11

Conclusion

Reimagining Regulation in the Voluntary Era

INTRODUCTION

Throughout the first ten chapters of the book, we have explored voluntary compliance from various perspectives. Beyond clarifying its meaning, this book has examined its potential benefits for regulatory policy, emphasizing the importance of understanding when and how governments can trust citizens to comply voluntarily with laws and regulations and what regulatory approaches might achieve this goal.

The book began with an overview of voluntary compliance, addressing its definitions, potential advantages, and challenges. We examined how it intersects with concepts such as trust, legitimacy, and social norms, establishing a foundation for understanding the factors that influence compliance behavior. Many foundational concepts – such as voluntariness, intrinsic compliance motivation, coercion, and trust-based regulation – remain inadequately defined despite their central role in modern discussions on regulation and compliance. We outline the potential benefits of effective voluntary compliance in terms of compliance quality, sustainability, and positive societal spillover effects.

Building on this foundation, the book examined the behavioral aspects of voluntary compliance, focusing primarily on the interaction between intrinsic and extrinsic compliance motivations. We analyzed how moral, social, and economic factors affect compliance and how various regulatory approaches can influence individuals' compliance motivation.

This discussion led to a critical analysis of how external interventions, particularly regulatory frameworks, can potentially "crowd out" individuals' intrinsic compliance motivation, thereby undermining the very voluntary compliance these interventions aim to foster. We explored various trust-based regulatory approaches as alternatives to traditional command-and-control methods, investigating strategies such as responsive regulation, nudges, and trust-based regulation while acknowledging their limitations.

We also highlighted significant gaps in empirical knowledge regarding voluntary compliance, noting inconsistencies and small effect sizes in existing

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studies. Existing research on voluntary compliance often suffers from significant methodological limitations, particularly a lack of external validity. Many studies rely on narrow convenience samples or highly specific contextual settings, which impede researchers' ability to draw robust, generalizable conclusions about voluntary compliance's effectiveness across diverse regulatory domains and populations. This evidentiary uncertainty creates substantial challenges for regulators attempting to identify optimal intervention strategies. Without comprehensive, cross-cultural empirical evidence demonstrating which regulatory approaches reliably generate voluntary compliance, policymakers frequently retreat to traditional coercive methods. Although these regulators may recognize the potential advantages of more nuanced, cooperative approaches, the perceived risks of experimental strategies lead them to default to familiar enforcement mechanisms, potentially undermining the very compliance objectives they seek to achieve. In earlier chapters, we established that intrinsic motivation's predictive power remains ambiguous and contingent upon various factors, limiting its reliability as a standalone indicator. Moreover, the efficacy of trust-based regulation in fostering trust remains uncertain, with some scholars suggesting it may prove to be counterproductive.

We have also clarified the complexities of the crowding-out effect, which presents significant challenges when integrating trust-based approaches with monitoring-based strategies. Our analysis reveals that both intrinsic and extrinsic motivations encompass multiple subtypes and aspects, making the crowding-out process highly unpredictable.

Examining the risks and limitations of relying on voluntary compliance, we identified key challenges, including varying compliance motivations across populations and the potential exploitation by noncompliant actors, including state entities attempting to influence public attitudes rather than just behaviors. These challenges make a regulatory framework without monitoring infeasible, while raising the question of how to harness the benefits of trust – specifically, the valuable sense of trustworthiness individuals feel – without compromising public safety or disrupting societal expectations of enforcement.

We also examined the role of culture in shaping compliance behavior, exploring how cultural factors such as trust, social cohesion, and attitudes toward authority vary across societies, influencing the effectiveness of voluntary compliance initiatives. Cultural variation serves two important functions in regulatory design: it helps shape culturally sensitive regulatory approaches and fosters discussions on designing regulatory systems that account for cultural differences. Similarly, we analyzed the role of technology in facilitating or hindering voluntary compliance, particularly its impact on monitoring, enforcement, and trust in regulatory systems (Chapter 7).

The practical application of these concepts was demonstrated through an analysis of public health policies, with a particular focus on lessons learned from the

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COVID-19 pandemic (Chapter 8). More specifically, we compared the trust-based approaches with command-and-control strategies in different countries, specifically examining compliance behavior related to mask wearing and vaccinations. This practical focus extended to tax policy in Chapter 9, where we explored tax moral, fairness perceptions, and trust in government. We weighed the effectiveness of these factors in the context of the effectiveness of audits and deterrence and considered the impact on tax compliance.

Continuing the practical focus, we examined environmental regulation in Chapter 10, exploring how intrinsic motivation, social norms, and regulatory approaches intersect to influence pro-environmental behaviors. Each regulatory domain presents a unique set of contextual parameters that fundamentally shape the potential for voluntary compliance.

These parameters include critical factors such as the visibility of specific behaviors, the social consequences of misconduct, and the community's collective response to regulatory expectations. By analyzing these nuanced dimensions, we can better understand the complex mechanisms that enable or constrain voluntary compliance across different regulatory contexts.

The varying visibility of behaviors – from highly observable actions to more private practices – profoundly impacts individuals' willingness to comply. Similarly, the social dynamics surrounding potential misconduct, including peer judgment, community sanctions, and reputational risks, play a crucial role in motivating cooperative behavior.

This approach allows for a more sophisticated understanding of voluntary compliance, moving beyond simplistic models of enforcement to appreciate the intricate interplay between individual psychology, social context, and regulatory design.

Overall, voluntary compliance – particularly intrinsically motivated compliance – has shown mixed results across various regulatory contexts. Many studies demonstrate the small effect size of factors related to intrinsic motivation and attitudes in predicting actual behavior.[1] Additionally, these factors are highly influenced by cultural differences.[2] The small effect sizes and inconsistencies in the relationship between intrinsic motivation and compliance limit the government's ability to rely solely on voluntary mechanisms to *ensure* compliance. However, understanding voluntary compliance helps researchers and policymakers assess how different regulatory strategies perform in broader contexts. That being said, we need to develop a new model of responsive regulation that draws on empirical evidence, incorporates

[1] E.g., Berkebile-Weinberg, Michael, et al. "The differential impact of climate interventions along the political divide in 60 countries." *Nature Communications* 15.1 (2024): 1–12.

[2] Morren, Meike, and Amir Grinstein. "Explaining environmental behavior across borders: A meta-analysis." *Journal of Environmental Psychology* 47 (2016): 91–106 (showing that attitudes are predictive in more individualistic countries).

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behavioral public policy insights, recognizes national differences, and focuses on specific target behaviors.

By integrating the multifaceted strands of analysis discussed earlier, we gain a more nuanced understanding of the intricate interplay of factors that influence the achievement and sustainability of voluntary compliance across diverse domains. This comprehensive examination has facilitated the development of a framework for identifying the most effective regulatory tools to foster compliance and promote cooperation without relying on problematic methods, such as attitude manipulation (Chapter 5) or excessive technological prediction (Chapter 7).

This work has explored the intricate relationship between national context, institutions, and the potential efficacy of trust-based regulation across different countries, considering their unique ethical frameworks.[3] While substantial research exists on cross-national differences, traditionally speaking the scholarship has focused on singular dimensions such as honesty or trust, rather than the nuanced variations in voluntary compliance. As a result, the predictive power of compliance based on honesty, cooperation, or trust is inherently limited. Furthermore, a democratic state should strive to cultivate willing obedience among its citizenry, or at least foster a sense of trustworthiness, while maintaining necessary monitoring mechanisms. This dual approach, however, creates a complex dynamic regarding the wisdom of adopting trust-based regulation.

