

1 The Role of Preferences for Pro-
2 Environmental Behaviour among Urban
3 Middle Class Households in Peru
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18 **Abstract**

19 Pro-environmental behaviour (PEB) is known to reflect people's social
20 preferences, time preferences and risk preferences. Previous
21 research has tended to consider these in isolation, which means they
22 may proxy for omitted ones, leading to biased estimates. Moreover,
23 it has not considered ambiguity preferences, which for some PEBs is
24 conceptually more relevant than risk preferences. Using a survey
25 module from the Global Preference Survey (GPS), we investigate the
26 role of a large range of preferences for PEB in a sample of 900 middle
27 class households in Lima, Peru. The PEBs we consider are habitually
28 saving energy, avoiding the use of plastics, and limiting expenditures
29 on electricity. We find that social preferences matter mainly for
30 saving-energy behaviour; time, risk and ambiguity preferences
31 matter mainly for the consumption of plastics; and time and
32 ambiguity preferences matter for expenditures on electricity. The
33 insight that particular preferences matter for particular PEBs has
34 important policy implications.

35

36 **Keywords:** Risk Preferences; Ambiguity Preferences; Time
37 Preferences; Social Preferences; Pro-Environmental Behaviour

38 1 Introduction

39 Individual consumers can help prevent disastrous climate change and
40 environmental pollution by changing their behaviour. Pro-
41 environmental behaviour (PEB) results both from large, occasional
42 decisions such as having solar cells installed and from small, regular
43 ones such as switching off the TV when nobody is actively watching
44 it.

45 Economists think of behaviour as resulting from people's
46 preferences. Research has shown that individual preferences can
47 influence decision-making in many domains, including savings
48 behaviour and educational attainment, health-related behaviours
49 such as exercising and smoking, or pro-social behaviours such as
50 donations to charity (Dohmen et al., 2011; Sutter et al., 2013; Falk et
51 al., 2015; 2018).

52 Several studies have found individual preferences to be important for
53 PEB. A group of these have found *social preferences* to matter for PEB
54 (Gupta and Ogden, 2009; Volland, 2017; Ziegler, 2018). This is
55 plausible since PEB requires caring about the wellbeing of other
56 people, and a propensity to assume that others, when encouraged to
57 engage in PEB, will do so (Gupta and Ogden, 2009). The social
58 preferences of altruism, trust and reciprocity are therefore expected
59 to be important for PEB.

60 Other studies looked at the role of *risk preferences*. The benefits of
61 PEB are uncertain, meaning that deciding to engage in PEB carries the
62 risk that the desired outcomes do not come about. In line with that,
63 greater risk aversion has been found to be associated with the
64 undervaluation of PEB (Farsi, 2010; Qiu et al., 2014; Fischbacher et
65 al., 2015), although not universally so (Volland, 2017). Finally, *time*
66 *preferences* are expected to matter. People who discount the future
67 at a lower rate, i.e. people who are more patient, should value PEB
68 more. This has been empirically confirmed by Qiu et al. (2014), Newell
69 and Siikamäki (2015) and Fuerst and Singh (2018).

70 In this study, unlike in previous research, we consider the role of
71 social preferences, risk preferences, and time preferences for PEB
72 together, rather than one or some of these in isolation. To this we
73 add ambiguity preferences. Ambiguity preferences relate to
74 uncertain future outcomes that occur with unknowable probabilities.
75 We explain below why ambiguity preferences are sometimes
76 conceptually more appropriate than risk preferences for PEB. We
77 collect survey data for a sample of middle-class households from
78 Lima, the capital of Peru. The social preferences we include are
79 altruism, trust and reciprocity (both positive and negative). With the
80 exception of ambiguity preferences, all preferences are elicited using
81 a survey module from the Global Preference Survey (GPS), introduced
82 by Falk et al. (2016; 2018).

83 We make the following contributions to the literature on preferences
84 and PEB. First, whereas previous studies consider one or a few
85 preferences in isolation, we include a large range of relevant
86 preferences. As Sutter et al. (2013) point out, omitting relevant
87 preferences can lead to wrongly attributing behavioural effects to the
88 preferences that have been included in the analysis. Whereas we do
89 not claim to be able to identify causal effects of preferences on PEB,
90 we avoid in this way potential omitted variable bias. For the same
91 reason, we also control in the analysis for variables that are
92 potentially correlated both with PEB and with preferences, such as
93 environmental knowledge, environmental concern, wealth, age,
94 gender and education.

95 Second, most research in this field has looked at the role of
96 preferences in PEB that results from large, occasional decisions.
97 However, as mentioned PEB consists of regular behaviour, too. To our
98 knowledge, no previous evidence exists on preferences and their
99 importance for regular PEB.¹ We contribute to the literature by
100 considering two types: behaviours that save energy in the household
101 and behaviours that reduce the amount of plastics consumption. We
102 also consider a measure that results from both regular PEB and
103 occasional PEB, the monthly electricity bill. Volland (2017) uses a
104 similar measure for a sample of households in the UK.

105 Third, we include ambiguity aversion among the relevant
106 preferences, which is a novel contribution as the studies on PEB that
107 look at the role of attitudes towards uncertainty focus on risk
108 aversion (Farsi, 2010; Qiu et al., 2014; Fischbacher et al., 2015;
109 Volland, 2017). When probabilities of outcomes are known or can be
110 estimated, risk preferences are relevant, when they are unknown,
111 ambiguity preferences are (Elsberg, 1961). In the plausible situation
112 that an individual decision-maker is unable to estimate the
113 probabilities of outcomes of PEB, ambiguity aversion is therefore the
114 relevant concept, which we are able to investigate in this study.²

115 Fourth, by eliciting data on preferences using questions from the
116 Global Preference Survey (GPS) of Falk et al. (2016; 2018), we are
117 employing a validated methodology that allows for simple
118 comparison within and between countries and thereby provides a
119 basis for replication in future research.

¹ A recent working paper by Lades et al. (2020) takes a similar approach while using online surveys and different techniques to measure regular PEB.

² Millner et al. (2013) and Weitzman (2009) theoretically discuss the relevance of ambiguity for climate policies. Yet, to our knowledge no previous study has ever quantified the effect of ambiguity aversion on PEB in a real world setting. Evidence on individual ambiguity preferences and behaviour outside the laboratory is rare in general (see Trautmann and Van de Kuilen, 2014, for a review).

120 Fifth and finally, with the exception of Fuerst and Singh (2018), who
 121 conducted their research in India, no evidence exists for the role of
 122 preferences in PEB outside a high-income country context. Peru, a
 123 middle income country, is a particularly interesting case because of
 124 the rapid rise of the middle class, as a result of sustained economic
 125 growth. According to the official news agency of the Peruvian state,
 126 Andina, the percentage of people living in middle class households
 127 grew from 14.1% of the population in 2004 to 44.7% in 2018, the year
 128 of our survey, which amounts to 14.4 million Peruvians (Andina
 129 2019).³ As their spending increases, so does their potential to do
 130 damage to the environment through their consumption behaviour.⁴
 131 Evidence on the preferences that correlate with PEB among a group
 132 with a large and rapidly growing environmental footprint may help
 133 policy makers understand how to encourage PEB more effectively
 134 and thereby prevent much damage.

135 Our findings may be summarised as follows. We find that social
 136 preferences matter mainly for saving-energy behaviour; time, risk
 137 and ambiguity preferences matter mainly for the consumption of
 138 plastics; and time and ambiguity preferences matter for expenditures
 139 on electricity. The insight that particular preferences matter for
 140 particular PEBs has important policy implications, which we spell out
 141 in the final section of the paper. The paper proceeds as follows:
 142 *Section 2* explains the research design, including the research
 143 hypotheses, data collection and measurement of variables. *Section 3*
 144 presents empirical findings based on regression analyses. *Section 4*
 145 ends with a discussion and conclusion.

