



“Do Good Deeds Make Bad People?”

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OUTLINE

1. Introduction
2. Theoretical background
3. Questioning & Hypotheses
4. Protocol
5. Experimental design
6. Results
7. Policy implications

The moral licensing effect: some illustrations



“We drink Diet Coke — with Quarter Pounders and fries at McDonald’s. We go to the gym — and ride the elevator to the second floor. We install tankless water heaters — then take longer showers. We drive SUVs to see Al Gore’s speeches on global warming.”

(M. Rosenwald, Washington Post, July 18 2010)

The moral licensing effect: Definition

« Doing something that feels virtuous (like buying someone else a present) makes us feel unconsciously entitled to do something self-indulgent (like buy ourselves a present), which can then make us feel that we need to do something virtuous again (like buy someone else a present). »

(B. Tuttle, Time magazine, November 29 2010)

*« The moral licensing effect is a **non conscious effect** that operates by providing a **moral boost** in the self concept, which increases the preference for a relative immoral action subsequently by **dampening the negative self attributions** associated with such behaviour »*

(Khan and Dhar, 2006)

The moral licensing effect: Instrumentalization

- Environmentalists, eco-conscious legislators and even business leaders give incentives to drivers to switch to hybrid vehicles (primes, assurance reduction,...). Quality planning study shows that hybrid drivers get more tickets and accidents; drive in average 25% more than drivers of conventional cars.

(www.hybridcars.com, July 2009)

- Purchase of green products licences us to say « I've done my good deed for the day, now I can focus on my self-interest »

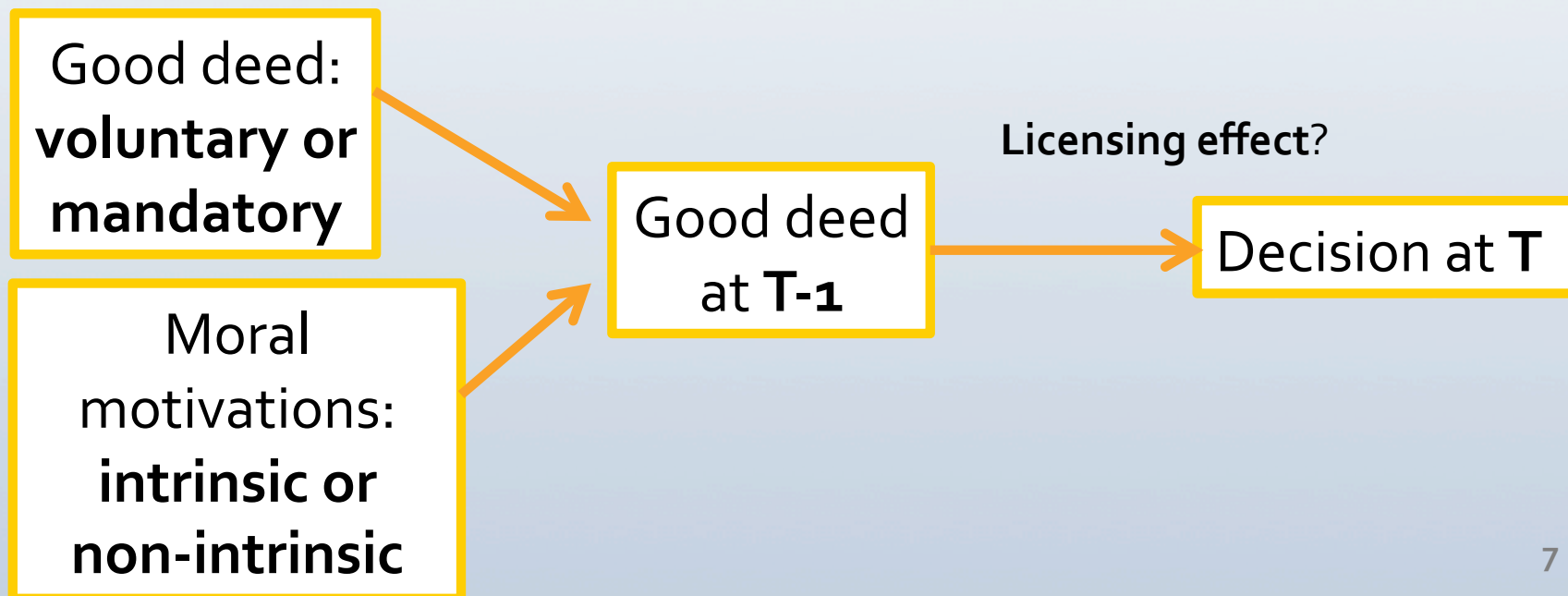
(Mazar&Zhong, 2010)

