

Diplomats and parking fines

A ticket for corruption

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Sleazy countries are best at breaking New York City's parking rules

"THE UN needs a good smack in the face," fumed one city councillor. New York has long been fed up with the United Nations and its diplomats. The city has 1,700 of them, about 1,699 too many. Their meetings cause endless traffic jams and annoying multi-car motorcades. As for their outstanding fines for traffic violations (more than \$18m at the last count), these have so infuriated Michael Bloomberg, New York's mayor, that in 2002 he vowed to tow away illegally parked consular vehicles. Colin Powell, then secretary of state, had to step in to broker a compromise.

Can anything be done? In 2002 Chuck Schumer and Hillary Clinton, New York's senators, added an amendment to a foreign-aid bill that allowed the city to recoup unpaid parking tickets from foreign-aid disbursements to offending countries. But now a new weapon has been discovered: shame. Two economists have found a direct correlation between the number of people who park by the city's fire hydrants and in its loading bays, and the level of corruption in their home countries.

A study* by Raymond Fisman and Edward Miguel, economists at Columbia University and the University of California, Berkeley, gives a rare picture of how people from different cultures perform under new cultural norms. For instance, between 1997 and 2002 diplomats from Chad averaged 124 unpaid parking violations; diplomats from Canada and the United Kingdom had none. The results from 146 countries were strikingly similar to the Transparency International corruption index, which rates countries by their level of perceived sleaze. In the case of parking violations, diplomats from countries with low levels of corruption behaved well, even when they could get away with breaking the rules. The culture of their home country was imported to New York, and they acted accordingly.

The same applied to high-corruption countries. Their diplomats became increasingly comfortable with parking where they liked; as they spent more time in New York, their number of violations increased by 8-18%. Overall, diplomats accumulated 150,000 unpaid parking tickets during the five years under review.

Yet any moral superiority New Yorkers may feel should be tempered by the behaviour of the American embassy in London. Last year, embassy staff stopped paying the congestion charge—now £8, or over \$15—for bringing cars into central London. The growing pile of unpaid charges now stands at \$716,000.

* "Cultures of Corruption: Evidence from Diplomatic Parking Tickets", Raymond Fisman and Edward Miguel, June 2006. Available at <http://www.nber.org/papers/w12312>