

**Workshop 2****How to provide incentives to tenants to recycle more?**

*Introduction* The new municipality law penalizes rental buildings that do not recycle enough. Greenwin Ltd. that manages several rental properties wishes to introduce a new program for its tenants to encourage them to recycle more.

- Discussion*
1. Design and compare two options for Greenwin Ltd.:
    - a. Piece rate contract
      - Factors to consider: risk aversion of tenants; availability of objective and subjective performance measures; multitasking
    - b. Tournament
  2. Explain how would you design an empirical study to test which proposal is likely to work better?