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Law abiding diplomats: Evidence from diplomatic parking tickets in Washington D.C.*

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Abstract

Why people conform to social norms? Answering this question has important implications for economic development and institutional reforms. Posner (2000a, p. 3) argue that law and economics have no compelling answers. In this paper, we investigate the role of social norms in shaping people's law abiding behavior. We analyze foreign diplomats' compliance with local parking laws while they are stationed in Washington D.C. This is a natural setting to investigate people conformity to social norms since diplomatic immunity gives ample leeway to foreign diplomats to flout their host countries' laws. Our empirical results are consistent with the recent literature indicating that the extent to which diplomats' fellow citizens in their home countries observe the rule of law significantly affects diplomat's conformity to social norms abroad. We contribute to the literature by highlighting three additional important factors that explain diplomat's social norm conformity: i) the legal origin of legal system prevailing in diplomats' home countries, ii) their colonial heritage, and iv) the affinity among diplomats' home and host countries—measured using geographical proximity and military alliances with the U.S. .

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1 Introduction

Diplomatic immunity gives ample leeway to foreign diplomats to flout the law of their host countries. However, most diplomats refrain from rampant unlawful behavior.[1] What compels diplomats to abide by foreign laws? Discussions of law observance usually rely on the idea that law abiding behavior is a function of the likelihood of being caught and punished (Tyler and Darley 2000), or are based on the standard economic model of law enforcement according to which people violate the law if the benefit exceeds the expected sanction (Posner 2000b). These explanations are insufficient to explain the abiding behavior of diplomats parking laws while stationed abroad. Due to diplomatic immunity, enforcement is weak—being caught seems irrelevant in practice and the likelihood of being punished is extremely low. The small expected cost of being punished would predict almost 100% no compliance with parking laws which is not observed in practice. Therefore, analyzing the law abiding behavior of diplomats can shed light on other motives that people have to observe the law.

We contribute to the socioeconomic literature on norm-induced behavior by investigating how social norms explain diplomats' law abiding behavior regarding ordinary parking laws in Washington D.C. In particular, we investigate the relation between diplomats' law-abiding behavior in Washington D.C. and "the respect of their fellow citizens and the state in their home countries for the institutions that govern economic and social interactions among them" (Kaufmann, Kraay, and Mastruzzi 2011). As a proxy for diplomats' law abiding behavior, we use the number of unpaid diplomatic parking tickets in Washington D.C. We use the rule of law and control of corruption indexes of the Worldwide Governance Indicators Project (WGIs) to operationalize the extent to which diplomats' fellow citizens observe the law in their home countries.[2]

As in Licht, Goldschmidt, and Schwartz (2007), we view the rule of law and control of corruption "as a general category of social norms referred to as norms of governance."[3] We hypothesize that

[1] "Most people refrain most of the time from anti-social behavior even when the law is absent or has no force. They conform to social norms. The question left unanswered by law and economics is why people conform to social norms. Without an answer to that question, one cannot understand the effect of laws on peoples' behavior", (Posner, 2000a, p. 3).

[2] See Skaaning (2010) and UNPD (2008) for reviews of the appropriateness of different rule of law and corruption indexes, respectively.

[3] We use the term social norms broadly in our setting to denote the associated behaviors and conventions toward compliance to legal norms. For a review of the different definitions of social norms see Elster (1989) and Kostritsky

the prevalence of such norms in diplomats' home countries affects the way diplomats abide by the rule of law abroad. Following the empirical strategy in Fisman and Miguel (2007), we present strong and robust evidence that diplomats' law abiding behavior in Washington D.C. reflects the extent to which diplomats' fellow citizens abide by the rule of law in their home countries; which, in turn, is a proxy for how ingrained such norms are in diplomats' law-abiding behavior. It seems that changing the physical and institutional environments that diplomats face has no effect on their predisposition to abide by the rule of law.[4]

Investigating diplomats law-abiding behavior regarding ordinary parking laws is instructive since diplomatic immunity, by definition, give them almost complete freedom to choose the extent to which they observe their host country laws. Fisman and Miguel (2007) focus on corruption and consider United Nations diplomats' disregard for paying their parking tickets as a direct use of their entrusted power to obtain private gains. However, we think that classifying the act of failing to pay a parking ticket as an act of corruption barely fits into the general definition of corruption or the main illicit behaviors characterizing corrupt practices (e.g., bribery, nepotism, fraud, pilferage, falsification of records, kickbacks, embezzlement, influence-peddling, etc.). If in diplomats' home countries crime and violence is widespread; citizens disregard simple rules; and law enforcement is weak or inexistent; diplomats may perceive that disregarding ordinary parking rules in the U.S. may be inconsequential—even more given that they enjoy diplomatic immunity—but not an act of corruption by itself. For this reason, we focus on the more encompassing dimension of governance: the rule of law; rather than in corruption behavior.

To our knowledge, this is the first paper offering alternative empirical evidence of Fisman and Miguel (2007)'s results using a different setting. However, our paper differs from theirs in two important ways. First, we use parking violations data for diplomats stationed in Washington D.C. while they use data for United Nations diplomats. Diplomatic missions to the United Nations not necessarily have diplomatic relations with the United States. Then, their motives to follow United States laws may differ from those of diplomats in Washington D.C. Second, we focus on a period

(2013).

[4] Licht, Goldschmidt, and Schwartz (2007) find that rule of law and non-corruption indexes correlate strongly with countries' cultural values. Thus, it would be interesting to investigate how cultural values may be also associated with diplomats' law-abiding behavior in Washington D.C. However, data on cultural values with wide country coverage is unavailable. We leave this for future research.

(1997-2011) during which parking laws in Washington D.C. were enforced. In contrast, Fisman and Miguel focus on a pre-enforcement period during which United Nations diplomats parking laws in New York City were lightly enforced. Thus, our results shed light on law abiding behavior when enforcement is in place but likely weakened by diplomatic immunity which is a more meaningful setting for public policy purposes.

Unlike Fisman and Miguel (2007), we investigate three additional factors that help explaining diplomat's social norm conformity: i) the legal origin of legal system prevailing in diplomats' home countries, ii) their colonial heritage, and iv) the affinity among diplomats' home and host countries—measured using geographical proximity and military alliances with the U.S. We find that diplomats' from countries inheriting a common law legal system or highly influenced by it accumulate fewer unpaid parking tickets. Diplomats' from islamic legal systems accumulate significantly more unpaid parking tickets. In addition, diplomats from former British colonies and diplomats from countries geographically close to or having military alliances with the U.S. accumulate fewer unpaid parking tickets. These results are robust to the inclusion of other relevant factors in our econometric specifications.

Our results also inform the broad literature on the political economy of democracy and economic reforms. The rule of law is fundamental for both. Social norms that weaken the observance of the law erode public support for democracy and negatively affects the economy. Our results indicate that social norms have lasting effects on individual law-abiding behavior and seem to persist even under different institutional settings. Effective democracy and economic reforms should promote both new institutions and affect social norms to enhance the rule of law. Changes in institutional settings will have limited effects.

Finally, our results indicate that law enforcement is insufficient to guarantee law compliance. Even under law enforcement, diplomats from countries with low levels of law abiding behavior accumulate more unpaid parking tickets. This is important since, as Kostritsky (2013) put it, "law cannot foster successful markets and societies on its own since law depends on norms that motivate people to adhere to law". Thus, more stringent legal enforcement is insufficient for increasing law compliance or, more importantly, to change people behavior.

The paper is organized as follows: Section 2 reviews the relevant literature on social norms and diplomatic abiding behavior. Section 3 presents our methodological approach and Section 4 the empirical results. Section 5 explains our main conclusions.

2 Literature Review

Social norms are standard forms of behavior to which individuals in a social group try or are expected to conform. Social norms can be described as an equilibrium outcome inducing common expectations and behaviors for members of a social group, Burke and Young (2011). By shaping individuals' preferences to conform to the behavior of their peers, they play an important role in individual choice (Fischer and Huddart 2008, Burke and Young 2011).

Early in childhood, conformity to prevailing social norms become a stable disposition influencing individuals' motives for action, independently of the consequences of conforming. Later in life, ongoing social relationships such a membership to a group may have only marginal effects on behavior, Bicchieri and Muldoon (2014). Therefore, we can observe individuals from different groups optimally behaving very differently toward observing the law—even when they are in very similar physical and institutional environments, Heffetz and Frank (2011)—because their actions are constrained by the social norm equilibrium prevailing in their previous environments where conformity to social norms were ingrained into their social behavior.

In a highly influential paper, Fisman and Miguel (2007) use United Nations diplomats unpaid parking tickets data to analyze the relation between corruption, social norms, and legal enforcement. Using a natural experiment made in New York City about diplomatic parking immunity, Fisman and Miguel (2007) study parking tickets that were accumulated in Manhattan from 149 countries. Until late 2002, diplomats were not required to pay their parking tickets. As a result, between November, 1997, and the end of 2002, United Nations diplomats accumulated more than $ 18 million in unpaid parking tickets. In October 2002, a federal law took effect giving local authorities power to remove diplomatic plates from cars with too many unpaid fines. Diplomats, then, were required to have less than three unpaid parking tickets or their car plates would be revoked. Drivers had 30 days to pay the tickets before going into default. An additional penalty was levied on overdue tickets and diplomats had 70 more days to pay the tickets and the extra penalties. Failure to do so led documentation in the unpaid parking violations records.

Fisman and Miguel find that diplomats from high-corruption countries tend to accumulate more unpaid parking tickets than their peers from low-corruption countries. They also show that corruption is a robust predictor of unpaid parking tickets, even after controlling for regional effects, country income, government employee salary, and U.S. economic and military aid to diplomats' countries, among others variables.

