

Basic concepts: motivation & crowding

Intrinsic motivation:

free-chosen actions and motivating in themselves

External motivation:

motivated by something external (reward, status, money, etc.)

Crowding-out:

external incentive changes internal motivation into external one

Crowding-in:

external incentive enforces internal motivation

Examples of crowding out

- Haifa child care centre: after introduction of fine for late-comers, parents start to arrive more lately (Gneezy & Rustichini, 2000)
- Nuclear waste depositories: if financial compensation was offered to villagers, support for local nuclear waste depository dropped (Frey & Oberholzer-Gee, 1997)
- Students solving puzzles: after period of monetary rewards, students less motivated to solve puzzles (Deci, 1971)
- Wood collecting: after regulatory controls were introduced, villagers started to collect more wood (Cardenas et al. 2000)

Relevance

Problems of relying increasingly on external motivations:

- more costly,
- unstable (what if incentive stops),
- possible reduction of ways of valuing,
- possible less strong motivation,
- decrease of long-term policy support (if crowding-out),
- ... ?

State of the debate

- Review study on environmental crowding (Rode et al. 2015):
 - 'available evidence remains inconclusive'
 - One of the explanations: 'inconsistent terminology and methodology'
- Limitations debate:
 - *Assumption* of no conceptual differences
 - Mainly understanding of *negative* mechanism; not looking for positive synergy between incentives and motivations

Different views on intrinsic motivation

What is intrinsic motivation?

- *Narrow definition*: motivated because activity is **inherently interesting** and enjoyable (Deci & Ryan)
- *Negative definition*: motivated if **no apparent reward** besides activity itself (Frey)
- *Normative definition*: motivated by **internalized norms** (Vatn) or normative goals (Lindenberg & Steg) (because relevant for environmental problems)
- *'Altruistic' definition*: motivated **by reciprocity/fairness** and to **maintain functional norms and** ('social preferences': help people more than is consistent with self-interest) (Bowles)

Different views on crowding out

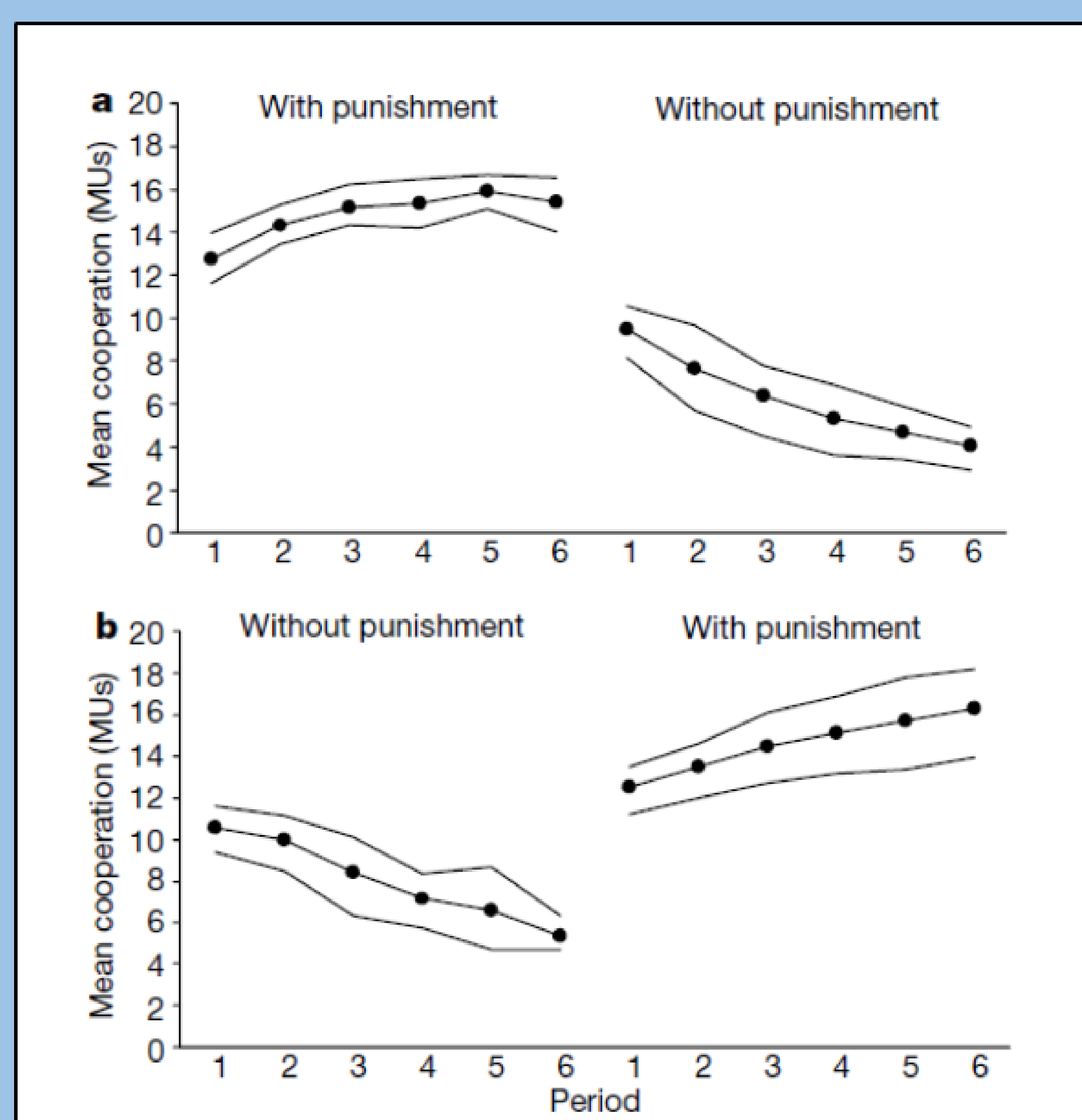
When is intrinsic motivation pushed aside by external incentives?

