

# Eco-Certification: Warm Glow or Cold Prickle?

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## Key Concepts

Andreoni (1989, 1995)

- **Warm glow:** Feeling good about acting prosocially
- **Cold prickle:** Feeling bad about failing to act prosocially

Miller and Monin (2016), Miller (2021)

- **Moral opportunity:** opportunity to feel warm glow if exceed norm
- **Moral test:** threat of feeling cold prickle if fall short of norm

This paper

- **Norm utility:** warm glow/cold prickle based on market share of abstainers ( $a$ ), green consumers ( $g$ ), or brown consumers ( $b$ )

$$U^x = \sum_y \frac{N^y}{N} U^{x|y}$$

for  $x, y \in \{a, g, b\}$ , where  $U^{x|y}$  is warm glow/cold prickle from action  $x$  if  $y$  were the universal norm

- **Norm effect:** change in private welfare over time, after a green product is introduced

Negative in *initial all-brown market*

because of

- reduced warm glow
- induced cold prickle

possibly outweighing the environmental benefit

Positive in *initial all-abstention market*

because of

- induced warm glow
- reduced cold prickle

possibly outweighing the environmental cost

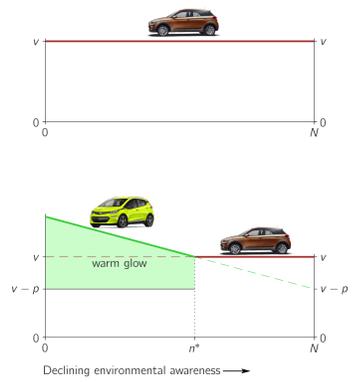
## Introducing a “green” (eco-friendly) product may paradoxically

- reduce welfare if “brown” (non-eco-friendly) consumption is the norm
- increase welfare if abstention from consuming is the norm

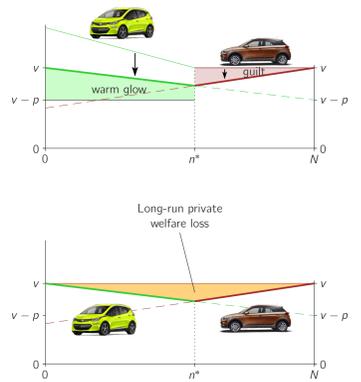
[Link](#) to full paper

### Initial All-Brown Market

Gas guzzlers → electric vehicles

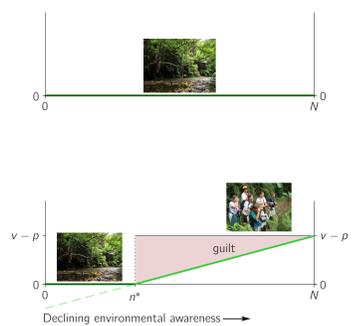


Norm effect



### Initial All-Abstention Market

Pristine rainforests → eco-tourism



Norm effect