Fisman and Miguel argue that their results imply that cultural norms from government officials' native countries determine their behavior abroad. A second related finding is the negative relationship between affinity for the United States in the diplomat's home country and parking violations in New York City. This finding provides real world evidence that sentiments matter in economic decision-making in general, and for corruption decisions in particular.

More recently, Jones and Nye (2011) attempt to explain diplomats' parking behavior in NYC. They find a strong correlation between national average IQ and diplomats' parking fines. Specifically, they show that diplomats with more unpaid parking tickets were likely to come from countries with lower national- average IQ's and lower average years of education. On the other hand, diplomats with fewer unpaid parking tickets come from higher-IQ nations. Jones and Nye (2011) suggest that intelligence and education foster social capital and conclude that a low national IQ is a better predictor of unpaid parking by diplomats than home-country corruption.

To our knowledge, our paper is the first to use a similar but different setting to investigate the law-abiding behavior of diplomats abroad. We measure diplomats' home countries corruption and rule of law using the World Bank's Worldwide Governance Indicators (WGIs, see Kaufmann, Kraay, and Mastruzzi 2011). The WGIs measure six dimensions of governance: i) Voice and Accountability, ii) Political Stability and Absence of Violence, iii) Government Effectiveness, iv) Regulatory Quality, v) Rule of Law, and vi) Control of Corruption.

We focus on the third area measured by the WGIs: "*The respect of citizens and the state for the institutions that govern economic and social interactions among them.*" This area is composed of two highly correlated indexes: the rule of law and control of corruption. "Rule of law captures perceptions of the extent to which **agents have confidence in and abide by the rules of society**, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence."[5]. "Control of corruption captures the perceptions of the extent to which **public power is exercised for private gain**, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests." As mention above, we use as our main variable the rule of law index which, in our opinion, represents a more encompassing dimension of governance and seems more appropriate to characterize the act of failing to pay a parking ticket. Unlike Fisman and Miguel (2007), we think that the standard definitions of corruption used by the World Bank and Transparency International seem unsuitable to typify the act of failing to pay a parking ticket. It's difficult to ascertain that diplomats privately benefit from not paying their parking tickets since these accrue to their embassy not to them personalty. In contrast, the definition of rule of law seems directly applicable to failing to pay a parking ticket. Not paying a parking ticket may reflect diplomats disregard for the rules of society rather than their natural inclination to exercise their power to obtain private gains.

3 Methodological Approach

3.1 Diplomatic Parking Violations in Washington D.C

Diplomatic officials and their families are granted diplomatic immunity from lawsuits and prosecution under the host country's laws. Around 176 diplomatic missions in Washington D.C. have diplomatic immunity. Before 1993, diplomats acted as if diplomatic immunity extended to ordinary parking laws. Since 1993, however, the US Secretary of State issued a diplomatic note to inform embassies in Washington D.C. that they would not be able to renew vehicle registrations if parking tickets went unpaid for more than a year. Ten years later, on Jun 29, 2004, the State Department issued second diplomatic note informing diplomatic missions that the United States will withhold from foreign assistance up to 110 percent of the unpaid parking tickets. However, there is no evidence that the State Department has withheld foreign assistance or withheld vehicle registrations from Washington DC diplomats.[6] Instead, diplomats in Washington D.C. accumu-

[5] Boldface added.

[6] See Diplomatic Notes 93-555 issued on December 22 of 1993 (http://www.state.gov/documents/organization/125205.pdf) to become effective January 1, 1994. Diplomatic Note 04-127 is available at

lated more than 7,000 unpaid parking tickets from April, 1997 to November, 2011. Most of them went unpaid.

We use data on parking violations from diplomatic missions in Washington D.C. that include the name of the embassy, the plate of the vehicle, the ticket number, the make of the vehicle, the type of violation, the issue date, the issue time, the location, the amount due and paid for each ticket, and the total number of tickets. There are a total of 176 embassies in Washington D.C., 168 have at least one unpaid parking ticket by November 2011.[7] The most common type of parking violations in our dataset are expire meter (23%), no parking or standing anytime (15%), no standing during rush hours (14%), and residential parking permit required (9%). Table (A1) presents the total number of unpaid parking tickets per embassy from 1997 to 2011, along with the number of diplomats per diplomatic mission in 1998, the affinity of nations index, the rule of law index, and a dummy indicating alliances with the U.S.

The Rule of Law is from Worldwide Governance Indicators. A higher score corresponds to greater law observance. Affinity of Nations is taken from Gartzke and Jo (2006). Index' values range between one for the most similar and negative one for the least similar.[8]

3.2 Data

As in Fisman and Miguel (2007), we use country-level data on economic, political, legal, and social characteristics. Our main two variables of interest are the number of unpaid parking tickets and the Rule of Law index. Figure 1 depicts the crude relation between the log of the number of unpaid parking violations per diplomat and both the Rule of Law and the Control of Corruption indexes for 1998, the earliest year with wide country coverage. The solid line represents the quadratic fit using the the Rule of Law index while the dashed line uses the Control of Corruption index.[9] The decreasing negative slope of this relation quadratic fit lines plotted indicates that, even without

http://www.state.gov/documents/organization/125022.pdf. See http://www.wjla.com/articles/2011/09/which-country-owes-the-most-in-parking-fines–66857.html for a recent coverage in the popular press on this issue.

[7]The data is from the Washington D.C. Department of Motor Vehicles. We thanks Mark Segraves from WTOP Radio for kindly providing the data to us.

[8]We elaborate below on these variables.

[9]Both, the Rule of Law and the Control of Control of Corruption indexes are highly correlated (e.g. $\rho = 0.94$). Thus, their relation with unpaid parking tickets is almost the same. For being a more comprehensive concept and more appropriate for the case at hand, we will use the Rule of Law index for our empirical analysis. Our empirical results are robust to the this choice.

accounting for the effect of other variables, there seems to be a negative relation between the number of unpaid parking tickets per diplomat and the extent to which diplomats' fellow citizen observe the law in their home countries.

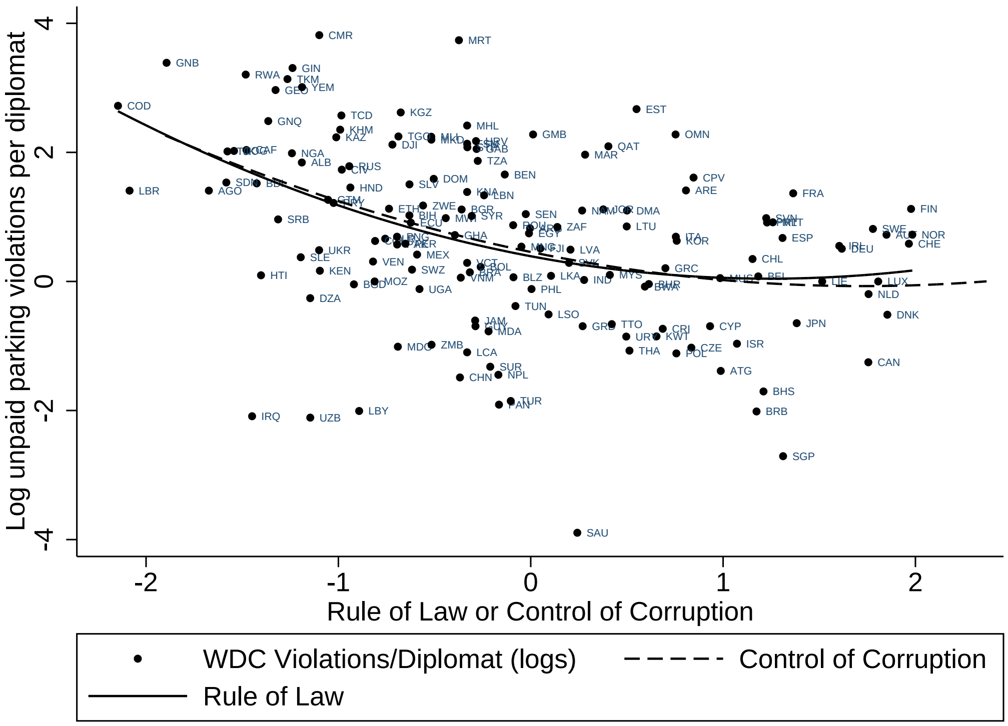

Figure 1: Unpaid Diplomatic Parking Tickets Washington D.C. (1997-2011)

In the following, we present the variable we use for our empirical estimation.

Left-hand side variables

- *Unpaid diplomatic parking tickets*: We observe diplomatic parking tickets at the level of each diplomatic mission's registered car with outstanding parking tickets from April, 1997 to August 12. The data is from the Diplomatic Open Ticket Report of the Department of Motor Vehicle in Washington D.C. We aggregate them at the level of diplomatic missions. Our left-hand side variable for our main regression corresponds to the total of unpaid diplomatics parking tickets by each diplomatic mission.

Right-hand side variables

- *Rule of Law*: Our critical core variable of interest aims at capturing the respect of diplomats' fellow citizens and the state in their home countries for the institutions that govern economic and social interactions. Two variables are good candidates for this purpose: i) observance of the rule of law and ii) the level of corruption in diplomats' home countries. Our main working hypothesis is that the observance of the rule of law in diplomats' home countries influences the way diplomats observe the law abroad. We hypothesize that this relation arises because the extent to which diplomats observe the law in Washington D.C. is likely to depend, to certain degree, on diplomats' ingrained attitudes toward law compliance which they learned while leaving in their home countries. We use the level of law observance in their home countries, as captured by the Rule of Law index, to operationalize this dimension.[10] A higher value indicates a higher level of law compliance. We expect a negative relation between unpaid diplomatic parking tickets in Washington D.C. and the Rule of Law index of diplomats' home countries.