146 2 Research design

147 2.1 Research hypotheses

148 As outlined in the introduction, previous literature has found social
 149 preferences to matter for PEB. PEB requires people to make the effort
 150 of engaging in activities that result mainly in collective benefits for
 151 the society, which again requires people to care about the wellbeing
 152 of others. In particular, it requires people to engage in sustainable
 153 activities without expecting any direct personal benefit from it
 154 (altruism). It also assumesthat they trust other people will engage in
 155 PEB as well when encouraged to do so (trust), and to be willing to
 156 reciprocate when other people’s effort for collective benefit
 157 (reciprocity).

³ Middle class households are defined by Lima’s chamber of commerce as those earning between US\$10 and US\$50 per day, corrected for purchasing power parity (ibid.).

⁴ See Never et al. (2020) for the carbon-intensity of consumption patterns of the growing middle class in Peru.

158 Volland (2017) finds that trust has a negative effect on residential
159 energy use while Gupta and Ogden (2009) provide additional
160 evidence that more trusting individuals are more likely to buy green
161 products. Ziegler (2018) further finds that higher levels of trust and
162 social preferences in general have a positive effect on switching to
163 green electricity contracts. Moreover, at a macro level, Carattini et al.
164 (2015) show that trust is negatively related with countries'
165 greenhouse gas emissions and per capita energy consumption.
166 Ostrom (2009) further summarizes the importance of trust and
167 reciprocity for solving global collective action problems like climate
168 change mitigation.

169 All these studies thus find positive correlations between social
170 preferences and PEB. Notably, previous literature has focused mainly
171 on trust, while evidence on the importance of other social
172 preferences (altruism as well as positive and negative reciprocity) for
173 PEB is sparse. Based on previous literature, we therefore hypothesise
174 that higher levels of social preferences lead to more energy-saving
175 behaviour and sustainable plastics consumption, and to lower
176 expenditures on electricity. This will be our first hypothesis.

177 *H1: Higher levels of social preferences predict more PEB (i.e. more*
178 *energy-saving behaviour and sustainable plastics consumption, and*
179 *less expenditures on electricity).*

180 A link has also been found between risk preferences and PEB. PEB
181 requires people to engage in activities of which the benefits are
182 mostly uncertain. Qiu et al. (2014) show that more risk averse
183 individuals are less likely to adopt energy-efficient technologies or
184 have installed energy-efficient home improvements. Similar results
185 are reported by Farsi (2010) for adopting energy-efficient systems in
186 rental apartments. On the other hand, Volland (2017) finds that
187 higher risk tolerance increases household energy use. While these
188 findings might seem contradictory (more energy-efficient appliances
189 should lead to lower energy use), Volland (2017) explains this effect
190 with a higher willingness to purchase new appliances in general
191 (energy-efficient or not) of people with higher levels of risk tolerance.
192 Fischbacher et al. (2015) further find that more risk taking
193 homeowners are more likely to have renovated their house for better
194 insulation.

195 Evidence on the relation between risk preferences and PEB is
196 therefore not as straightforward as for social preferences, even
197 though the majority (with the exception of Volland, 2017) finds that
198 higher levels of risk aversion are associated with less investment in
199 PEB. However, Volland's measure of monthly energy expenditures in
200 the UK comes closest to our dependent variable of the monthly
201 electricity bill and might therefore be more relevant for this particular
202 PEB. Moreover, we include ambiguity aversion in our analysis. When
203 decision-makers are unable to associate probabilities with the

204 outcomes of PEB, ambiguity aversion, not risk aversion, is the
 205 relevant concept. Moreover, the strong correlation between the two
 206 measures indicates in any case the importance to consider both in the
 207 analysis.⁵ In line with previous findings, we thus derive the following
 208 hypotheses for our analysis.

209 *H2a: Higher levels of uncertainty tolerance (risk and ambiguity)*
 210 *predict more PEB with regards to energy-saving behaviour and*
 211 *sustainable plastics consumption.*

212 *H2b: Higher levels of uncertainty tolerance (risk and ambiguity)*
 213 *predict higher expenditures on electricity (i.e. less PEB in this regard).*

214 Lastly, evidence exists on the importance of time preferences for PEB.
 215 PEB requires people to engage in activities in the present of which the
 216 benefits pay off mainly in the future. It is therefore plausible to
 217 assume that individual discount rates, used as a measure of
 218 impatience, are important for the decision to engage in PEB.

219 Newell and Siikamäki (2015) demonstrate that individual discount
 220 rates systematically influence households' willingness to pay for
 221 energy efficiency. Fischbacher et al. (2015) further find that future-
 222 oriented individuals live in homes with higher energy efficiency and
 223 have lower energy costs. Fuerst and Singh (2018) provide additional
 224 evidence that individuals who are more patient and less present-
 225 biased are more likely to invest in energy-efficient appliances. Ziegler
 226 (2018) further shows that more patient individuals are more likely to
 227 switch to alternative and green electricity contracts. The evidence
 228 therefore clearly suggests that higher levels of patience predict more
 229 PEB. This leads to our next hypothesis.

230 *H3: Higher levels of patience predict more PEB (i.e. more energy-*
 231 *saving behaviour and sustainable plastics consumption, and less*
 232 *expenditures on electricity).*

233 2.2 Data collection

234 To elicit information on the variables of interest for our analysis, a
 235 household survey was conducted among 900 middle class households
 236 in Lima, Peru, in November and December 2018. The data collection
 237 was conducted by a local survey firm. To identify middle class
 238 households, we first excluded the very poorest and very richest
 239 districts by making use of an existing poverty map for Lima (INEI,
 240 2016) as well as the latest national household survey data for Peru
 241 (ENAHO, 2017). We next computed the number of households to
 242 sample by district through allocating the sample to districts in
 243 proportion to the number of middle-income households living in
 244 them, using the latest Census (2017) data and the INEI (2016) poverty

⁵ A correlation matrix of all preferences and PEBs is attached in the appendix A1.

245 map. We decided to sample on average five households per block, so
246 divided the number of households to be sampled per district by five
247 in order to determine the number of blocks to sample by district.
248 Blocks were randomly selected.⁶

249 Within each block, enumerators followed a random walk system and
250 approached every fifth household, thereby sampling approximately
251 five households per block. Enumerators asked eight screening
252 questions before administering the actual questionnaire, in order to
253 ensure that households did indeed belong to the middle class.⁷
254 Enumerators were instructed to always interview the household head
255 (preferably) or their spouse. The surveys were conducted with tablets
256 using the software SurveyCTO. The monitoring function of the
257 software made it possible to follow the data collection process
258 continuously and to ensure direct quality control of the data.

259 2.3 Measurement of variables

260 2.3.1 Independent variables: preferences

261 Data on risk, time and social preferences was collected using
262 questions from the Global Preference Survey (GPS) of Falk et al.
263 (2016; 2018), which has been implemented worldwide, in at least 76
264 countries. A key advantage of the GPS is that it is experimentally
265 validated, meaning that the survey items included in the GPS were
266 the best predictors for preferences in incentivised choice
267 experiments. By experimentally validating a survey module on
268 preferences and testing it for cultural sensitivities, the authors
269 provide a low-cost measurement tool for use in large and diverse
270 samples, while still retaining key advantages of experimental
271 approaches (Falk et al., 2016). Moreover, the use of a standardized
272 tool for measuring preferences contributes to facilitating
273 comparability across studies. By using questions from the GPS for our
274 research, we thus take advantage of a tool that can easily be applied
275 in almost any country, thereby facilitating international replication
276 and comparison.

277 For our analysis, risk preferences are elicited using a so-called
278 “staircase” procedure for the subjective valuation of a hypothetical
279 gamble. In particular, respondents choose between this gamble and
280 a certain payment. If they choose the gamble, then the certain
281 payment is increased in the next choice; if they choose the certain

⁶ To be precise, we numbered contiguous blocks consecutively on a map, divided the number of district blocks by the number of blocks to be sampled, which gave the number x , and sampled every x th block.

⁷ Enumerators observed the appearance of the house, and asked some questions about certain indicative expenditure categories. On the basis of these questions, a score was computed, which if it was in the required range meant enumerators could proceed with the survey. If not, they approached the next house.

