

Summary

Experiments have different purposes and Behavioural Economics was far from the development realm. It was completely unknown and wasn't used to address myriad problems. Experiments catered around the ideas of getting people in a room, designing the behaviour and getting data out of it. It is with the advancement of the internet and various other innovative aspects of academia that it is now possible to take various methods and put them together into the possibility of bringing a change. However, behavioural economics isn't the only way to approach human behaviour which in itself is inherently complex. It needs integration with other sciences such as neuroscience, evolutionary psychology, sociology, anthropology and various other disciplines. This ideates around the fact that we need to stop looking from only one lens of economics, rather make our approach more interdisciplinary in nature. We need to get away with the idea that there is only one single problem that requires one unique proposition, that is, not try to have a reductionist approach. We have developed a simplistic way of looking into problems without realising that they are a series, and we need to get people to move into certain ways to reach the end. The end solution involves a combination of all sciences, designs and designers of those sciences to create strong Behavioural interventions. We need to hit the ground, find and live in the context.

There was no formal institution for behavioural sciences. It was in 2010 when the Behavioural Insights Team of the U.K. started the whole idea of using Behavioural economics into mainstream policy. What happened in Europe between 2010 and 2020 will be what India will experience in the upcoming years. This is because we witnessed the watershed moment of the set up of the Behavioural Insights Team at NITI Aayog in collaboration with Centre for Social and Behavioural Change, and the Bill & Melinda Gates Foundation which will feed onto policymaking at multiple levels. In the academic realm, we need a strong realm of behavioural researchers and designers to sustain the rigor of science, add value and keep the dialogue going. We need to keep challenging the traditional methods and it is the pandemic that exposed us to the platform of the need to keep designing and innovating new methods when the old ones have taken a toss.

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India lacks in fundamental research and faces a dearth of resources which makes it difficult for independent scholars to have an enormous appeal without such resources. There exists a disciplinary inertia which makes it confined to itself. It is imperative to understand that our approach towards interdisciplinary does not stem from a right approach. We think in silos and are caught in the same. Research methods are not taught to the young graduates allowing them to deal with empirical evidence. We need to study both the standard theories and the systematic & consistent divergences to arouse curiosity. The mode of instruction and absorption of the higher education system needs to be challenged.

It is time for meaningful Behavioural contributions that reach policies on ground, and keep in mind that nothing is fundamentally wrong, however it can be used for the wrong purpose. It is upto us as Behavioural researchers and policymakers to decide on ethics with cognizance and mindfulness, and draw a line along with institutions like IRB keeping a check on experiments. Behavioural economics is larger than just biases and nudges. We need a reasonable model of material aspiration of agents and study & incorporate emotions, morals and empathy into decisions similar to the economists of the 18th & 19th century like Adam Smith, Ricardo, and David Hume. Just because we have a hammer, it does not mean that everything is a nail.

It is necessary that while we make an attempt at understanding Behavioural Research from Researchers, to engage with practitioners that carry such research through firms that have long contributed to the behavioural sciences. One such example is Final Mile Consulting. The journey of Final Mile had begun 18 years ago when Mr. Dominic was working in the Advertising field far from the Behavioural Sciences field. The science used to understand human behaviour has not drastically changed over the years. Failure rate is 90% in Marketing. The question we really had was that the theories we have learnt, are they fundamentally wrong?

There are theories of human behaviour - William James - Behaviorism, Cognitive Psychoanalysis. Nothing directly affects human behaviour, it has a multiplicity of factors. Focusing on understanding the functioning of the brain is more important than identifying only one section of the factors that are affecting the brain significantly. Marketing theories in the 1980s and 1990s also have had a similar issue as that of previous years in behavioural

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economics. The idea of reductionism and focus on USP in the 1980s and the 1990s does not work because human behaviour is far too complex. Let us look at the PMJDY, opening an account is only the first step of the challenge. The next challenge is how do you make these account holders transact on a daily basis. It is necessary to understand that the culmination of these points is necessary. We need to understand the problems and look at the stakeholders involved, while observing the place of problem to get a complete idea of the rather than just looking at which part of economics/science one is looking at in a particular problem

India initially lacked a network of Behavioural Economists or people interested in the space which used to be a challenge, but has been solved now. Behavioural Economics is being adopted at all levels - right from NITI Aayog to State governments; it seems to be gaining the recognition that was missing in India for all these years. When differentiating between behavioural sciences and behavioural economics, we must learn that the key to finding a solution is not identifying the bracelet the problem falls in during an experiment, it actually is understanding the problems at hand and going through the literature while focusing on the objective of providing a solution to the problem that essentially provides direction to a research.

Addressing the issue of ethics being maintained in behavioural insights being used for policy making, Dr. Mukherjee mentions that Thaler always reminds everyone that it is 'Nudge for Good' as the focus. Behavioural Economics is broader than Nudging. The Indian unit is called Behavioural Insights Unit because it goes beyond nudging. He also goes on to say that as "Academic Behavioural Researchers might be subject to a bias that we consider this to be ethical because it is an ethical project since we are doing the research, and we are ethical". Therefore, a Third party (typically an Institutional Review Board) must objectively decide the ethicalities of the Research Project.

When we look at policy makers, we look at behavioural policies and nudges. Policymakers need to be cognizant of ethics committees that are required since the nudges are regularly in the eyes of the media, the people and governments (all stakeholders)

Addressing the pandemic and the affected, Mr. Tagat spoke about his research on migrant workers and vaccine hesitation. When we look at the migrant workers we focused on the factors

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that affect a migrant worker's decision to come back to the city rather than identifying if it is largely affected by behavioural economics, neuroscience or the behavioural sciences. Different ideas of when they think they would return because it depends on the type of migrants. Longer term migrants may be more emotional about looking at coming back quickly. With respect to vaccine hesitation, the following are the major factors affecting people: side effects of the vaccine, cost of the vaccine and the effectiveness of the vaccine.

Dr. Chakravarty focused on how we can improve behavioural research in India by focusing on building a better ecosystem for individual researchers to flourish and specifically for behavioural researchers understand the problem you are looking to solve and whether this research will be beneficial or not

Some of the major challenges faced by Behavioural Researchers are:

- 1) While it is being taken up at all levels, there are challenges at the implementation stage; with respect to making organizations understand the most feasible approach and the new constraints in the process of experimentation given the pandemic.
- 2) There is not much importance given to interdisciplinary studies; an intersection of Behavioural Sciences with other sciences to better explore and understand the subject.
- 3) There's a lack of resources to encourage independent research in Behavioural Economics, which is imperative for its growth in the country.

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