Other right-hand side variables

We use a large battery of *non critical core variables* taken from different sources. They may capture other country-level factors influencing the law-abiding behavior of diplomats in Washington D.C. These additional variables are usually termed control variables in the literature and play an important role in empirical applications. To guard ourselves against the pitfalls of using non critical core variables (Lu and White 2014 and Clarke 2005), we carefully select them based on the following criteria: i) their merits to exert some influence on the law-abiding behavior of diplomats abroad, ii) their economic relation with number of unpaid diplomatic parking tickets, or iii) their relation to rule of law compliance in diplomats' home countries.

- *Diplomatic mission size*: Diplomatic mission size may affect the total amount of unpaid parking tickets. In the absence of other influencing factors, diplomatic missions with a large (small) number of officials will accumulate a higher (lower) number of unpaid parking tickets. Thus controlling for mission size is a minimum requirement. We hand collected data

[10] Fisman and Miguel (2007) use the (negative) of the Control of Corruption index from WGIs. As we show above, these two measures are highly correlated. Our results are robust to the use the Control of Corruption index, however.

for diplomatic missions from the Diplomatic List published by the Department of State. This list identify each diplomatic official belonging to each country diplomatic mission. As in Fisman and Miguel (2007), we use data for 1998.[11]. We construct the variable diplomats which is based on the average number of diplomatic staff with immunity privileges in 1998. The number of staff members is relatively stable over time. Thus, using 1998 data allows us to keep our results comparable with those of Fisman and Miguel. We expect a positive relation between diplomatic mission size and unpaid diplomatic parking tickets.

- *Affinity of Nation Index*: The exchange of diplomatic missions between countries importantly advance their political and economic interests, Neumayer (2008). Diplomats from countries where political goals are aligned with the U.S may exhibit more respect for U.S. local rules. Likewise, by observing home countries' laws, diplomats may attempt to convey messages about the importance of fostering their home countries' political relations with the U.S. To capture the political interest similarity between the U.S. and diplomats' home countries, we use the Affinity of Nation Index which provides a metric that reflects the similarity of state preferences based on voting positions of pairs of countries (dyads) in the United Nations General Assembly. These data come from Gartzke and Jo (2006). The data are available from 1946 to 2002. Index' values range between one (most similar) and negative one (least similar). We expect this variable to negatively influence the amount of unpaid diplomatic parking tickets.

- *Military Alliances*: Military alliances are intended to affect interstate conflict both by deterring aggression and by encouraging intervention, Gartzke (2007). The existence of alliances between the U.S. and the home countries of each diplomatic mission in Washington D.C. may signal the existence of political and economic similarities among the U.S. and those countries. We use an indicator variable of the existence of alliances between the U.S. and each diplomatic mission's home country as another proxy for political affinity. The data are from the Interstate Alliance Dataset (Gibler and Sarkees, 2004). This dichotomous variable is coded one if the diplomat's home country has entered into a formal agreement with the U.S.

[11] These data are available at http://www.state.gov/s/cpr/rls/dpl/

corresponding to a defense or a non-aggression pact, and zero otherwise.[12] We expect that diplomatic missions from countries with which the U.S. has military alliances accumulate less unpaid parking tickets.

- *GDP per Capita and Income Groups Fixed Effects*: Diplomatic mission from poorer countries may accumulate more unpaid parking tickets fro budgetary reasons. Diplomats' home country GDP per capita serves as a control variable for income effects. We include the logarithm of 1998 GDP per capita in U.S dollars (taken from World Development Indicators). In addition, we include a set of indicator variables to control for the income group of diplomatic missions' home countries according to the World Bank income group classification system.[13] We expect diplomatic missions from wealthier (poorer) countries to accumulate less (more) unpaid parking tickets.

- *Economic and Military Aid*: Foreign aid is an indispensable component in the United States foreign policy although donor interest often outweighs the needs of the recipient as a motivating force. In this sense, economic and military aid recipients may feel beholden to the U.S. and, therefore, these variables may reflect diplomats' incentives to observe U.S. laws. Moreover, if foreign aid distribution is associated with the level of political interest, countries that have common goals with the U.S will respect local law in order to promote better relations. We use the log of the average amount of military and economic aid from the U.S. to diplomats' home countries between 1980 and 1997 as control variables. In addition, we construct two indicators to identify which countries received aid during that period from the U.S. Our data come from Kuziemko and Werker (2006). We expect these variables to be negatively correlated with the number of unpaid parking violations.

- *Distance and Location*: As documented in Fisman and Miguel (2007), a measure of proximity to the U.S might be correlated with the number of unpaid parking tickets. Trade, migrations,

[12] A defense pact is the highest level of military commitment, requiring alliance members to come to each others aid militarily if attacked by a third party. As the labels imply, neutrality and non-aggression pacts pledge signatories to either remain neutral in case of conflict or to not use or otherwise support the use of force against the other alliance members. Finally, entente agreements provide for the least commitment and obligate members to consult in times of crisis or armed attack.

[13] These groups are: OECD high income, nonOECD high income, low income, lower middle income, and upper middle income.

culture and tourism between countries are possible explanations. In addition, To measure distance, we use the natural logarithm of the great distance circle between national capitals. Data is from Gleditsch and Ward (2001).[14] We expect a negative correlation between unpaid parking tickets and geographical proximity. In addition, we include dummy variables to identify the geographical location of diplomats' countries among the following regions: East Asia & Pacific, Europe & Central Asia, Latin America & Caribbean, Middle East & North Africa, North America, South Asia, and Sub-Saharan Africa.

- *Peace Years*: Militarized disputes between nations refer to interactions between or among states involving threats to use military force. Previous interstates disputes may influence the way diplomats behave while stationed in the territory of past adversary countries. In particular, past interstate conflicts may be reflected in diplomats willingness to comply with home countries' law. We use the number of years since the last interstate military dispute in which the U.S. acted against diplomats' home countries during the post-war era. The data are from Maoz (2005). We expect a negative correlation between peace years and diplomats' unpaid parking tickets.

- *Bilateral Trade*: Distance, product types, political and cultural similarity, colonial past, religion, income and other demographic variables influence the amount of bilateral trade occurring between nations, Srivastava and Green (1986). Diplomats' law-abiding behavior in Washington D.C. may be influenced by their bilateral trade agenda with the U.S. In addition, trade flows among nations may also serve as an indicator of cultural and political similarities among them. Thus, we include the natural logarithm of bilateral trade between the U.S. and diplomat's home countries as an additional control variable offering a competing explanation for diplomat's law abiding behavior in the U.S. Our variable represents the sum of bilateral exports and imports between the U.S. and diplomats' home countries. Data are from the World Trade Organization.

- *Legal Origin*: A large economic literature documents high correlations between economic growth, legal rules, and legal origin, Klerman, Mahoney, Spamann, and Weinstein (2011).

[14] Available at http://privatewww.essex.ac.uk/ ksg/data-5.html.

Legal origins may exert a great influence regarding how important is for citizens to observe the law. Arguably, common law favors individual property rights and limit the power of the state while civil law evolved as an instrument for the state to expand its power and regulate its citizens, Dam (2006). We include the legal origin of diplomats' home countries' laws to complement our analysis. We follow the coding and obtain the data from Klerman et al. (2011). These data group countries into five categories according to their prevailing legal system: Common, Civil, Common & Civil, German, Islamic, or Scandinavian Law.

- *Colonial Origin*: Klerman et al. (2011) argue that even though most French colonies inherited French civil laws and most British colonies inherited English common laws, the identity of colonizer may matter for economic development for reasons other than their influence on countries' current legal systems. A similar reasoning may apply to the importance of colonizer identity on the observance of the law in each country. We add a colonial history indicator to control for the influence that colonial origin may exert on law observance in diplomats' home countries which we hypothesize may be reflected in the law-abiding behavior of diplomats abroad. Data come from Klerman et al. (2011). In these data, colonial origin is coded into five groups: former British colonies, former colonies of civil law countries other than France (Belgium, Italy, Netherlands, Portugal, Spain, Ottoman Empire, and pre-communist Russia), other former colonies, and countries never colonized.

- *Democracy*: Diplomats from more democratic countries may exhibit different behaviors and have a higher predisposition to observe the law while stationed abroad. Also, more democratic nations may have more affinity for the U.S. and tend to score higher in rule of law indexes. Diplomats from such countries may attach a higher importance to comply with local laws when abroad. We use the measure of institutionalized democracy of the Polity IV project as a proxy for democracy in diplomats' home countries.[15]

- *National Capacity and Major Power Status*: Diplomats from more powerful nations may behave differently regarding law compliance while abroad relative to less powerful nations. In particular, they may feel less pressure to comply with local laws. We use the Composite

[15] Available at: http://www.systemicpeace.org/inscrdata.html

Index of National Capacity (CINC) for 1998 as a proxy for how powerful diplomats' home countries are in the international arena (see Singer, Bremer, and Stuckey 1972).[16] In addition, we include dummy variables to identify the four most powerful countries, other than the U.S., in the post-war era (e.g. Russia, France, U.K., and China). We have no priors regarding the relation between national capacity and diplomatic unpaid parking tickets. However, accounting for this variation helps sharpening our results.

Table (1) presents descriptive statistics for all variables. Average unpaid parking violations for all diplomatic missions is 38.56 over the period 1997-2011. Among the 178 diplomatic missions, 21 have zero unpaid parking ticket. Among those with unpaid parking violations, the median is 22. The largest number of unpaid parking violations correspond to the diplomatic missions of Russia (753), Cameroon (500), Yemen (335) , and France (243).

