

# **Does Intrinsic Motivation Shape Aspirations?**

Evidence from Smallholder Dairy Farmers in the Bolivian Plateau

MSc. Thesis - Chair Group Development Economics

MSc. International Development Studies - Development economics

Thesis Proponent: Luca Saccani

Supervisors: Francesco Cecchi, Robert Lensink

July 2019

**Abstract:** In this paper, we shed a light on the interconnections among aspirations and hope and intrinsic motivation, an indicator that has not been yet fully addressed in recent development economics literature. Two possible processes are isolated: “motivation as the shaping of aspiration” and “motivation as limiting factor”. We used an original sample of 531 collected among milk producers in rural Bolivia. A random selection of 228 individuals took part in a Hope Curriculum, that included the screening of a video and a motivational course. Our results indicate that motivation does not act directly on the aspiration utility curve, but it shows a slightly indirect effect on the level of aspirational goal. Moreover, the utility curve is presented to be concave instead of convex as previously demonstrated. On the opposite, we find positive evidence that intrinsic motivated presented a higher degree of change on internal constraints after the participation in the Hope Curriculum. Policymakers, development practitioners and NGOs operators may take into account our considerations to decide what type of people address when preparing an intervention on the field.

## 8 Discussion & Conclusion

In this paper, we shed a light on how motivation plays a role in fostering the effectiveness of development intervention. We did not find convincing evidence that intrinsic motivation plays a role in shaping the aspirational curve. However, there are clear cuts on the changes on psychological indicator after the participation to a Hope Curriculum among intrinsically and extrinsically motivated people. Individuals moved by their own choices that are inherently enjoying their activities are correlated to be more likely to positively react to external intervention. We also have insights that people with a higher motivation presented higher aspiration. These results agree with the cornerstone idea of the PIP approach and confirm the importance of building a motivational foundation among the recipients prior to the actual initiation of a development project. In order to maximize the effect of the intervention, policymakers and practitioners may consider prioritizing interventions to highly motivated participants, and include other recipients in a later phase of the project when eventually enthusiasm in the project has increased. Psychological literature confirms that intrinsic motivation is an innate characteristic of individuals and it is rather resistant to change; people do not become intrinsically motivated from one day to the other. Thus, who would potentially profit most from these considerations are the initiators of long-term potentially controversial programmes that involve important socio-economic disbursement from the participants: i.e. application of new agricultural technologies or the introduction of new microfinance services. In conclusion, our results show that taking in consideration intrinsic motivation is a successful strategy for the initiator of development interventions.

Even if our outcomes are consistent, some critics could be addressed to our research methodology. First, an important critic concerns the relationship between intrinsic motivation and intervention. Indeed, we assumed that intrinsic motivation is not affected by the intervention itself, and we presented several cases in the literature to support this. However, we did not present any test to verify

that the assumption holds. Indeed, the lack of a proper control group at follow-up impede us to realize a formal demonstration that Hope Curriculum did not act to modify the level of intrinsic motivation itself. Several critics can be raised about the process we used to estimate the aspiration curve. Some could argue if using satisfaction over the production level can be deemed to be a reliable procedure to build a utility curve. Enumerators in the field proved that participants were able to understand the meaning of the exercise provided, and we are confident that our measurements are reliable within the sample we collected. However, the limit of using instrumental variable is that their reliability cannot be formally tested. Also, it can be further raised the question if it is possible to build a proper curve with such few points available. We are aware of the limit of this procedure but, even if unconventional, this strategy has been applied in similar contexts in development studies (Rojas Valdes et al., 2018) and has provided meaningful insights. Third, the size of our sample is quite limited, since only 531 participants were included. However, our sample included all the milk suppliers of the two main important distributors of the region, and they have been randomly assigned to the participation of the Hope Curriculum. We are confident our results are internally valid within the population of interest. External validity is more problematic: we cannot claim our outcomes to be still meaningful outside of the cultural and regional context in which this experiment has been carried out. Fourth, we only measured short-term changes, with no consideration of long-term effects. It cannot be excluded that effects are only temporary, and would eventually dissipate on the next months. Finally, we did not include at this time business outcomes in our analysis, and we did not provide results on what has been the impact of the participation at the Hope Curriculum on production and employment. More data are being collected to this day, and we hope to extend the validation of our conclusions and answers to these concerns on further papers.