Does Financing of Public Goods by Lotteries Crowd Out Pro-Social Incentives?

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  - *other types* (17%): "hump-shaped," random, etc.

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  - national survey that includes data on incentivized decisions
  - repeated interaction with the population of donors

Existing Literature on the Effect of a Fixed-Prize Lottery

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- **Theory**: fixed-prize lottery improves social efficiency in comparison to VCM:
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- **Experiments**: public good provision increases under lotteries as opposed to VCM:
  - Morgan and Sefton (2000)
  - Orzen (2008)

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- Expected monetary payoff:

$$E(\pi_i) = w - g_i + \alpha \left(\sum_{j=1}^{n} g_j - R \right) + \frac{g_i}{\sum_{j=1}^{n} g_j} R$$

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  - a subject, together with two others, competes for the prize of $0.75R$
  - the remaining group member receives the prize of $0.25R$

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  - **Issue 2**: if present, the outside money should be present in all within-subject treatments
  - **Issue 3**: if so, if not used for the lottery prize (e.g., in VCM), should the money be contributed to the public good or should it be distributed to subjects?

Our Solution

- Additional R units of the private good on aggregate:

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  - $R = 16$: implies $g^* = 12$, suggesting a boundary choice of contributions

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- Separate printed instructions for each stage, changes relative to the previous stage highlighted

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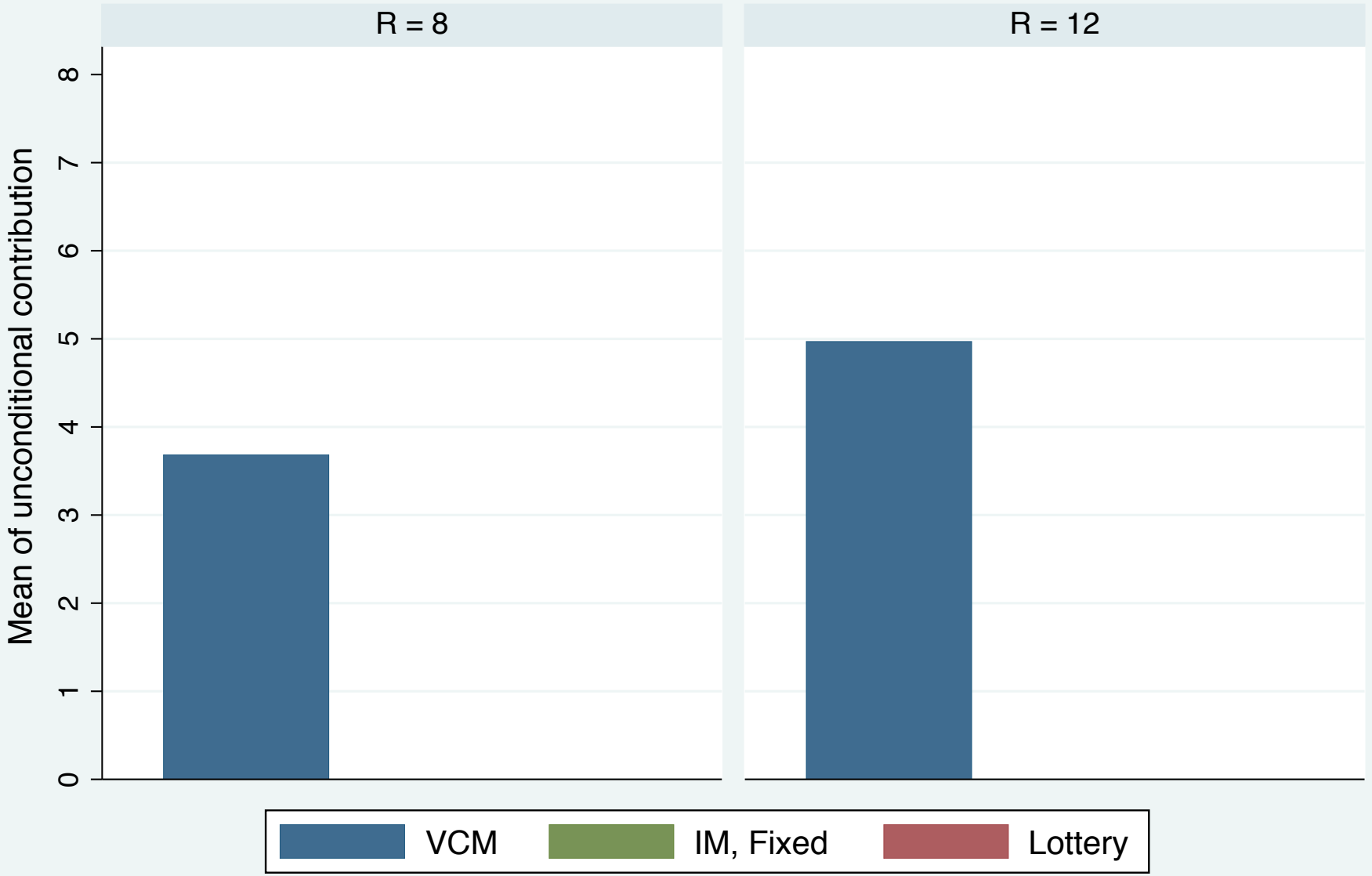
- Average earnings: 332 CZK (13 EUR), including a 100 CZK (4 EUR) show-up fee