- License to Enjoy Using Polluting Transports: Programs offering customers the option of buying carbon offsets to counter the planet-warming emissions generated by their airplane flights have been effective in easing customer's guilt at using airline transportation.

(MIT Sloan Management Review Staff, February 2 2010)

- Marketing and psychology hold a limited (but growing) amount of researches covering the mechanism of moral self regulation effects
 - ✓ [Khan and Dhar 2006](#): people will turn to luxury goods (instead of necessity ones) if you help them feel more virtuous (eg. Charity donation)
 - ✓ [Sachdeva, Iliev and Medin 2009](#): incentives to donate is positively related to low self-attribution
 - ✓ [Mazar and Zhong 2010](#): exposure to green products activates norm whereas purchase induces subsequent dishonest behavior
 - ✓ [Chiou, Wan, Wu and Lee, 2011](#): vitamin C licenses smoking
- Economic literature is lacking.

- Why economists should study moral licensing?
- ***Is the licensing effect a threat for actual policies that aim to promote sustainable development?***



Does the licensing effect occur in the environmental domain?
= May an initial pro-environmental deed impact on subsequent WTD for the environment?

1. Literature in marketing and psychology suggests that an initial good deed frees to choose more self indulgent options subsequently (Khan and Dhar 2006, Sachdeva, Iliev and Medin 2009, Mazar and Zong 2010, Meritt, Effron and Monin 2010, Chiou, Wan, Wu and Lee, 2011)
 2. Literature in experimental economics shows that individuals have pro social preferences with positive WTD (Frey 2000, Bénabou and Tirole 2006, etc.). This WTD in DG is on average 30% of participants' initial endowment (Bolton, Katok, Zwick 1998, Willinger et Eber 2005).
- **Hypothesis 1:** Willingness To Donate for the environment is positive but varies according to previous deeds (=licensing effect)

How policies (mandatory vs. voluntary) for behavioural change interfere with the licensing effect? When do we get licensing and when do we get consistent behavior? = **May the way the initial deed has been generated lead to different licensing effect?**

1. Literature on social norms demonstrated that rules and laws could build norms, by suggesting that an event is important enough to justify a costly intervention (Nyborg, 1999).
2. The motivational crowding theory shows that if intrinsic motivations preexist, introducing additional external incentives can backfire (Frey and Oberholzer-Gee, 1997; Frey and Jegen, 2001; Bowles, 2008).

→ **Hypothesis 2:** Licensing effect depends on the way pro-environmental behavior is generated

- through voluntary or mandatory policies
- according to intrinsic or non-intrinsic motivations.

- For intrinsically motivated individuals, the license effect will be higher if the good deed is mandatory instead of voluntary
- For non-intrinsically motivated individuals, the license effect will be higher if the good deed is voluntary instead of mandatory

Scenarios	Conditions	
	Intrinsically motivated individuals	Non-intrinsically motivated individuals
Mandatory 'virtuous act'	Licensing effect	No licensing effect
Voluntary 'virtuous act'	No licensing effect	Licensing effect

1.Introduction 2.Background 3.Hypotheses **4.Protocol** 5.Design 6.Results 7.Implications

- « Paper & pencil » experiment in Montpellier's Universities
- 185 students (*Mean age = 21.89, SD= 2.1; 61.1% women*), divided in two subgroups:
 - Business related majors (supposed to get lower level of intrinsic motivation for the environment)
 - Environmental related majors (supposed to get higher level of intrinsic motivation for the environment)
- 2 (mandatory vs. voluntary) x 2 (intrinsically motivated vs non intrinsically motivated) - Between subject model
- 3 different anonymous questionnaires (1 control and 2 treatments: mandatory vs. voluntary) - *cheap talk* - ending by a dictator game
- 1 potential gain of 30€ every 30 participants