- If incentive suppresses autonomous acting, expressing competence (basic psychological needs are not met) (Deci & Ryan) or more general as being controlling (Frey) (**psychological needs**)
- If incentive uses a 'I-logic' where the situation requires a 'WE-logic' (**conflicting rationalities**) (Vatn)
- If incentive changes the framing perspective from normative to gain- or hedonic oriented (**framing**) (Lindenberg & Steg)
- If incentive **conveys certain messages** (Bowles):
 - 'Bad news': incentive reveals implementer has little trust in the subject
 - Moral disengagement: incentive reveals self-interest is appropriate in situation (rather than following norm)
 - Control aversion: incentive decreases autonomy of subject

Role of reciprocal motives

The importance of reciprocity, altruistic punishment and norms for realizing public goods:

Without negative reciprocity (punishment): decreasing and lower public-good contributions



Fehr, Ernst & Gächter, Simon (2002) Altruistic punishment in humans. *Nature* 415, p.137-140

Towards crowding-in: a normative account

Two levels in intrinsic motivation and environmental identity:

- **Value**: 'environment is important' (*goal of interaction*).
 - But not looking at interdependent interactions:
 - Only contributions from very convinced
 - Risk of 'decay' (see figure on left)
- **Norms and reciprocity** (interaction): norm-following (*interaction itself*)
 - 'I am willing to do this, if others do this as well', 'we should do this'

Allowing for crowding in: moving norms forward (based on Bowles 2016)

- Examine **which (and whether) norms and social exist**
 - If no norms (no social preferences):
 - Monetary incentives possible (no crowding)
 - Creating norms: ideally bottom-up, then more support
 - If norms (social preferences): more incentive necessary to compensate crowding
- Move **towards normative frame**: use cues to trigger environmental norm
 - objects; symbols; make visible that other people respect norm; etc.
- **Avoid moving away normative frame**: counteract crowding mechanism
 - Avoid moral disengagement: clear moral message
 - Avoid bad news: fairness in incentives
 - Avoid control aversion: decisions from peers
- **Synergy between incentives and norms: sustain functioning norms** (ex. Antanas Mockus)
 - Positive reciprocity: allow expressing prosocial actions (recognition vs. altruistic anger)
 - Negative reciprocity: make antisocial actions visible; allow for (soft, moral) punishment