Unconditional Contributions



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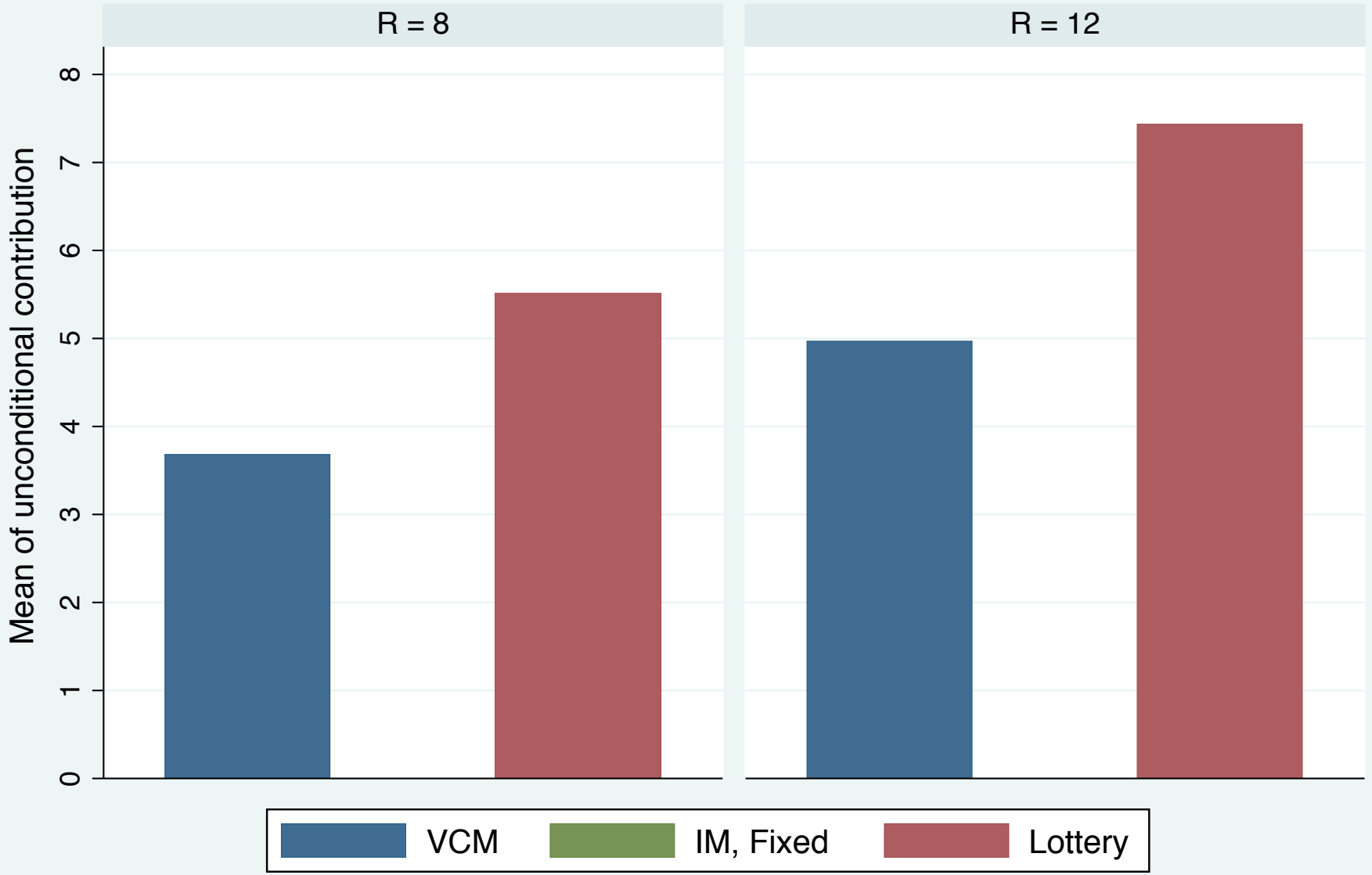