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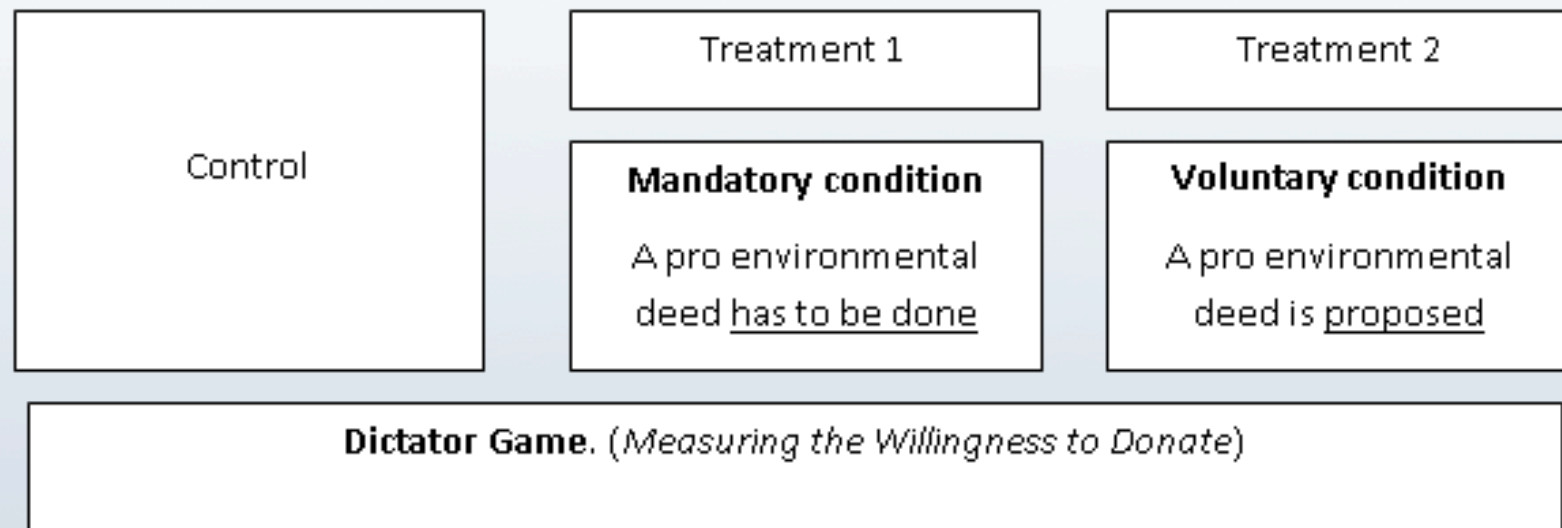


Figure 1: Experimental design



Figure 2: Average willingness to donate to the environmental NGO under different conditions

Table 4. Average willingness to donate to the environmental union and SEM³ under different conditions

	Environmental related majors (<i>Intrinsically motivated individuals</i>)	Business related majors (<i>Non-intrinsically motivated individuals</i>)
Control group		
No virtuous act	9,8 (2,354)	12,22 (1,657)
Voluntary condition (Treatment one)		
No virtuous act (refuse)	12,13 (4,23)	10,523 (2,54)
Voluntary virtuous act ¹	10,77 (2,181)	5,21 (1, 448) ²
Mandatory condition (Treatment two)		
Mandatory virtuous act	7,04 (1,884)	13,55 (1,518)

