research: Review and Recommendations. *Journal of Management*, *47*(4), 823–837. doi: [10.1177/0149206320969787](https://doi.org/10.1177/0149206320969787).
- Alm, J., & Beck, W. (1990). Tax Amnesties and Tax Revenues. *Public Finance Quarterly*, *18*(4), 433–453. doi: <https://doi.org/10.1177/109114219001800404>.
- Alm, J., Bernasconi, M., Laury, S., Lee, D. J., & Wallace, S. (2017). Culture, Compliance, and Confidentiality: Taxpayer Behavior in the United States and Italy. *Journal of Economic Behavior & Organization*, *140*, 176–196. doi: <https://doi.org/10.1016/j.jebo.2017.05.018>.
- Alm, J., & Malézieux, A. (2020). 40 Years of Tax Evasion Games: A Meta-Analysis. *Experimental Economics*, 1–52. doi: [10.1007/s10683-020-09679-3](https://doi.org/10.1007/s10683-020-09679-3).
- Alstadsæter, A., Johannesen, N., Herry, S. L. G., & Zucman, G. (2022). Tax Evasion and Tax Avoidance. *Journal of Public Economics*, *206*, 104587. doi: <https://doi.org/10.1016/j.ijindorg.2021.102728>.
- Andres, M., Bruttel, L., & Friedrichsen, J. (2021). The Leniency Rule Revisited: Experiments on Cartel Formation with Open Communication. *International Journal of Industrial Organization*, *76*, 102728. doi: <https://doi.org/10.1016/j.ijindorg.2021.102728>.
- Antinyan, A., Corazzini, L., & Pavesi, F. (2020). Does Trust in the Government Matter for Whistleblowing on Tax Evaders? Survey and Experimental Evidence. *Journal of Economic Behavior & Organization*, *171*, 77–95. doi: <https://doi.org/10.1016/j.jebo.2020.01.014>.

- Apestequia, J., Dufwenberg, M., & Selten, R. (2007). Blowing the Whistle. *Economic Theory*, *31*, 143–166. doi: <https://doi.org/10.1007/s00199-006-0092-8>.
- Arechar, A. A., Gächter, S., & Molleman, L. (2018). Conducting Interactive Experiments Online. *Experimental Economics*, *21*(1), 99–131. doi: [10.1007/s10683-017-9527-2](https://doi.org/10.1007/s10683-017-9527-2).
- Aubert, C., Rey, P., & Kovacic, W. E. (2006). The Impact of Leniency and Whistleblowing Programs on Cartels. *International Journal of Industrial Organization*, *24*(6), 1241–1266. doi: <https://doi.org/10.1016/j.ijindorg.2006.04.002>.
- Bazart, C., Beaud, M., & Dubois, D. (2020). Whistleblowing vs. Random Audit: An Experimental Test of Relative Efficiency. *Kyklos*, *73*(1), 47–67. doi: <https://doi.org/10.1111/kykl.12215>.
- Besley, T., Jensen, A., & Persson, T. (2023). Norms, enforcement, and tax evasion. *The Review of Economics and Statistics*, *105*, 998–1007. doi: [10.3386/w25575](https://doi.org/10.3386/w25575).
- Bicchieri, C. (2006). *The Grammar of Society: The Nature and Dynamics of Social Norms*. Cambridge University Press. doi: [10.1017/CBO9780511616037](https://doi.org/10.1017/CBO9780511616037).
- Bicchieri, C., & Dimant, E. (2019). Nudging With Care: The Risks and Benefits of Social Information. *Public Choice*, 1–22. doi: [10.1007/s11127-019-00684-6](https://doi.org/10.1007/s11127-019-00684-6).
- Bicchieri, C., Dimant, E., Gächter, S., & Nosenzo, D. (2022b). Social Proximity and the Erosion of Norm Compliance. *Games and Economic Behavior*, *132*, 59–72. doi: [10.1016/j.geb.2021.11.012](https://doi.org/10.1016/j.geb.2021.11.012).
- Bicchieri, C., Dimant, E., & Sonderegger, S. (2023). It's Not a Lie If You Believe the Norm Does Not Apply: Conditional Norm-Following and Belief Distortion. *Games and Economic Behavior*, 321-354. doi: <https://doi.org/10.1016/j.geb.2023.01.005>.
- Bicchieri, C., & Xiao, E. (2009). Do the Right Thing: But Only If Others Do So. *Journal of Behavioral Decision Making*, *22*(2), 191–208. doi: [10.1002/bdm.621](https://doi.org/10.1002/bdm.621).
- Blaufus, K., Bob, J., Otto, P. E., & Wolf, N. (2017). The Effect of Tax Privacy on Tax Compliance – An Experimental Investigation. *European Accounting Review*, *26*(3), 561–580. doi: [10.1080/09638180.2016.1258319](https://doi.org/10.1080/09638180.2016.1258319).

- Bø, E. E., Slemrod, J., & Thoresen, T. O. (2015). Taxes on the Internet: Deterrence Effects of Public Disclosure. *American Economic Journal: Economic Policy*, *7*(1), 36–62. doi: [DOI: 10.1257/pol.20130330](https://doi.org/10.1257/pol.20130330).
- Bowen, R. M., Call, A. C., & Rajgopal, S. (2010). Whistle-blowing: Target Firm Characteristics and Economic Consequences. *The Accounting Review*, *85*(4), 1239–1271.
- Buckenmaier, J., Dimant, E., & Mittone, L. (2020). Effects of Institutional History and Leniency on Collusive Corruption and Tax Evasion. *Journal of Economic Behavior & Organization*, *175*, 296–313. doi: <https://doi.org/10.1016/j.jebo.2018.04.004>.
- Burgstaller, L., & Pfeil, K. (2024). You Don't Need an Invoice, Do You? An Online Experiment on Collaborative Tax Evasion. *Journal of Economic Psychology*, *101*, 102708. doi: <https://doi.org/10.1016/j.joep.2024.102708>.
- Butler, J. V., Serra, D., & Spagnolo, G. (2020). Motivating Whistleblowers. *Management Science*, *66*(2), 605–621. doi: <https://doi.org/10.1287/mnsc.2018.3240>.
- Calvet Christian, R., & Alm, J. (2014). Empathy, Sympathy, and Tax Compliance. *Journal of Economic Psychology*, *40*, 62–82. doi: <https://doi.org/10.1016/j.joep.2012.10.001>.
- Chandler, J., Mueller, P., & Paolacci, G. (2014). Nonnaïveté Among Amazon Mechanical Turk Workers: Consequences and Solutions for Behavioral Researchers. *Behavior Research Methods*, *46*(1), 112–130. doi: [10.3758/s13428-013-0365-7](https://doi.org/10.3758/s13428-013-0365-7).
- Chapkovski, P., Corazzini, L., & Maggian, V. (2021). Does Whistleblowing on Tax Evaders Reduce Ingroup Cooperation? *Frontiers in Psychology*, *12*, 732248. doi: [10.3389/fpsyg.2021.732248](https://doi.org/10.3389/fpsyg.2021.732248).
- Clemens, G., & Rau, H. A. (2019). Do Discriminatory Leniency Policies Fight Hardcore Cartels? *Journal of Economics & Management Strategy*, *28*(2), 336–354. doi: <https://doi.org/10.1111/jems.12281>.
- Cohen, J. (1977). *Statistical Power Analysis for the Behavioral Sciences*. Elsevier. doi: [10.4324/9780203771587](https://doi.org/10.4324/9780203771587).