The evaluation of trust-based regulation demands a nuanced approach that carefully weighs potential benefits against inherent costs. As argued in the book, this necessitates a context-specific regulatory policy that acknowledges both the advantages of trust-based systems and the practical complexities of governance and compliance.

From a normative perspective, critical examination of persuasion strategies is essential. The law's diversity and distributional impact raise significant concerns, particularly regarding the potential vulnerability of less educated and privileged populations to preference manipulation through persuasion campaigns.

When assessing regulatory interventions, scholars must consider not merely immediate behavioral changes, but the long-term impact on public trust. Research suggests that individuals who feel trusted by the state tend to become more cooperative over time, indicating that interventions should be evaluated based on their capacity to build sustainable trust relationships.[4]

[3] Cook, Karen S., Russell Hardin, and Margaret Levi. *Cooperation without trust?* Russell Sage Foundation, 2005. Very recently, a new study has challenged the traditional view that mistrust undermines compliance and has actually found the reverse effect: that mistrust by the state decreased opportunism and increased compliance. See: Mendoza, Juan P., and Jacco L. Wielhouwer. "Compliance under distrust: Do people comply less when they feel distrusted?" *Journal of Public Administration Research and Theory* 47 (2024): 103–116.

[4] Tov, William, and Ed Diener. "The well-being of nations: Linking together trust, cooperation, and democracy." In *The science of well-being: The collected works of Ed Diener*, edited by Ed Diener, Springer Netherlands, 2009: 155–173.

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The potential benefits of voluntary compliance extend far beyond immediate regulatory contexts. By fostering long-term cooperative commitment among even a portion of the population, states can generate significant positive externalities.[5] These may include improved regulatory effectiveness, enhanced public safety, more innovative compliance methods, more efficient resource allocation, and increased transparency in industry practices.

However, as explored in Chapters 5 and 8–10, determining the ideal trust level between government and public requires a delicate balance. While internal, sustainable change through trust is desirable, the risks of over-trusting must be carefully considered. Regulators must design governance strategies that promote voluntary compliance while maintaining essential safeguards.

For instance, excessive trust in an industry can potentially compromise public safety, even while seemingly improving government–industry relationships. The challenge lies in creating a nuanced approach that balances trust and oversight.[6]

Trust-Based Regulation: Three Levels

Throughout this book, we have examined the advantages of shifting from command-and-control approaches to more trust-based and intrinsically motivated regulatory mechanisms at three levels.

Our analysis of voluntary compliance unfolded across three critical levels of examination:

At the societal level, we investigated the transformative potential of voluntary compliance on social trust. This approach explores how reducing punitive enforcement might reshape social solidarity and cohesion, examining the broader societal implications of a more cooperative regulatory paradigm. The analysis considers how fundamental shifts in enforcement strategies could recalibrate the social contract between citizens and the state.

At the institutional level, we scrutinized how trust-based regulatory strategies might fundamentally alter the legitimacy of government institutions. This dimension probes the dynamic reconfiguration of public perceptions toward regulatory bodies, tracing how the relationship between regulators and regulated entities might evolve over time. We examined the delicate balance between institutional authority and public trust, exploring how more collaborative approaches could potentially reconstruct institutional credibility.

At the individual level, we delved into how emphasizing intrinsic motivation could reshape individual compliance behaviors across different regulatory domains.

[5] In a work in progress with Liran Maimoni and Tami Kricheli Katz on the spillover effects of autonomy-based regulatory effects on lab participants who played a series of games, such as the dictator game and trust games.

[6] Maman, Libby, Yuval Feldman, and David Levi-Faur. "Varieties of regulatory regimes and their effect on citizens' trust in firms." *Journal of European Public Policy* 30.12 (2023): 2807–2831.

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This analysis extended beyond mere rule following to explore the potential for "beyond-compliance" behaviors – actions that demonstrate internalized commitment rather than superficial adherence. We critically examined the challenges and opportunities inherent in cultivating genuine intrinsic motivation, investigating the psychological mechanisms that transform external regulatory pressures into internally driven ethical conduct.

By examining voluntary compliance through these interconnected levels – societal, institutional, and individual – we offer a comprehensive framework for understanding the complex dynamics of regulatory behavior and cooperation.

We can also distinguish between short-term and long-term impacts of voluntary compliance at each of these levels. The short-term effect focuses on whether trust-based mechanisms can genuinely improve immediate compliance.[7] The long-term effect, however, is more complex, as it encompasses the broader impact of trust-based regulation on individual, social, and institutional factors such as reciprocity, solidarity, legitimacy, and social capital when observed over an extended period of time.

Drawing on the insights from previous chapters, we assess the potential advantages and disadvantages of voluntary compliance. This analysis provides a nuanced perspective on the circumstances in which voluntary compliance approaches are most effective and where traditional command-and-control methods may still be necessary. However, we argue that more studies are needed to determine the future of regulatory policy and the balance between trust-based and coercive approaches to governance.

The book explored the various factors that contribute to this regulatory dilemma at multiple levels and discusses the ethical considerations that must guide decision-making. It also examines the techniques used to compare and assess the costs of relying on voluntary compliance versus command-and-control strategies and the risks of errors associated with them. The main objective is to create a detailed plan for evaluating the effectiveness of voluntary compliance in various cultural and contextual settings.

This evaluation becomes particularly crucial when considering behavioral public policy approaches. While research suggests that morality can be a more effective means of achieving compliance than other approaches, significant questions remain about the reliability and scope of voluntary compliance.[8] For example, while a moral nudge may elicit a positive response from 20 percent of the population, there is still uncertainty about how long their contributions will last and how the remaining 80 percent will react. Will they experience crowding-out effects or simply disregard the nudge?

[7] Tyler, Tom R., and Yuen J. Huo. *Trust in the law: Encouraging public cooperation with the police and courts*. Russell Sage Foundation, 2002.

[8] E.g., Thurman, Quint C., Craig St John, and Lisa Riggs. "Neutralization and tax evasion: How effective would a moral appeal be in improving compliance to tax laws?" *Law & Policy* 6.3 (1984): 309–327.

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REVISITING VOLUNTARINESS AS A MULTIDIMENSIONAL CONSTRUCT

Building upon the framework introduced in Chapter 2, we conceptualize voluntary compliance as a nuanced continuum rather than a simplistic binary construct. This multidimensional approach reveals the intricate dynamics of compliance behavior through a complex interplay of factors.

The perceived level of coercion serves as a critical dimension, spanning from overt mandates to subtle nudges, fundamentally shaping an individual's willingness to comply. Equally important is the role of intrinsic motivation – the internal psychological drivers rooted in personal values and social norms that determine the depth and authenticity of compliance. The clarity of behavioral instructions significantly influences compliance, as the precision and comprehensibility of regulatory expectations directly impact an individual's ability to adhere to regulations.

Moreover, an individual's contextual understanding and interpretation of compliance requirements mediate their response, reflecting the complex interplay between cognitive processing and regulatory expectations. The relative salience of these factors in an individual's decision-making calculus can vary dramatically across different regulatory domains and personal contexts.