Unconditional Contributions

Unconditional Contributions: Treatment Effects

	Lottery prize:		Difference:
	$R = 8$	$R = 12$	(12) – (8)
Lottery - VCM	1.83***	2.46***	0.63
	(0.33)	(0.35)	(0.48)
IM, Fixed - VCM	-1.03***	-1.31***	-0.28
	(0.32)	(0.40)	(0.51)
Lottery - IM, Fixed	2.86***	3.77***	0.91
	(0.38)	(0.41)	(0.56)

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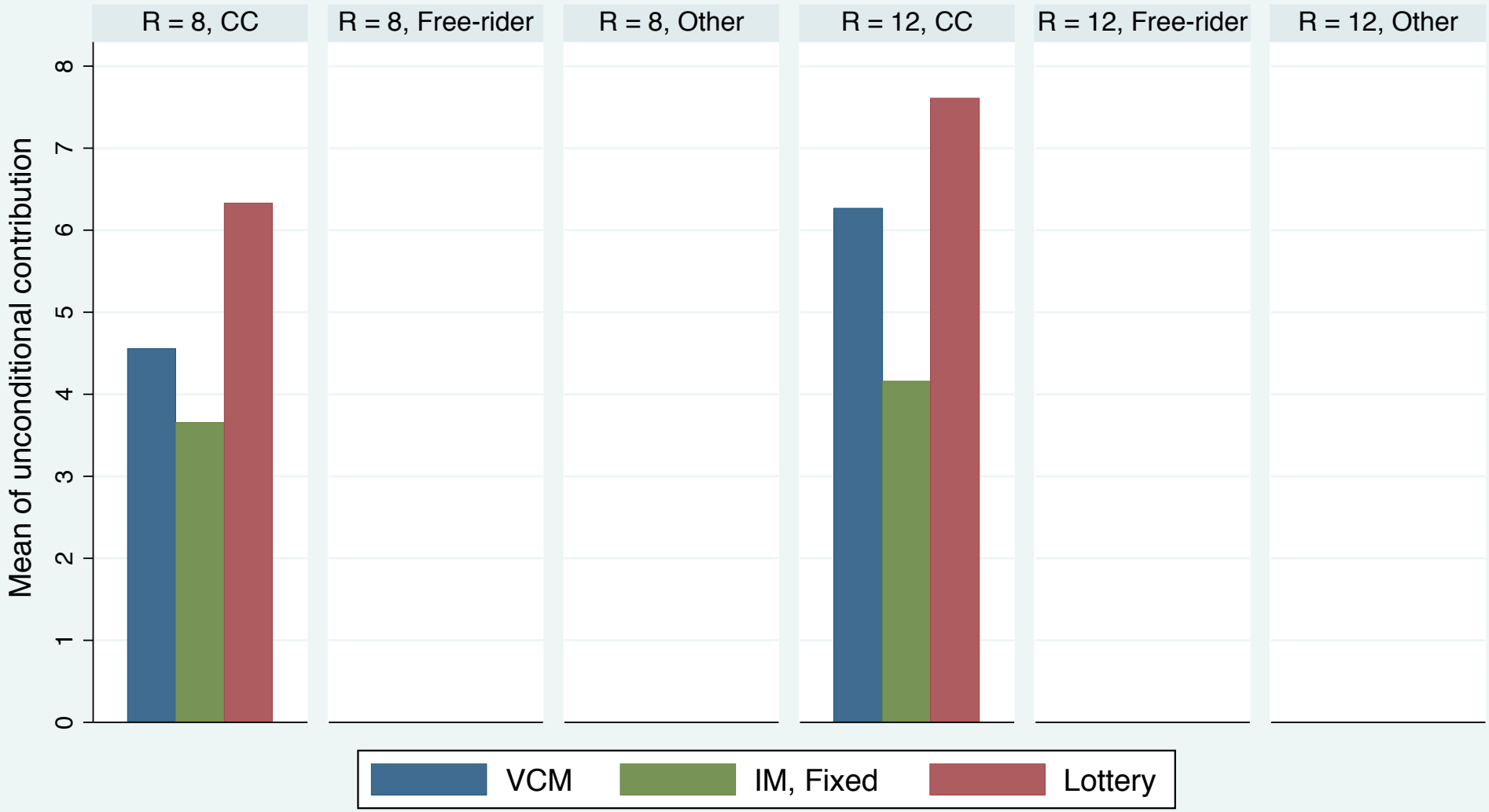
- Similar type distribution as in Fischbacher et al. (2001) or Herrmann & Thöni (2009)