282 payment, then it is reduced. This continues until the certainty
 283 equivalent value of the gamble is approximated, i.e. until the
 284 decision-maker is almost indifferent between the gamble and the
 285 certain payment. Time preferences are measured using a similar
 286 staircase procedure for a hypothetical intertemporal choice (between
 287 a payment now and a payment in twelve months), and ambiguity
 288 preferences (which are not included in the GPS) by using the same
 289 staircase procedure as for risk, but replacing the gamble by an
 290 ambiguous outcome, i.e. one in which probabilities are not known by
 291 the decision-maker.⁸

292 We elicit social preferences using questions on altruism, trust, and
 293 positive and negative reciprocity, which are all measured through
 294 respondents rating their willingness to act in certain emblematic
 295 situations, or their self-image in terms of certain character traits, on
 296 an 11-point Likert-scale from 0 to 10. For example, preferences for
 297 negative reciprocity are captured through scores on the following two
 298 questions with equal weights.

299 *How willing are you to punish someone who treats **you** unfairly, even*
 300 *if there may be costs to do so?*

301 *How willing are you to punish someone who treats **others** unfairly,*
 302 *even if there may be costs to do so?*

303 All survey questions are shown in abbreviated form in table 1 below
 304 and can be found in their original longer version in appendix A2. For
 305 the analysis, we use the z-score of each preference measure.

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315 *Table 1: Preference measures used in the analysis (own illustration (short*
 316 *form) based on Falk et al., 2016).*

⁸ Our method for eliciting ambiguity preferences is inspired by Sutter et al. (2013).

Preference	Question in abbreviated form	Answer Scale
Risk	<i>(Sequence of five interdependent binary choice questions)</i> What would you prefer: 50 percent chance of receiving x and 50 percent chance of receiving nothing, or the amount of y as a sure payment?	Five choices between a risky and a certain payment
Ambiguity	<i>(Sequence of five interdependent binary choice questions)</i> This bag contains 20 balls, which are all either black or white, but you don't know how many of each there are. What would you prefer: a draw from the bag of 20 balls, where you would get amount x if you drew a white ball, and nothing if you drew a black ball, or the amount of y as a sure payment?	Five choices between an ambiguous and a certain payment
Time	<i>(Sequence of five interdependent binary choice questions)</i> Please consider the following: would you rather receive amount x today or amount y in 12 months?	Five choices between a payment now and one in twelve months
Altruism	<i>(Willingness to act)</i> How willing are you to give to good causes without expecting anything in return?	11-point Likert-scale from 0 to 10
Negative reciprocity	<i>(Willingness to act)</i> 0.5 x How willing are you to punish someone who treats you unfairly, even if there may be costs for you? 0.5 x How willing are you to punish someone who treats others unfairly, even if there may be costs for you?	11-point Likert-scale from 0 to 10
Positive reciprocity	<i>(Self-assessment)</i> When someone does me a favour, I am willing to return it.	11-point Likert-scale from 0 to 10
Trust	<i>(Self-assessment)</i> I assume that people have only the best intentions.	11-point Likert-scale from 0 to 10

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318 2.3.2 Dependent variables: Pro-environmental behaviour (PEB)

319 We capture pro-environmental behaviour (PEB) in a number of
320 different ways (for details see appendix A3). First, we measure the
321 extent to which people engage in *energy-saving behaviour*. We do so
322 through constructing an index based on three questions, one
323 focussing on switching off the lights when leaving the room, another
324 on turning off the TV when nobody is actively watching it, and a final
325 one on pro-actively trying to save energy in general. The index
326 constructed is the first component of a Principal Component Analysis
327 (PCA). To verify our assumption that the first component captures

328 PEB rather than something else, we also use an index based on the
329 simple mean of the three items, as a robustness check.⁹

330 Second, we capture whether respondents are aiming for *sustainable*
331 *plastics consumption*. For this purpose, we construct an index based
332 on two questions, one about reusing materials such as plastic bags
333 and another about trying to avoid taking plastic bags in shops. Again,
334 PCA is used to construct our preferred index while an index based on
335 the mean of the items is used as a robustness check.

336 Third, we measure *monthly spending on electricity*, which relies
337 mainly on self-reported data.¹⁰ For the analysis of spending on
338 electricity, we removed outliers: all households that claimed to have
339 no spending on electricity at all (19 cases) and those that reported an
340 electricity spending above 600 Soles per month (10 cases, top 1%),
341 leaving 869 observations for the final variable. For the analysis, the
342 logarithm of this variable was used.

343 2.3.3 Control variables

344 Environmental knowledge (EK) and environmental concern (EC) can
345 be expected to matter for PEB and are therefore included as control
346 variables in the analysis (see e.g. Lange et al., 2014, for a discussion
347 on the relevance of environmental attitudes for residential heating
348 expenditures). Moreover, EK and EC may correlate with both PEB and
349 individual preferences, so that not including these variables would
350 bias the estimated effect of preferences on PEB. The same applies to
351 the other control variables, which include a wealth index (based on a
352 PCA of all assets and characteristics of the house), age, gender and
353 the level of education of the respondent as well as the number of
354 household members (hh members) and household rooms (hh rooms).
355 EK is captured using an additive index based on eight questions
356 eliciting knowledge about the natural environment and humans'
357 influence on it. Our EC index takes the value of the mean of scores on
358 six questions eliciting concern for the environment and for
359 sustainable consumption habits. The questions for EK and EC are
360 based on Thogersen et al. (2010) and Thogersen et al. (2019), and can
361 be found in appendix A4.

⁹ All robustness checks and other supplementary analyses are available from the authors on request.

¹⁰ Only a minority of people allowed us to take a picture of their electricity bill (n=33). In all other cases, people gave their best guess of how much they spent on electricity per month. Whether self-reported numbers are sufficiently accurate in this context has been discussed with key informants in Peru and was found to be the case. We only asked people about their guess on monthly electricity expenditures when they did not allow us to take a picture of their electricity bill. Therefore, we combine the two (actual number stated on electricity bill and best guess from respondent) for the final variable used in the analysis.

362 3 Empirical findings

363 3.1 Descriptive statistics

364 Table 2 shows descriptive statistics of the key variables used in the
365 analysis. Respondents are 55% female, and aged between 18 and 75
366 years, with a mean age of 48 years. Confirming the middle-class
367 nature of our sample, the most frequently occurring levels of
368 education are having completed secondary school (41%) and
369 technical higher education (39%).

370 For ease of interpreting the regression analyses below, we note here
371 that higher indices of sustainable plastics consumption and saving-
372 energy behaviour indicate a greater degree of PEB, higher monthly
373 electricity spending a lower degree of PEB, and higher EK and EC
374 indices greater environmental knowledge and concern, respectively.
375 The time preference variable being higher indicates greater patience,
376 and the risk preference variable being higher greater willingness to
377 take risk (so lower risk aversion); ditto for ambiguity.

378 As to the social preferences, negative reciprocity being higher
379 indicates a greater willingness to punish others for behaviour that is
380 perceived to be unfair; altruism higher, a greater willingness to
381 donate to good causes; positive reciprocity higher, a greater
382 willingness to return a favour; and trust higher, a more generous
383 assumption that other people only have the best intentions.

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399 Table 2: Summary statistics of EK and EC, preferences and PEB.