By disaggregating compliance into these nuanced dimensions, researchers and policymakers can develop more sophisticated, context-sensitive approaches to understanding and fostering voluntary cooperation. This framework acknowledges the complex psychological and social mechanisms that underlie regulatory behavior, moving beyond simplistic models of compliance and revealing the subtle dynamics that shape human response to regulatory expectations.[9]

Such a multidimensional approach facilitates a more detailed analysis of compliance behaviors, which enables policymakers and researchers to develop regulatory strategies that are better suited to specific situations. These strategies can balance the benefits of voluntary compliance with the need for more directive approaches when necessary.

Moreover, we believe that the field is facing definitional inconsistencies across different disciplines, which are hindering interdisciplinary research efforts. The interpretation of voluntariness frequently differs between psychological, economic, and legal frameworks, which create obstacles in consolidating research findings into one unified body of knowledge.

VOLUNTARY COMPLIANCE AND HETEROGENEITY

As discussed in Chapter 5, the critical challenge lies in understanding the prevalence of conditional cooperators. The success of policies dependent on voluntary compliance hinges on the number of individuals willing to cooperate without

[9] Aranson, Peter H. "Theories of economic regulation: From clarity to confusion." *Journal of Law & Politics* 6 (1989): 247–286.

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coercion, a dynamic that is inherently unstable. The widespread presence of conditional cooperators introduces significant complexity, as these individuals modulate their compliance levels based on their observations and expectations of others' behaviors. Research by Fischbacher, Gächter, and Fehr suggests that approximately half of participants in public goods experiments can be classified as conditional cooperators, demonstrating their tendency to adjust contributions based on group behavior. This heterogeneity and conditionality pose challenges for policymakers in predicting the outcomes of voluntary compliance initiatives. The resulting uncertainty limits the scope and importance of voluntary compliance projects, especially in areas where noncompliance carries significant costs.

Designing effective policies becomes exceedingly difficult without accurate knowledge of how cooperators, noncooperators, and conditional cooperators are distributed in each population. As noted, there is a significant risk posed by the potential for cascading effects, where noncompliance among a critical mass of conditional cooperators can lead to widespread defection.[10] Furthermore, the composition of these groups may differ across various regulatory domains and cultural contexts, which makes it difficult to generalize. This heterogeneity demands sophisticated models and empirical research to better understand how voluntary compliance operates in diverse populations. Only through such nuanced understanding can policymakers develop more robust and flexible regulatory strategies. This research is particularly crucial because without the ability to distinguish between individuals and their propensity for voluntary compliance, the approach of "trusting the public" may be significantly limited in both its effectiveness and real-world application.

JURISPRUDENTIAL RELEVANCY OF VOLUNTARY COMPLIANCE AND INTERNALIZATION

This book primarily examines voluntary compliance through a behavioral lens rather than a jurisprudential one. While an entire book could have been dedicated to the jurisprudential perspective on voluntary compliance, exploring the costs and benefits for democratic governments in trusting their citizens and discussing the advantages of internalization, we chose to focus mainly on behavioral factors.

That being said, we could not conclude this book without acknowledging the rich body of legal philosophy on this topic. Numerous legal philosophers have extensively debated the implications of voluntary compliance with the law and internal motivations for adhering to it. This discussion highlights a fundamental tension between advocating for virtue through law and safeguarding individual rights and freedoms.

[10] Lederman, Leandra. "The interplay between norms and enforcement in tax compliance." *Ohio State Law Journal* 64 (2003): 1453–1514.

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First and foremost, it is important to note that even as far back as Aristotle, there has been an emphasis on the significance of individuals who embrace virtues through the processes of internalization. According to studies conducted by scholars who have studied Aristotle, such as Nancy Sherman and Julia Annas,[11] it is believed that virtues are acquired mainly through habit and practice, rather than through deliberative knowledge of what is the right thing to do as some of the more modern research we reviewed suggests. Aristotle famously talked about the importance of repetition in developing virtuous habits, insisting that virtues are formed by repeatedly performing virtuous actions until they become second nature.[12] Drawing from Aristotelian philosophy, we can reconsider the role of habit formation in compliance. While contemporary approaches often view habit formation techniques (such as those studied by Milkman and others)[13] as inferior to moral or science-based compliance, an Aristotelian perspective might suggest that for certain practices, habit formation could be normatively permissible – and even beneficial – in guiding more people toward "virtuous" behavior.

More contemporary legal philosophers have stated that the law should actively shape citizens' characters and promote moral values, a perspective rooted in the classical philosophies of philosophers such as Plato and Aquinas.[14] However, implementing this approach faces significant challenges in contemporary, diverse societies, where critics often assert that imposing moral values through the legal system can result in the suppression of minority views and infringe individual liberties.[15] Another related and important discussion is the distinction between morality in the public and private spheres which further complicates this issue. Famously, H. L. A. Hart argued that the law should focus only on actions that directly harm others and not on private moral choices.[16] In contrast, Patrick Devlin contended that the law should uphold public shared morality in order to preserve social cohesion.[17]

Other contemporary legal thinkers have sought to navigate these tensions by proposing more nuanced approaches. For example, John Rawls supported the political notion of justice that could be embraced by people with diverse moral views, seeking to strike a balance between encouraging shared values and upholding moral pluralism.[18] In contrast, Lon L. Fuller emphasized the

[11] Sherman, Nancy. *The fabric of character: Aristotle's theory of virtue*. Clarendon Press, 1989; Annas, Julia. *Intelligent virtue*. Oxford University Press, 2011.

[12] Jimenez, Marta. "Aristotle on becoming virtuous by doing virtuous actions." *Phronesis* 61.1 (2016): 3–32.

[13] Milkman, Katherine L., et al. "Megastudies improve the impact of applied behavioural science." *Nature* 600.7889 (2021): 478–483.

[14] Plato. *The republic*, translated by Benjamin Jowett. The Internet Classics Archive, classics.mit.edu/Plato/republic.html.

[15] Hart, H. L. A. *Law, liberty, and morality*. Stanford University Press, 1963.

[16] Hart, H.L.A. *The concept of law*. Oxford University Press, 1961.

[17] Devlin, Patrick. *The enforcement of morals*. Oxford University Press, 1965.

[18] Rawls, John. *A theory of justice*. Belknap Press of Harvard University Press, 1971.

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importance of creating a stable and predictable legal framework, rather than enforcing a particular moral code.[19] In that regard, attempting to promote noncoerced widely shared intrinsic compliance motivation offers numerous potential benefits to such stability. Indeed, as discussed in the first chapters of the book, internally motivated compliance has the potential to lower enforcement and litigation expenses, increase the credibility of the justice system, and encourage greater participation from the public.[20]

The concerns raised in Chapter 5 about the risks of voluntary compliance resonate with Hart's cautionary view about using the law to change people's intrinsic moral beliefs. Just as Hart warned against using law to enforce morality, we should be cautious about regulatory systems that aim to fundamentally alter citizens' internal value systems rather than focusing on external behavior. This connects to the broader philosophical debate about the appropriate boundaries between state power and individual moral autonomy, mentioned in the previous paragraph.