Table 1
DESCRIPTIVE STATISTICS WASHINGTON D.C DIPLOMATIC PARKING VIOLATIONS DATA

	Mean	**SD**	**Min**	**5th**	**25th**	**Median**	**75th**	**95th**	**Max**	**N**
Unpaid parking tickets	38.567	77.901	0.000	0.000	3.000	17.500	44.000	128.000	753.000	178
Diplomats	16.881	23.267	0.000	1.250	4.250	7.875	18.625	69.250	126.250	176
Rule of Law	-0.088	0.993	-2.272	-1.482	-0.773	-0.283	0.614	1.769	1.984	178
Control of Corruption	0.041	1.010	-2.370	-2.230	-0.580	0.240	0.860	1.210	1.900	177
Log GDP pc	7.639	1.593	4.831	5.315	6.261	7.534	8.775	10.221	11.251	173
Affinity	0.174	0.332	-0.226	-0.194	-0.097	0.065	0.387	1.000	1.000	176
Alliance	0.303	0.461	0.000	0.000	0.000	0.000	1.000	1.000	1.000	178
Distance	8.964	0.523	6.594	7.949	8.785	9.030	9.347	9.579	9.701	178
Mil. Aid (Indicator)	0.781	0.415	0.000	0.000	1.000	1.000	1.000	1.000	1.000	178
Econ. Aid (Indicator)	0.803	0.399	0.000	0.000	1.000	1.000	1.000	1.000	1.000	178
Log Mil. Aid	7.378	4.488	0.000	0.000	5.994	8.102	10.261	13.958	17.450	178
Log Econ. Aid	9.790	5.182	0.000	0.000	8.631	11.980	13.316	14.747	17.035	178
Log Trade	12.590	3.665	0.000	7.032	11.079	12.653	15.117	17.351	19.621	178
Capacity	0.005	0.014	0.000	0.000	0.000	0.001	0.003	0.024	0.147	178
Democracy	4.852	4.000	0.000	0.000	0.000	6.000	9.000	10.000	10.000	155

3.3 Methodology

Since our outcome variable, unpaid parking violations, takes on nonnegative integer values, we use a negative binomial regression model to analyze the relationship between the number of occurrences of unpaid parking violations and the Rule of Law index of diplomats' home countries.[17]

[16] Available at: http://cow.dss.ucdavis.edu/data-sets/national-material-capabilities

[17] The Poisson regression model is inappropriate since our outcome variable presents overdispersion—its variance is greater than its mean.

In our setting, the negative binomial model models the log of the expected number of unpaid parking violations as a function of the predictor variables. Thus,

$$\ln E[Y_i] = \gamma_0 + \gamma_1 \text{Rule of Law}_i + X_i' \tilde{\gamma} + \epsilon_i \tag{1}$$

Where Y_i is the total number of unpaid parking violations for each diplomatic mission i, X_i' is a vector of country-level factors, and γ_1, γ_2, and $\tilde{\gamma} = \{\gamma_3, ..., \gamma_J\}$ are the regression coefficients to be estimated. The magnitude of each coefficient γ_j indicates the difference in the logs of expected unpaid parking violations as a response of a one unit change in the predictor variable j, holding the other predictor variables constant.

We run three sets of regressions. One for Washington D.C. alone, another for DC and NYC pooled together, and another using only NYC data. The dependent variables are total unpaid violations for DC, NYC and DC, and NYC, receptively. We use cluster standard errors to control for heteroscedasticity. The number of observations across regressions varies according with data availability.

4 Empirical Results

4.1 Unpaid Parking Violations and the Rule of Law

Table 2 presents the coefficient estimates along their associated robust standard errors (in parentheses) for ten different negative binomial regression models labeled (1)-(10). All models control for the number of diplomats for each mission (Diplomats). We account for country income group fixed effects (Income group F.E.) in models (5), (6) , (8) and (9) and for region fixed effects (Region F.E) in models (7), (8) and (10). In addition, models (4)-(10) control for GDP per capita and model (9) for the existence of alliance between the United States and diplomatic missions' home countries. Models (6)-(8) and (10) control for the distance between the United States and diplomatic missions' home countries. Panel A presents results for the entire sample while Panel B shows results for a sample excluding the four countries with the largest number of unpaid parking violations. The core critical coefficient estimates associated to the rule of law index are in bold face.[18]

The rule of law coefficient estimates in model (1) equals -0.407. This indicates that the increase in the rule of law score associated with going from a country like Rwanda (rule of law score -1.48, 5th percentile) to a country like Australia (rule of law score 1.77, 5th percentile) leads to a large drop in the average rate of unpaid parking violations of approximately 74%—holding the other variables constant in the model.[19] The largest rule of law coefficient in absolute value in Table 2 (Panel A), 1.097, indicates that drop can be as large as 97%. The negative association between the rule of law index and the number of unpaid parking violations is economically and statistically significant at the 1% across the other eight regression models which use different sets of control variables and where the rule of law index is used.

Model (2) in Table 2 includes as a measure of law observance the (negative) control of corruption index instead of the rule of law index. The coefficient estimate of 0.346 indicates that a decrease in the corruption index associated with going from a highly corrupt country like Equatorial Guinea (corruption score 1.21, 95th percentile) to a largely uncorrupt country like Switzerland or the United Kingdom (corruption scores -2.23, 5th percentile) leads to a large drop in the average rate of unpaid parking violations of approximately 70%—holding the other variables constant in the model. Thus, our results are nearly unchanged if we use either measure of law compliance. In addition, the results are statistically and economically significant even excluding the four observations corresponding to the diplomatic missions with the largest number of unpaid parking violations (see Table 2, Panel A). The most conservative estimate, -0.291, indicates that the drop in the average rate of unpaid parking violations associated with going from the rule of law score of Rwanda to that of Australia is 61%, approximately.

An additional important result is that the the existence of alliances between the United States and diplomatic missions' home countries is associated with a less unpaid parking violations, see model (9). However, this result is statistically significant only if we exclude the region indicator variables. We find that there is a high correlation between having alliances with the United States and belonging to two particular region groups: Latin America & the Caribbean and Europe &

[18] Among the ten different negative binomial regression models in Table 2, the best model according to the the AIC and BIC information criteria are those in columns labeled (4), (7)-(9).

[19] This is $[\exp(-0.407 \times \{1.77 - (-1.48)\}) - 1] \times 100$.

Central Asia, and North America; suggesting that the alliance effect is difficult to disentangle from that of regions' effects. Diplomatic missions from Europe & Central Asia, Middle East & North Africa, and Sub-Saharan Africa tend to accumulate more unpaid parking violations than those from other regions (East Asia & Pacific, Europe & Central Asia, Latin America & Caribbean, Middle East & North Africa, North America, and South Asia).

The rule of law coefficient estimate is robust to the inclusion of log GDP per capita, models (4)-(10), even after controlling for income groups fixed effects, models (5), (6), (8) and (9). Fisman and Miguel (2007) argue that this robust result rules out other competing explanations based on the ability of diplomatic missions from richer countries—which tend to score high on rule of law and control of corruption indexes, see Figure 2 —to afford more parking space for their diplomats. If such a mechanism were at work, the inclusion of country-level income factors should weaken the relation between the rule of law and the number of unpaid parking violations and lead to negative coefficient estimates on country income factors. None of these effects seems to be supported by our data; on the contrary, the relationship between rule of law and unpaid parking violations become stronger when country income factors are accounted for.[20]

Table 2, Panel B, shows that the rule of law coefficients estimated when we exclude from the sample the diplomatic missions from Russia, Cameroon, Yemen, and France which correspond to the four countries with the largest number of unpaid parking violations in Washington D.C. On average, the rule of law coefficient estimates are lower but they remain economically and statistically significant. These countries belong to different regions and income groups and differ regarding their rule of law scores. Then, there seems no particular reason to exclude them from our sample. In the remaining, we keep them in our sample.

[20]We find that diplomatic missions belonging to non OCDE high income and upper middle income groups tend to accumulate less unpaid parking tickets than OECD high income countries–models (5), (6), (8) and (9). This results is robust to the inclusion of region fixed effects—model (8). Results not shown.

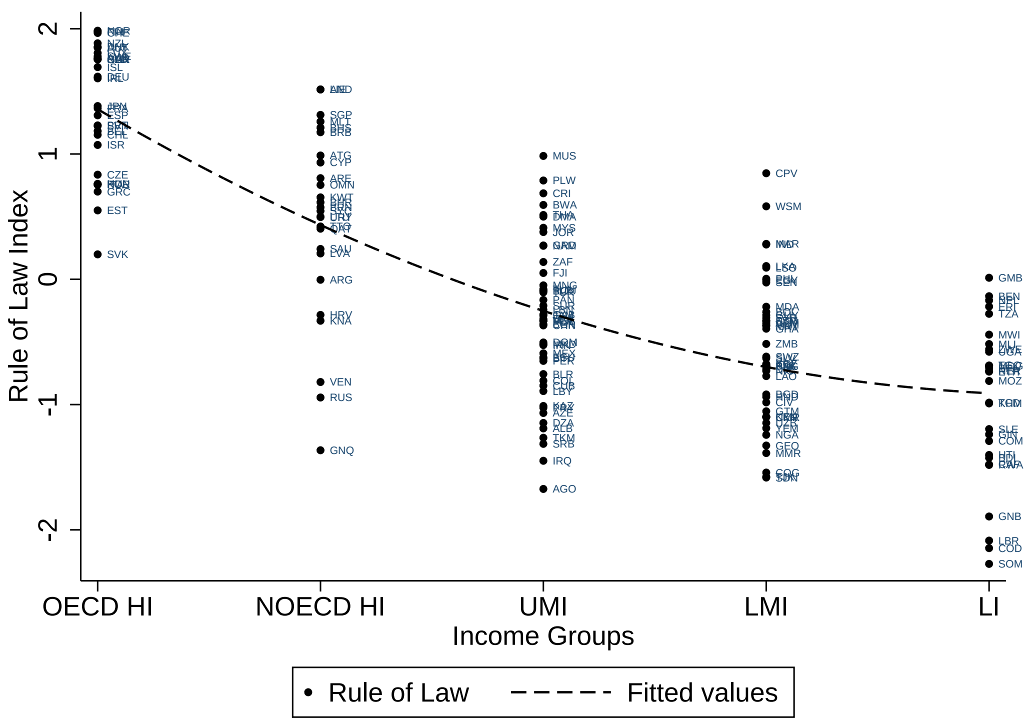

Figure 2: Rule of Law and Income Groups (1998)