- Curtis, M. B., Robertson, J. C., Cockrell, R. C., & Fayard, L. D. (2021). Peer Ostracism as a Sanction against Wrongdoers and Whistleblowers. *Journal of Business Ethics*, *174*, 333–354. doi: <https://doi.org/10.1007/s10551-020-04596-0>.
- D’Attoma, J. W., Volintiru, C., & Malézieux, A. (2020). Gender, Social Value Orientation, and Tax Compliance. *CESifo Economic Studies*, *66*(3), 265–284. doi: <https://doi.org/10.1093/cesifo/ifz016>.
- Dezső, L., Alm, J., & Kirchler, E. (2022). Inequitable Wages and Tax Evasion. *Journal of Behavioral and Experimental Economics*, *96*, 101811. doi: <https://doi.org/10.1016/j.socec.2021.101811>.
- Difallah, D., Filatova, E., & Ipeirotis, P. (2018). Demographics and Dynamics of Mechanical Turk Workers. In *Proceedings of the Eleventh ACM International Conference on Web Search and Data Mining* (pp. 135–143). doi: [10.1145/3159652.3159661](https://doi.org/10.1145/3159652.3159661).
- Dijkstra, P. T., Haan, M. A., & Schoonbeek, L. (2021). Leniency Programs and the Design of Antitrust: Experimental Evidence with Free-Form Communication. *Review of Industrial Organization*, *59*(1), 13–36. doi: <https://doi.org/10.1007/s11151-020-09789-5>.
- Doerrenberg, P. (2015). Does the Use of Tax Revenue Matter for Tax Compliance Behavior? *Economics Letters*, *128*, 30–34. doi: <https://doi.org/10.1016/j.econlet.2015.01.005>.
- Dwenger, N., & Treber, L. (2022). Shaming for Tax Enforcement. *Management Science*, *68*(11), 8202–8233. doi: <https://doi.org/10.1287/mnsc.2021.4295>.
- Eckel, C. C., & Grossman, P. J. (2002). Sex Differences and Statistical Stereotyping in Attitudes Toward Financial Risk. *Evolution and Human Behavior*, *23*(4), 281–295. doi: [10.1016/S1090-5138\(02\)00097-1](https://doi.org/10.1016/S1090-5138(02)00097-1).
- Eisenstadt, L. F., & Pacella, J. M. (2018). Whistleblowers Need Not Apply. *American Business Law Journal*, *55*(4), 665–719. doi: <https://doi.org/10.1111/ablj.12131>.
- Faul, F., Erdfelder, E., Lang, A.-G., & Buchner, A. (2007). G* Power 3: A Flexible Statistical Power Analysis Program for the Social, Behavioral, and Biomedical Sciences. *Behavior Research Methods*, *39*(2), 175–191. doi: [10.3758/BF03193146](https://doi.org/10.3758/BF03193146).

- Feld, L. P., & Frey, B. S. (2002). Trust Breeds Trust: How Taxpayers are Treated. *Economics of Governance*, 3, 87–99. doi: <https://doi.org/10.1007/s101010100032>.
- Feld, L. P., & Frey, B. S. (2010). Tax Evasion and the Psychological Tax Contract. In J. Alm, J. Martinez-Vazquez, & B. Torgler (Eds.), *Developing Alternative Frameworks for Explaining Tax Compliance* (pp. 74–94). Routledge.
- Ferrario, B., & Stantcheva, S. (2022). Eliciting People’s First-Order Concerns: Text Analysis of Open-Ended Survey Questions. *AEA Papers and Proceedings*, 112, 163–69. doi: [10.1257/pandp.20221071](https://doi.org/10.1257/pandp.20221071).
- Galeotti, F., Maggian, V., & Villeval, M. C. (2021). Fraud Deterrence Institutions Reduce Intrinsic Honesty. *The Economic Journal*, 131(638), 2508–2528. doi: <https://doi.org/10.1093/ej/ueab018>.
- Giamattei, M., Yahosseini, K. S., Gächter, S., & Molleman, L. (2020). LIONESS Lab: A Free Web-Based Platform for Conducting Interactive Experiments Online. *Journal of the Economic Science Association*, 6(1), 95–111. doi: [10.1007/s40881-020-00087-0](https://doi.org/10.1007/s40881-020-00087-0).
- Gil, P., Holz, J. E., List, J. A., Simon, A., & Zentner, A. (2023). *Toward an Understanding of Tax Amnesties: Theory and Evidence from a Natural Field Experiment*. NBER Working Paper Series No.31210. Retrieved from https://www.nber.org/system/files/working_papers/w31210/w31210.pdf
- Guerra, A., & Zhuravleva, T. (2021). Do Bystanders React to Bribery? *Journal of Economic Behavior & Organization*, 185, 442–462. doi: <https://doi.org/10.1016/j.jebo.2021.03.008>.
- Guido, A., Robbett, A., & Romaniuc, R. (2019). Group Formation and Cooperation in Social Dilemmas: A Survey and Meta-analytic Evidence. *Journal of Economic Behavior & Organization*, 159, 192–209. doi: <https://doi.org/10.1016/j.jebo.2019.02.009>.
- Hallsworth, M., List, J. A., Metcalfe, R. D., & Vlaev, I. (2017). The Behavioralist as Tax Collector: Using Natural Field Experiments to Enhance Tax Compliance. *Journal of Public Economics*, 148, 14–31. doi: [10.3386/w20007](https://doi.org/10.3386/w20007).

- Hauser, D., Paolacci, G., & Chandler, J. (2019). Common Concerns with MTurk as a Participant Pool: Evidence and Solutions. In *Handbook of Research Methods in Consumer Psychology* (pp. 319–337). Routledge. doi: [10.4324/9781351137713](https://doi.org/10.4324/9781351137713).
- Hoopes, J. L., Robinson, L., & Slemrod, J. (2023). *Corporate Tax Disclosure*. NBER Working Paper Series No. 31467. Retrieved from <https://www.nber.org/papers/w31467>
- Huff, C., & Tingley, D. (2015). “Who Are These People?” Evaluating the Demographic Characteristics and Political Preferences of MTurk Survey Respondents. *Research & Politics*, 2(3), 2053168015604648. doi: [10.1177/2053168015604648](https://doi.org/10.1177/2053168015604648).
- IRS Whistleblower Office. (2023). *Fiscal Year 2022 Annual Report*. Retrieved from <https://www.irs.gov/pub/irs-pdf/p5241.pdf>.
- Johannesen, N., Langetieg, P., Reck, D., Risch, M., & Slemrod, J. (2020). Taxing Hidden Wealth: The Consequences of US Enforcement Initiatives on Evasive Foreign Accounts. *American Economic Journal: Economic Policy*, 12(3), 312–346. doi: [DOI: 10.1257/pol.20180410](https://doi.org/10.1257/pol.20180410).
- Keser, C., & Montmarquette, C. (2011). Voluntary Versus Enforced Team Effort. *Games*, 2(3), 277–301. doi: <https://doi.org/10.3390/g2030277>.
- Koch, C., & Müller, C. (2024). Tax Amnesties and the Insurance Effect: An Experimental Study. *Journal of Behavioral and Experimental Economics*, 108, 102130. doi: <https://doi.org/10.1016/j.socec.2023.102130>.
- Langenmayr, D. (2017). Voluntary Disclosure of Evaded Taxes — Increasing Revenue, or Increasing Incentives to Evade? *Journal of Public Economics*, 151, 110–125. doi: <https://doi.org/10.1016/j.jpubeco.2015.08.007>.
- Le Borgne, M. E., & Baer, M. K. (2008). *Tax Amnesties: Theory, Trends, and Some Alternatives*. International Monetary Fund.
- Litman, L., Robinson, J., & Abberbock, T. (2017). TurkPrime.com: A Versatile Crowdsourcing Data Acquisition Platform for the Behavioral Sciences. *Behavior Research Methods*, 49(2), 433–442. doi: [10.3758/s13428-016-0727-z](https://doi.org/10.3758/s13428-016-0727-z).

- Londoño-Vélez, J., & Ávila-Mahecha, J. (2021). Enforcing Wealth Taxes in the Developing World: Quasi-experimental Evidence from Colombia. *American Economic Review: Insights*, 3(2), 131–148. doi: [DOI: 10.1257/aeri.20200319](https://doi.org/10.1257/aeri.20200319).
- Luttmer, E. F., & Singhal, M. (2014). Tax morale. *Journal of Economic Perspectives*, 28(4), 149–168. doi: [10.1257/jep.28.4.1499](https://doi.org/10.1257/jep.28.4.1499).
- Masclot, D., Montmarquette, C., & Viennot-Briot, N. (2013). *Comment Réduire la Fraude Fiscale?: Une Expérience Sur le Signalement*.
- Masclot, D., Montmarquette, C., & Viennot-Briot, N. (2019). Can Whistleblower Programs Reduce Tax Evasion? Experimental Evidence. *Journal of Behavioral and Experimental Economics*, 83, 101459. doi: <https://doi.org/10.1016/j.socec.2019.101459>.
- Mechtenberg, L., Muehlheusser, G., & Roider, A. (2020). Whistleblower Protection: Theory and Experimental Evidence. *European Economic Review*, 126, 103447. doi: <https://doi.org/10.1016/j.euroecorev.2020.103447>.
- Naritomi, J. (2019). Consumers as Tax Auditors. *American Economic Review*, 109(9), 3031–72. doi: [10.1257/aer.20160658](https://doi.org/10.1257/aer.20160658).
- Nygård, O. E., Slemrod, J., & Thoresen, T. O. (2019). Distributional Implications of Joint Tax Evasion. *The Economic Journal*, 129(620), 1894–1923. doi: <https://doi.org/10.1111/eoj.12619>.
- Nyreröd, T., & Spagnolo, G. (2021). Myths and Numbers on Whistleblower Rewards. *Regulation & Governance*, 15(1), 82–97. doi: <https://doi.org/10.1111/rego.12267>.
- OECD. (2021). *Bringing Household Services Out of the Shadows: Formalising Non-Care Work in and Around the House*. OECD Publishing. doi: [10.1787/fbea8f6e-en](https://doi.org/10.1787/fbea8f6e-en).
- Orbell, J. M., Schwartz-Shea, P., & Simmons, R. T. (1984). Do Cooperators Exit More Readily than Defectors? *American Political Science Review*, 78(1), 147–162. doi: [10.2307/1961254](https://doi.org/10.2307/1961254).

