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Contract cheating & the market in essays[☆]



 $Dan\ Rigby^{a,*},\ Michael\ Burton^b,\ Kelvin\ Balcombe^c,\ Ian\ Bateman^d,\ Abay\ Mulatu^e$

- ^a Economics, School of Social Sciences, University of Manchester, M13 9PL, UK
- ^b Agricultural & Resource Economics, University of Western Australia, Perth, Australia
- ^c School of Agriculture, Policy and Development, University of Reading, UK
- ^d Environmental Sciences, University of East Anglia, Norwich, UK
- ^e London Metropolitan Business School, UK

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ABSTRACT

We conduct the first empirical economic investigation of the decision to cheat by university students. We investigate student demand for essays, using hypothetical discrete choice experiments in conjunction with consequential Holt–Laury gambles to derive subjects' risk preferences. Students' stated willingness to participate in the essay market, and their valuation of purchased essays, vary with the characteristics of student and institutional environment. Risk preferring students, those working in a non-native language, and those believing they will attain a lower grade are willing to pay more. Purchase likelihoods and essay valuations decline as the probability of detection and associated penalty increase.

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1. Introduction

This paper investigates student cheating and the market in essays. The essay market is illicit and growing. It creates information asymmetries and hence an economic problem since the signaling of graduate quality via degree grade is weakened. Information asymmetries also characterize the market for essays with student buyers frequently struggling to locate 'reputable' suppliers who will provide essays that are both original and of the required quality. It is also characterized by strategic behavior, with those essay companies selling 'lemons' (Akerlof, 1970) having an incentive to disrupt buyers' attempts to gain reliable reputational information regarding suppliers.

The demand for essays involves the interplay of risk, penalties and the payoffs and the ethics, norms and risk preferences of the individual facing the option to buy. Since the internet has reduced the search costs for potential buyers of illicit essays so markedly, the cheating market is constrained only by supply side capacity and consumers' willingness to pay.

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^{*} Corresponding author. Tel.: +44 161 275 4808; fax: +44 161 275 4812.

E-mail addresses: dan.rigby@man.ac.uk (D. Rigby), michael.burton@uwa.edu.au (M. Burton), k.g.balcombe@reading.ac.uk (K. Balcombe),

We investigate students' willingness to pay for written to order essays supplied by commercial providers. This is done by conducting hypothetical discrete choice experiments with university students in which they choose over essays systematically differing in terms of price and quality, the risk of detection and the penalty if caught. The purchase and submission of such essays is risky, and such behavior will be conditioned by the individual's risk preferences. We investigate this by deriving individual-specific estimates of risk aversion, via a 2nd choice experiment over consequential gambles, which are included in the essay choice model.

We find that half of our subjects indicate a willingness to buy one or more essays in the hypothetical essay choice experiment. Students' stated willingness to participate in the essay market, and their implicit valuation of purchased essays, vary with the characteristics of student and institutional environment. Risk preferring students, those for whom English as an additional language, and those expecting a lower grade are willing to pay more. Purchase likelihoods and essay valuations decline as the probability of cheats being detected, and the penalties if caught, increase.

The structure of the paper is as follows: first we summarize the position regarding plagiarism in universities with specific emphasis on the rise of the market in essays. We then describe the study design, present results from the two choice experiments conducted and discuss their implications.

2. Contract cheating

The problem of plagiarism is growing in universities. A 2011 survey of over 1000 college presidents in the US revealed that 55 percent thought that plagiarism was on the rise. Business Schools such as those at UCLA and Penn State have recently begun scanning the admission essays of their MBA applicants because of the scale of the problem (Parker et al., 2011). In the UK over 17 000 cases of cheating were recorded at universities in 2009–2010, an increase of 50 percent from four years previously (Barrett, 2011).

There is an incentive to cheat both to enter (a better) university and also to secure a (higher grade) degree. The prize is not only prestige but also economic; the average salary returns to higher education are approximately 27 percent (Blundell et al., 2005). The grade of degree awarded matters also; in the UK workers with higher grade degrees have wages 6 percent higher than other graduates 6 years after graduation (Dolton and Vignoles, 2000).

Widespread cheating within universities weakens the information content of graduates' degrees as an indicator of their quality, and an information asymmetry results. There is for able, honest students and for employers, universities and government, an incentive to reduce students' cheating and the corroded quality signals that result from it.

We address a specific form of cheating whereby students order an assignment of a given standard to be delivered in a given period at a fixed price, known as 'Contract Cheating' (CC, Clarke and Lancaster, 2006). The Contract Cheating market has been boosted by technological change. First, technical change has pushed cheaters into the CC market because the probability of detection of traditional cut-and-paste plagiarism, and recycled papers, has increased with the greater use by universities of scanning systems such as *Turnltln*. Second, the internet has reduced to almost zero the potential buyers' search costs, facilitating rapid ordering, payment and delivery.

The purchasing process for work takes two main forms: the buyer commissions work at a fixed price (most sites) or, alternatively, posts the work and potential suppliers bid for the work with the buyer in some cases able to see previous buyers' ratings of work done by bidding writers (e.g. *vworker* and, historically, *essaybay*). The information available about this illicit industry is patchy and nearly all concerns the supply side of the market; the UK CC market in CC was estimated to be worth £200m in 2006 with one company (UKEssays) reported to have 3500 writers. Little is known about the demand side of the market.

While the internet has reduced the costs of locating suppliers hugely, the difficulties of assessing online suppliers' quality are substantial. Information asymmetry characterizes the Contract Cheating market as well as the graduate labor market: lemon essays exist as well as lemon graduates. For the cheat there are 2 forms of lemon essay, which differ regarding the point of revelation of the essay's poor quality. The purchased essay may be original and impervious to detection, but not match the prescribed quality (too low, too high) something only revealed after purchase, via the student's or grader's assessment. Alternatively, if the work is unoriginal it is likely to be detected via scanning and the customer identified as a cheat.¹

Observation of the essay market suggests it is awash with lemons. Forums on sites such as essaychat.com and www.essayscam.org are dominated by appeals for information on reliable companies or the airing of grievances toward sites from both buyers (for non delivery or delivery of low quality work) and writers (for non-payment). Information asymmetries and the lack of recourse for buyers (*PayPal* will not refund buyers since they define essays as 'intangible goods' which are excluded from their dispute resolution framework.) create large numbers of disgruntled, defrauded customers.

The aspiring cheat is suffering because the good essays are being driven out by the bad. The incentive to reduce the information asymmetry exists for both good companies and buyers. The beneficiaries of the market failing are bad companies, and also honest students, universities and employers. Buyers try to reduce the information asymmetry by seeking reputational

¹ Many essay companies respond to buyer fraud (for example the buyer using a stolen credit card) by posting the sold essay online so it will become incorporated within *TurnItIn*'s database and the fraudulent plagiarizer caught.

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