Table 2

COUNTRY CHARACTERISTICS AND WASHINGTON D.C. UNPAID PARKING VIOLATIONS, 1997-2011

	Dependent Variable: Unpaid parking Violations									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Panel A									
Diplomats	0.026***	0.024***	0.026***	0.026***	0.023***	0.023***	0.034***	0.029***	0.027***	0.036***
	(0.006)	(0.005)	(0.005)	(0.006)	(0.005)	(0.004)	(0.007)	(0.005)	(0.006)	(0.009)
Rule of Law	**-0.407*** **		**-0.612** **	**-0.613*** **	**-0.916*** **	**-0.984*** **	**-0.711*** **	**-0.976*** **	**-1.097*** **	**-0.681*** **
	(0.109)		(0.257)	(0.176)	(0.195)	(0.199)	(0.181)	(0.188)	(0.185)	(0.186)
Corruption		0.346***	-0.224							
		(0.105)	(0.245)							
Log GDP per capita				0.131	0.286*	0.371**	0.156	0.259	0.468***	0.128
				(0.105)	(0.169)	(0.171)	(0.125)	(0.161)	(0.162)	(0.133)
Alliances									-0.929***	-0.16
									(0.199)	(0.349)
Distance						0.411*	0.073	0.074		-0.194
						(0.216)	(0.101)	(0.305)		(0.337)
Income group F.E.					YES	YES		YES	YES	
Region F.E.							YES	YES		YES
Observations	176	175	175	171	171	171	171	171	171	171
Log pseudolikelihood	-771.2	-771.09	-768.98	-751.54	-745.21	-743.94	-738.47	-733.03	-739.18	-738.16
AIC	1550.39	1550.18	1547.97	1513.09	1509.29	1507.88	1496.94	1496.05	1498.36	1500.32
BIC	1563.07	1562.84	1563.79	1528.8	1543.85	1539.3	1528.36	1543.18	1529.78	1538.02
	Panel B									
Rule of Law	**-0.291*** **		**-0.460* **	**-0.483*** **	**-0.764*** **	**-0.800*** **	**-0.615*** **	**-0.830*** **	**-0.936*** **	**-0.574*** **
	(0.098)		(0.249)	(0.153)	(0.168)	(0.182)	(0.160)	(0.173)	(0.169)	(0.162)
Observations	172	171	171	167	167	167	167	167	167	167
Log pseudolikelihood	-732.03	-731.16	-729.73	-712.95	-708.12	-708.89	-703.23	-700.13	-704.53	-702.4
AIC	1472.06	1470.31	1469.46	1435.9	1438.23	1437.79	1426.46	1430.25	1429.07	1428.8
BIC	1484.65	1482.88	1485.17	1451.49	1472.53	1468.97	1457.64	1477.02	1460.25	1466.22

Robust standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%

4.2 The Role of Legal Origin and Colonial Heritage

The rule of law of a country may be correlated to the legal origin and colonial heritage of that country. Figure 3 plots the relation between legal origin and rule of law. It is apparent from this scatter plot that countries with civil law based legal systems tend to score lower in the rule of law index. Countries with Scandinavian based legal systems score the highest followed by German, mixed, and common law based legal systems. Likewise, Figure 4 shows that countries with French and European (other than French and British) colonial heritage tend to score lower in the rule of law index. Thus, other plausible alternative explanations for the relation between unpaid parking violations and diplomats' home countries rule of law index could use the fact that countries differ across legal origins and colonial heritage which, in turn, affected the norms of governance internalized by diplomats and reflected in their law-abiding behavior everywhere. Thus, the relation between diplomats' law-abiding behavior and their home countries' rule of law index may be just a reflection of diplomatic missions countries' legal origins and colonial heritage responsible for the type of social norms and institutions prevailing in a country, Dam (2006) and Klerman et al. (2011).

Controlling for legal origin and colonial heritage is a way to accounting for the initial conditions of the legal system of a country. History, colonial heritage, and legal origins may account for some international variation in current norms of governance. Legal origins and colonial heritage may also subsume several accounts linking countries' initial conditions (e.g., climate and diseases, land and crops, human capital, governance) and colonization with social institutions and economic development (Licht, Goldschmidt, and Schwartz 2007). Thus, controlling for legal origin and colonial heritage can give additional information regarding law compliance in diplomats home countries not captured by the rule of law index. In addition, the economic literature documents large correlations between economic growth, institutions, and legal origin, Porta, de Silanes, Shleifer, and Vishny (1998). Thus, we investigate how our empirical results change when accounting for diplomatic missions' countries legal origin in addition to our previous control variables used in Table 2.

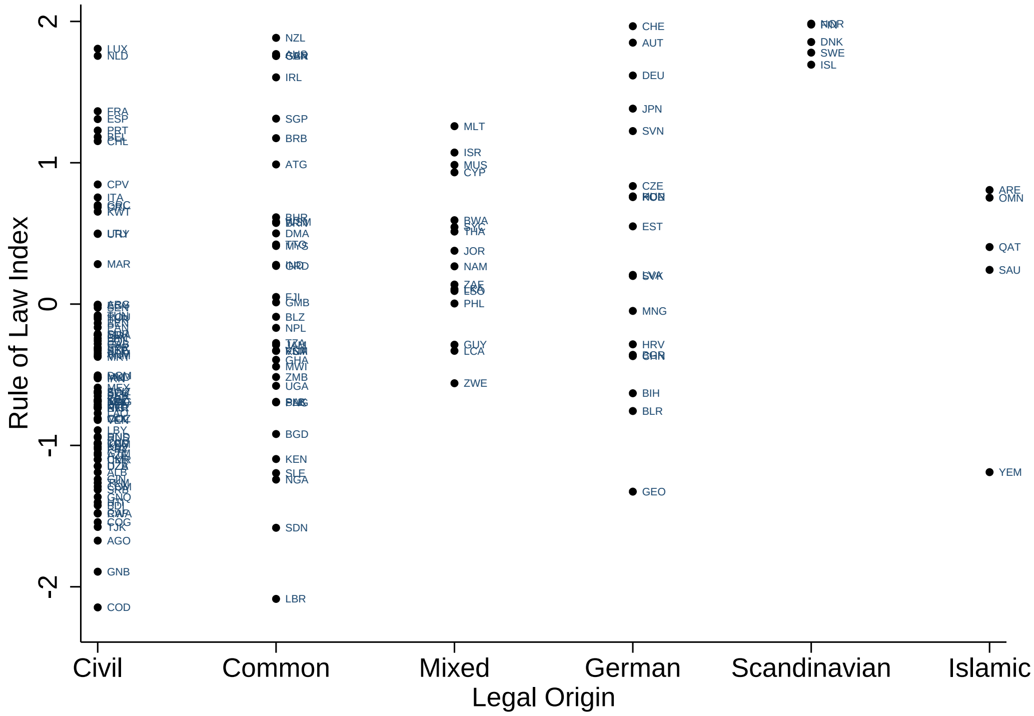

Figure 3: Rule of Law and Legal Origin

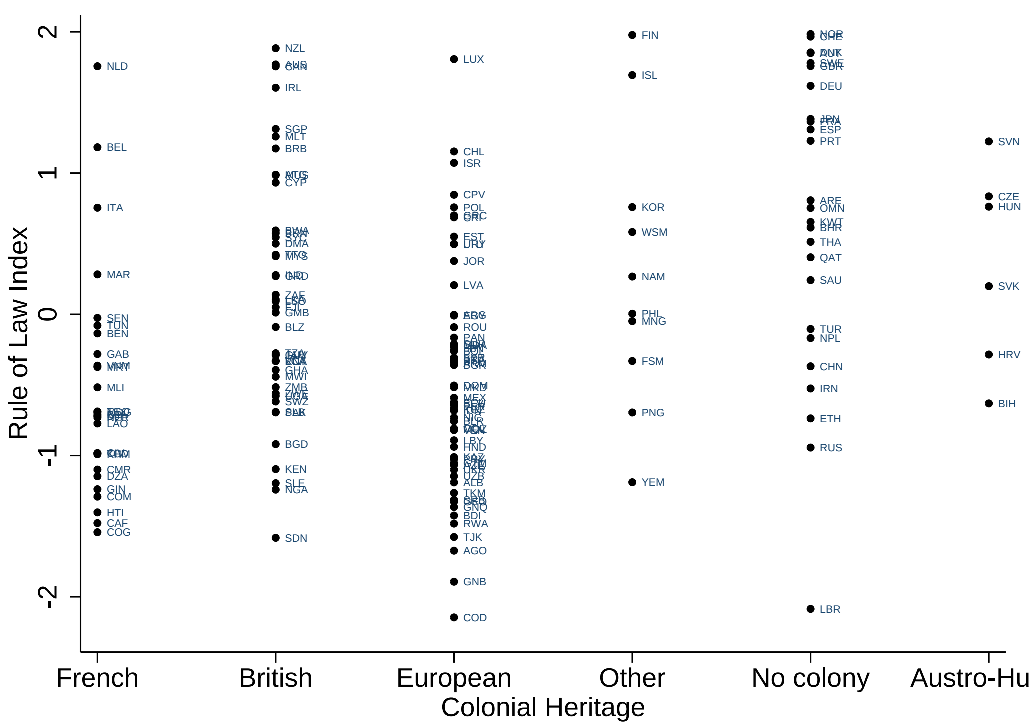

Figure 4: Rule of Law and Colonial Heritage

Two main results stand out in Table 3, Panel A and B. First, the relation between rule of law and unpaid parking tickets remain economically and statistically significant throughout; even after accounting for diplomatic missions' home countries legal origins. Second, countries with common and mixed (common and civil) law based legal systems accumulate, on average, less unpaid parking violations than the reference group—civil law countries. In contrast, countries with Islamic based legal systems accumulate more unpaid parking violations. Based on the lowest and largest coefficient estimates from models (1)-(10), common law countries accumulate on average between 59% and 64% less unpaid parking violations. Mixed law countries accumulate on average between 48% and 58% less unpaid parking violations. In contrast, Islamic law countries accumulate, on average, between two and three times more unpaid parking violations. Also, the dichotomy between alliances and region fixed effects persists, models (9) and (10). These results are robust to the same set of control variables used in Table 2 and, in addition, to the inclusion of quadratic and cubic income factors, model (5).