- Peer, E., Vosgerau, J., & Acquisti, A. (2014). Reputation as a Sufficient Condition for Data Quality on Amazon Mechanical Turk. *Behavior Research Methods*, *46*(4), 1023–1031. doi: [10.3758/s13428-013-0434-y](https://doi.org/10.3758/s13428-013-0434-y).
- Perez-Truglia, R., & Troiano, U. (2018). Shaming Tax Delinquents. *Journal of Public Economics*, *167*, 120–137.
- Piccolo, S., & Immordino, G. (2017). Organised crime, insider information and optimal leniency. *The Economic Journal*, *127*(606), 2504–2524. doi: <https://doi.org/10.1111/eoj.12382>.
- Prissé, B., & Jorrat, D. (2022). Lab vs Online Experiments: No Differences. *Journal of Behavioral and Experimental Economics*, *100*, 101910. doi: [10.1016/j.socec.2022.101910](https://doi.org/10.1016/j.socec.2022.101910).
- Reuben, E., & Stephenson, M. (2013). Nobody Likes a Rat: On the Willingness to Report Lies and the Consequences Thereof. *Journal of Economic Behavior & Organization*, *93*, 384–391. doi: <https://doi.org/10.1016/j.jebo.2013.03.028>.
- Schmolke, K. U., & Utikal, V. (2018). *Whistleblowing: Incentives and Situational Determinants*. Available at SSRN. doi: <http://dx.doi.org/10.2139/ssrn.3198104>.
- Schneider, C., & Mill, W. (2022). *The Bright Side of Tax Evasion*. Available at SSRN. doi: [10.2139/ssrn.4024275](https://doi.org/10.2139/ssrn.4024275).
- Slemrod, J., Rehman, O. U., & Waseem, M. (2022). How Do Taxpayers Respond to Public Disclosure and Social Recognition Programs? Evidence from Pakistan. *Review of Economics and Statistics*, *104*(1), 116–132. doi: https://doi.org/10.1162/rest_a_00929.
- Spengel, C. (2021). *Estimation of the Tax Revenue Loss Caused by Cum/Cum Transactions*. Retrieved from https://www.bwl.uni-mannheim.de/media/Lehrstuehle/bwl/Spengel/Dokumente/Medien/Steuerschaden.Cum-Cum_update.pdf
- Torgler, B., & Schaltegger, C. A. (2005). Tax Amnesties and Political Participation. *Public Finance Review*, *33*(3), 403–431. doi: [10.1177/1091142105275438](https://doi.org/10.1177/1091142105275438).
- TRAC. (2023). *IRS Audits Few Millionaires But Targeted Many Low-Income Families in FY 2022*. Retrieved from <https://trac.syr.edu/reports/706/>

- Waytz, A., Dungan, J., & Young, L. (2013). The Whistleblower's Dilemma and the Fairness–Loyalty Tradeoff. *Journal of Experimental Social Psychology*, *49*(6), 1027–1033. doi: <https://doi.org/10.1016/j.jesp.2013.07.002>.
- Williams, C. C., & Horodnic, A. (2018). Tackling Undeclared Work in the Agricultural Sector. *European Platform Undeclared Work*. Retrieved from <https://www.ela.europa.eu/sites/default/files/2021-09/%27Tackling%20undeclared%20work%20in%20the%20agricultural%20sector%27%20report.pdf>
- Williams, C. C., & Kayaoglu, A. (2020). COVID-19 and Undeclared Work: Impacts and Policy Responses in Europe. *The Service Industries Journal*, *40*(13-14), 914–931. doi: <https://doi.org/10.1080/02642069.2020.1757073>.
- Williams, C. C., Nadin, S. J., & Windebank, J. (2011). Undeclared Work in the European Construction Industry: Evidence from a 2007 Eurobarometer Survey. *Construction Management and Economics*, *29*(8), 853–867. doi: <https://doi.org/10.1080/01446193.2011.610331>.
- Wilson, A. J., & Wu, H. (2017). At-will Relationships: How an Option to Walk Away Affects Cooperation and Efficiency. *Games and Economic Behavior*, *102*, 487–507. doi: <https://doi.org/10.1016/j.geb.2017.02.007>.
- Zhou, H., & Fishbach, A. (2016). The Pitfall of Experimenting on the Web: How Unattended Selective Attrition Leads to Surprising (Yet False) Research Conclusions. *Journal of Personality and Social Psychology*, *111*(4), 493. doi: [10.1037/pspa0000056](https://doi.org/10.1037/pspa0000056).

Appendix

A Instructions and screens

Appendix A includes full instructions (introduction, general instructions, control questions, and role-specific instructions) and selected experimental screens. Before entering the main experiment, the subjects complete a captcha test, consent to the study in the introduction and fill in their sociodemographic information. They receive general instructions, control questions, and an attention check. Subsequently, participants are matched in pairs that receive specific instructions regarding the setting and their role (buyer/seller).

A.1 Introduction

You will now take part in an academic study from the University of Freiburg, Germany. This survey should take about 10 minutes. You will participate in a demographic survey (Part I), a decision-making task (Part II), and a follow-up survey (Part III).

It is very important that you read the instructions carefully and that you complete the entire study once you have started. This study will contain attention checks to ensure that you fully read the instructions. If you do not pass the attention checks, you will be excluded from the experiment.

For completing the study, you will receive \$0.5. Additionally, you can earn up to \$2.10 depending on your decisions. Only after you completed the whole study, you will get the MTurk code to receive your payment. Additional payments will be distributed as a bonus payment within three days upon completion of the study.

Confidentiality: You will remain anonymous throughout the study. Results may include summary data, but you will never be identified. All data collected are for research purposes only. By continuing, you consent to the publication of study results.

Participants' rights: Your participation is voluntary. You may stop participating at any time by closing the browser window or the program to withdraw from the study. If you stop participating in this study before completing it and you do not want your data to be used, please kindly contact us at taxresearch@eucken.de. Please also contact us at taxresearch@eucken.de if you have any questions.

By clicking on “Continue”, you indicate that you are at least 18 years old, have read and understood the above, and that you voluntarily agree to participate in this study.

A.2 General instructions

You will now participate in an interactive study in which you make a decision to transact with a partner. For example, think of a household which requires cleaning services. You and your partner will be randomly assigned to one of the two roles: buyer or seller. I.e., if you are assigned the buyer role, then your partner will be the seller, and vice versa.

The buyer requires the service, whereas the seller offers it. You jointly decide whether the service will be provided with declaration (paying taxes and social security contributions) or without declaration (not paying taxes). There are three stages:

1. Seller and buyer communicate about whether to agree on a service with or without declaration in a chat-box.
2. The seller decides to offer the service with or without declaration.
3. The buyer decides to accept or reject the offer made by the seller.

The payoff from this study depends on your decisions:

- Service with declaration: Taxes and social security contributions have to be paid by both players.
- Service without declaration: Taxes and social security contributions will not be paid, therefore the price is lower. However, there is a 10% chance that you will be audited by the tax authority. If you are audited and you decided on a service without declaration, you have to pay a fine.
- Rejection: The buyer rejects the offer, therefore no service will be provided.

A.3 Control questions

Please answer the following questions to check that you understood the instructions. You have two attempts. If you fail to answer the questions correctly, you will be excluded from the HIT.

You may review the instructions by clicking on the "Instructions" button below.