Unconditional Contributions by Type



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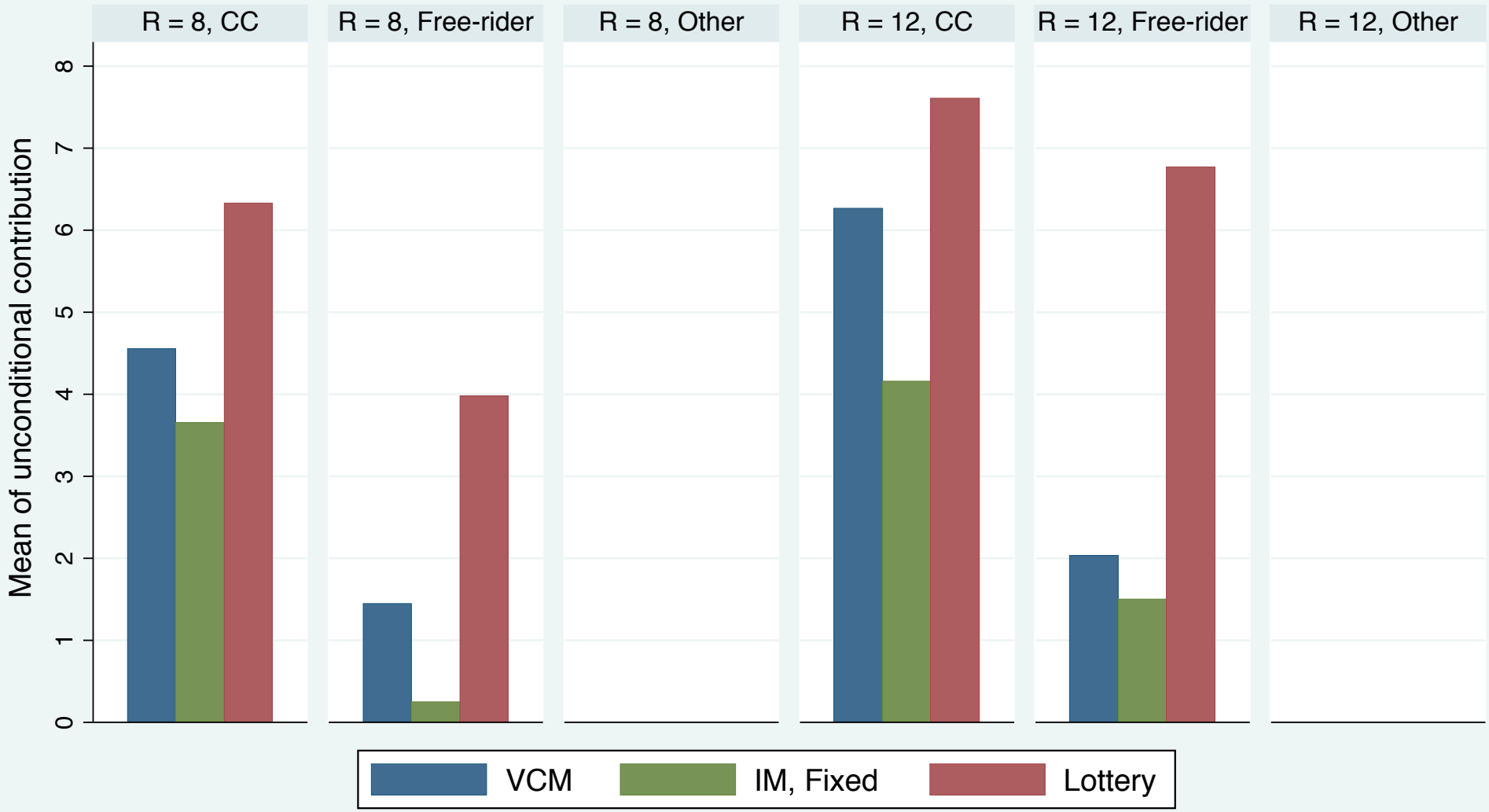