In contrast, paradigms such as Oliver Wendell Holmes Jr.'s "bad man" theory of law, present a contrasting viewpoint, suggesting that the law should be understood primarily in terms of its consequences for those seeking to avoid punishment, implying that internalized motivations are less relevant than practical outcomes.[21]

The question of whether a state benefits from its citizens internalizing their motivations for complying with the law has been a subject of significant debate among legal theorists.[22] Many scholars argue that a legal system in which citizens comply due to internalized motivations rather than fear of punishment could lead to more stable and efficient legal institutions.[23]

Nevertheless, critics argue that emphasizing internalized motivations may be too idealistic and impractical, especially in pluralistic societies. This is because it may prove challenging to promote a widespread internalization of legal motivations due to diverse moral and cultural perspectives, especially as countries become less and less homogenous.[24] The debate also raises questions regarding the appropriate role of the state in shaping citizens' motivations, with some arguing that actively promoting the internalization of legal norms could infringe on individual autonomy and lead to state paternalism.[25]

[19] Fuller, Lon L. *The morality of law*. Yale University Press, 1964.
[20] Tyler and Huo. *Trust in the law*; Sunstein, Cass R. "On the expressive function of law." *University of Pennsylvania Law Review* 144.5 (1996): 2021–2053.
[21] Holmes, Oliver Wendell. "The path of the law." *Harvard Law Review* 10 (1897): 467–468.
[22] Tyler, Tom R. *Why people obey the law*. Princeton University Press, 1990.
[23] Cooter, Robert. "Do good laws make good citizens? An economic analysis of internalized norms." *Virginia Law Review* 86 (2000): 1577–1602.
[24] Kymlicka, Will. *Multicultural citizenship: A liberal theory of minority rights*. Oxford University Press, 1996.
[25] Dworkin, Gerald. "Paternalism." *The Monist* 56.1 (1972): 64–84.

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CAN WE RELY ON PEOPLE'S INTRINSIC MOTIVATION?

In Chapter 5, which focused on the perils of voluntary compliance, we have discussed many of the challenges associated with relying on people's intrinsic motivation to comply. We argued that the use of intrinsic motivation to encourage voluntary compliance poses a significant challenge because of the complex psychological mechanisms that affect human behavior. While intrinsic motivation is typically considered a vital predictor of cooperative behavior, recent research indicates that individuals may not always have accurate insight into their motivations or, even more so, may lack objective perceptions of the meaning of their actions. Various cognitive biases, particularly self-deception and motivated reasoning, affect the reliability of people's ability to use intrinsic motivation, which is free of these ethical biases and hence socially beneficial.[26]

Self-deception is a process through which individuals convince themselves of a desired reality, even when evidence suggests otherwise. This can cause people to believe that they are acting in alignment with their true values when in reality they are not.[27] This phenomenon poses a particular problem in the context of voluntary compliance, as individuals may justify noncompliant behavior while still holding onto the belief that they are abiding by their moral standards. Motivated reasoning further complicates compliance issues by causing individuals to selectively process information.[28] This selective processing often leads people to support conclusions that align with their personal desires, rather than what may be socially beneficial or in line with the states' preferences. As a result, individuals may justify noncompliance or misinterpret regulations in ways that serve their interests.[29] In the context of regulatory compliance, bias can cause people to interpret ambiguous situations in a way that justifies noncompliance while still maintaining their self-image as law-abiding citizens.

The implications of these psychological processes on regulatory policy are significant. It is hence highly likely that despite possessing strong intrinsic motivation to comply with regulations, individuals may be influenced by self-interest, high personal costs, or other external factors that can lead to noncompliant behavior without the individual fully recognizing or acknowledging this shift.[30] This disparity between perceived and actual motivations raises serious concerns about the reliability

[26] See Feldman, Yuval. *The law of good people: Challenging states' ability to regulate human behavior*. Cambridge University Press, 2018, at chapters 1–2, for a discussion of the relevancy of self-deception to compliance.

[27] Tenbrunsel, Ann E., and David M. Messick. "Ethical fading: The role of self-deception in unethical behavior." *Social Justice Research* 17 (2004): 223–236.

[28] Ditto, Peter H., David A. Pizarro, and David Tannenbaum. "Motivated moral reasoning." *Psychology of Learning and Motivation* 50 (2009): 307–338.

[29] Kunda, Ziva. "The case for motivated reasoning." *Psychological Bulletin* 108.3 (1990): 480–498.

[30] Feldman, Yuval, and Yotam Kaplan. "Behavioral ethics as compliance." *Bar Ilan University Faculty of Law Research Paper* 19–18 (2019).

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of self-regulation, especially under conditions of limited monitoring, and the extent to which policymakers can trust the public to consistently engage in voluntary compliance over time.[31] Due to the lack of robust empirical evidence on the long-term sustainability of intrinsically motivated compliance in the face of conflicting interests, there is a risk that policies overly reliant on voluntary compliance may ultimately prove ineffective or even counterproductive.

TOWARD A DIFFERENTIATED VOLUNTARY COMPLIANCE

To encourage voluntary compliance, policymakers must consider various complex factors that go beyond conventional regulatory measures. The advantages of using legitimacy to promote compliance over morality have been increasingly recognized, as legitimacy tends to generate more sustainable and widespread adherence to rules. This shift demands a focus on procedural justice and transparent governance in order to establish public trust in regulatory institutions.[32]

Innovative legislation and advancements in monitoring technology provide promising approaches for improving regulatory strategies. Policymakers can gather empirical evidence on the effectiveness of various approaches to voluntary compliance by carrying out temporary or geographically restricted regulatory experiments. At the same time, advanced technologies are facilitating more refined and less intrusive monitoring methods that could potentially mitigate the adverse effects of surveillance on intrinsic motivation.[33]

These technological developments have particular relevance for implementing the concept of "watchful trust," despite its methodological limitations, in regulatory regimes – an approach that balances trust-based and control-based strategies.[34] This strategy involves maintaining a foundation of trust in regulated entities while implementing specific monitoring mechanisms. For example, the Internal Revenue Service's Compliance Assurance Process allows large corporate taxpayers to resolve tax issues in real time through enhanced transparency, rather than through aggressive post-filing audits. However, finding the proper balance between trust and monitoring presents a significant challenge. Excessive monitoring may undermine the trust it intends to validate, while policymakers must balance the aim of optimal regulatory performance with the need to maintain public trust and legitimacy.[35]

[31] Bazerman, Max H., and Ann E. Tenbrunsel. *Blind spots: Why we fail to do what's right and what to do about it*. Princeton University Press, 2011.

[32] Tyler, Tom R. *Why people obey the law*. Princeton University Press, 2006.

[33] Andrejevic, Mark. *iSpy: Surveillance and power in the interactive era*. University Press of Kansas, 2007.

[34] Verhoest, Koen, et al. "How trust matters for the performance and legitimacy of regulatory regimes: The differential impact of watchful trust and good-faith trust." *Regulation & Governance* 19.1 (2025): 3–20.

[35] Six, Frédérique. "Trust in regulatory relations: How new insights from trust research improve regulation theory." *Public Management Review* 15.2 (2013): 163–185.