1. What will you jointly decide on with your partner? (**Whether or not to declare the service**/The working hours/The price if we do not declare the service)
2. Who is taxed if you declare the service? (The buyer is taxed/The seller is taxed/**Both players are taxed**)

3. Please imagine the following. You can choose between different payoffs which are related to different probabilities of winning. Option A earns a payoff of \$1.90 with a probability of 20%. Option B earns a payoff of \$1.80 with a probability of 30%. etc. To show that you have read this, please check the third option below. (Option A: Probability 20% and \$1.90/Option B: Probability 30% and \$1.80/**Option C: Probability 40% and \$1.70**/Option D: Probability of 50% and \$1.60)

A.4 Description of the setting (buyer)

In the following you will make a decision about your additional earnings from this study with your partner (up to \$2.10).

As a buyer the service is valuable for you. If you agree not to declare the service to the tax authorities, your endowment (= 400 ECU, \$1.20) will increase by the value of the service (= 600 ECU) minus the price paid to the seller (= 300 ECU). However, you face a 10% probability of being audited and, if so, you and the seller have to pay a fine of 180 ECU each. If you agree to declare the service to the tax authorities, you need to pay a tax of 90 ECU included in the price of the service (=390 ECU).

There are two options:

Option 1: Service with declaration	
Endowment	400 ECU
Value of the service	+600 ECU
Price (declared)	-390 ECU
Payoff	610 ECU

Option 2: Service without declaration	
Endowment	400 ECU
Value of the service	+600 ECU
Price (undeclared)	-300 ECU
Payoff without audit	700 ECU
Payoff in case of an audit (10%)	520 ECU

In the next stage, you will communicate with the seller about the offer and declaration in a chat-box. Afterwards, you will receive an offer from the seller, which you will need to accept or reject.

A.5 Description of the setting (seller)

In the following you will make a decision about your additional earnings from this study with your partner (up to \$2.10).

As a seller you are offering a service. You make an offer about providing either a service with or without declaration. If you agree not to declare the service to the tax authorities, your endowment (= 400 ECU, \$1.20) will increase by the price paid by the buyer (= 300 ECU). However, you face a 10% probability of being audited and, if so, you and the buyer have to pay a fine of 180 ECU each. If you agree to declare the service to the tax authorities, the price that you get for the service will be higher (= 390 ECU), but you need to pay taxes of 180 ECU to the tax authorities.

There are two options:

Option 1: Service with declaration	
Endowment	400 ECU
Price (declared)	+390 ECU
Taxes and social security contributions	-180 ECU
Payoff	610 ECU

Option 2: Service without declaration	
Endowment	400 ECU
Price (undeclared)	+300 ECU
Payoff without audit	700 ECU
Payoff in case of an audit (10%)	520 ECU

In the next stage, you will communicate with the buyer about the offer and tax declaration in a chat-box. Afterwards, you will have to make an offer to the buyer.

A.6 Additional information for *WhistleExpectationT*

Please note:

In a similar study, a majority of participants did not declare the transaction.

A.7 Additional information for *WhistleT* and *WhistleExpectationT*

Please note:

If you agree on a service without declaration, you may report your buyer/seller to the tax

authorities. If you are reporting your buyer/seller, you will not have to pay a fine. Your buyer/seller on the other hand will be audited and has to pay a fine of 180 ECU.

Please note that your buyer/seller may also report you. In this case you have to pay a fine of 180 ECU.

If you report each other, you both have to pay a fine of 180 ECU.

If none of you reports the other person, you merely face the audit probability of 10%.

A.8 Selected experimental screens

Short survey on your decision-making with a partner (~ 10 minutes)

Description: You will answer two brief questionnaires and make decisions. You will receive a bonus of between \$1.20 and \$2.10 depending on your decisions in addition to a flat payment of \$0.50 for completing the study. Participation should take about 10-15 minutes. Please note that you can only click on the link once and that the Internet Explorer/ Microsoft Edge is not supported. Please make sure that your browser is allowed to use cookies.

Instructions

Go to [Link](#) and follow the study instructions. Note the secret key found at the end of the study which you will need to complete the HIT.

* 1. Enter the **SECRET KEY** (not your Worker ID) found at the end of the linked survey. Do not add any comment or text here

Submit

Powered by CloudResearch.com

Figure 6: Description of the human intelligence task (HIT) with the link to the experiment

Please note:

If you agree on a service without declaration, you may **report your buyer to the tax authorities**. If you are reporting your buyer, you will not have to pay a fine. **Your buyer on the other hand will be audited and has to pay a fine of 180 ECU.**

Please note that your **buyer may also report you**. In this case you have to pay a fine of 180 ECU.

If you report each other, you **both have to pay a fine of 180 ECU.**

If none of you reports the other person, you merely face the **audit probability of 10%.**

Continue

Figure 7: Information about the possibility of whistleblowing in *WhistleT* and *WhistleExpectationT*

Note: This screen is skipped in *ControlT*. For the buyer the screen is identical with “buyer” replaced by “seller” and vice versa.

B Additional figures and tables

<i>Pre-experimental questionnaire</i>		
Variable	Mean	N
Gender		476
Female	51%	
Male	48%	
Diverse	0.8%	
Prefer not to say	0.2%	
Age		476
In years (18-100)	41	
Education		476
Less than high school	0.4%	
High school	30%	
Bachelor's	49%	
Master's	15%	
PhD	4%	
Prefer not to say	1%	
Employment		476
Fulltime	58%	
Part-time	11%	
Self-employed/Business owner	11%	
Out of work/Seeking	7%	
Student	2%	
Not in the labor force	11%	
Prefer not to say	1%	
Income		476
0 - 19,999 USD	12%	
20,000 - 49,999 USD	26%	
50,000 - 74,999 USD	22%	
75,000+ USD	39%	
Prefer not to say	0.8%	
Experience MTurk		476
Average weekly hours on MTurk	13	

Table 5: Overview of pre-experimental variables

Note: The fractions might not add up to 100% owing to rounding in some categories.

<i>Post-experimental questionnaire</i>				
Variable	Description	Mean	N	
Empirical expectation	Participants' guess about other participant's evasion behavior	57%	464	
Normative expectation	Participants' guess about other participant's justification of evasion	54%	464	
Personal normative belief	Evasion never justifiable = 1; always justif. = 6	2.3	464	
Perceived audit probability		21%	464	
Risk aversion	Risk averse = 1; risk loving = 6	3.0	464	
Pressure to accept offer	Not pressured = 1; very pressured = 6	2.7	230	
Experience tax declarations		57%	464	
Experience with household employees		16%	464	
Whistleblowing attitudes in <i>WhistleT</i> and <i>WhistleExpectationT</i>			313	
Afraid of being reported	Does not apply at all = 1; fully applies = 5	3.3		
Trusted my partner	Does not apply at all = 1; fully applies = 5	2.6		
Decided according to convictions	Does not apply at all = 1; fully applies = 5	3.5		
Whistleblowing attitudes conditional on having evaded in <i>WhistleT</i> and <i>WhistleExpectationT</i>			102	
Considered unfair that only partner is fined	Does not apply at all = 1; fully applies = 5	2.6		
Afraid of both being fined	Does not apply at all = 1; fully applies = 5	2.4		
Afraid of being considered disloyal	Does not apply at all = 1; fully applies = 5	2.8		
Trusted partner not to report	Does not apply at all = 1; fully applies = 5	3.9		
Felt obliged to report	Does not apply at all = 1; fully applies = 5	1.5		

Table 6: Overview of post-experimental variables

Notes: The fractions might not add up to 100% owing to rounding in some categories. For 12 participants no post-experimental data is recorded.

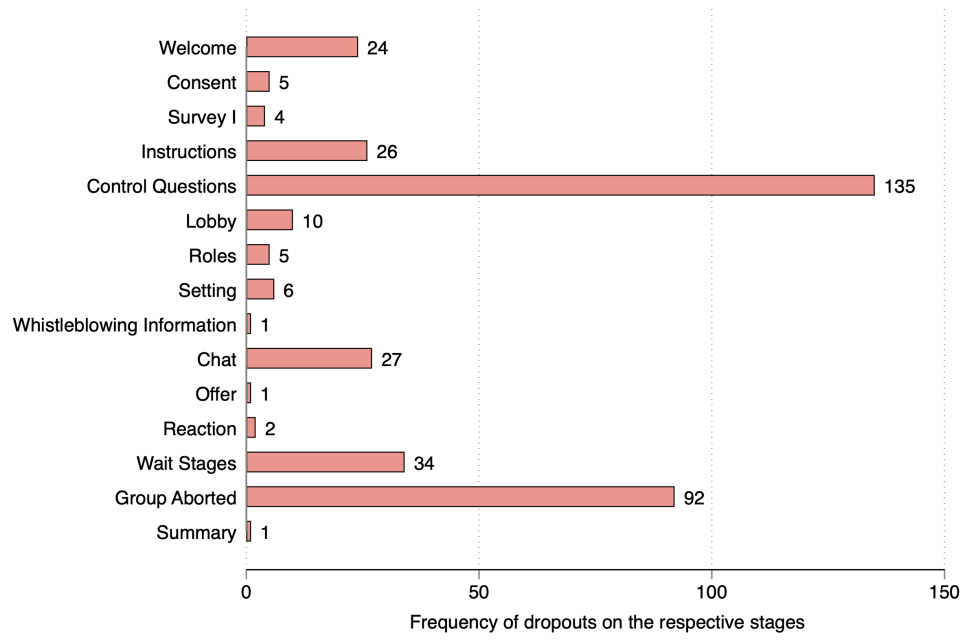


Figure 8: Dropouts by stage

Note: The total number of observations in this figure does not match the number of dropouts because for 16 clicks, there is no recorded stage.