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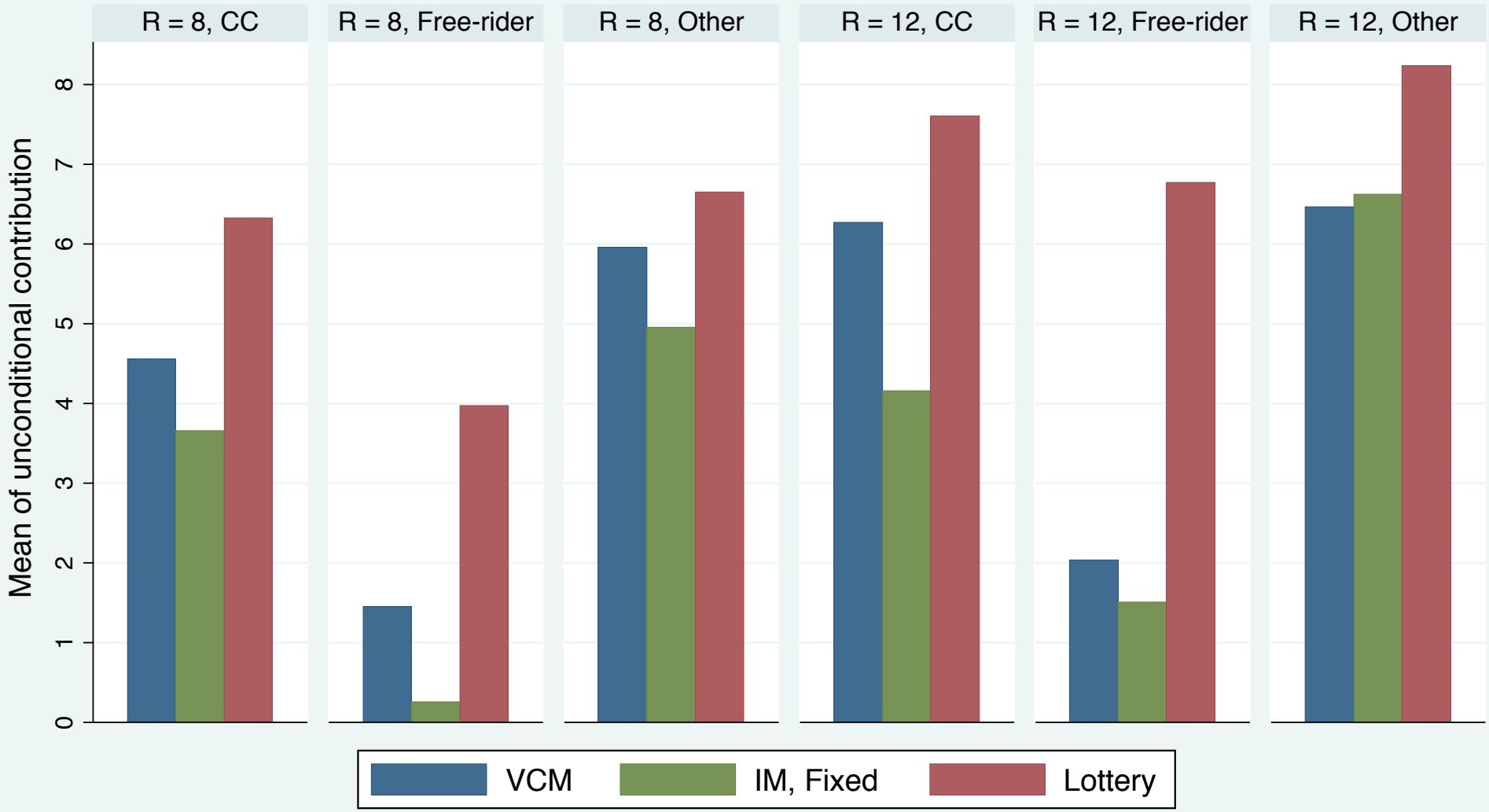


Unconditional Contributions by Type

Unconditional Contributions: (Lottery - VCM) by Type

	All	Lottery prize:		Difference:
	Subjects	$R = 8$	$R = 12$	(12) − (8)
CCs	1.53***	1.78***	1.34***	-0.44
	(0.28)	(0.50)	(0.31)	(0.58)
FRs	3.53***	2.53***	4.73***	2.21**
	(0.48)	(0.58)	(0.74)	(0.93)
Others	1.12**	0.70	1.77*	1.07
	(0.53)	(0.63)	(0.91)	(1.11)
CCs - FRs	-2.00***	-0.75	-3.39***	-2.64***
	(0.55)	(0.76)	(0.80)	(1.10)

