

THE PELTZMAN EFFECT AND THE PSYCHOLOGY OF RULE-BREAKING BEHAVIOUR

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ABSTRACT:

Human behaviour often changes in response to safety regulations, sometimes in unexpected ways. The Peltzman Effect, proposed by economist Sam Peltzman, explains how individuals may engage in riskier behaviour when protective measures are introduced. This paper examines the concept of the Peltzman Effect and explores psychological, social, and cultural reasons behind rule-breaking behaviour. Drawing from real-life examples such as traffic violations, smoking behaviour, and responses to public health measures, the article highlights how perceived safety reduces risk awareness and increases non-compliance. The discussion also explores ethical responsibility and civic discipline as essential components of rule-following behaviour. The study concludes that effective policymaking must consider behavioural responses alongside regulatory enforcement.



KEYWORDS: Peltzman Effect, rule-breaking behaviour, risk perception, behavioural psychology, civic responsibility, risk compensation, accidents.

Human societies depend on rules and regulations to maintain order, safety, and discipline. However, despite the presence of laws and safety measures, individuals frequently violate rules. Understanding why people break rules has been an important subject in behavioural science, economics, and psychology.

Economist Sam Peltzman, Professor Emeritus at the Booth School of Business, University of Chicago, introduced the concept known as the Peltzman Effect, which explains how individuals respond to safety regulations by adjusting their behaviour. His research primarily examined the interaction between public policy and private behaviour, offering insights into how people react when safety measures are introduced.

This article explores the Peltzman Effect and examines the psychological and social reasons behind rule-breaking behaviour. It also discusses real-life situations where individuals knowingly violate rules despite understanding the risks.

Concept and Origin: The Peltzman Effect refers to the phenomenon in which individuals increase risky behaviour when safety measures are implemented. The underlying reasoning is that people feel protected and believe the consequences of risky actions are reduced.

Peltzman studied the effects of mandatory seatbelt laws in the United States. His analysis of data from 50 U.S. states and the District of Columbia between 1983 and 1997 revealed that while seatbelts were designed to enhance safety, drivers who felt protected sometimes drove more aggressively. This behavioural adaptation could offset some of the intended benefits of safety measures.

The theory demonstrates that human behaviour does not always align with the intentions of policymakers. Instead, individuals may compensate for safety improvements by engaging in riskier actions.

Risk Compensation in Everyday Behaviour: The Peltzman Effect is evident in several everyday situations where individuals modify their behaviour in response to safety interventions.

Traffic Behaviour: Traffic rules exist to prevent accidents and ensure smooth movement on roads. However, violations such as: not wearing seatbelts, using mobile phones while driving, ignoring traffic signals, parking irresponsibly in crowded areas are commonly observed. Many individuals believe they will not be caught or that the consequences will be minimal.

The widespread “chalta hai” attitude reflects casual acceptance of minor violations. Individuals often justify these behaviours as harmless if done occasionally, reinforcing patterns of non-compliance.

Smoking Behaviour and Risk Perception: Attempts to discourage smoking through increased cigarette taxes have produced unintended responses. In several countries, smokers have shifted to cigarettes with higher levels of tar and nicotine, maintaining their intake levels rather than reducing consumption.

Smoking remains a major risk factor for several health conditions, including pneumonia, heart attacks, strokes, and chronic obstructive pulmonary disease. Despite awareness campaigns and warning labels on cigarette packaging, individuals often underestimate personal risk and continue smoking. This behaviour highlights the role of perceived safety and risk compensation in health-related decisions.

Psychological Reasons Behind Rule-Breaking: Rule-breaking behaviour is influenced by several psychological factors that shape individual decision-making.

Sense of Power and Superiority: Psychologists suggest that breaking rules can create feelings of power, cleverness, and control. Individuals who evade rules may perceive themselves as smart or bold, reinforcing the behaviour.

Rationalization and Justification: Many individuals rationalize rule violations by convincing themselves that occasional misconduct is harmless. For example: littering is justified as a one-time act, speeding is considered acceptable in emergencies, false explanations are given for delays or missed responsibilities. Such rationalizations normalize dishonest behaviour and influence younger generations who observe adult actions.

Social Behaviour During Public Health Crises: The COVID-19 pandemic provided a global example of rule-breaking behaviour under crisis conditions. Governments introduced measures such as mask mandates, social distancing, and restrictions on gatherings to control infection rates.

Despite official guidelines, many individuals ignored safety measures by attending social gatherings and failing to wear masks in public places. Markets and public spaces frequently showed non-compliance with safety norms.

Behavioural scientists attribute such actions to cultural habits, perceived inconvenience, and psychological resistance to restrictions. These behaviours not only endangered individuals but also increased community-level risk.

Convenience and Resistance to Rules: Rules are often violated when individuals perceive them as inconvenient or unnecessary. A common example is pedestrians crossing railway tracks instead of using designated foot overbridges. Such shortcuts save time but increase the likelihood of serious accidents.

Research indicates that certain individuals possess a tendency to resist authority and question rules they consider excessive. However, rules are generally created to prevent harm and ensure collective safety.

Individuality and Organizational Behaviour: In organizations, schools, and public institutions, rule implementation requires time, effort, and resources. Some individuals resist rules to preserve their sense of independence and individuality.

Work environments that include highly independent individuals may benefit from: assigning flexible roles, allowing creative expression, providing consistent reminders about rules and procedures and balancing individual autonomy with organizational discipline remains a challenge in management settings.

Cultural Influences on Rule Compliance: Societal attitudes play a significant role in shaping rule-following behaviour. In cultures where rule-breaking is common, public safety and institutional efficiency are often compromised.

Countries with widespread disregard for rules may experience: increased accidents, reduced civic discipline, lower public trust and slower social development. Behavioural scientists emphasize that social norms strongly influence whether individuals respect or violate regulations.

Risk Perception and Behavioural Adaptation: One of the key insights of the Peltzman Effect is that perceived risk strongly influences behaviour. When individuals feel safer due to protective measures, they may increase their risk-taking behaviour.

This behavioural adaptation highlights the importance of combining legal enforcement with public awareness campaigns. Policymakers must consider psychological responses when designing safety regulations.

Ethical Responsibility and Civic Discipline: Following rules is not merely a legal obligation but also an ethical responsibility. Law-abiding behaviour reduces chaos, protects lives, and promotes social harmony.

Individuals must reflect on their behaviour and consider the long-term consequences of minor violations. Teaching honesty and responsibility begins at home, where children learn by observing adult actions.

A disciplined society depends on citizens who understand the value of rules and comply voluntarily.

Conclusion: The Peltzman Effect provides valuable insight into how individuals respond to safety regulations. While laws and protective measures are essential, their effectiveness

depends largely on human behaviour. When perceived risk decreases, individuals may compensate by increasing risky actions, sometimes undermining the intended benefits of safety policies.

Understanding the psychological and cultural roots of rule-breaking behaviour is essential for designing effective public policies. Sustainable progress requires not only strong regulations but also civic responsibility, ethical awareness, and behavioural discipline among citizens.

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