Age	-0.000665 (-0.47)
Female	0.0292 (0.83)
BachelorDegree	-0.0137 (-0.37)
FulltimeEmployment	0.0167 (0.44)
LowIncome	0.0432 (1.73)
ExperienceMturk	0.00262 (1.86)
Observations	836

Table 7: Attrition analysis

Notes: We construct a dummy variable that indicates whether an individual dropped out of the experiment. We regress this dummy on sociodemographic characteristics surveyed before the experiment. Note that this analysis does not entail observations from individuals that dropped out before answering the sociodemographic questionnaire. Coefficients are marginal effects; standard errors are in parentheses.

*** $p < 0.001$, ** $p < 0.01$, and * $p < 0.05$.

Topic	Keywords and <i>Example</i>
Risk	<p>Audited, worth risk, getting caught, better safe sorry, low risk, taking chance, much risk, play safe, risk penalty, odds, lets risk, audit, get caught, risk, risky, chance, chances, safe, safer, 10</p> <p><i>Example: A: hello B: Hello. I think we should go for service with declaration, thoughts? A: I was going to choose no declaration because there is only a 10% chance of getting audited. B: That's true, I can go with that A: Great!</i></p>
Earnings	<p>Earnings, bonus, expensive, money, worth taking, ecu, 300, 390, 180, 90, how much, payout</p> <p><i>Example: A: Is anyone here? B: I think we should not declare and risk the audit. The choice is either 100% chance of paying 90 ECU or 10% chance of paying 180 ECU. I think we can afford taking the small risk for a larger payout. A: I agree.</i></p>
Fairness	<p>Reasonable tax, pay appropriate, fair, fairly</p> <p><i>Example: A: without declaration is my vote B: Hi I am willing to offer this service with declaration as it is only fair to pay our taxes</i></p>
Honesty	<p>Honest better, honesty best, be honest, right thing, keep everything legal, dishonest, cheat, honest, honesty, right</p> <p><i>Example: A: I believe we should declare. B: I don't feel one way or the other about it. I have done declared work and undeclared work in the past. Declared is the honest way, so yeah, let's do that. B: Should we go ahead and continue on with the study, then? A: Great. I wouldn't feel right with no declaration. A: Yes, continue.</i></p>
Whistleblowing	<p>Report, report don't, reporting, not reporting, report not, don't report, reported, not report</p> <p><i>Example: A: Hi! Do you want to declare the service or not? B: I will not declare taxes. A: I prefer not to declare too but I guess we should be on the same boat to do that A: Good! Thank you! B: OK. Sound great. Good luck. A: I won't report you as well B: Thanks</i></p>

Table 8: Keywords defining the topics in the topic analysis

	Probit (ME) – Evaded Transaction		
	(1)	(2)	(3)
Risk	0.200*** (0.041)	0.261*** (0.046)	0.103 (0.052)
Earnings	0.044 (0.052)	-0.021 (0.059)	0.099 (0.066)
Fairness	0.021 (0.151)	-0.180 (0.154)	0.231 (0.162)
Honesty	-0.194** (0.069)	-0.132 (0.072)	-0.247** (0.087)
Whistleblowing	0.345*** (0.074)	0.344** (0.099)	0.344*** (0.071)
WhistleT		-0.071 (0.050)	
WhistleExpectationT			0.113* (0.049)
Observations	476	318	314
Pseudo R^2	0.107	0.150	0.132
Controls	YES	YES	YES

Table 9: Chat analysis

Notes: The table presents marginal effects of probit specifications with an evaded transaction (binary variable) as the dependent variable. “Risk,” “Earnings,” “Fairness,” “Honesty,” and “Whistleblowing” are the categories used in the topic analysis. *WhistleT* and *WhistleExpectationT* are the treatment dummies. The reference group is *ControlT* for the estimation of the effect of *WhistleT* and *WhistleT* for the estimation of the effect of *WhistleExpectationT*. Robust standard errors are in parentheses.

*** $p < 0.001$, ** $p < 0.01$, and * $p < 0.05$.

Freiburger **Diskussionspapiere** zur Ordnungsökonomik

Freiburg **Discussion Papers** on Constitutional Economics

2024

24/3 **Burgstaller, Lilith / Pfeil, Katharina:** Why Whistleblowing Does Not Deter Collaborative Tax Evasion*

24/2 **Feld, Lars P. / Hassib, Joshua:** Die Rolle der EU-Kohäsionspolitik für die Klimapolitik

24/1 **Schmal, W. Benedikt:** Polycentric Governance in Collusive Agreements

2023

23/5 **Feld, Lars P. / Nientiedt, Daniel:** Examining the Ordoliberal Tradition in Classical Liberal Thought

23/4 **Bury, Yannick / Feld, Lars P. / Köhler Ekkehard A.:** On the Fiscal Sustainability of Swiss Cantons since 1905

23/3 **Horn, Karen:** The long shadow of Versailles. An unusual controversy on John Maynard Keynes between the German ordoliberals Walter Eucken and Wilhelm Röpke

23/2 **Feld, Lars P. / Köhler, Ekkehars A.:** Standing on the Shoulders of Giants or Science? – Lessons from Ordoliberalism

23/1 **Feld, Lars P. / Necker, Sarah / Pfeil, Katharina:** Compliance Management in Research Institutes – Boon or Bane?

2022

22/9 **Bury, Yannick / Feld, Lars P. / Köhler Ekkehard A.:** Do Party Ties Increase Transfer Receipts in Cooperative Federalism? – Evidence from Germany

22/8 **Vanberg, Viktor:** Competitive Federalism, Individual Autonomy, and Citizen Sovereignty

22/7 **Burgstaller, Lilith / Feld, Lars P. / Pfeil, Katharina:** Working in the Shadow: Survey Techniques for Measuring and Explaining Undeclared Work

22/6 **Burgstaller, Lilith / Pfeil, Katharina:** You Don't Need an Invoice, Do You? An Online Experiment on Collaborative Tax Evasion

22/5 **Bury, Yannick / Feld, Lars P.:** Zum Zusammenhang zwischen kommunaler Finanzverfassung und kommunaler Finanzlage

22/4 **Feld, Lars P. / Köhler, Ekkehard A. / Palhuca, Leonardo / Schaltegger, Christoph A.:** Fiscal Federalism and Foreign Direct Investment – An Empirical Analysis

22/3 **Kolev, Stefan / Horn, Karen:** Walter Eucken on Competitive Order at the Founding Meeting of the Mont Pèlerin Society 1947

22/2 **Feld, Lars P. / Necker, Sarah / Pfeil, Katharina:** Compliance in außeruniversitären Forschungseinrichtungen

22/1 **Feld, Lars P. / Nientiedt, Daniel:** Hayekian Economic Policy

2021

21/10 **Feld, Lars P. / Reuter, Wolf Heinrich:** The German 'Debt Brake': Success Factors and Challenges¹

21/9 **Feld, Lars P.:** Freiheitliche Wirtschaftspolitik ist Ordnungspolitik. 15. Berliner Rede zur Freiheit

21/8 **Feld, Lars P. / Nöh, Lukas / Reuter, Wolf Heinrich / Yeter, Mustafa:** Von der Corona-bedingten Schuldenaufnahme zur Wiedereinhaltung der Schuldenbremse

21/7 **Schnellenbach, Jan:** The Concept of Ordnungspolitik: Rule-Based Economic Policy-Making from the Perspective of the Freiburg School