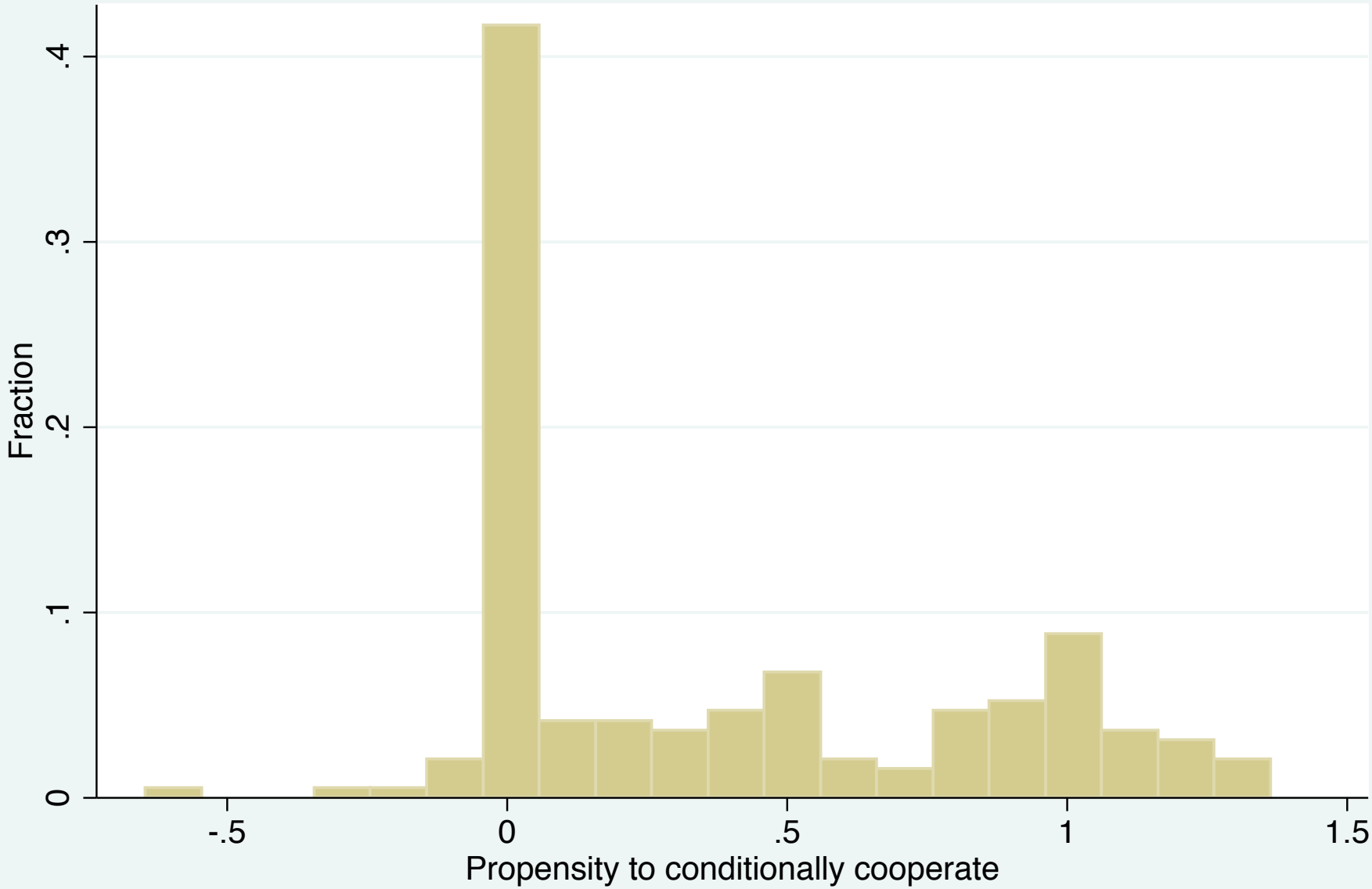
Unconditional Contributions: (IM, Fixed - VCM) by Type

