

enhanced by rational precommitment, such as burning one's bridges or one's ships (Dixit and Nalebuff, 1991). Reputation effects are also important.

Promises, to be effective, must have the same properties: they must leave preferences unaffected and they must be credible. The first condition is not always satisfied: promises may induce preference changes that work against the desires of the promiser. There is evidence that children who are rewarded for good grades lose interest in schoolwork and that incentive schemes in the workplace are similarly counter productive (Kohn, 1993). The same is true about participating in family household work. The child who has been praised or rewarded for doing something nice has learned that the only reason to continue being nice is to get something for it. When there is no longer a goody to be gained, there is no reason for the child to continue helping. Rewards, in other words, can induce a shift from autonomous to instrumental motivations.

The credibility of promises (unlike that of threats) can be enhanced by enlisting the law as a precommitment device. By writing a legally enforceable contract I can persuade other people that I will not renege on my promise to share the profits of a joint venture with them. If this technology is unavailable, reputation effects can be very robust in sustaining the credibility of promises. These may be combined with another piece of precommitment technology, as when I take pains to make my promise known to the largest possible audience. It remains likely, nevertheless, that many promises, that if believed and kept would benefit both parties, would not be credible and hence are not made.

#### 4.3 *Wishes*

To comply with someone's wish is to do what that person desires you to do, assuming (i) that the action in question is not