- 21/6 **Schnellenbach, Jan:** Herausforderungen für die Finanzpolitik in Deutschland nach der Covid-Krise: Schuldenbremse und Vermögensbesteuerung
- 21/5 **Feld, Lars P. / Köhler, Ekkehard A. / Nientiedt, Daniel:** Ordoliberalism and the Social Market Economy
- 21/4 **Bury Yannick / Feld, Lars P. / Burret, Heiko T.:** Skimming the Achieved? – Quantifying the Fiscal Incentives of the German Fiscal Equalization Scheme and its Reforms since 1970
- 21/3 **Le Maux, Benoît / Masclet, David / Necker, Sarah:** Monetary Incentives and the Contagion of Unethical Behavior
- 21/2 **Kolev, Stefan:** When Liberty Presupposes Order: F. A. Hayek’s Learning Ordoliberalism
- 21/1 **Burret, Heiko T. / Feld, Lars P. / Schaltegger, Christoph A.:** Fiscal Federalism and Economic Performance – New Evidence from Switzerland
- 2020
- 20/10 **Christofzik, Désirée / Feld, Lars P. / Yeter, Mustafa:** Heterogeneous Price and Quantity Effects of the Real Estate Transfer Tax in Germany
- 20/9 **Hirsch, Patrick / Köhler, Ekkehard A. / Feld, Lars P. / Thomas, Tobias:** “Whatever It Takes!” How Tonality of TV-News Affects Government Bond Yield Spreads During Crises
- 20/8 **Feld, Lars P.:** Die wirtschaftlichen Rahmenbedingungen nach dem Corona-Schock
- 20/7 **Feld, Lars P.:** Wohlstand für alle – Was das Versprechen heute bedeutet. Ein Vorwort
- 20/6 **Feld, Lars P.:** Wirtschaftskrisen der Zukunft
- 20/5 **Feld, Lars P. / Wieland, Volker:** The German Federal Constitutional Court Ruling and the European Central Bank’s Strategy
- 20/4 **Bury, Yannick / Feld, Lars P.:** Fiscal Federalism in Germany
- 20/3 **Vanberg, Viktor J.:** Walter Eucken’s Weg zum Ordoliberalismus
- 20/2 **Feld, Lars P.:** Verfahren zum Anleihekaufprogramm der EZB(2 BvR 859/15, 2 BvR 1651/15, 2 BvR 2006/15, 2 BvR 980/16). Stellungnahme zum Fragenkatalog für sachverständige Dritte
- 20/1 **Feld, Lars P. / Reuter, Wolf Heinrich / Yeter, Mustafa :** Öffentliche Investitionen: Die Schuldenbremse ist nicht das Problem
- 2019
- 19/6 **Kolev, Stefan:** Antipathy for Heidelberg, Sympathy for Freiburg? Vincent Ostrom on Max Weber, Walter Eucken, and the Compound History of Order
- 19/5 **Feld, Lars P. / Frey, Christian / Schaltegger, Christoph A. / Schmid, Lukas A.:** Fiscal Federalism and Income Inequality: An Empirical Analysis for Switzerland
- 19/4 **Goldschmidt, Nils / Wolf, Stephan:** Klimaschutz auf Kosten der Armen? Vorschläge für eine markt- und sozialverträgliche Umsetzung von CO₂-Steuern und des Emissionshandels
- 19/3 **Horn, Karen I.:** The Difficult Relationship Between Historical Ordoliberalism and Adam Smith
- 19/2 **Christofzik, Désirée / Feld, Lars P. / Yeter, Mustafa:** Öffentliche Investitionen: Wie viel ist zu wenig?
- 19/1 **Feld, Lars P. / Hirsch, Patrick:** Zur Grundsteuerreform
- 2018
- 18/13 **Doerr, Anabelle / Necker, Sarah:** Toward an Understanding of Collaborative Tax Evasion: A Natural Field Experiment With Businesses
- 18/12 **Bury, Yannick / Feld, Lars P.:** Die Heterogenität der kommunalen Haushalts- und Aufsichtsregeln als Herausforderung im vertikalisierten Fiskalföderalismus
- 18/11 **Feld, Lars P. / Köhler, Ekkehard A. / Nientiedt, Daniel:** The German Anti-Keynes? On Walter Eucken’s Macroeconomics
- 18/10 **Dathe, Uwe / Hedtke, Ulrich:** Habent sua fata professores. Joseph A. Schumpeter an Walter Eucken

- 18/09 **Feld, Lars P.:** The Quest for Fiscal Rules
- 18/08 **Pfeil, Christian F. / Feld, Lars P.:** Does the Swiss Debt Brake Induce Sound Federal Finances? A Synthetic Control Analysis
- 18/07 **Feld, Lars P.:** Zur Politischen Ökonomik der wirtschaftspolitischen Beratung: Der Sachverständigenrat als ordnungspolitisches Gewissen?
- 18/06 **Koessler, Ann-Kathrin / Torgler, Benno / Feld, Lars P. / Frey, Bruno S:** Commitment to Pay Taxes: Results from Field and Laboratory Experiments
- 18/05 **Feld, Lars P. / Köhler, Ekkehard A. / Wolfinger, Julia:** Modeling Fiscal Sustainability in Dynamic Macro-Panels with Heterogeneous Effects: Evidence From German Federal States
- 18/04 **Burret, Heiko T. / Bury, Yannick / Feld, Lars P.:** Grenzabschöpfungsraten im deutschen Finanzausgleich
- 18/03 **Vanberg, Viktor J.:** Individual Choice and Social Welfare. Theoretical Foundations of Political Economy
- 18/02 **Feld, Lars P. / Schaltegger, Christoph A. / Studerus, Janine:** Regional Risk Sharing and Redistribution – the Role of Fiscal Mechanisms in Switzerland
- 18/01 **Andritzki, Jochen / Christofzik, Désiree I. / Feld, Lars P. / Scheuering, Uwe:** A Mechanism to Regulate Sovereign Debt Restructuring in the Euro Area
- 2017
- 17/03 **Feld, Lars P. / Köhler, Ekkehard A. / Nientiedt, Daniel:** The “Dark Ages” of German Macroeconomics and Other Alleged Shortfalls in German Economic Thought
- 17/02 **Doerr, Annabelle:** Back to work: The Long-term Effects of Vocational Training for Female Job Returners*
- 17/01 **Baskaran, Thushyanthan / Feld, Lars P. / Necker, Sarah:** Depressing dependence? Transfers and economic growth in the German States, 1975-2005
- 2016
- 16/08 **Fitzenberger, Bernd / Furdas, Marina / Sajons, Christoph:** End-of-Year Spending and the Long-Run Employment Effects of Training Programs for the Unemployed
- 16/07 **Sajons, Christoph:** Birthright Citizenship and Parental Labor Market Integration
- 16/06 **Pfeil, Christian F.:** Electoral System Change and Spending: Four Quantitative Case Studie
- 16/05 **Sajons, Christoph:** Information on the ballot, voter satisfaction and election turnout
- 16/04 **Vanberg, Viktor J.:** Social Contract vs. Invisible Hand: Agreeing to Solve Social Dilemmas
- 16/03 **Feld, Lars P. / Ruf, Martin / Schreiber, Ulrich / Todtenhaupt, Maximilian / Voget, Johannes:** Taxing Away M&A: The Effect of Corporate Capital Gains Taxes on Acquisition Activity
- 16/02 **Baskaran, Thushyanthan / Feld, Lars P. / Schnellenbach, Jan:** Fiscal Federalism, Decentralization and Economic Growth: A Meta-Analysis
- 16/01 **Burret, Heiko T. / Feld, Lars P.:** Vertical Effects of Fiscal Rules – The Swiss Experience
- 2015
- 15/11 **Burret, Heiko T. / Feld, Lars P. / Köhler, Ekkehard A.:** Fiscal Sustainability of the German Laender. Time Series Evidence
- 15/10 **Feld, Lars P. / Fritz, Benedikt:** The Political Economy of Municipal Amalgamation. Evidence of Common Pool Effects and Local Public Debt
- 15/9 **Burret, Heiko T. / Feld, Lars P. / Köhler, Ekkehard A.:** (Un-)Sustainability of Public Finances in German Laender. A Panel Time Series Approach
- 15/8 **Feld, Lars P. / Köhler, Ekkehard A.:** Is Switzerland an Interest Rate Island After All? Time Series and Non-Linear Switching Regime Evidence

- 15/7 **Doerr, Annabelle / Fitzenberger, Bernd:** Konzeptionelle Lehren aus der ersten Evaluationsrunde der Branchenmindestlöhne in Deutschland
- 15/6 **Vanberg, Viktor J.:** Constitutional Political Economy
- 15/5 **Vanberg, Viktor J.:** Competitive Federalism, Government's Dual Role, and the Power to Tax
- 15/4 **Feld, Lars P. / Köhler, Ekkehard A. / Nientiedt, Daniel:** Ordoliberalism, Pragmatism and the Eurozone Crisis: How the German Tradition Shaped Economic Policy in Europe
- 15/3 **Vanberg, Viktor:** "Freiheit statt Kapitalismus?" Ein Kommentar zu Sahra Wagenknechts Buch aus Freiburger Sicht
- 15/2 **Schnellenbach, Jan:** A Constitutional Economics Perspective on Soft Paternalism
- 15/1 **Schnellenbach, Jan:** Die Politische Ökonomie des Entscheidungsdesigns: Kann Paternalismus liberal sein?