Panel B in Table 3 presents additional results for a set of regressions where instead of legal origin, we control for the colonial history of diplomatic missions' home countries. To save space, Panel B only presents the estimated coefficients and their associated standard errors for the rule of law and the indicator variable for British former colonies, which was the only statistically significant across all models. All other control variables remain the same as in Panel A. The estimated rule of law coefficient remains economically and statistically significant throughout all regression models. Diplomatic missions from former British colonies accumulate between 67% and 76% less unpaid parking violations than the reference group—French former colonies. This result resonates with the empirical literature on cross-country growth regressions which documents that former British colony countries experience better economic outcomes (Easterly and Levine 2003).

Table 3

COUNTRY CHARACTERISTICS AND WASHINGTON D.C. UNPAID PARKING VIOLATIONS, 1997-2011

	Dependent Variable: Unpaid parking Violations									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Panel A									
Diplomats	0.025***	0.024***	0.025***	0.026***	0.024***	0.024***	0.027***	0.027***	0.027***	0.031***
	(0.005)	(0.005)	(0.005)	(0.005)	(0.004)	(0.004)	(0.006)	(0.005)	(0.005)	(0.007)
Rule of Law	**-0.477*** **		**-0.475** **	**-0.368** **	**-0.657*** **	**-0.670*** **	**-0.584*** **	**-0.650*** **	**-0.771*** **	**-0.510*** **
	(0.105)		(0.222)	(0.166)	(0.186)	(0.189)	(0.172)	(0.181)	(0.179)	(0.183)
Common law	**-1.030*** **	**-1.088*** **	**-1.030*** **	**-1.089*** **	**-0.980*** **	**-0.980*** **	**-0.957*** **	**-0.887*** **	**-0.996*** **	**-1.025*** **
	(0.232)	(0.230)	(0.231)	(0.238)	(0.222)	(0.219)	(0.242)	(0.233)	(0.211)	(0.246)
Mixed (comm. & civil)	**-0.732** **	**-0.790*** **	**-0.732** **	**-0.783*** **	**-0.399**	**-0.456**	**-0.879*** **	**-0.658** **	**-0.565* **	**-0.775** **
	(0.285)	(0.302)	(0.285)	(0.296)	(0.334)	(0.353)	(0.314)	(0.326)	(0.311)	(0.326)
German law	0.162	0.153	0.162	0.17	0.154	0.132	0.127	0.154	-0.17	0.017
	(0.266)	(0.283)	(0.269)	(0.272)	(0.251)	(0.256)	(0.267)	(0.254)	(0.251)	(0.292)
Scandinavian law	0.717*	0.799*	0.718*	0.705*	0.517	0.491	0.522	0.396	0.219	0.429
	(0.398)	(0.425)	(0.435)	(0.397)	(0.396)	(0.401)	(0.403)	(0.403)	(0.423)	(0.401)
Islamic law	**1.147*** **	**1.091*** **	**1.147*** **	**1.177*** **	**1.463*** **	**1.380*** **	**0.919* **	**1.265*** **	**1.095*** **	**1.167** **
	(0.307)	(0.349)	(0.305)	(0.303)	(0.341)	(0.370)	(0.506)	(0.452)	(0.359)	(0.484)
Corruption		0.446***	0.001							
		(0.110)	(0.238)							
GDP per capita				-0.083	0.150	0.179	0.160	0.238	0.314**	0.105
				(0.102)	(0.153)	(0.164)	(0.121)	(0.158)	(0.157)	(0.134)
Alliances									**-0.782*** **	**-0.357**
									(0.200)	(0.340)
Distance						0.135	0.134	-0.113		-0.382
						(0.200)	(0.095)	(0.304)		(0.313)
GDP per capita (sq., cub.)					YES					
Income group F.E.					YES	YES		YES	YES	
Region F.E.							YES	YES		YES
Observations	168	168	168	166	166	166	166	166	166	166
Log pseudolikelihood	-731.89	-733.33	-731.89	-723.92	-719.83	-719.68	-716.38	-712.97	-715.53	-715.22
AIC	1481.78	1484.66	1483.78	1467.85	1468.82	1469.36	1462.76	1465.95	1461.06	1464.43
BIC	1509.89	1512.78	1515.02	1498.97	1518.61	1516.04	1509.44	1528.19	1507.74	1517.33
	Panel B									
Rule of Law	**-0.471*** **		**-0.521** **	**-0.546*** **	**-0.717*** **	**-0.750*** **	**-0.632*** **	**-0.730*** **	**-0.858*** **	**-0.599*** **
	(0.103)		(0.223)	(0.174)	(0.192)	(0.194)	(0.168)	(0.186)	(0.187)	(0.172)
Fmr. British	**-1.376*** **	**-1.432*** **	**-1.373*** **		**-1.175*** **	**-1.182*** **	**-1.273*** **	**-1.142*** **	**-1.109*** **	**-1.327*** **
	(0.310)	(0.317)	(0.311)		(0.296)	(0.294)	(0.319)	(0.312)	(0.281)	(0.319)

Robust standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%

4.3 Robustness Tests

We perform several robustness checks to see if our previously reported results still hold in front of additional sets of control variables.[21] In particular, we include the log of bilateral trade, a military aid indicator variable, an economic aid indicator, the national capability index, the affinity of nations index, an indicator for major power status, a democracy index, the number of peace years, and the log of military and economic aid from the United States. Table 4 presents the results.

Models (1)-(3) in Table 4 correspond to results from running simple OLS regressions. As in negative binomial regressions, the left-hand side variable is the number of unpaid parking violations per diplomatic mission. Even though OLS regressions are inappropriate in our setting, the estimated coefficient associated to the rule of law index is still economically and statistically significant. The same is true for the negative binomial regression models (4)-(9). An important result from these regressions is that the range of the rule of law coefficient estimate from these regressions is tighter and the estimated coefficients seem to be very stable across these regressions. It is reassuring that these coefficient estimates are in the middle range of the corresponding estimated coefficients presented in Tables 2 and 3.

An important observation from Table 4 is that the additional control variables seem to have low predicting power regarding unpaid parking violations despite our priors. The last model in Table 4 presents the results of an OLS regression where the dependent variable is the log of the ratio between unpaid parking violations and the number of diplomats of each mission. The estimated rule of law coefficient aligns with the negative binomial regression estimates presented in previously.

Table 5 presents results from generalized negative binomial regressions in which we parametrize the dispersion parameter of the negative binomial model using regional indicator variables. We observe that the overdispersion of our data can be well explained by this variable. Our previously reported results are supported by these additional regressions. In particular, the rule of law coefficient is economically and statistically significant throughout. Alliances with the United States are associated with fewer unpaid parking tickets in the absence of region fixed effects. Legal origin and colonial heritage continue to be significant in the way presented above. We take these results

[21] See the full descriptions of these variables and data sources in Section 3.2.

as a robust test supporting our previously reported results.

Table 4

COUNTRY CHARACTERISTICS AND WASHINGTON D.C. UNPAID PARKING VIOLATIONS, 1997-2011

Sensitivity Tests

	Dependent Variable: Unpaid parking Violations									
	(1) OLS	(2) OLS	(3) OLS	(4)	(5)	(6)	(7)	(8)	(9)	(10) OLS
Diplomats	1.383*	1.347*	1.386*	0.026***	0.027***	0.027***	0.023***	0.030***	0.018**	
	(0.771)	(0.770)	(0.775)	(0.006)	(0.009)	(0.009)	(0.007)	(0.011)	(0.008)	
Rule of Law	**-16.650****		**-25.506****	**-0.613*****	**-0.638*****	**-0.657*****	**-0.693*****	**-0.677*****	**-0.650*****	**-6.687*****
	(7.958)		(12.628)	(0.176)	(0.178)	(0.181)	(0.183)	(0.183)	(0.222)	(2.025)
Corruption		14.048*	-9.311							
		(7.477)	(10.151)							
Distance					-0.122	-0.108	-0.129	-0.162	-0.37	-3.284
					(0.297)	(0.299)	(0.334)	(0.330)	(0.340)	(2.176)
Log Trade					0.071**	0.078***	0.120***	0.119***	0.097***	0.019
					(0.029)	(0.028)	(0.030)	(0.031)	(0.029)	(0.113)
Military aid (dummy)						0.274	0.438	0.366	0.341	-0.712
						(0.282)	(0.322)	(0.320)	(0.340)	(1.021)
Economic aid (dummy)						0.245	0.291	0.322	0.402	1.034
						(0.329)	(0.303)	(0.294)	(0.315)	(0.949)
Nat. Capabilities								-12.639	-2.797	-32.563**
								(13.744)	(12.586)	(15.616)
Affinity					-0.04	-0.089	0.309	0.315	0.292	
					(0.274)	(0.270)	(0.420)	(0.417)	(0.521)	
Alliance					-0.967***	-0.905***	0.031	-0.031	-0.418	
					(0.283)	(0.276)	(0.348)	(0.347)	(0.359)	
Major power status									0.43	
									(0.669)	
Democracy									0.002	
									(0.006)	
Peace years									0.009	
									(0.008)	
Log Mil. Aid					0.046*					
					(0.025)					
Log Econ aid					0.013					
					(0.032)					
Region F.E.							YES	YES	YES	YES
log(gdp.pc)			YES	YES	YES	YES	YES	YES	YES	YES
Observations	176	175	175	171	170	170	170	170	142	170
R-squared	0.18	0.17	0.18							0.26
Log pseudolikelihood	-999.35	-995.32	-993.98	-751.54	-737.81	-739.01	-725.61	-725.27	-628.43	-539.98
AIC	2004.7	1996.63	1995.97	1511.59	1487.74	1493.12	1482.46	1483.9	1293.16	1115.55
BIC	2014.21	2006.13	2008.62	1533.58	1528.51	1533.89	1538.9	1543.48	1358.19	1171.99

