

# Monetary vs. social incentives in peer review

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# Monetary incentives displace social ones

- ▶ Trivial task with no/low/medium levels of payment
- ▶ Effort for low levels of payment is lower than in the no-payment case
- ▶ Effort for medium levels of payment is just as in the no-payment case
- ▶ Non-monetary incentives do not lead to crowding-out effects

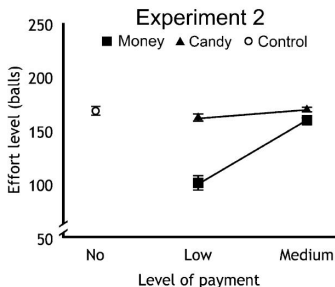


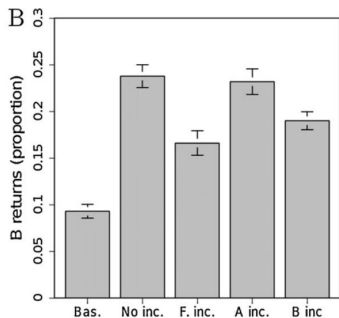
Fig. 3. Results from Experiment 2: measured effort (number of balls dragged in 3 min) as a function of payment level (none, low, or medium) and payment form (money or candy).

Heyman & Ariely, *Psychological Science*, 2004



# Confirmation of previous results in a “review” case

- ▶ Experiment simulating review processes
- ▶ Low, generic incentives led to lower fairness than no incentives at all
- ▶ Only carefully aligned incentives allow to reach a level of fairness close to the no-incentive situation



Squazzoni et al., *Research Policy*, 2013



# Is a scaling-up realistic?

- ▶ The presence of monetary incentives changes the context of peer review to a "market" situation
- ▶ Where the quality of the work depends on the wage level!
- ▶ Even assuming that carefully-crafted monetary incentives could work:
  - ▶ how is it possible to carefully calibrate the incentive to the referee's effort?
  - ▶ how is it possible to offer high incentives to millions of referees every year?
  - ▶ who should pay for that? the taxpayers?
  - ▶ will monetary incentives offered by some journals "displace" social incentives in others?



# Conclusions

- ▶ Peer review holds common/public-good characters
- ▶ Market as an inefficient provider of public goods
- ▶ Material incentives displaced by monetary ones
- ▶ Commons literature: management through institutional and social arrangements works
- ▶ Working of trust and reputation mechanisms enhanced by carefully designed institutions