2014

- 14/8 **Schnellenbach, Jan:** Neuer Paternalismus und individuelle Rationalität: eine ordnungsökonomische Perspektive
- 14/7 **Schnellenbach, Jan:** Does Classical Liberalism Imply an Evolutionary Approach to Policy-Making?
- 14/6 **Feld, Lars P.:** James Buchanan's Theory of Federalism: From Fiscal Equity to the Ideal Political Order
- 14/5 **Reckendrees, Alfred:** Weimar Germany: the First Open Access Order that Failed
- 14/4 **Vanberg, Viktor J.:** Liberalismus und Demokratie. Zu einer vernachlässigten Seite der liberalen Denktradition
- 14/3 **Schnellenbach, Jan / Schubert, Christian:** Behavioral Public Choice: A Survey
- 14/2 **Goldschmidt, Nils / Hesse, Jan-Otmar / Kolev, Stefan:** Walter Eucken's Role in the Early History of the Mont Pèlerin Society
- 14/1 **Vanberg, Viktor J.:** Ordnungspolitik, the Freiburg School and the Reason of Rules

2013

- 13/14 **Wegner, Gerhard:** Capitalist Transformation Without Political Participation – German Capitalism in the First Half of the 19th Century
- 13/13 **Necker, Sarah / Voskort, Andrea:** The Evolution of Germans' Values since Reunification
- 13/12 **Biedenkopf, Kurt:** Zur ordnungspolitischen Bedeutung der Zivilgesellschaft
- 13/11 **Feld, Lars P. / Ruf, Martin / Scheuering, Uwe / Schreiber, Ulrich / Voget, Johannes:** Effects of Territorial and Worldwide Corporation Tax Systems on Outbound M&As
- 13/10 **Feld, Lars P. / Kallweit, Manuel / Kohlmeier, Anabell:** Maßnahmen zur Vermeidung von Altersarmut: Makroökonomische Folgen und Verteilungseffekte
- 13/9 **Feld, Lars P.:** Zur Bedeutung des Manifests der Marktwirtschaft oder: Das Lambsdorff-Papier im 31. Jahr.
- 13/8 **Feld, Lars P. / Köhler, Ekkehard A.:** Is Switzerland After All an Interest Rate Island?
- 13/7 **Feld, Lars P. / Necker, Sarah / Frey, Bruno S.:** Happiness of Economists
- 13/6 **Feld, Lars P. / Schnellenbach, Jan:** Political Institutions and Income (Re-)Distribution: Evidence from Developed Economies
- 13/5 **Feld, Lars P. / Osterloh, Steffen:** Is a Fiscal Capacity Really Necessary to Complete EMU?
- 13/4 **Vanberg, Viktor J.:** James M. Buchanan's Contractarianism and Modern Liberalism
- 13/3 **Vanberg, Viktor J.:** Föderaler Wettbewerb, Bürgersouveränität und die zwei Rollen des Staates
- 13/2 **Bjørnskov, Christian / Dreher, Axel / Fischer, Justina A.V. / Schnellenbach, Jan / Gehring, Kai:** Inequality and happiness: When perceived social mobility and economic reality do not match

13/1 **Mayer, Thomas:** Die Ökonomen im Elfenbeinturm: ratlos - Eine österreichische Antwort auf die Krise der modernen Makroökonomik und Finanztheorie

2012

12/5 **Schnellenbach, Jan:** The Economics of Taxing Net Wealth: A Survey of the Issues

12/4 **Goldschmidt, Nils / Hesse, Jan-Otmar:** Eucken, Hayek, and the Road to Serfdom

12/3 **Goldschmidt, Nils:** Gibt es eine ordoliberalen Entwicklungsidee? Walter Euckens Analyse des gesellschaftlichen und wirtschaftlichen Wandels

12/2 **Feld, Lars P.:** Europa in der Welt von heute: Wilhelm Röpke und die Zukunft der Europäischen Währungsunion

12/1 **Vanberg, Viktor J.:** Hayek in Freiburg

2011

11/4 **Leuermann, Andrea / Necker, Sarah:** Intergenerational Transmission of Risk Attitudes - A Revealed Preference Approach

11/3 **Wohlgemuth, Michael:** The Boundaries of the State

11/2 **Feld, Lars P. / Köhler Ekkehard A.:** Zur Zukunft der Ordnungsökonomik

11/1 **Vanberg, Viktor J.:** Moral und Wirtschaftsordnung: Zu den ethischen Grundlagen einer freien Gesellschaft

2010

10/5 **Bernholz, Peter:** Politics, Financial Crisis, Central Bank Constitution and Monetary Policy

10/4 **Tietmeyer, Hans:** Soziale Marktwirtschaft in Deutschland - Entwicklungen und Erfahrungen

10/3 **Vanberg, Viktor J.:** Freiheit und Verantwortung: Neurowissenschaftliche Erkenntnisse und ordnungsökonomische Folgerungen

10/2 **Vanberg, Viktor J.:** Competition among Governments: The State's Two Roles in a Globalized World

10/1 **Berghahn, Volker:** Ludwig Erhard, die Freiburger Schule und das 'Amerikanische Jahrhundert'

2009

09/10 **Dathe, Uwe:** Walter Euckens Weg zum Liberalismus (1918-1934)

09/9 **Wohlgemuth, Michael:** Diagnosen der Moderne: Friedrich A. von Hayek

09/8 **Bernhardt, Wolfgang:** Wirtschaftsethik auf Abwegen

09/7 **Mäding, Heinrich:** Raumplanung in der Sozialen Marktwirtschaft: Ein Vortrag

09/6 **Koenig, Andreas:** Verfassungsgerichte in der Demokratie bei Hayek und Posner

09/5 **Berthold, Norbert / Brunner, Alexander:** Gibt es ein europäisches Sozialmodell?

09/4 **Vanberg, Viktor J.:** Liberal Constitutionalism, Constitutional Liberalism and Democracy

09/3 **Vanberg, Viktor J.:** Consumer Welfare, Total Welfare and Economic Freedom – On the Normative Foundations of Competition Policy

09/2 **Goldschmidt, Nils:** Liberalismus als Kulturideal. Wilhelm Röpke und die kulturelle Ökonomik.

09/1 **Bernhardt, Wolfgang:** Familienunternehmen in Zeiten der Krise – Nachhilfestunden von oder für Publikumsgesellschaften?

2008

08/10 **Borella, Sara:** EU-Migrationspolitik. Bremse statt Motor der Liberalisierung.

08/9 **Wohlgemuth, Michael:** A European Social Model of State-Market Relations: The ethics of competition from a „neo-liberal“ perspective.

08/8 **Vanberg, Viktor J.:** Markt und Staat in einer globalisierten Welt: Die ordnungsökonomische Perspektive.