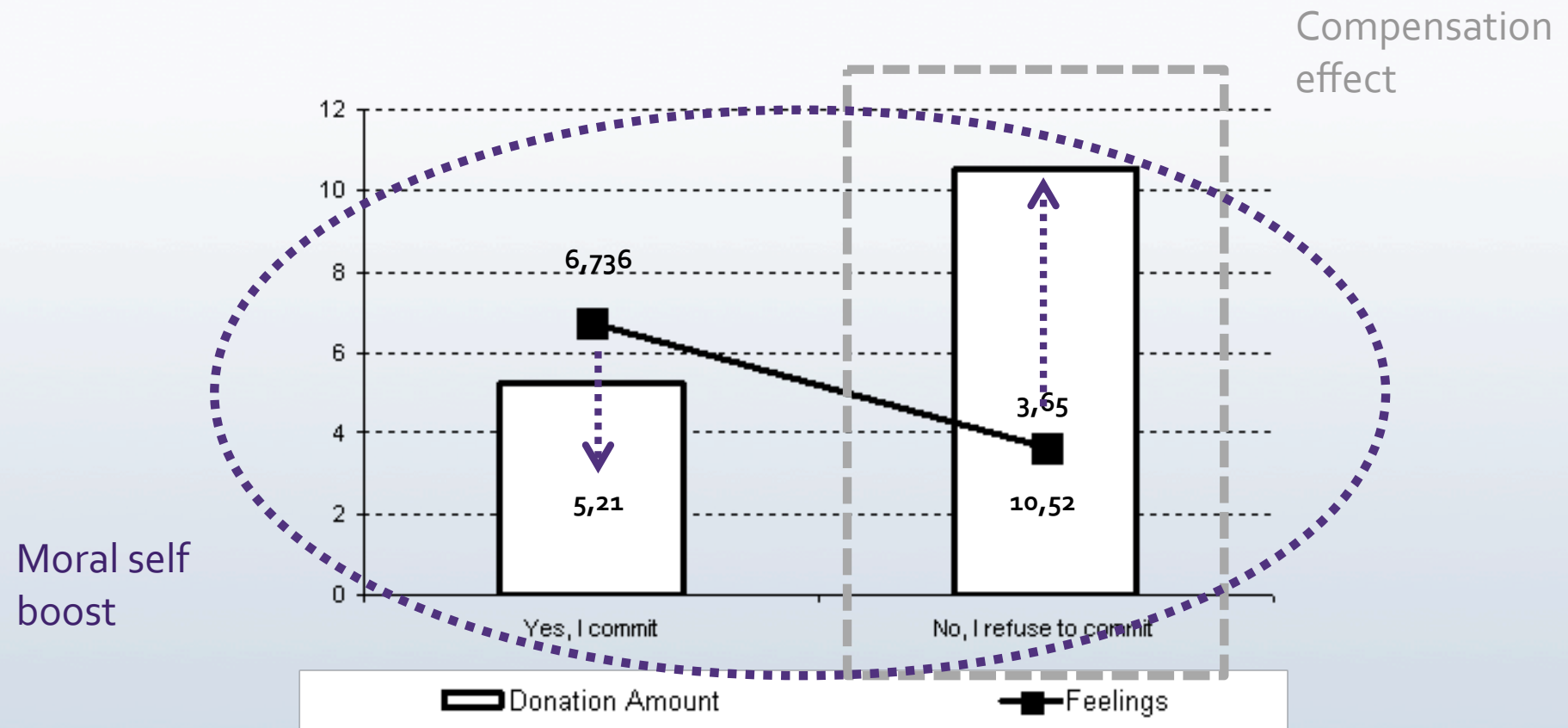


Figure 3: Choosing to engage vs. renouncing on subsequent pro environmental behaviour for business-related majors

Main results and implications

- 1. Past pro-environmental choices have a significant impact on subsequent pro-environmental behavior**
- 2. Environmental policies needs to be tailor made:**
 - Voluntary approach: not a panacea if people are not already motivated yet, but good if people are already motivated.
 - Mandatory approach: might be efficient if not ideal if people are not motivated yet.

Research perspectives

1. Relatives effect? Do closed relatives' deeds interfere with licensing effect?

2. Monetary incentives effect? Do good deeds done with a compensation, license the same way that good deed done without it?

3. Cultural effect? Will licensing effect and its interference with voluntary and mandatory settings be observable the same way in other countries with different relation to political governance ?



Merci de votre attention!