Variable	Obs.	Mean	Std. dev.	Min	Max
Control variables					
Environmental knowledge	898	5.30	1.85	0	8
Environmental concern	898	3.78	0.58	1	5
Preferences					
Altruism	898	4.93	2.44	0	10
Trust	898	3.22	1.86	0	10
Pos. reciprocity	898	7.49	2.10	0	10
Neg. reciprocity	898	2.67	2.03	0	10
Risk	898	7.29	7.65	1	32
Ambiguity	898	6.72	7.26	1	32
Patience	898	1.96	3.76	1	32
PEB					
<i>Each item individually</i>					
Switching off lights	898	4.48	0.71	1	5
Turning off the TV	887	4.44	0.69	1	5
Trying to save energy	898	4.45	0.66	1	5
Reusing plastic materials	898	3.55	1.31	1	5
Avoiding plastic bags	898	2.08	1.09	1	5
<i>Indices (mean)</i>					
Energy-saving index	887	4.45	0.60	1	5
Plastics consumption index	898	2.81	0.94	1	5
<i>Monthly spending on electricity</i>					
Spending on electricity	869	127.93	80.34	12	556

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3.2 Regressions

402 We analyse the relation of preferences and PEB in a multiple
403 regression model

$$404 Y_i = \beta_0 + \beta_1 Altruism_i + \beta_2 Trust_i + \beta_3 Positive\ reciprocity_i +$$

$$405 \beta_4 Negative\ reciprocity_i + \beta_5 Risk_i + \beta_6 Ambiguity_i +$$

$$406 \beta_7 Time_i + \beta_8 EK_i + \beta_9 EC_i + \beta_{10} X_i + u_i,$$

407 where Y_i is PEB (i.e. one of energy-saving behaviour, sustainable
408 plastics consumption or the log of monthly spending on electricity),
409 X_i indicates all other control variables and u_i is the error term.¹¹

410 We specify five models for each of our three measures of pro-
411 environmental behaviour (energy-saving, sustainable plastics
412 consumption, electricity spending), gradually adding regressors to
413 check sensitivity to model specification of coefficients on our key

¹¹ We have also run ordered logit and probit regressions on the individual questions of the indices as robustness checks and receive similar results.

414 independent variables. In model 1, only social preferences feature;
415 model 2 adds risk and ambiguity preferences; model 3 time
416 preferences; model 4 environmental knowledge and concern; and
417 model 5 the full range of controls.¹²

418 3.2.1 Energy-saving behaviour

419 Table 3 shows the regression results for energy-saving behaviour. All
420 social preferences are statistically significant predictors for energy-
421 saving behaviour, also after adding all relevant control variables
422 (model 5). The sign of the coefficients (positive for altruism, trust and
423 positive reciprocity, negative for negative reciprocity) confirms the
424 hypothesis that more pro-social individuals tend to display higher
425 levels of energy-saving behaviour (H1). The size of the coefficients is
426 not very sensitive to adding control variables. Because all variables
427 have been z-standardised, the regression coefficients are directly
428 comparable.

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¹² Given that pairwise correlations among our independent variables are low (see correlation matrix in the appendix A1), multicollinearity is unlikely to be a problem for our analysis.

447 *Table 3: OLS Regression analysis of energy-saving behaviour.*

VARIABLES	(1)	(2)	(3)	(4)	(5)
Altruism	0.197*** (0.0563)	0.204*** (0.0570)	0.201*** (0.0574)	0.234*** (0.0588)	0.220*** (0.0585)
Trust	0.139*** (0.0535)	0.131** (0.0544)	0.130** (0.0544)	0.119** (0.0545)	0.106** (0.0539)
Pos. reciprocity	0.223*** (0.0553)	0.222*** (0.0556)	0.221*** (0.0557)	0.218*** (0.0576)	0.215*** (0.0580)
Neg. reciprocity	-0.229*** (0.0545)	-0.238*** (0.0559)	-0.238*** (0.0559)	-0.223*** (0.0570)	-0.173*** (0.0576)
Risk		-0.00632 (0.0876)	-0.00869 (0.0878)	-0.0288 (0.0881)	-0.0280 (0.0869)
Ambiguity		0.0482 (0.0877)	0.0463 (0.0878)	0.0624 (0.0879)	0.0403 (0.0870)
Patience			0.0229 (0.0513)	0.0309 (0.0516)	0.0420 (0.0509)
EK				-0.0823 (0.0506)	-0.0565 (0.0543)
EC				-0.0883* (0.0520)	-0.0555 (0.0521)
Female					0.207** (0.0997)
Age					0.251*** (0.0510)
Wealth index					-0.0318 (0.0599)
Education					0.0563 (0.0555)
Hh members					-0.0916* (0.0541)
Hh rooms					-0.0525 (0.0593)
Constant	-0.00427 (0.0482)	-0.00440 (0.0482)	-0.00427 (0.0483)	-0.00540 (0.0481)	-0.118 (0.0729)
Observations	887	887	887	887	887
R-squared	0.088	0.089	0.089	0.096	0.132

448 Standard errors in parentheses (***) $p < 0.01$, (**) $p < 0.05$, (*) $p < 0.1$)

449

450 By contrast, we do not find significant results for risk, ambiguity and
451 time preferences. Surprisingly, neither EK nor EC is a significant
452 predictor for energy-saving behaviour in our analysis, which we
453 briefly interpret in the discussion. We do find a positive coefficient for
454 age, indicating that older people engage more in energy-saving
455 behaviour. Finally, women are more likely than men to engage in such
456 behaviour, and so are smaller households.

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461 *Table 4: OLS Regression analysis of sustainable plastics consumption.*

VARIABLES	(1)	(2)	(3)	(4)	(5)
Altruism	0.162*** (0.0413)	0.113*** (0.0395)	0.0977** (0.0396)	0.0343 (0.0398)	0.0355 (0.0400)
Trust	-0.151*** (0.0396)	-0.0847** (0.0379)	-0.0864** (0.0378)	-0.0697* (0.0370)	-0.0568 (0.0370)
Pos. reciprocity	0.132*** (0.0405)	0.118*** (0.0385)	0.113*** (0.0383)	0.144*** (0.0389)	0.126*** (0.0395)
Neg. reciprocity	-0.0899** (0.0405)	0.00116 (0.0392)	0.00140 (0.0390)	-0.0407 (0.0389)	-0.0217 (0.0397)
Risk		-0.196*** (0.0618)	-0.207*** (0.0616)	-0.177*** (0.0604)	-0.190*** (0.0602)
Ambiguity		-0.197*** (0.0618)	-0.206*** (0.0616)	-0.229*** (0.0603)	-0.234*** (0.0603)
Patience			0.106*** (0.0347)	0.0829** (0.0341)	0.0964*** (0.0341)
EK				0.0804** (0.0346)	0.0685* (0.0375)
EC				0.217*** (0.0355)	0.206*** (0.0359)
Female					0.172** (0.0686)
Age					0.0454 (0.0351)
Wealth index					0.0537 (0.0409)
Education					0.0800** (0.0383)
Hh members					0.0924** (0.0374)
Hh rooms					-0.0663 (0.0409)
Constant	-0.00313 (0.0358)	-0.00265 (0.0338)	-0.00273 (0.0337)	-0.00186 (0.0329)	-0.0975* (0.0501)
Observations	898	898	898	898	898
R-squared	0.055	0.161	0.169	0.210	0.228

462 Standard errors in parentheses (***) p<0.01, ** p<0.05, * p<0.1)

463

464

3.2.2 Sustainable plastics consumption

465 Looking at the regression results for sustainable plastics consumption
466 in table 4, we find that all social preferences are statistically
467 significant predictors in model 1, but most of these effects are not
468 robust, since they largely diminish after all other preferences
469 measures and relevant control variables have been added. In model
470 5, the coefficients of altruism, trust and negative reciprocity are
471 statistically insignificant, and the only social preferences variable that
472 remains a statistically significant positive predictor is positive
473 reciprocity (which enters with the expected sign, as specified in H1).

474 By contrast, risk and ambiguity tolerance are both significantly
475 negatively related to sustainable plastics consumption, also after
476 adding all relevant control variables. This means that more risk and

477 ambiguity tolerant people are less likely to engage in this particular
478 PEB, which contradicts our hypothesis H2a and which we reflect upon
479 in the discussion. The results for time preferences confirm the
480 hypothesis that more patient individuals show higher levels of
481 sustainable plastics consumption (H3).

482 Table 4 also illustrates the importance of considering all relevant
483 preferences. For instance, when risk and ambiguity aversion are not
484 controlled for, negative reciprocity is statistically significant, but it
485 loses significance when these variables are added. This suggests that
486 the significance of the coefficient of negative reciprocity in the
487 incomplete models is spurious.

488 Finally, we find evidence that higher levels of EK and EC lead to more
489 sustainable plastics consumption, as predicted, and that women,
490 larger households and more educated people engage in this PEB
491 more.