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To encourage voluntary compliance, a comprehensive understanding of how various motivational factors, cultural contexts, and specific regulated behaviors interact with each other is crucial. Considering the intricacy of human motivation and the varied regulatory challenges, it is improbable that a uniform solution will prove effective. Instead, policymakers should strive for a balanced approach that integrates insights from behavioral science, legal theory, and empirical research to develop regulatory frameworks that are both effective and perceived as legitimate by the public.[36]

FRAMEWORK FOR DECIDING ON VOLUNTARY COMPLIANCE EFFICACY

Taxonomy of Contexts Where Voluntary Compliance Benefits Exceed Its Risks

To evaluate the effectiveness of voluntary compliance under different legal doctrines, it is important to understand that not all regulatory situations require the same amount of public cooperation or intrinsic motivation. One can develop a taxonomy of legal doctrines by considering factors such as the ease of enforcement, the significance of compliance quality, and the visibility of the regulated behavior. This framework allows for a more nuanced approach to regulatory strategies, acknowledging that in some cases, traditional command-and-control measures may be more appropriate and effective than relying on voluntary compliance. For instance, in high-risk industries such as nuclear power or hazardous waste management, where the potential consequences of noncompliance are severe and immediate; in situations involving persistent violators who have shown unwillingness to cooperate; or in emergencies requiring swift and uniform action across an entire sector, there is no point in attempting to achieve voluntary compliance and command and control will be the preferred option.[37]

Additionally, when behaviors are closely monitored, there may be less of a need to rely on voluntary compliance with regulations. In such cases, the threat of being caught and facing punishment can act as an effective deterrent, which could decrease the necessity of promoting intrinsic motivation among the general population. This approach might be particularly effective in contexts such as public littering or adherence to building codes, where violations are readily apparent.[38]

[36] Feldman, Yuval, and Orly Lobel. "Behavioral trade-offs: Beyond the land of nudges spans the world of law and psychology." In *Handbook of behavioral economics and the law*, edited by Eyal Zamir and Doron Teichman, Oxford University Press, 2014: 301–331.

[37] Van Rooij, Benjamin, and Adam Fine. "Toxic corporate culture: Assessing organizational processes of deviancy." *Administrative Sciences* 8.3 (2018): 1–38.

[38] Etienne, Julien. "Compliance theory: A goal framing approach." *Law & Policy* 33.3 (2011): 305–333.

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It is also important to consider situations where monitoring does not have a major impact on reducing intrinsic motivation. This is commonly seen in contexts where behavior is less personal or relationship-driven, such as corporate financial reporting or industrial emissions control. In such situations, implementing a combination of monitoring techniques and encouraging voluntary compliance could prove to be the most effective approach. This is because the presence of oversight is less likely to diminish individuals' sense of moral obligation.[39]

Developing and utilizing comprehensive taxonomies is crucial for policymakers when designing effective regulatory strategies. Although voluntary compliance and intrinsic motivation can be useful in certain situations, they may not be universally applicable or efficient. Policymakers can enhance resource allocation and minimize societal costs by customizing regulatory approaches to fit the unique features of each legal doctrine, thereby increasing compliance to the maximum extent possible.[40]

Regulatory effectiveness hinges on strategic decision-making that carefully evaluates multiple contextual variables. The framework delineates ten critical factors for selecting between voluntary compliance and command-and-control approaches, recognizing that regulatory strategies are not universally applicable but must be tailored to specific institutional and behavioral contexts.

Key determinants (detailed in Figure 11.1) include enforcement feasibility, compliance quality potential, behavioral visibility, and community-specific characteristics. Critical analytical dimensions encompass over-trust risks, enforcement resource allocation, and compliance sensitivity. Regulatory strategies must differentiate between domains: Personal relationship-driven contexts may benefit from flexible approaches, while high-stakes environments like food safety require rigorous monitoring.

The optimal regulatory strategy emerges through a comprehensive assessment of contextual nuances, including potential positive externalities, normative alignment, and cooperative potential without extensive surveillance. This approach demands a sophisticated understanding of institutional design, behavioral economics, and regulatory responsiveness.

Proportion of Compliers vs. Quality of Compliance

A critical question asked by policymakers and regulators is whether to prioritize increasing the number of compliers or improving the quality of compliance among

[39] Feldman and Lobel. "Behavioral trade-offs."

[40] Blanc, Florentin. *From chasing violations to managing risks: Origins, challenges and evolutions in regulatory inspections*. Edward Elgar Publishing, 2018; Farrow, Katherine, Gilles Grolleau, and Lisette Ibanez. "Social norms and pro-environmental behavior: A review of the evidence." *Ecological Economics* 140 (2017): 1–13; Coglianese, Cary, and David Lazer. "Management-based regulation: Prescribing private management to achieve public goals." *Law & Society Review* 37.4 (2003): 691–730.

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FIGURE 11.1 A framework for assessing when to pursue voluntary compliance.
Note: The flowchart was influenced by the concepts developed by Christine Parker.[41]

existing compliers. Simply put: Is it more beneficial to have a larger number of people complying at a basic level, or fewer people complying based on intrinsic motivation or in a voluntary way, more thoroughly and effectively?

[41] Parker, Christine. "Self-regulation and the not-for-profit sector." Legal Studies Research Paper No. 372, Melbourne Law School, University of Melbourne (2019). https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1337278.

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In the context of regulatory compliance, we can draw an insightful parallel to concepts from behavioral economics, particularly the notions of extensive and intensive margins.[42] The extensive margin in compliance refers to the number of individuals adhering to regulations – essentially, how many people are complying. This is akin to a company increasing its workforce or adding more shifts. On the other hand, the intensive margin relates to the quality or depth of compliance – how well people are complying. This is comparable to enhancing worker productivity through better training or technology.

Regulators must carefully consider which margin to prioritize based on their specific objectives. For instance, in public health emergencies like pandemics, the extensive margin may be crucial – achieving widespread basic compliance with mask wearing might be more important than perfect adherence by fewer individuals. Conversely, in domains like financial regulation or industrial safety, the intensive margin often takes precedence – thorough compliance by key actors can be more valuable than superficial adherence by many.

Furthermore, these margins may interact in complex ways. High-quality compliance by visible actors might inspire broader adoption (expanding the extensive margin), while widespread basic compliance could gradually deepen as norms become established. The optimal balance likely depends on the specific context, risk profile, and goals of the regulatory framework, but understanding this distinction enables policymakers to craft more nuanced, tailored, and effective compliance strategies

TRUST VS. LEGITIMACY VS. MORALITY: COMPLIANCE EFFECTS

Throughout this book, we have presented a distinct approach that deviates from conventional methods for cultivating trust among individuals. Chapter 7 specifically examines how technology can help build trust while minimizing the potential impact of monitoring on people's behavior. However, our focus has been on the concept of intrinsic motivation and understanding the factors that drive interpersonal and institutional trust.

Although morality plays an important role in promoting compliance among certain individuals, our conclusions regarding cooperation and trust remain somewhat pessimistic. The establishment of trust requires a sufficient number of people willing to cooperate, yet a crucial issue lies in ensuring that cooperation actually occurs, particularly when faced with the problem of conditional cooperation. In this dynamic, an individual's willingness to cooperate is heavily influenced by

[42] Gilpatric, Scott M., Christian A. Vossler, and Michael McKee. "Regulatory enforcement with competitive endogenous audit mechanisms." *RAND Journal of Economics* 42.2 (2011): 292–312. This paper discusses how different audit mechanisms can affect compliance behavior, touching on both extensive (frequency of audits) and intensive (depth of audits) margins.

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the actions of others, creating an unstable environment. When there are many uncooperative individuals present, it can trigger a breakdown in cooperation, causing even those who were initially willing to cooperate to alter their behavior. Consequently, while some individuals may be intrinsically motivated to cooperate, they often find themselves outnumbered by others who ultimately exhibit different behaviors.