	All	Lottery prize:		Difference:
	Subjects	$R = 8$	$R = 12$	(12) − (8)
CCs	-1.59***	-0.90*	-2.11***	-1.21
	(0.39)	(0.53)	(0.55)	(0.76)
FRs	-0.89**	-1.19**	-0.53	0.66
	(0.44)	(0.50)	(0.77)	(0.91)
Others	-0.55	-1.00	0.15	1.15
	(0.46)	(0.64)	(0.59)	(0.87)
CCs - FRs	-0.70	0.29	-1.58*	-1.87
	(0.59)	(0.73)	(0.94)	(1.19)

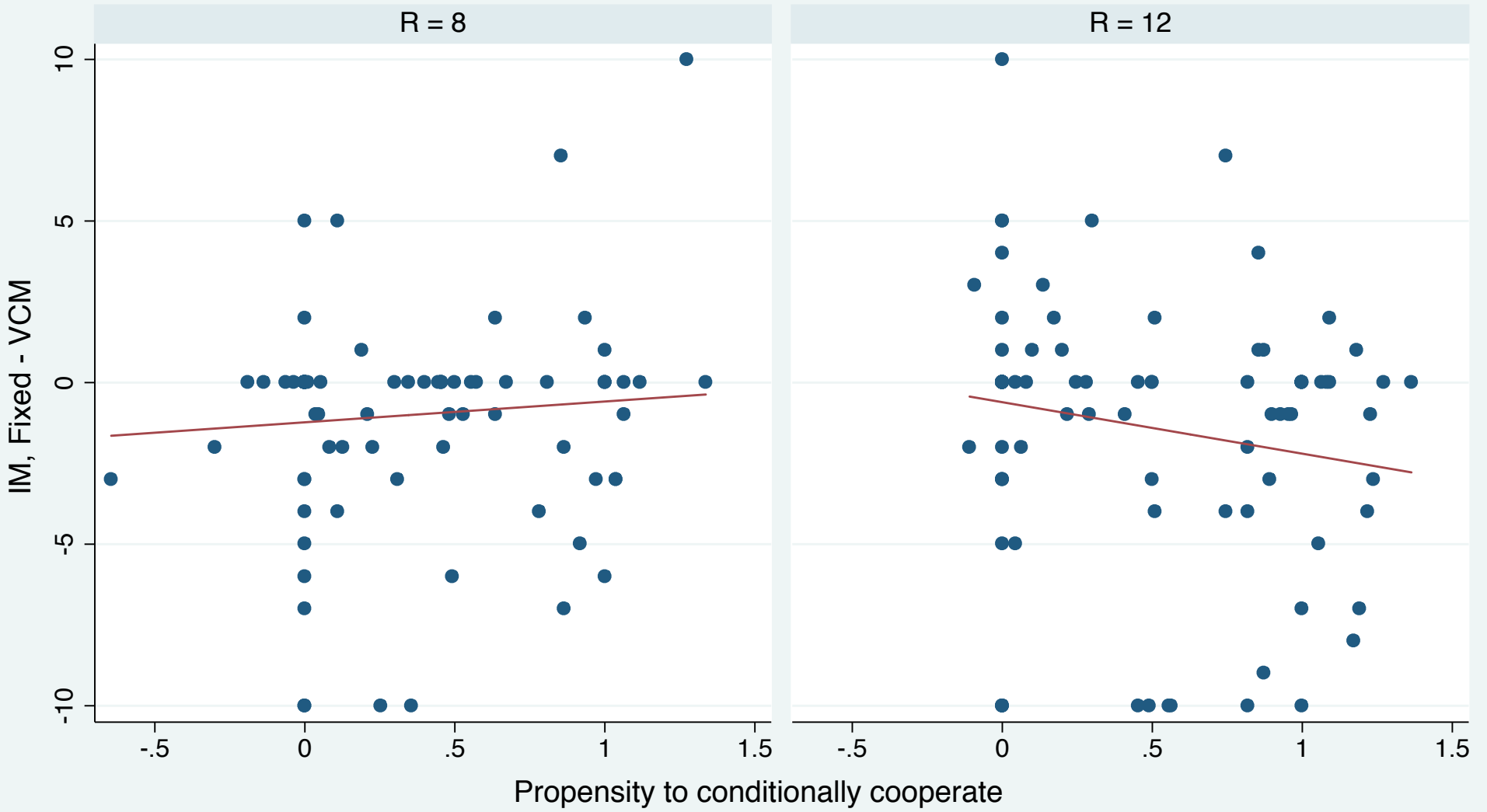
Unconditional Contributions: (Lottery - IM, Fixed) by Type