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512 Table 5: OLS Regression analysis of monthly spending on electricity (log).

VARIABLES	(1)	(2)	(3)	(4)	(5)
Altruism	0.0154 (0.0227)	0.0289 (0.0228)	0.0394* (0.0228)	0.0265 (0.0233)	0.0410* (0.0210)
Trust	0.0414* (0.0219)	0.0255 (0.0220)	0.0271 (0.0219)	0.0333 (0.0219)	0.0260 (0.0196)
Pos. reciprocity	0.0297 (0.0223)	0.0276 (0.0222)	0.0308 (0.0221)	0.0222 (0.0229)	-0.0166 (0.0209)
Neg. reciprocity	0.0227 (0.0224)	0.00560 (0.0228)	0.00469 (0.0227)	0.00507 (0.0232)	0.0549*** (0.0212)
Risk		-0.0343 (0.0352)	-0.0276 (0.0350)	-0.0172 (0.0350)	-0.0197 (0.0313)
Ambiguity		0.111*** (0.0351)	0.117*** (0.0349)	0.108*** (0.0349)	0.0991*** (0.0312)
Patience			-0.0691*** (0.0194)	-0.0684*** (0.0195)	-0.0374*** (0.0175)
EK				0.0594*** (0.0200)	-0.0130 (0.0194)
EC				0.0121 (0.0208)	0.0133 (0.0188)
Female					-0.0213 (0.0356)
Age					0.0811*** (0.0183)
Wealth index					0.216*** (0.0217)
Education					-0.00910 (0.0202)
Hh members					0.0779*** (0.0197)
Hh rooms					0.0509** (0.0216)
Constant	4.690*** (0.0194)	4.689*** (0.0192)	4.690*** (0.0191)	4.690*** (0.0190)	4.696*** (0.0259)
Observations	869	869	869	869	869
R-squared	0.015	0.035	0.049	0.059	0.261

513 Standard errors in parentheses (***) $p < 0.01$, ** $p < 0.05$, * $p < 0.1$)

514

515 3.3.3 Monthly spending on electricity

516 Table 5 shows the regression results for the logarithm of monthly
517 spending on electricity. No clear picture emerges for the relevance of
518 social preferences. The only social preference that is statistically
519 significant at better than marginal level in the complete model
520 specification is negative reciprocity. Its coefficient is positive, which
521 means that people who say they are more prepared to punish others
522 for behaviour they think is unfair also spend more on electricity. It is
523 not a robust result, since the coefficient on negative reciprocity is only
524 significant in model 5. Altruism is marginally significant in model 3 and
525 model 5, but nowhere else. No social preference is thus robustly
526 statistically significant.

527 Ambiguity tolerance is positively related with spending on electricity,
 528 which confirms our hypothesis H2b and which we reflect on in the
 529 next section, and patience is negatively related with such spending,
 530 meaning that more patient individuals have lower spending on
 531 electricity per month, which is as expected (H3).

532 As for energy-saving behaviour, we find no evidence for a relationship
 533 between EK and EC and monthly electricity expenditures, which we
 534 briefly discuss in the next section. Age and wealth clearly matter, with
 535 richer and older people spending more on electricity. Moreover,
 536 spending increases with the number of household members and
 537 household rooms. There is a much larger jump in R-squared between
 538 models 4 and 5 in table 5 than there is in tables 3 and 4. This suggests
 539 that, relative to preferences, the socio-economic control variables are
 540 more important for electricity spending than for the other two PEBs.

541 Table 6 summarizes the results obtained from the regressions of
 542 preferences and PEB for all dependent variables that we consider in
 543 our analysis.

544 *Table 6: Overview of OLS regression results of preferences and PEB (+*
 545 *indicating a positive relationship, - a negative relationship, n.s. non-*
 546 *significant).*

	Energy- saving behaviour	Sustainable plastics consumption	Monthly spending on electricity
Altruism	+	n.s.	+
Trust	+	n.s.	n.s.
Pos. reciprocity	+	+	n.s.
Neg. reciprocity	-	n.s.	+
Risk	n.s.	-	n.s.
Ambiguity	n.s.	-	+
Patience	n.s.	+	-

547

548 4 Discussion and conclusion

549 In this study, we contribute to the literature that relates PEB to
 550 individual preferences. We elicit a full range of individual preferences
 551 (risk, ambiguity, time and social) instead of focussing on just one
 552 preference in isolation, to make sure preferences do not proxy for
 553 omitted ones. We link data on individual preferences to two
 554 dependent variables that have not been considered before in this
 555 literature (habitual energy-saving behaviour and sustainable plastics
 556 consumption) and thereby expand the evidence base on the
 557 importance of preferences for PEB that takes place regularly (e.g.
 558 switching off lights), as opposed to occasional behaviour (e.g. buying
 559 an energy-efficient refrigerator). Unlike previous studies, we consider
 560 the role of ambiguity preferences in predicting PEB, which is arguably

561 conceptually more relevant than risk preferences. The reason for this
562 is that the probability of future benefits of PEB is not typically known
563 or easy to estimate.

564 For eliciting preferences, we make use of a state-of-the-art validated
565 survey measure that allows for international comparability and
566 replication (Falk et al., 2016; 2018). By focussing on households in
567 Peru, we shed light on preference heterogeneity and its importance
568 for PEB outside the context of high-income countries, which is rare in
569 the literature (Fuerst and Singh, 2018, for India is an exception). We
570 focus on middle class households, which is a group that is on the rise
571 in low and middle-income countries experiencing long-term
572 economic growth, and the determinants of whose PEB is important
573 to understand for helping ensure that the development of these
574 countries is sustainable. Due to having a rich data set, we are able to
575 control for individual characteristics such as environmental
576 knowledge and concern, wealth, and education that are potentially
577 correlated both with PEB and with preferences. This reduces the risk
578 of omitted variable bias.

579 We find that social preferences are strongly correlated with saving-
580 energy behaviour (switching off unnecessary lights etc.), which
581 confirms our initial hypothesis (H1). Yet, social preferences are hardly
582 correlated with sustainable plastics consumption and with the
583 monthly electricity bill. This demonstrates that preferences that
584 matter for one type of PEB do not necessarily matter for another. For
585 instance, our finding that a trusting propensity matters for saving-
586 energy behaviour confirms previous studies on the link between trust
587 and PEB (Gupta and Ogden, 2009; Volland, 2017; Ziegler, 2018), while
588 we don't find support for this link with our other two dependent
589 variables. Looking at the different types of PEB that we consider in
590 our analysis, a reason for this finding could lie in their different
591 nature. On the one hand, engaging in regular behaviours to save
592 energy in the household is something that one usually does for
593 oneself without being publically recognized for it. It is not observed
594 by others, except for perhaps roommates or family members, and
595 requires a strong sense of intrinsic motivation, which makes it
596 plausible that social preferences are important. Avoiding the use of
597 plastic bags in shops, on the other hand, is visible to other people and
598 might therefore depend less strongly on a pro-social motivation (even
599 though we do find a positive link for positive reciprocity and
600 sustainable plastics consumption, but not for social preferences in
601 general). Our analysis also shows that it is not just trust that can
602 explain PEB (as mostly focussed on in previous literature), but that
603 other social preferences are important to consider as well.