As discussed in *The Law of Good People*,[43] the concept of morality is a double-edged sword. People can interpret it in a way that aligns with their own self-interest and prior beliefs. It could also be influenced by shifts in people's political views about what is considered moral. In contrast, focusing on legitimacy and trust involves examining the procedural and institutional factors that influence intrinsic motivation, which is associated with legitimacy. Therefore, it appears that prioritizing institutional factors pertaining to trust and legitimacy is more effective in encouraging voluntary compliance than investing most efforts in persuading the public about the morality of the law. In that regard, one can expect that trust and legitimacy are less likely to be affected by self-interpretation than morality, though these factors are still shown to be politicized, especially in polarized countries. Nevertheless, while trust and legitimacy may offer greater resistance to individual interpretation compared to morality, they alone cannot guarantee stable compliance.[44]

These conclusions suggest that although it may be possible to trust individuals in certain situations, it is ultimately necessary to supplement this approach with other methods that are less prone to self-serving interpretations. In order to promote trust effectively, we need to make an effort to comprehend how different motivations can work together. This involves encouraging individuals by appealing to their sense of reason and understanding the most effective ways to motivate them. Although personalization has advanced significantly, it remains difficult to predict who will internalize this message. Therefore, a combined approach is essential. This, to some degree, summarizes the key insight of this book.

The "Watchful Trust" Paradigm

One of the greatest challenges in transitioning from command-and-control to trust-based regulation and focusing on intrinsic motivation is the ability to successfully integrate both regulatory approaches without them causing harm to one another. If policymakers did not have to worry about negative interactions between extrinsic and intrinsic measures, they would not need to choose between different regulatory and enforcement methods. They could use all of them simultaneously.

[43] Feldman. The law of good people, 173.
[44] Feldman. *The law of good people*, 173.

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In Chapter 3 of the book, we discussed the crowding-out effect of a sanction-based approach, which poses a significant challenge to using monitoring and sanctions alongside more intrinsic methods. The research discussed in Chapter 4 by Koen Verhoest and colleagues proposes an important approach that seeks to reconcile these strategies. Their paper examines the crucial role of trust in regulatory regimes and its impact on performance and legitimacy. Their research utilizes cross-country survey data to measure trust and distrust among different actors (citizens, businesses, and stakeholders), providing valuable insights into how these relationships affect regulatory outcomes.

Verhoest and colleagues argue that constant suspicion and negative expectations toward other parties create mutual distrust and a zero-sum mentality, hampering the development of shared norms and values. This undermines system legitimacy, as regime actors struggle to accept procedures when they deeply distrust core regulatory actors. However, when regime actors maintain balanced trust – neither excessive suspicion nor blind faith – they're more likely to accept regulatory processes and decisions. This balanced approach supports legitimacy while preserving necessary oversight.

Ensuring Effective Voluntary Compliance through a Hybrid Extrinsic–Intrinsic Approach

Based on this analysis, the focus should be less on whether something is intrinsic or extrinsic, but rather on finding the right combinations between the two. Given that it is difficult to identify a single motivation that will be effective, and that personalization is also challenging, we may need to consider a different approach. For example, morality may be more effective than reasoning as a sole predictor of compliance, but when it needs to be combined with deterrence, reasoning may be more effective than morality. Given the significant role of heterogeneity, doctrinal context, and self-serving biases in shaping behavior, we challenge the notion that intrinsic motivation can operate effectively in the absence of external enforcement. Policymakers, when selecting the best regulatory tool to promote internal change, must consider which approach is least likely to be undermined by necessary extrinsic measures. This consideration is crucial for *ensuring effective* voluntary compliance.

For example, Kirchler and colleagues proposed the "slippery slope" framework in the context of taxes. They argue that understanding both the power and trust in authorities is crucial for understanding enforced and voluntary compliance and that it is impossible to focus only on one of them.[45] This paradigm could be seen as an important demonstration for a combined extrinsic–intrinsic regulatory approach.

[45] Kogler, Christoph, Stephan Muehlbacher, and Erich Kirchler. "Testing the 'slippery slope framework' among self-employed taxpayers." *Economics of Governance* 16 (2015): 125–142.

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WHAT CAN STATES LEARN FROM RELIGION REGARDING INTERNALIZATION?

When considering examples of how populations can voluntarily internalize and follow rules, religion often comes to mind as a prime illustration. There are clearly limited enforcement mechanisms in place to ensure that believers follow the rules, while all religions emphasize the importance of adhering to rules when people are intrinsically motivated to do so, often viewing those who demonstrate higher levels of compliance are true believers.[46]

At least anecdotally, religious Jews demonstrate remarkable behavioral control by abstaining from technology, including phones, during the Sabbath.[47] Furthermore, even observant Jewish smokers who struggle to go without cigarettes for an hour maintain this restriction. Similarly, while most dietary interventions fail long term,[48] observant Jews, as do observant Muslims, consistently avoid certain foods throughout their lives.[49] These examples suggest that internalized religious restrictions can effectively modify addictive behaviors, even without external enforcement or reputation consequences, as these activities could theoretically be done in private.

Thus, in the context of religion and behavioral change, this can provide valuable insights into how states can encourage citizens to internalize certain values, which could inform ways to increase voluntary compliance with regulations. Throughout history, religious institutions have played a crucial role in developing intrinsic motivation through diverse methods, successfully encouraging adherents to internalize and act upon shared values and norms. These approaches can serve as valuable lessons for state institutions seeking to internalize values.[50]

Religious teachings often emphasize the importance of moral values, such as compassion and honesty, which can become deeply ingrained in individuals' motivational structures.[51] Religion can also provide a framework for finding meaning in life, giving people a sense of purpose that guides their actions and motivations.[52]

[46] Kagan, Robert A., Neil Gunningham, and Dorothy Thornton. "Fear, duty, and regulatory compliance: Lessons from three research projects." In *Explaining compliance: Business responses to regulation*, edited by Christine Parker and Vibeke Lehmann Nielsen, Edward Elgar Publishing, 2011: 37–58.

[47] Dein, Simon, and Kate M. Loewenthal. "The mental health benefits and costs of Sabbath observance among Orthodox Jews." *Journal of Religion and Health* 52 (2013): 1382–1390.

[48] Stroebe, Wolfgang, et al. "Why most dieters fail but some succeed: A goal conflict model of eating behavior." In *The goal conflict model of eating behavior*, edited by Wolfgang Stroebe, Routledge, 2017: 181–238.

[49] Regenstein, Joe M., Muhammad M. Chaudry, and Carrie E. Regenstein. "The kosher and halal food laws." *Comprehensive Reviews in Food Science and Food Safety* 2.3 (2003): 111–127.

[50] Flor, Douglas L., and Nancy Flanagan Knapp. "Transmission and transaction: Predicting adolescents' internalization of parental religious values." *Journal of Family Psychology* 15.4 (2001): 627–645.

[51] Allport, Gordon W., and J. Michael Ross. "Personal religious orientation and prejudice." *Journal of Personality and Social Psychology* 5.4 (1967): 432–443.

[52] Park, Crystal L. "Religion as a meaning-making framework in coping with life stress." *Journal of Social Issues* 61.4 (2005): 707–729.

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These insights suggest that states could potentially encourage the internalization of values by defining clear moral frameworks and fostering a shared sense of purpose among citizens.

