PRESS RELEASE

AUEB Professors link “vanity” plates in Greece with “conspicuous corruption”

Statistical analysis, conducted by Associate Professor Panagiotis Louridas and Professor Diomidis Spinellis, suggests existence of an illegal market for purchasing distinctive license plates.

In Greece, drivers cannot legally purchase custom vanity plates. However, a new study confirms an open secret: that the country has an illegal market for acquiring license plates with distinctive number patterns, perhaps as a form of “conspicuous corruption.” Associate Professor Panos Louridas and Professor Diomidis Spinellis, of the Department of Management Science and Technology, Athens University of Economics and Business, report their findings in the respected open-access journal PLOS ONE. Their article, entitled “Conspicuous Corruption: Evidence at a Country Level” is available online.

Through the widespread practice of conspicuous consumption, people may purchase certain products—such as jewelry, art, or vacations—as status symbols. Previous research has also found evidence for various associations between unethical actions and higher wealth or social class.

For the new study, Mr. Louridas and Mr. Spinellis explored one intersection between conspicuous consumption and dishonest behavior. They conducted a statistical analysis of Greek license plates to test a subjective observation that distinctive license plates, such as those with repeating numbers, appeared more often on luxury cars than would be expected from the random process by which the plates should be issued.

The analysis showed that, indeed, distinctive license plates appear more often on cars from luxury brands and cars with larger engines than on other models. This finding is in line with other evidence from the Ministry of Transport in supporting the open secret that a market exists in Greece whereby drivers can engage in bribery to obtain more desirable license plates.

Mr. Louridas and Mr. Spinellis suggest that Greece’s vanity plate market represents the practice of conspicuous corruption, in which part of the value of a status symbol arises from hinting that the owner “knows the ropes” and is above the rules.

Indeed, the authors note, the cost of a distinctive plate in Greece is not prohibitively expensive, suggesting that the hint of rule-breaking has significant value as a status symbol. Further research could explore the nature of similar markets for conspicuous corruption in other countries, and which cultural characteristics are associated with the practice.