604 The willingness to take risk and experience ambiguity are both
605 negatively related with sustainable plastics consumption, which is the
606 same as saying that both risk and ambiguity aversion are positively

607 related with it. In other words, when people are less tolerant of risk
608 and ambiguity, they engage more in avoiding wasteful plastic use. As
609 stated earlier, this is at odds with most previous literature that relates
610 PEB and risk aversion (Farsi, 2010; Qiu et al., 2014; Fischbacher et al.,
611 2015) and contradicts our initial hypothesis (H2a). In that literature,
612 the rationale given for such a link is that the benefits of PEB are
613 uncertain, which more risk tolerant people mind less, as a result of
614 which they engage more in such PEB. However, it is worth pointing
615 out that it is not just the benefits of PEB that are uncertain: the costs
616 of not engaging in PEB are uncertain, too. A risk or ambiguity averse
617 person may thus avoid the use of plastics since the environmental
618 damage that may result from using plastics is uncertain. Given that
619 the smaller, regular PEBs to avoid plastics that we investigate in our
620 study require less uncertain investment than the PEBs in the studies
621 mentioned above (e.g. purchase of an energy-efficient appliance), the
622 uncertainties about potential damage from not engaging in the
623 behaviour seem to outweigh the uncertain benefits from engaging in
624 it in this case. Our findings might also hint towards the possibility that
625 with regards to the investment in energy-efficient technologies
626 (which has mostly been considered as the dependent PEB in relation
627 with risk preferences in previous research so far), the investment
628 decision itself might dominate the pro-environmental nature of the
629 behaviour. Future research that investigates these links more in
630 depth would be interesting.

631 Our findings for risk aversion and sustainable plastics consumption
632 are comparable to what Volland (2017) finds for spending on energy.
633 As illustrated before, he finds for a UK sample that higher risk
634 tolerance is associated with greater such spending (and therefore risk
635 aversion with less of such spending). In other words, both in his case
636 and in our case, uncertainty aversion and PEB are positively
637 associated, as we predicted (H2b). However, unlike Volland, we find
638 no link between risk tolerance and the monthly electricity bill.
639 Instead, we do find that the willingness to experience ambiguity is
640 positively related with such spending. Perhaps ambiguity averse
641 people mind the financial uncertainty more that results from
642 profligate spending. It shows in any case the importance of including
643 ambiguity aversion in the analysis of PEB, and not just risk aversion
644 alone.

645 We find no link between risk and ambiguity aversion and habitual
646 energy-saving behaviour. One possible interpretation is that, in the
647 case of this PEB, the uncertain benefits of engaging in this PEB and
648 the uncertain costs of not engaging in it are not considered to be
649 sufficiently sizeable to be much of a worry.

650 More patience is positively related with sustainable plastics
651 consumption, negatively related with the monthly electricity bill, and
652 not significantly related with habitual energy-saving behaviour. As

653 outlined before, previous studies have found patience to be positively
654 related with PEB (Fischbacher et al., 2015; Newell and Siikamäki,
655 2015; Fuerst and Singh, 2018; Ziegler, 2018). Our findings on plastics
656 avoidance and electricity expenditures are consistent with that and
657 confirm our hypothesis on the link between time preferences and PEB
658 (H3). The reason offered in these studies is that more patient people
659 discount the future at a lower rate, and therefore value PEB, whose
660 benefits are in the future, more highly. In line with that, we do not
661 find a positive relationship between patience and PEB that also has
662 immediate benefits (people saving money through energy-efficient
663 behaviour) but only between patience and PEB with predominately
664 future benefits (avoiding plastic waste).

665 Even though environmental knowledge and concern are not our key
666 variables of interest in the analysis, it is worth noticing that both EK
667 and EC positively predict sustainable plastics consumption (as one
668 would expect), while we find no evidence for a relationship with
669 energy-saving behaviour or the monthly electricity bill. While we can
670 only speculate about these results, a reason could be that more
671 environmental knowledge and concern is required to avoid the use of
672 plastics, which is still a rather new topic in the Peruvian context,
673 whereas regular measures to save energy in the household might
674 already have become habits for people, regardless of their level of EK
675 or EC. With regards to electricity expenditures, we have seen that
676 especially socio-economic variables such as wealth or the household
677 size are relevant predictors, which might simply outweigh any efforts
678 resulting from higher levels of EK or EC.¹³

679 We see three main messages emerging from this study. First, it
680 matters to control for all relevant preferences when explaining PEB.
681 Examples abound, in the analyses above, of the statistical significance
682 of coefficients on preferences disappearing as we gradually add more
683 preferences as independent variables. This means that studies that
684 do not control for all relevant preferences may draw the wrong
685 conclusion about which ones matter for PEB.

686 Second, different preferences matter for different PEBs. For habitual
687 energy-saving behaviour, which brings only tiny benefits to the
688 individual actor and requires a strong sense of a shared responsibility
689 for the well-being of future generations, we found social preferences
690 mainly to matter. For sustainable plastics consumption, we found
691 that patience and risk and ambiguity tolerance matter: people who
692 discount the future at a lower rate and mind more the uncertain
693 damage of not engaging in the behaviour are more likely to engage in
694 this particular PEB. For spending on electricity, which unlike the other

¹³ EK and EC are also positively correlated with education and wealth, which supports this hypothesis.

695 two PEBs brings large benefits to the actor, patience and ambiguity
696 aversion matter.

697 Third, pro-environmental policy can make use of evidence that
698 particular preferences matter for particular PEBs. There seems to be
699 no “one size fits all” solution to encourage PEB by appealing on
700 people’s preferences, but policies should rather be targeted
701 specifically to the type of behaviour that one wants to promote. Our
702 results suggest that to promote daily energy-saving habits, policy
703 messages could emphasise that this PEB is an opportunity to care for
704 and take responsibility for future generations. Such a strategy might
705 be especially powerful when the target behaviour is not observed by
706 others and a strong sense of intrinsic motivation is required. To
707 promote the sustainable use of plastics, our results imply that the
708 consequences of not doing so could be vividly shown to people, so
709 that the dreadful future that would result from excessive use feels
710 real. In general, our findings have shown that it is not just the
711 uncertain benefits of investing in PEB that are important, but that the
712 uncertain costs of not engaging in PEB are relevant for people’s
713 decision-making as well, which can be used to design messages more
714 effectively. Finally, to promote energy efficiency that results in a
715 lower monthly electricity bill, our results suggest that simple worked
716 examples on financial savings (“you could save X %”) in addition to
717 appeals on future benefits may work.

718

719 Acknowledgements

720 We would like to thank Babette Never and Sascha Kuhn from the
721 German Development Institute for their support in the construction
722 of the survey modules. We would further like to thank Sebastian O.
723 Schneider (MPI Collective Goods) and Thomas Dohmen (IZA) for their
724 helpful comments on the design of the study. The paper also
725 benefited from comments on preliminary findings from the
726 participants of the 2019 M-BEES/M-BEPS and 2019 IAREP-SABE
727 conferences. We are grateful to the German Federal Ministry of
728 Education and Research (BMBF) for funding the study.

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812 Appendix

813 A.1 Correlation matrix of preferences and PEB

814

815 Table 7: Pairwise correlations between preferences and PEB.

Var.	Alt-ruism	Trust	Pos. reci-procity	Neg. reci-procity	Risk	Ambiguity	Patience	Energy-saving beh.	Sust. plastics cons.	Electricity exp.
Alt-ruism	1.000									
Trust	0.332***	1.000								
Pos. reci-procity	0.407***	0.264***	1.000							
Neg. reci-procity	0.191***	0.266***	-0.065*	1.000						
Risk	-0.022	0.171***	-0.076**	0.253***	1.000					
Ambiguity	-0.059*	0.183***	-0.034	0.230***	0.833***	1.000				
Patience	0.158***	0.107***	0.098***	0.072**	0.170***	0.165***	1.000			
Energy-saving beh.	0.196***	0.139***	0.237***	-0.104***	-0.014	-0.002	0.050	1.000		
Sust. plastics cons.	0.135***	-0.078**	0.148***	-0.093***	-0.350***	-0.351***	0.050	0.151***	1.000	
Electricity exp.	0.077**	0.101***	0.076**	0.057*	0.108***	0.151***	-0.074**	-0.049	-0.088***	1.000

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

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818 A.2 Measures for preferences

819 The questions for risk, time and social preferences are taken from the GPS of Falk et al. (2016; 2018).
 820 All questions are available for download online and can be found in various languages, which are also
 821 adjusted for local currencies: <https://www.briq-institute.org/global-preferences/home>. For the data
 822 collection, we used the Peruvian (Spanish) version of the GPS (using Peruvian Soles as currency). Here,
 823 we present the English wording as it is illustrated in Falk et al. (2016), listing only the questions that
 824 we use for our analysis.