However, the use of religious approaches to promote voluntary compliance is limited in its effectiveness. This is due to religious institutions often rely on creating a sense of community to reinforce shared values and motivations, which may be challenging for states to replicate on a large scale.[53] Furthermore, studies on the concept of gods who punish suggest that fear of punishment, rather than purely intrinsic motivation, may play a significant role in religious compliance.[54] This raises questions about whether internalizing value is sustainable and authentic.

Like religious institutions, each state has the means to affect intrinsic motivation. For example, education is essential in shaping values and beliefs,[55] while public discourse has the power to frame issues and influence public opinion. Laws and policies can create incentives that indirectly affect intrinsic motivation.[56] However, the effectiveness of these state-driven approaches in changing deeply held beliefs and values remains uncertain.[57]

The long-term sustainability of changes in intrinsic motivation, whether brought about by religion or the state, is a key area of uncertainty.[58] Although it has been demonstrated both behaviorally and philosophically that religious practices, such as repetition and habit formation, can influence behavior in the long run, it is uncertain how well states can replicate these processes. Moreover, the extent to which people genuinely internalize religious teachings and state policies, as opposed to simply superficially adopting them, remains a subject of debate.[59] As states explore the potential of learning from religious practices in order to promote the internalization of values, they must also navigate the complexities and limitations that come with adapting these strategies to the unique context of civic life and governance. The challenge is to balance the potential benefits of promoting

[53] Graham, Jesse, and Jonathan Haidt. "Beyond beliefs: Religions bind individuals into moral communities." *Personality and Social Psychology Review* 14.1 (2010): 140–150.

[54] Johnson, Dominic, and Oliver Krüger. "The good of wrath: Supernatural punishment and the evolution of cooperation." *Political Theology* 5.2 (2004): 159–176. For a more comprehensive analysis of this effect see: Johnson, Dominic. *God is watching you: How the fear of God makes us human*. Oxford University Press, 2015.

[55] Dee, Thomas S. "Are there civic returns to education?" *Journal of Public Economics* 88.9–10 (2004): 1697–1720.

[56] Frey, Bruno S. *Not just for the money: An economic theory of personal motivation*. Edward Elgar Publishing, 1997.

[57] Maio, Gregory R., et al. "Ideologies, values, attitudes, and behavior." In *Handbook of social psychology*, edited by John Delamater, Springer, 2006: 283–308.

[58] Wrzesniewski, Amy, et al. "Multiple types of motives don't multiply the motivation of West Point cadets." *Proceedings of the National Academy of Sciences* 111.30 (2014): 10990–10995.

[59] Kirkpatrick, Lee A., and Ralph W. Hood Jr. "Intrinsic–extrinsic religious orientation: The boon or bane of contemporary psychology of religion?" *Journal for the Scientific Study of Religion* 29 (1990): 442–462.

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intrinsic motivation with the practical limitations and ethical concerns of governmental intervention in individual values and beliefs.

COMMUNITY VERSUS STATE GOVERNANCE

Community-based governance provides several advantages to promoting voluntary compliance and intrinsic motivation compared to state government. In close-knit communities, monitoring mechanisms tend to be more effective due to the frequent and intimate interactions among members.[60] For example, reputation plays a critical role in these settings, as individuals are motivated to maintain a positive image among their peers, leading to increased compliance with community norms.[61] In community settings, people's true character and intentions are more transparent, making it difficult for individuals to conceal their true nature from neighbors who observe their daily behaviors.[62] This visibility can lead to a stronger and more internalized commitment to community values and regulations, as people are more likely to internalize and act upon these norms when they know they are being observed by those with whom they with interact regularly.[63] Furthermore, community settings create a sense of personal connection and foster a sense of belonging that can motivate individuals to perform their civic duties more diligently than they might for a distant state authority that has little knowledge of their personal circumstances.[64] Adopting a localized approach to governance can enable regulatory authorities to tap into deeper wells of motivation by leveraging social ties and local knowledge to encourage compliance. This is often more effective than centralized state governance, which often struggles to achieve similar results.[65]

PERCEIVED VS. ACTUAL TRUST BY THE STATE

While we have raised doubts about the government's ability to rely solely on intrinsic motivation and voluntary compliance, especially in areas where the factors discussed here are prevalent, it's important to recognize the nuanced approach required in effective governance. The lack of high and stable intrinsic motivation in certain contexts necessitates a more complex strategy than simple reliance on voluntary compliance.[66]

[60] Ostrom, Elinor. *Governing the commons: The evolution of institutions for collective action*. Cambridge University Press, 1990.
[61] Posner, Eric A. *Law and social norms*. Harvard University Press, 2000.
[62] Ellickson, Robert C. *Order without law: How neighbors settle disputes*. Harvard University Press, 1991.
[63] Putnam, Robert D. *Bowling alone: The collapse and revival of American community*. Simon Schuster, 2000.
[64] Scott, James C. *Seeing like a state: How certain schemes to improve the human condition have failed*. Yale University Press, 1998.
[65] Ostrom, Elinor. *Understanding institutional diversity*. Princeton University Press, 2005.
[66] Cooter, Robert. "Law and unified social theory." *Journal of Law and Society* 22.1 (1995): 50–67.

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However, there are significant advantages to fostering an environment where people, especially those who have demonstrated trustworthiness, feel trusted by the state. This sense of trust can lead to increased cooperation, improved civic engagement, and a stronger social contract between citizens and government. Therefore, there is a strategic advantage for the state in creating the impression of trust, even if the actual level of trust needs to be carefully managed due to practical constraints.

It's crucial to note that this approach is not about deceiving the public, as such deception is likely to be counterproductive and erode public trust in the long term. Instead, the suggestion is similar to Dan Cohen's acoustic separation approach,[67] which explores ways in which the state can emphasize to the public that they are being trusted and demonstrate how compliance with rules and regulations generates meaningful benefits for both individual citizens and society at large.

In this context, monitoring systems, especially those utilizing advanced technologies, should be less conspicuous than traditional methods like publicly announced speed cameras. The goal is to reduce the feeling among citizens that they are under constant surveillance, which can be detrimental to the sense of trustworthiness and autonomy. This doesn't mean eliminating necessary oversight, but rather designing and implementing it in ways that are less intrusive and more respectful of citizens' privacy and dignity.

The integration of technological monitoring with a differentiated approach to trust-based regulation, as developed in Chapter 7, presents a promising avenue for enhancing societal cohesion and governance efficiency. By leveraging past behavioral data to identify trustworthy individuals, states can foster a positive reinforcement cycle where those deemed reliable are made to feel trusted, thereby encouraging continued beneficial behaviors without imposing additional risks on the public. This targeted approach, when implemented with careful consideration of cross-cultural effects as explored in Chapter 6, has the potential to elevate overall trust levels within a country, promoting solidarity among citizens.

However, the success of such a system hinges on its precise application – trusting the right segments of the population in appropriate contexts while minimizing potential costs and risks. Misplaced trust could backfire, leading to public perception of regulatory incompetence and a subsequent decline in trust-based governance. Therefore, the implementation of this approach demands a delicate balance: maintaining the myriad benefits of increased trust while carefully managing associated risks. This necessitates robust mechanisms for transparency, accountability, and dynamic reassessment of trust status, as well as safeguards against potential abuse. Moreover, the cultural adaptability discussed in Chapter 6, and comprehensive public education, are crucial for the system's effectiveness and acceptance. By thoughtfully navigating these challenges and building upon the technological

[67] Dan-Cohen, Meir. "Decision rules and conduct rules: On acoustic separation in criminal law." *Harvard Law Review* 97.3 (1984): 625–677.