- 08/7 **Vanberg, Viktor J.:** Rationalität, Regelbefolgung und Emotionen: Zur Ökonomik moralischer Präferenzen. Veröffentlicht in: V. Vanberg: Wettbewerb und Regelordnung, Tübingen: Mohr, 2008, S. 241-268.
- 08/6 **Vanberg, Viktor J.:** Die Ethik der Wettbewerbsordnung und die Versuchungen der Sozialen Marktwirtschaft
- 08/5 **Wohlgemuth, Michael:** Europäische Ordnungspolitik
- 08/4 **Löwisch, Manfred:** Staatlicher Mindestlohn rechtlich gesehen – Zu den gesetzgeberischen Anstrengungen in Sachen Mindestlohn
- 08/3 **Ott, Notburga:** Wie sichert man die Zukunft der Familie?
- 08/2 **Vanberg, Viktor J.:** Schumpeter and Mises as ‘Austrian Economists’
- 08/1 **Vanberg, Viktor J.:** The ‘Science-as-Market’ Analogy: A Constitutional Economics Perspective.
- 2007
- 07/9 **Wohlgemuth, Michael:** Learning through Institutional Competition. Veröffentlicht in: A. Bergh und R. Höijer (Hg.). Institutional Competition, Cheltenham: Edward Elgar, 2008, S. 67-89.
- 07/8 **Zweynert, Joachim:** Die Entstehung ordnungsökonomischer Paradigmen – theoriegeschichtliche Betrachtungen.
- 07/7 **Körner, Heiko:** Soziale Marktwirtschaft. Versuch einer pragmatischen Begründung.
- 07/6 **Vanberg, Viktor J.:** Rational Choice, Preferences over Actions and Rule-Following Behavior.
- 07/5 **Vanberg, Viktor J.:** Privatrechtsgesellschaft und ökonomische Theorie. Veröffentlicht in: K. Riesenhuber (Hg.) Privatrechtsgesellschaft – Entwicklung, Stand und Verfassung des Privatrechts, Tübingen: Mohr Siebeck, 2008, S. 131-162.
- 07/4 **Goldtschmidt, Nils / Rauchenschwandtner, Hermann:** The Philosophy of Social Market Economy: Michel Foucault’s Analysis of Ordoliberalism.
- 07/3 **Fuest, Clemens:** Sind unsere sozialen Sicherungssysteme generationengerecht?
- 07/2 **Pelikan, Pavel:** Public Choice with Unequally Rational Individuals.
- 07/1 **Voßwinkel, Jan:** Die (Un-)Ordnung des deutschen Föderalismus. Überlegungen zu einer konstitutionenökonomischen Analyse.
- 2006
- 06/10 **Schmidt, André:** Wie ökonomisch ist der „more economic approach“? Einige kritische Anmerkungen aus ordnungsökonomischer Sicht.
- 06/9 **Vanberg, Viktor J.:** Individual Liberty and Political Institutions: On the Complementarity of Liberalism and Democracy. Veröffentlicht in: Journal of Institutional Economics, Vol. 4, Nr. 2, 2008, S. 139-161.
- 06/8 **Goldtschmidt, Nils:** Ein „sozial temperierter Kapitalismus“? – Götz Briefs und die Begründung einer sozialetisch fundierten Theorie von Markt und Gesellschaft. Veröffentlicht in: Freiburger Universitätsblätter 42, Heft 173, 2006, S. 59-77.
- 06/7 **Wohlgemuth, Michael / Brandi, Clara:** Strategies of Flexible Integration and Enlargement of the European Union. A Club-theoretical and Constitutional Economics Perspective. Veröffentlicht in: Varwick, J. / Lang. K.O. (Eds.): European Neighbourhood Policy, Opladen: Budrich, 2007, S. 159-180.
- 06/6 **Vanberg, Viktor J.:** Corporate Social Responsibility and the “Game of Catallaxy”: The Perspective of Constitutional Economics. Veröffentlicht in: Constitutional Political Economy, Vol. 18, 2007, S. 199-222.
- 06/5 **Pelikan, Pavel:** Markets vs. Government when Rationality is Unequally Bounded: Some Consequences of Cognitive Inequalities for Theory and Policy.
- 06/4 **Goldtschmidt, Nils:** Kann oder soll es Sektoren geben, die dem Markt entzogen werden und gibt es in dieser Frage einen (unüberbrückbaren) Hiatus zwischen ‚sozialetischer‘ und ‚ökonomischer‘ Perspektive? Veröffentlicht in: D. Aufderheide, M. Dabrowski (Hrsg.): Markt und Wettbewerb in der Sozialwirtschaft. Wirtschaftsethische Perspektiven für den Pflegesektor, Berlin: Duncker & Humblot 2007, S. 53-81.

- 06/3 **Marx, Reinhard:** Wirtschaftsliberalismus und Katholische Soziallehre.
- 06/2 **Vanberg, Viktor J.:** Democracy, Citizen Sovereignty and Constitutional Economics. Veröffentlicht in: Constitutional Political Economy Volume 11, Number 1, März 2000, S. 87-112 und in: Casas Pardo, J., Schwartz, P.(Hg.): Public Choice and the Challenges of Democracy, Cheltenham: Edward Elgar, 2007, S. 101-120.
- 06/1 **Wohlgemuth, Michael:** Demokratie und Marktwirtschaft als Bedingungen für sozialen Fortschritt. Veröffentlicht in: R. Clapham, G. Schwarz (Hrsg.): Die Fortschrittsidee und die Marktwirtschaft, Zürich: Verlag Neue Zürcher Zeitung 2006, S. 131-162.
- 2005
- 05/13 **Kersting, Wolfgang:** Der liberale Liberalismus. Notwendige Abgrenzungen. In erweiterter Fassung veröffentlicht als: Beiträge zur Ordnungstheorie und Ordnungspolitik Nr. 173, Tübingen: Mohr Siebeck 2006.
- 05/12 **Vanberg, Viktor J.:** Der Markt als kreativer Prozess: Die Ökonomik ist keine zweite Physik. Veröffentlicht in: G. Abel (Hrsg.): Kreativität. XX. Deutscher Kongress für Philosophie. Kolloquiumsbeiträge, Hamburg: Meiner 2006, S. 1101-1128.
- 05/11 **Vanberg, Viktor J.:** Marktwirtschaft und Gerechtigkeit. Zu F.A. Hayeks Kritik am Konzept der „sozialen Gerechtigkeit“. Veröffentlicht in: Jahrbuch Normative und institutionelle Grundfragen der Ökonomik, Bd. 5: „Soziale Sicherung in Marktgesellschaften“, hrsg. von M. Held, G. Kubon-Gilke, R. Sturn, Marburg: Metropolis 2006, S. 39-69.
- 05/10 **Goldschmidt, Nils:** Ist Gier gut? Ökonomisches Selbstinteresse zwischen Maßlosigkeit und Bescheidenheit. Veröffentlicht in: U. Mummert, F.L. Sell (Hrsg.): Emotionen, Markt und Moral, Münster: Lit 2005, S. 289-313.
- 05/9 **Wohlgemuth, Michael:** Politik und Emotionen: Emotionale Politikgrundlagen und Politiken indirekter Emotionssteuerung. Veröffentlicht in: U. Mummert, F.L. Sell (Hrsg.): Emotionen, Markt und Moral, Münster: Lit 2005, S. 359-392.
- 05/8 **Müller, Klaus-Peter / Weber, Manfred:** Versagt die soziale Marktwirtschaft? – Deutsche Irrtümer.
- 05/7 **Borella, Sara:** Political reform from a constitutional economics perspective: a hurdle-race. The case of migration politics in Germany.
- 05/6 **Körner, Heiko:** Walter Eucken – Karl Schiller: Unterschiedliche Wege zur Ordnungspolitik.
- 05/5 **Vanberg, Viktor J.:** Das Paradoxon der Marktwirtschaft: Die Verfassung des Marktes und das Problem der „sozialen Sicherheit“. Veröffentlicht in: H. Leipold, D. Wentzel (Hrsg.): Ordnungsökonomik als aktuelle Herausforderung, Stuttgart: Lucius & Lucius 2005, S. 51-67.
- 05/4 **Weizsäcker, C. Christian von:** Hayek und Keynes: Eine Synthese. In veränderter Fassung veröffentlicht in: ORDO, Bd. 56, 2005, S. 95-111.
- 05/3 **Zweynert, Joachim / Goldschmidt, Nils:** The Two Transitions in Central and Eastern Europe and the Relation between Path Dependent and Politically Implemented Institutional Change. In veränderter Fassung veröffentlicht in: Journal of Economic Issues, Vol. 40, 2006, S. 895-918.
- 05/2 **Vanberg, Viktor J.:** Auch Staaten tut Wettbewerb gut: Eine Replik auf Paul Kirchhof. Veröffentlicht in: ORDO, Bd. 56, 2005, S. 47-53.
- 05/1 **Eith, Ulrich / Goldschmidt, Nils:** Zwischen Zustimmungsfähigkeit und tatsächlicher Zustimmung: Kriterien für Reformpolitik aus ordnungsökonomischer und politikwissenschaftlicher Perspektive. Veröffentlicht in: D. Haubner, E. Mezger, H. Schwengel (Hrsg.): Agendasetting und Reformpolitik. Strategische Kommunikation zwischen verschiedenen Welten, Marburg: Metropolis 2005, S. 51-70.

Eine Aufstellung über weitere Diskussionspapiere ist auf der Homepage des Walter Eucken Instituts erhältlich.