825 Social preferences

826 *We now ask for your willingness to act in a certain way in different areas. Please indicate your answer*
 827 *on a scale from 0 to 10, where 0 means you are “completely unwilling to do so” and a 10 means you*
 828 *are “very willing to do so”. You can also use any numbers between 0 and 10 to indicate where you fall*
 829 *on the scale, like 0, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10.*

830 Negative reciprocity

- 831 ▪ *How willing are you to punish someone who treats **you** unfairly, even if there may be costs to do*
 832 *so?*
- 833 ▪ *How willing are you to punish someone who treats **others** unfairly, even if there may be costs to do*
 834 *so?*

835 *Completely unwilling to do so 1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 very willing to do so*

836 Altruism

- 837 ▪ *How willing are you to give to good causes without expecting anything in return?*

838 *Completely unwilling to do so 1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 very willing to do so*

839
 840 *How well do the following statements describe you as a person? Please indicate your answer on a scale*
 841 *from 0 to 10. A 0 means “does not describe me at all” and a 10 means “describes me perfectly”. You*
 842 *can also use any numbers between 0 and 10 to indicate where you fall on the scale, like 0, 1, 2, 3, 4, 5,*
 843 *6, 7, 8, 9, 10.*

844 Positive reciprocity

- 845 ▪ *When someone does me a favour, I am willing to return it.*

846 *Does not describe me at all 1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 describes me perfectly*

847 Trust

- 848 ▪ *I assume that people have only the best intentions.*

849 *Does not describe me at all 1 – 2 – 3 – 4 – 5 – 6 – 7 – 8 – 9 – 10 describes me perfectly*

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855 **Risk and ambiguity preferences**856 Risk

857 ▪ *Please imagine the following situation: You can choose between a sure payment of a particular*
858 *amount of money, or a draw, where you would have an equal chance of getting amount x or getting*
859 *nothing. We will present to you five different situations. The draw with the 50/50 chance of*
860 *receiving amount x or receiving nothing is the same in all situations. The sure payment is different*
861 *in every situation.*

862 *What would you prefer: a draw with a 50 percent chance of receiving amount x, and the same 50*
863 *percent chance of receiving nothing, or the amount of y as a sure payment?*

864 [If the participant preferred the gamble, then the sure payment was increased, if they preferred
865 the sure payment, then the sure payment was reduced; and they were asked the question again.
866 This continued until the certainty equivalent value of the gamble was closely approximated (see
867 figure A1 for the steps that were taken).]

868

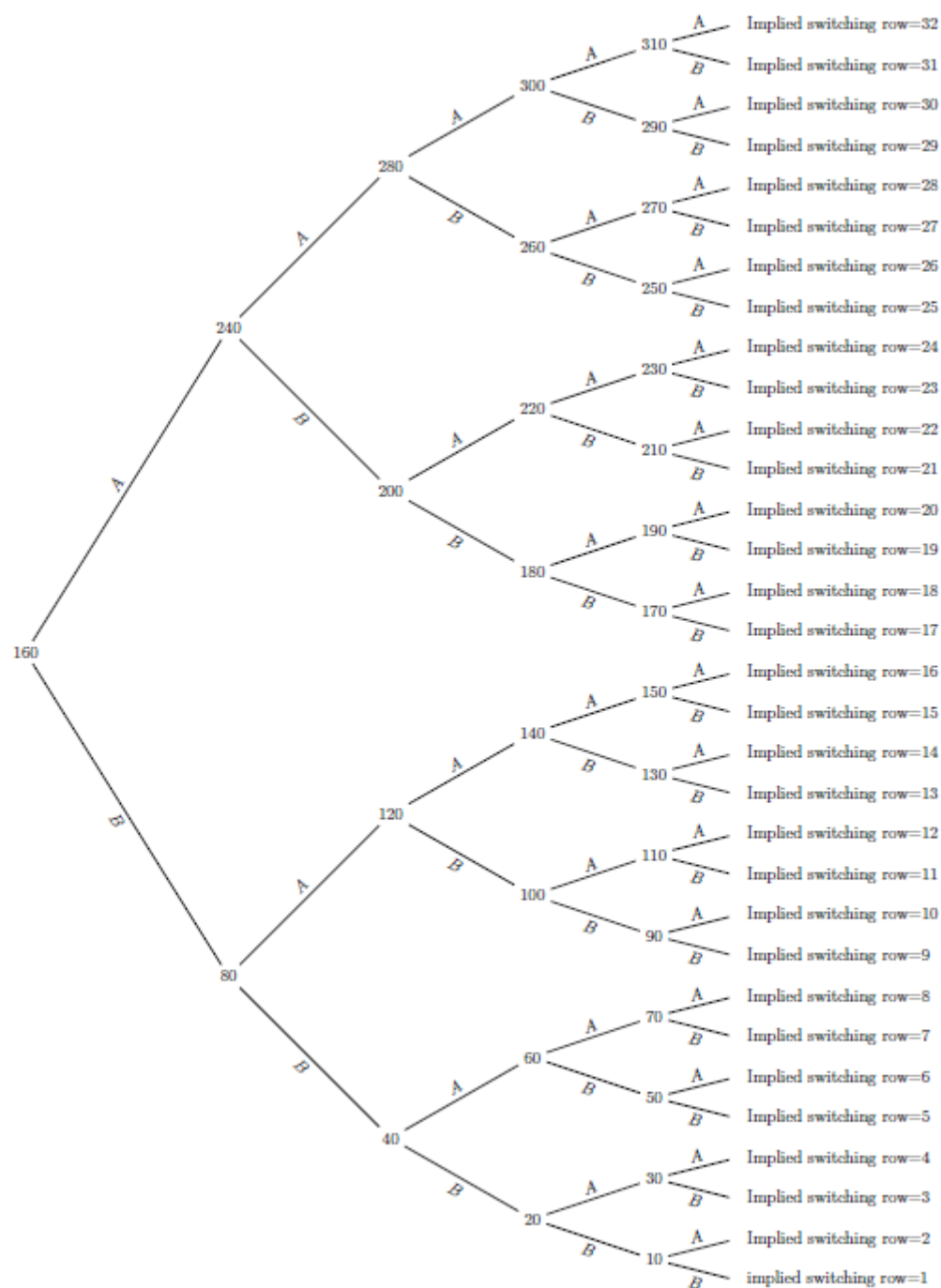
869 Ambiguity

870 ▪ *Please imagine the following situation: You can choose between a sure payment of a particular*
871 *amount of money, or a draw from a bag of 20 balls, where some are white and some are black. You*
872 *don't know how many balls are black and how many balls are white. If you draw a white ball, you*
873 *get amount x, if you draw a black ball, you get nothing. We will present to you five different*
874 *situations. The draw from the bag with black and white balls is the same in all situations. The sure*
875 *payment is different in every situation.*

876 *What would you prefer: a draw from the bag of 20 balls, where you would get amount x if you drew*
877 *a white ball, and nothing if you drew a black ball, or the amount of y as a sure payment?*

878 [The certainty equivalent value of the draw was approximated using the same staircase procedure
879 as the one for risk (figure A1).]