Robust standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%

Table 5

COUNTRY CHARACTERISTICS AND WASHINGTON D.C. UNPAID PARKING VIOLATIONS, 1997-2011

	General Binomial Regressions—Dependent Variable: Unpaid parking Violations								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Diplomats	0.028***	0.040***	0.039***	0.029***	0.030***	0.029***	0.034***	0.025***	0.023***
	(0.006)	(0.011)	(0.013)	(0.006)	(0.004)	(0.004)	(0.011)	(0.005)	(0.004)
Rule of Law	**-0.399*** **	**-0.372*** **	**-0.374*** **	**-0.385*** **	**-0.360*** **	**-0.489*** **	**-0.693*** **	**-0.477*** **	**-0.573*** **
	(0.109)	(0.117)	(0.117)	(0.108)	(0.083)	(0.179)	(0.190)	(0.181)	(0.178)
Mil. Alliances		**-0.750*** **	**-0.690**		**-0.737*** **	**-0.816*** **	**-1.047*** **	**-0.911*** **	**-0.917*** **
		(0.237)	(0.427)		(0.172)	(0.232)	(0.261)	(0.258)	(0.218)
Distance			0.085	0.655***					
			(0.544)	(0.169)					
Common law					**-1.277*** **	**-1.175*** **		**-1.204*** **	
					(0.166)	(0.175)		(0.192)	
Mixed (common & civil law)					**-1.095*** **	**-1.129*** **		**-1.019** **	
					(0.284)	(0.341)		(0.400)	
Islamic law					**0.830*** **	**0.746** **		**0.692**	
					(0.318)	(0.371)		(0.430)	
German law								-0.061	
								(0.304)	
Scandinavian law								0.045	
								(0.461)	
Log GDP						8.185**	10.381**	8.267**	8.796**
						(4.119)	(5.026)	(4.131)	(4.235)
Log GDP squared						-1.076**	-1.372**	-1.098**	-1.139**
						(0.543)	(0.668)	(0.549)	(0.556)
Log GDP pc cubic						0.047**	0.060**	0.048**	0.049**
						(0.023)	(0.029)	(0.024)	(0.024)
Log trade							0.077***	0.058*	0.072***
							(0.029)	(0.031)	(0.023)
Former British colony									-1.274***
									(0.272)
Former colony of									-0.338
other French civil law country									(0.301)
Other former colony									0.201
									(0.504)
Never colonized									0.149
									(0.342)
Austro-Hungarian colony									-0.576
									(0.496)
Region overdispersion	YES	YES	YES	YES	YES	YES	YES	YES	YES
Observations	176	176	176	176	168	166	171	166	166
Log pseudolikelihood	-765.92	-761.34	-761.32	-762.16	-724.11	-710.52	-737.04	-708.83	-709.34
AIC	1549.83	1542.68	1544.63	1546.32	1468.22	1453.05	1502.09	1455.66	1458.68
BIC	1578.37	1574.39	1579.51	1581.19	1499.46	1502.84	1546.07	1514.78	1520.92

Robust standard errors in parentheses

* significant at 10%; ** significant at 5%; *** significant at 1%

5 Conclusions

Diplomatic immunity gives ample leeway to foreign diplomats to flout their host countries' laws. However, most diplomats refrain from rampant unlawful behavior. By analyzing diplomats' compliance with parking laws in Washington D.C., we investigate the role of social norms in shaping the law-abiding behavior of foreign diplomats. We present robust empirical evidence that the extent to which diplomats' fellow citizens in their home countries observe the law is a strong and robust predictor of diplomats' compliance with parking laws abroad. Our empirical results support the view that ingrained social norms regarding law observance persist even under different institutional settings which highlights the need for changing social norms for institutional reforms to be effective.

A Appendix

Table A1: UNPAID WASHINGTON D.C. PARKING VIOLATIONS, APRIL 1997- AUGUST 2011

Parking Violations Rank	**Country Name**	**Unpaid Parking Violations**	**Diplomats in 1998**	**Corruption Index**	**Affinity Index 1998**	**Alliance with the U.S.**	**wbcode**
1	RUSSIA	752	126.3	0.944	0.226	1	RUS
2	CAMEROON	491	11	1.100	0.065	0	CMR
3	YEMEN	335	16.5	1.189		0	YEM
4	FRANCE	240	62	-1.365	0.516	1	FRA
5	GEORGIA	165	8.5	1.327	0.516	0	GEO
6	GUINEA	157	5.8	1.893	-0.065	0	GNB
7	GERMANY	142	86.8	-1.617	0.419	1	DEU
8	KOREA	129	69.3	-0.759		0	KOR
9	EGYPT	127	60.8	0.009	-0.161	0	EGY
10	MAURITANIA	126	3	0.373	-0.097	0	MRT
11	MOROCCO	123	17.3	-0.283	-0.161	0	MAR
12	KAZAKHSTAN	118	12.8	1.011	0.226	0	KAZ
13	GUINEA-BISSAU	111	3.8	1.238	-0.129	0	GIN
14	MEXICO	105	69.3	0.591	-0.161	1	MEX
15	CROATIA	88	10	0.285	0.387	0	HRV
16	ARGENTINA	86	37.8	0.004	0.226	1	ARG
17	UNITED ARAB EMIRATES	85	20.8	-0.807	-0.161	0	UAE
18	NIGERIA	81	11.3	1.242	-0.194	0	NGA
19	TOGO	78	8.3	0.688	-0.065	0	TGO
20	OMAN	76	8	-0.753	-0.161	0	OMN
21	SPAIN	74	38.3	-1.309	0.387	1	ESP
22	GABON	73	9.5	0.281	0.032	0	GAB
23	RWANDA	69	3	1.482	0.839	0	RWA
24	SWITZERLAND	74	41.3	-1.966		0	CHE
25	EL SALVADOR	71	16	0.630	0.032	1	SLV
26	KYRGYZSTAN	72	5.3	0.676	0.323	0	KGZ
27	QATAR	69	8.5	-0.404	-0.194	0	QAT
28	ESTONIA	65	4.5	-0.550	0.484	0	EST
29	COTE D'IVOIRE	65	11.5	0.982	-0.065	0	CIV
30	KAMPUCHEA	63	6	0.991	1.000	0	KHM
31	SOUTH AFRICA	60	26.3	-0.138	-0.065	0	ZAF
32	ITALY	58	29.5	-0.754	0.387	1	ITA
33	JAPAN	57	110.8	-1.383	0.387	1	JPN
34	ROMANIA	55	23	0.091	0.419	1	ROM
35	GUATEMALA	54	15.3	1.054	0.161	1	GTM
36	BRAZIL	53	46	0.316	-0.032	1	BRA

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Table A1: UNPAID WASHINGTON D.C. PARKING VIOLATIONS, APRIL 1997- AUGUST 2011

Parking Violations Rank	**Country Name**	**Unpaid Parking Violations**	**Diplomats in 1998**	**Corruption Index**	**Affinity Index 1998**	**Alliance with the U.S.**	**wbcode**
37	FINLAND	49	16.3	-1.977	0.419	0	FIN
38	LIBERIA	50	12.3	2.086	1.000	0	LBR
39	ANGOLA	48	12	1.673	-0.032	0	AGO
40	NORWAY	47	23.3	-1.984	0.419	1	NOR
41	PORTUGAL	48	19.3	-1.228	0.387	1	PRT
42	ECUADOR	46	18.5	0.623	0.000	1	ECU
43	TURKMENISTAN	46	2	1.265	0.742	0	TKM
44	INDIA	42	43	-0.278	-0.129	0	IND
45	COLOMBIA	43	23.5	0.809	-0.097	1	COL
46	SWEDEN	44	19.5	-1.779	0.323	0	SWE
47	AUSTRALIA	43	51	-1.769	0.387	1	AUS
48	UKRAINE	42	26.5	1.100	0.258	0	UKR
49	JORDAN	41	13.8	-0.377	-0.161	0	JOR
50	CHILE	40	28.3	-1.153	-0.065	1	CHL
51	MALI	40	4.3	0.517	-0.097	0	MLI
52	GAMBIA, THE	38	4	-0.012	-0.032	0	GMB
53	PERU	39	21.8	0.651	-0.032	1	PER
54	BENIN	38	7.3	0.135	-0.161	0	BEN
55	AFGHANISTAN	37		1.718	0.2580645	0	AFG
56	DOMINICAN REPUBLIC	38	7.75	0.504	0.4516129	1	DOM
57	EQUATORIAL GUINEA	35	3	1.365	-0.0322581	0	GNQ
58	CHAD	35	2.75	0.985	-0.0645161	0	TCD
59	MACEDONIA	36	4	0.517	0.4193548	0	MKD
60	PAKISTAN	35	19.75	0.695	-0.1612903	0	PAK
61	TANZANIA	34	5.25	0.275	-0.1290323	0	TZA
62	CONGO	34	4.5	1.543	0.3870968	0	COG
63	AUSTRIA	32	16	-1.850	0.3548387	0	AUT
64	VENEZUELA	33	24.25	0.820	-0.1290323	1	VEN
65	BULGARIA	31	10.5	0.359	0.4193548	1	BGR
66	GREECE	31	25.25	-0.700	0.3870968	1	GRC
67	HONDURAS	28	7	0.938	0.4516129	1	HND
68	NETHERLANDS	29	36.5	-1.756	0.4193548	1	NLD
69	TAJIKISTAN	30	4	1.577	0.4516129	0	TJK
70	ALBANIA	28	4.75	1.190	0.516129	0	ALB
71	ZIMBABWE	30	9.25	0.560	-0.1935484	0	ZWE
72	CHINA	27	124	0.368	-0.0322581	0	CHN
73	ETHIOPIA	27	8.75	0.737	0	0	ETH