	All	Lottery prize:		Difference:
	Subjects	$R = 8$	$R = 12$	(12) − (8)
CCs	3.12***	2.68***	3.45***	0.78
	(0.40)	(0.57)	(0.56)	(0.80)
FRs	4.42***	3.72***	5.27***	1.54
	(0.47)	(0.62)	(0.71)	(0.94)
Others	1.67***	1.7*	1.62*	-0.08
	(0.59)	(0.85)	(0.75)	(1.13)
CCs - FRs	-1.31**	-1.05	-1.81**	-0.77
	(0.62)	(0.84)	(0.90)	(1.23)

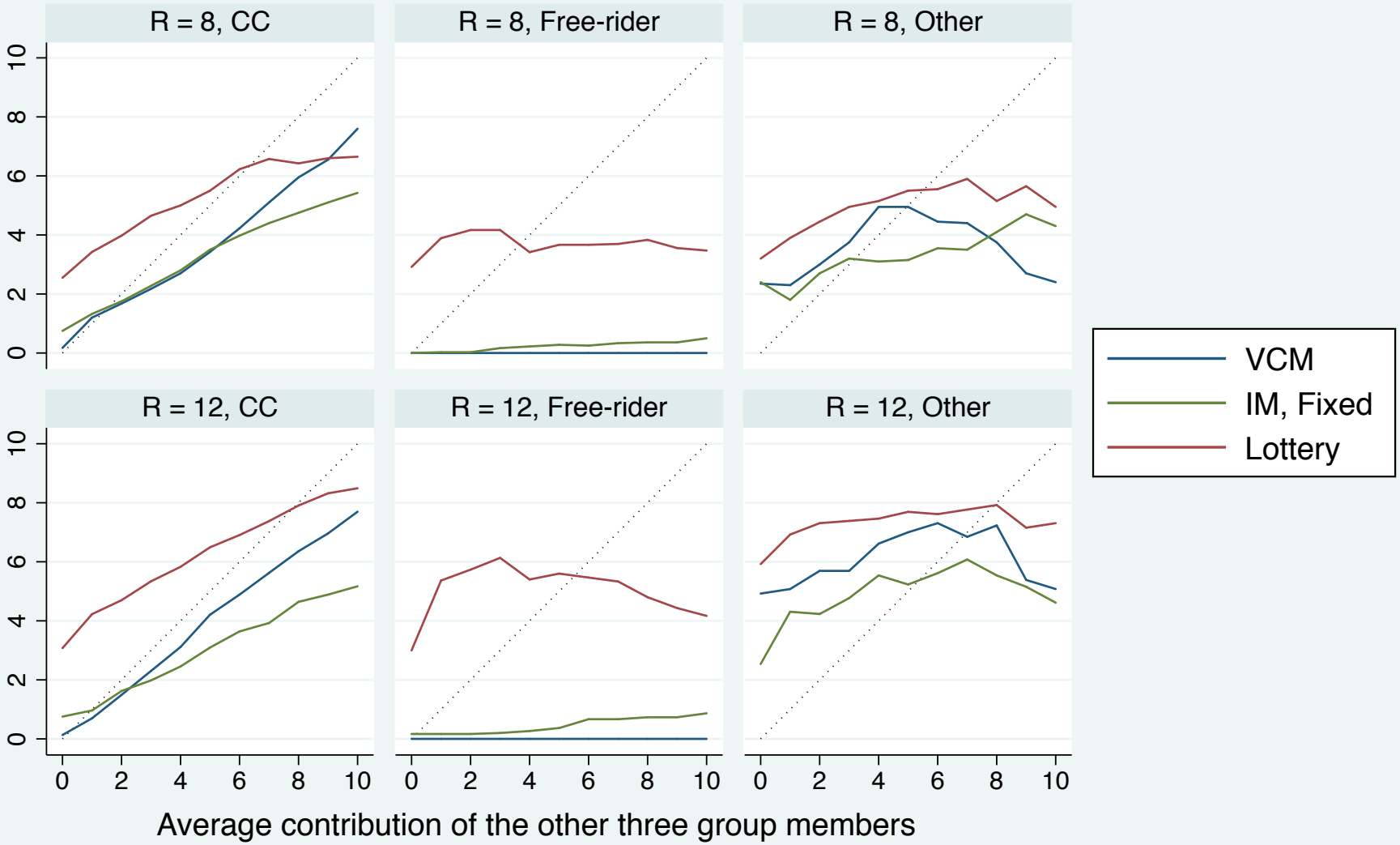
Continuous Measure of Cond. Cooperation



Conditional Cooperation and Crowding-out



Conditional Contributions



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