

The offer of money makes us better people, reveals new research

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Economic incentives could be key to good behavior, new research from Vienna University of Economics and Business (WU Vienna) reveals.

The study, undertaken by Jakob Hackel and Alfred Taudes from WU Vienna's Research Institute for Cryptoeconomics alongside co-authors from the Tokyo universities Risscho, Soka, and Meiji, sought to find out if economic or social incentives can help encourage altruistic behavior.

The research comes only weeks after the US State of West Virginia announced that would give young people a \$100 savings bond to get the COVID-19 vaccine.

In their experiment, the researchers discovered that economic incentives are a good way to motivate people who do not already contribute to the public good or do so only at a minimal level. Meanwhile, social incentives were effective in increasing the number of people willing to contribute extensively.

The findings are of considerable practical value, for example for cities and municipalities: If a large number of people use common goods like parks and forests without contributing to their maintenance, economic incentives can help. If, on the other hand, there is a small group of citizens who are very active in working for a specific public good, social incentives can be effective in attracting additional contributors.

The study was part of a partnership with the City of Vienna, which is currently testing a Culture Token pilot program. The Culture Token is a digital bonus system based on an app that rewards users for environmentally friendly behavior with free access to cultural events. The pilot project has been temporarily suspended due to the COVID-19 pandemic.

The study has been published in the journal PLOS ONE.

To the study

Jakob Hackel, Alfred Taudes, Hitoshi Yamamoto, Isamu Okada, Akira Goto: "Asymmetric effects of social and economic incentives on cooperation in real effort based public goods games"

Available here: <https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0249217>

Further information on the Culture Token project: <https://digitales.wien.gv.at/en/projekt/culture-token/>

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