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Table A1: UNPAID WASHINGTON D.C. PARKING VIOLATIONS, APRIL 1997- AUGUST 2011

Parking Violations Rank	**Country Name**	**Unpaid Parking Violations**	**Diplomats in 1998**	**Corruption Index**	**Affinity Index 1998**	**Alliance with the U.S.**	**wbcode**
74	PARAGUAY	27	8	1.025	0.0645161	1	PRY
75	MALAYSIA	26	23.5	-0.411	-0.1612903	0	MYS
76	BOLIVIA	25	20.75	0.260	-0.0967742	1	BOL
77	DJIBOUTI	25	3	0.719	-0.1612903	0	DJI
78	CANADA	24	84	-1.755	0.4193548	1	CAN
79	PHILIPPINES	24	27	-0.004	-0.1935484	1	PHL
80	CENTRAL AFRICAN REPUBLIC	23	3	1.478	0.1147541	0	CAF
81	SUDAN	22	4.75	1.583	-0.2258064	0	SDN
82	VIETNAM	22	20.75	0.364	-0.1935484	0	VNM
83	SENEGAL	18	7.75	0.026	-0.0967742	0	SEN
84	NAMIBIA	21	7	-0.267	-0.1290323	0	NAM
85	GHANA	20	9.75	0.394	-0.1612903	0	GHA
86	ICELAND	20	3	-1.694	0.3870968	1	ISL
87	NICARAGUA	20	3	0.731	0.2580645	1	NIC
88	SYRIA	20	7.25	0.307	-0.1612903	0	SYR
89	BELGIUM	19	18.5	-1.183	0.4193548	1	BEL
90	MICRONESIA	19	2.25	0.331	1	0	FSM
91	ZAIRE	19	1.25	2.146		0	ZAR
92	LEBANON	19	5	0.243	-0.1935484	0	LBN
93	KENYA	18	15.25	1.096	-0.0645161	0	KEN
94	LITHUANIA	17	7.25	-0.499	0.4516129	0	LTU
95	YUGOSLAVIA	17	6.5	0.000	1	0	YUG
96	BOSNIA & HERZEGOVINA	16	5.75	0.631	1	0	BIH
97	BELARUS	16	8.25	0.757	0.0645161	0	BLR
98	MALAWI	16	6	0.442	-0.0967742	0	MWI
99	SLOVENIA	16	6	-1.224	0.3870968	0	SVN
100	SLOVAKIA	15	11.25	-0.199	0.3870968	0	SVK
101	ARMENIA	14	6.5	0.348	0.2580645	0	ARM
102	ISRAEL	14	36.75	-1.072	1	0	ISR
103	MARSHALL ISLANDS	14	1.25	0.331	0.7741935	0	MHL
104	IRELAND	13	7.5	-1.604	0.3225806	0	IRL
105	IRAQ	13	105	1.449		0	IRQ
106	THAILAND	13	38	-0.513	-0.0967742	0	THA
107	MONGOLIA	12	7	0.048	0	0	MNG
108	HUNGARY	12	15	-0.762	0.4193548	1	HUN
109	NEW ZEALAND	12	15	-1.884	0.3225806	0	NZL
110	ALGERIA	11	14.25	1.147	-0.1290323	0	DZA

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Table A1: UNPAID WASHINGTON D.C. PARKING VIOLATIONS, APRIL 1997- AUGUST 2011

Parking Violations Rank	**Country Name**	**Unpaid Parking Violations**	**Diplomats in 1998**	**Corruption Index**	**Affinity Index 1998**	**Alliance with the U.S.**	**wbcode**
111	BANGLADESH	11	11.5	0.919	-0.0967742	0	BGD
112	ST. KITTS& NEVIS	11	2.25	0.331	0.2903226	1	KNA
113	HAITI	11	10	1.402	-0.0645161	1	HTI
114	POLAND	10	30.5	-0.757	0.3870968	1	POL
115	DENMARK	10	16.75	-1.854	0.3870968	1	DNK
116	CAPE VERDE	10	2	-0.846	0	0	CPV
117	LATVIA	9	5.5	-0.206	0.4516129	0	LVA
118	BOTSWANA	9	9.75	-0.594	-0.1290323	0	BWA
119	LIBYA	9	67	0.892	-0.2258064	0	LBY
120	BURUNDI	8	1.75	1.425	0.3548387	0	BDI
121	INDONESIA	8	23.5	0.682	-0.1935484	0	IDN
122	SAO TOME& PRINCIPE	8	1	0.330	1	0	STP
123	NIGER	8	4.25	0.731	-0.0967742	0	NER
124	TURKEY	7	51	0.104	0.1290323	1	TUR
125	KUWAIT	8	18.75	-0.654	-0.1290323	0	KWT
126	PAPUA NEW GUINEA	7	4	0.695	0.0967742	0	PNG
127	MOZAMBIQUE	5	7	0.812	-0.0645161	0	MOZ
128	TUNISIA	7	10.25	0.080	-0.1612903	0	TUN
129	CZECH REPUBLIC	6	16.75	-0.835	0.3870968	1	CZE
130	BAHRAIN	5	6.25	-0.614	-0.1290323	0	BHR
131	UGANDA	6	6.75	0.578	0.4193548	0	UGA
132	SRI LANKA	6	5.5	-0.105	-0.1612903	0	LKA
133	SWAZILAND	6	5	0.617	0.1290323	0	SWZ
134	FIJI	4	3	-0.050	0.1935484	0	FJI
135	MAURITIUS	5	4.75	-0.985	-0.0322581	0	MUS
136	MALTA	5	2	-1.259	0.1612903	0	MLT
137	URUGUAY	5	11.75	-0.497	0	1	URY
138	BELIZE	4	3.75	0.090	-0.0645161	1	BLZ
139	TRINIDAD AND TOBAGO	4	7.75	-0.421	0	1	TTO
140	SIERRA LEONE	4	2.75	1.196	-0.0645161	0	SLE
141	ST. VINCENT	4	3	0.331	0.6451613	1	VCT
142	LESOTHO	3	5	-0.093	0.4516129	0	LSO
143	LUXEMBOURG	3	3	-1.807	0.4516129	1	LUX
144	ZAMBIA	3	8	0.516	0.1935484	0	ZMB
145	JAMAICA	3	5.5	0.289	-0.0645161	1	JAM
146	COSTA RICA	3	6.25	-0.686	0.2903226	1	CRI
147	MOLDOVA	3	6.5	0.219	0.4516129	0	MDA

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Table A1: UNPAID WASHINGTON D.C. PARKING VIOLATIONS, APRIL 1997- AUGUST 2011

Parking Violations Rank	**Country Name**	**Unpaid Parking Violations**	**Diplomats in 1998**	**Corruption Index**	**Affinity Index 1998**	**Alliance with the U.S.**	**wbcode**
148	DOMINICA	3	1	-0.500	0.9677419	1	DMA
149	GUYANA	2	4	0.287	-0.1290323	1	GUY
150	MADAGASCAR	2	5.5	0.691	0	0	MDG
151	BURKINA FASO	2	6.75	0.708	-0.0645161	0	BFA
152	CYPRUS	2	4	-0.932	0.2258064	0	CYP
153	SAUDI ARABIA	2	98.25	-0.242	-0.1935484	0	SAU
154	SURINAME	1	3.75	0.211	-0.1290323	1	SUR
155	GRENADA	1	2	-0.270	0.0967742	1	GRD
156	UZBEKISTAN	1	8.25	1.146	0.9354839	0	UZB
157	CUBA	1	1	0.849	-0.0645161	0	CUB
158	LIECHTENSTEIN	1	1	-1.515		0	LIE
159	PANAMA	1	6.75	0.165	-0.0645161	1	PAN
160	SAINT LUCIA	1	3	0.331	-0.0645161	1	LCA
161	SINGAPORE	1	15	-1.312	0	0	SGP
162	SOMALIA	1	0	2.272	1	0	SOM
163	ANTIGUA AND BARBUDA	1	4	-0.988	-0.0967742	1	ATG
164	BAHAMAS	1	5.5	-1.210	-0.0322581	1	BHS
165	BARBADOS	1	7.5	-1.174	-0.0322581	1	BRB
166	NEPAL	1	4.25	0.168	-0.0645161	0	NPL
167	MYANMAR(BURMA)	1	11.25	1.387	-0.1612903	0	MMR
168	IRAN	1	1	0.525	-0.1612903	0	IRN

Note: The corruption index (Rule of Law) is from Worldwide Governance Indicators. A higher score in the corruption index denotes more corruption. Affinity of Nations is taken from Gartzke and Jo (2006). Index' values range between one -most similar and negative one -least similar.

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