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mentoring concepts outlined in Chapter 7, states can harness the power of trust to enhance social harmony and governmental efficiency, ultimately creating a more cohesive and productive society.

By striking this balance – emphasizing trust while maintaining necessary oversight – the state can potentially achieve better compliance outcomes. This approach recognizes the complexity of human motivation and seeks to leverage both intrinsic and extrinsic factors to encourage lawful behavior and civic responsibility.

CONCLUDING REMARKS

This exploration of voluntary compliance reveals a nuanced landscape where trust-based regulation offers profound yet context-specific benefits. While voluntary compliance promises significant advantages – reduced enforcement costs, enhanced social cohesion, and increased governance legitimacy – its effectiveness varies considerably across contexts. Rather than viewing voluntary compliance as a universal solution, policymakers must adopt a more sophisticated, differentiated approach that recognizes the multidimensional nature of compliance behavior.

Intrinsic motivation undoubtedly plays a crucial role in fostering voluntary compliance, but the evidence suggests its limitations for ensuring consistent compliance across heterogeneous populations. The challenge lies in nurturing intrinsic motivation while acknowledging that it cannot be the sole foundation of regulatory policy. The persistent tension between individual autonomy and collective welfare, combined with the reality of conditional cooperators and free riders, necessitates complementary approaches that balance trust with appropriate oversight.

When evaluating voluntary compliance strategies, we must transcend narrow, immediate metrics and consider their broader impacts across multiple dimensions. The true value of voluntary compliance emerges when we examine its long-term effects on social trust, institutional legitimacy, and cultural norms – outcomes that conventional cost-benefit analyses often fail to capture. Regulatory approaches that successfully build relationships between citizens and government may generate positive externalities that extend far beyond their immediate regulatory contexts, creating virtuous cycles of cooperation that enhance governance across domains.

The challenge of heterogeneity in compliance motivations presents a significant obstacle, yet also offers an opportunity for more personalized regulatory approaches. By developing frameworks that recognize differences across individuals, contexts, and regulatory domains, policymakers can create more adaptive systems that enhance voluntary compliance while maintaining necessary safeguards. Technological advances offer promising avenues for this differentiated approach, potentially enabling less intrusive monitoring that preserves the benefits of trust while mitigating its risks.

Our research consistently suggests that legitimacy-based approaches may prove more effective and sustainable than those grounded primarily in moral appeals. By emphasizing procedural fairness, transparency, and institutional trustworthiness,

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regulators can foster compliance motivations that transcend ideological divisions and personal moral frameworks, creating more stable foundations for voluntary compliance.

Community-based governance models offer valuable insights for enhancing voluntary compliance, particularly in creating environments where social norms reinforce cooperative behavior. The success of local governance in fostering compliance suggests that regulatory approaches that leverage existing social connections and shared identities may achieve greater success than top-down state mechanisms alone. This insight points toward hybrid regulatory systems that integrate state oversight with community-based governance.

Rather than treating regulatory tools as isolated interventions, policymakers should conceptualize them as integrated systems where different approaches complement and reinforce one another. Experimental legislation combined with machine-learning techniques offers promising avenues for developing these integrated approaches, allowing regulators to systematically explore different combinations of regulatory tools while learning from their interactions.

The path forward lies not in choosing between trust and verification, but in developing sophisticated regulatory ecosystems that balance these approaches appropriately across contexts. By acknowledging the complexity of human motivation, the importance of institutional design, and the value of cultural context, we can develop regulatory frameworks that harness the benefits of voluntary compliance while protecting against its potential pitfalls. This balanced approach promises more effective, efficient, and equitable regulatory outcomes – building societies where cooperation flourishes not despite regulation, but because of it.

FUTURE RESEARCH

Building on our analysis of voluntary compliance, future research must address specific knowledge gaps through methodological rigor and interdisciplinary approaches. The modest effect sizes and inconsistent findings surrounding intrinsic motivation necessitate a more structured research agenda focused on measurable outcomes and contextual variables.

A primary research need is the development of standardized measurement instruments for voluntary compliance. Current methodological inconsistencies create validity concerns and limit cross-study comparisons. Researchers should establish operational definitions and validated scales that distinguish between different forms of voluntary compliance (noncoerced versus intrinsically motivated) and capture both behavioral and attitudinal dimensions of compliance.

Future research should move beyond evaluating isolated interventions to examine regulatory tools as integrated systems. Factorial experimental designs would be particularly valuable, as they allow researchers to systematically test various combinations of trust-based and verification-based elements across different regulatory

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contexts. Such designs would not only measure immediate compliance outcomes but also capture secondary effects on trust, legitimacy, and social capital. This approach would reveal important interaction effects between regulatory strategies and contextual factors that current single-intervention studies often miss.

The temporal dimension of voluntary compliance remains underexplored. Longitudinal panel studies tracking compliance behaviors and motivations over extended periods would provide critical data on the sustainability of trust-based regulatory effects and potential adaptation processes. These studies should incorporate measures of cultural shift and institutional trust to determine whether short-term behavioral changes translate into lasting normative change.

Advanced computational approaches offer promising avenues for addressing complex research challenges in voluntary compliance. Large language models (LLMs) could analyze vast regulatory corpora across jurisdictions to identify patterns in regulatory language, implementation approaches, and compliance outcomes. These models could help researchers understand the nuanced relationships between regulatory framing, cultural context, and compliance behavior, potentially revealing insights that traditional analytical approaches might miss. LLMs could also be employed to analyze qualitative data from interviews and focus groups with regulators and regulated entities, extracting themes related to trust, motivation, and compliance that might otherwise remain obscured.

Data-driven decision support systems represent another frontier in voluntary compliance research. By analyzing comprehensive datasets from regulatory documents, including ex ante impact assessments and post-implementation reviews, researchers can develop predictive models that evaluate intervention effectiveness based on factors such as compliance costs, social control mechanisms, institutional trust, and cultural norms. Such tools could help regulators move beyond binary choices to more nuanced, context-sensitive regulatory approaches.

Cross-cultural research requires particular methodological attention. Comparative studies should employ measurement invariance testing to ensure that instruments capture the same constructs across cultural contexts. Multilevel modeling techniques can account for cultural variations while identifying universal principles of voluntary compliance. Machine-learning algorithms trained on structured datasets from diverse regulatory environments could identify which approaches transfer successfully across cultures and which require significant adaptation to local contexts.

Translational research requires systematic documentation of regulatory implementation processes. Researchers should partner with regulatory agencies to develop standardized protocols for monitoring implementation fidelity, measuring compliance outcomes across multiple dimensions (extent, quality, sustainability), and assessing unintended consequences. These partnerships would generate practical knowledge while establishing evidence-based frameworks for regulatory decision-making.

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By addressing these specific research priorities, scholars can develop a more robust empirical foundation for understanding when, how, and why voluntary compliance approaches succeed or fail. This knowledge would enable policymakers to make more informed decisions about regulatory design, balancing the potential benefits of trust-based approaches with appropriate safeguards against exploitation and noncompliance. Ultimately, this balanced approach may help bridge the gap between ideal regulatory theory and practical implementation, creating more effective and sustainable governance systems that benefit both states and their citizens.

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