880



881

882 *Figure A1: Tree for the staircase risk task (numbers = sure payment, A = choice of lottery, B = choice of*
 883 *sure payment); taken from Falk et al. (2016). The lottery considered here is a 50/50 chance of 300.*

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890 **Time preferences**

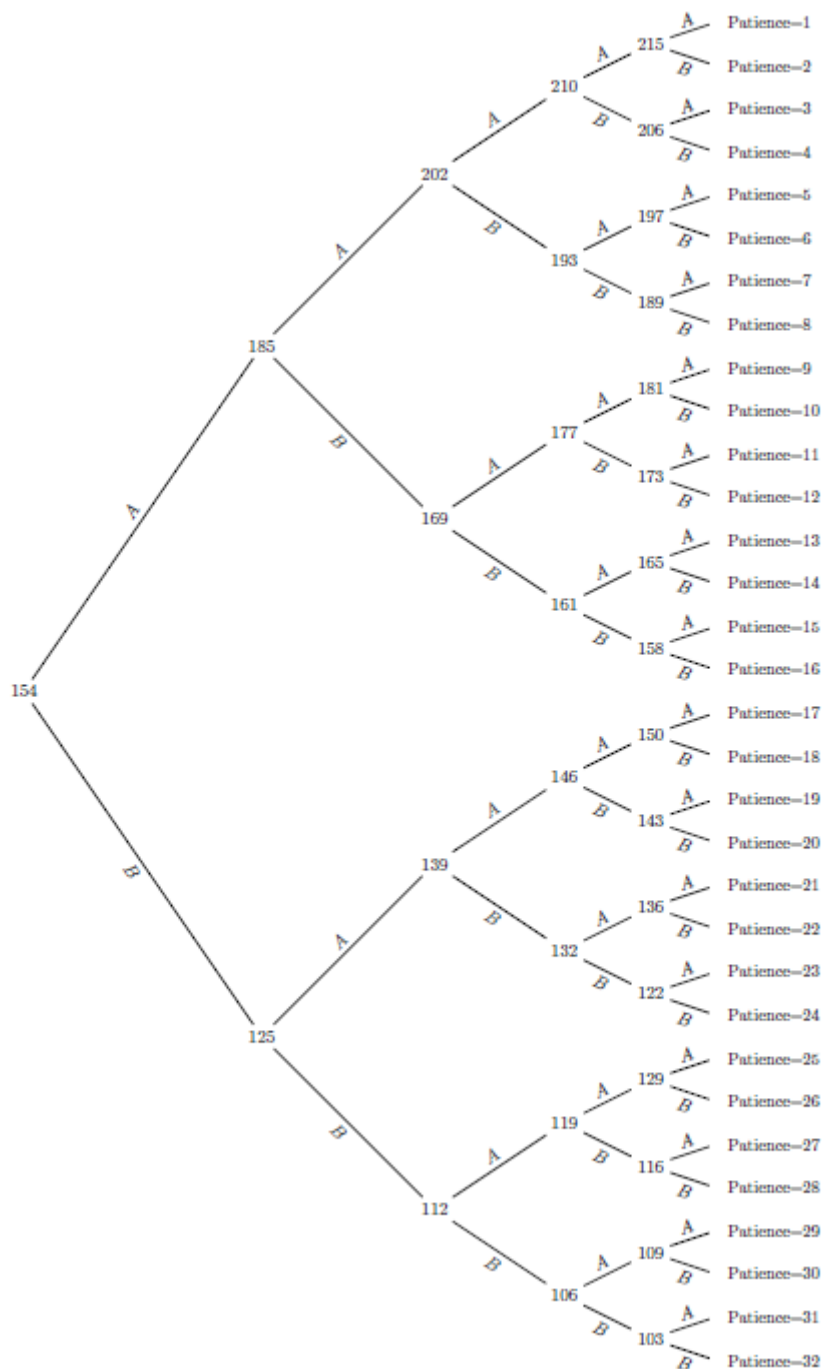
- 891 ▪ *Suppose you were given the choice between receiving a payment today or a payment in 12 months.*
892 *We will now present to you 5 situations. The payment today is the same in each of these situations.*
893 *The payment in 12 months is different in every situation. For each of these situations we would like*
894 *to know which you would choose. Please assume there is no inflation, i.e. future prices are the same*
895 *as today's prices.*

896 *Please consider the following: would you rather receive amount x today or amount y in 12 months?*

897 [The participant then chose five times between amount x , which was kept constant, and a payment
898 in twelve months, which was increased compared to the previous choice if the future payment had
899 been chosen and reduced if the payment today had been chosen (see figure A2).]

900

901



902

903 *Figure A2: Tree for the staircase time task (numbers = payment in 12 months, A = choice of amount 100*
 904 *today, B = choice of amount y in 12 months); taken from Falk et al. (2016). The first intertemporal choice*
 905 *considered is 100 today or 154 in 12 months.*

906

907

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910 A.3 Measures for Pro-Environmental Behaviour

911 The indices for energy-saving behaviour and sustainable plastics consumption are built based on
912 different usage behaviour questions, which are all measured on a 5-point Likert-Scale.

913 **Energy-saving behaviour**

914 *Do you usually switch off the lights when you leave the room?*

915 *Do you usually turn off the TV if nobody is watching actively?*

916 *Do you actively try to save energy in your household?*

917 *no, nearly never (1) – yes, rarely (2) – yes, sometimes (3) – yes, often (4) – yes, nearly always (5)*

918

919 **Sustainable plastics consumption**

920 *Do you usually reuse materials such as plastic bags?*

921 *Do you usually avoid taking plastic bags in shops (e.g. supermarkets)?*

922 *no, nearly never (1) – yes, rarely (2) – yes, sometimes (3) – yes, often (4) – yes, nearly always (5)*

923

924 **Spending on electricity**

925 For spending on electricity, enumerators either copied the number from the electricity bill (when
926 participants allowed us to take a photo), or people were asked the following question.

927 *Please give us your best guess how much you spent on electricity in the last month. (in Soles)*

928

929

930 A.4 Measures for control variables

931 The question for EK and EC are based on Thogersen et al. (2010) and Thogersen et al. (2019).

932 **Environmental knowledge**

933 The measure for EK is built using an additive index based on eight questions eliciting knowledge on
934 different environmental dimensions. Each correct answer is counted as one, wrong answers or
935 indifference are counted as 0.

936 *Of the following statements, which one capture your understanding of energy saving and sustainable*
937 *consumption? If you think a statement is correct, please say "yes"; if you think a statement is false,*
938 *please say "no".*

939 *I know a lot about the topic of global climate change.*

940 *I know quite a lot about the different possibilities how to save energy in my household.*

941 *Compared with others, I have a good understanding of the impact of transport on air pollution.*

942 *You can save energy when you set your air con 2 degrees warmer.*

943 *Using a lot of energy has a negative impact on the environment.*

944 *You can save energy and money in the long run when you buy a new fridge with an energy efficient*
945 *technology.*

946 *Whether I leave the light on the whole day or turn it off when I leave the room does matter for my*
947 *energy consumption.*

948 ▪ *Using public transport instead of a private car is better for the environment.*

949 *yes – no – don't know*

950

951 **Environmental concern**

952 The measure for EC is built using a mean index based on six questions eliciting concern for the
953 environment and for sustainable consumption habits, which are all measured on a 5-point Likert-Scale.

954 *How much do you agree or disagree with the following statements?*

955 ▪ *It is important to me that the products that I use do not harm the environment.*

956 ▪ *I consider the potential environmental impact of my actions when making many of my decisions.*

957 ▪ *My purchase habits are affected by my concern for our environment.*

958 ▪ *I am concerned about wasting the resources of our planet.*

959 ▪ *I would describe myself as environmentally responsible.*

960 ▪ *I am willing to restrict myself in order to take actions that are more environmentally friendly.*

961 *strongly disagree (1) – disagree (2) – neither agree nor disagree (3) – agree (4) – strongly agree (5)*

962

963 **Wealth index**

964 The wealth index is built based on the following items using PCA:

965 ▪ Dummy variables for a number of household assets (0 or 1): fridge, freezer, radio, fan, rice cooker,
966 microwave, washing machine, smartphone, laptop, desktop computer, stereo, water heater, car,
967 motorbike, bicycle

968 ▪ Characteristics of the house (low (-1), medium (0), high (1)): size, material, quality, water supply

969 ▪ Highest level of education of the household head (low (-1), medium (0), high (1))

970

971 **Level of education**

972 The level of education of the respondent is measured based on the following question, with answer
973 options coded from 1 to 7:

974 ▪ *What is your highest certificate of education?*

975 ○ *No education certificate or pre-school (1)*

976 ○ *Primary school / Elementary school (2)*

977 ○ *Secondary school / High school (3)*

978 ○ *Technical higher education (4)*

979 ○ *Bachelor's degree (5)*

980 ○ *Master's degree (6)*

981 ○ *PhD / Doctorate (7)*

982