

Behavioral Economics and Decision-Making: Insights for Policy Design

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Abstract. This study delves into the application of behavioral economics in understanding decision-making processes and its implications for policy design. By evaluating various cognitive biases and heuristics, the research provides insights into how policies can be more effectively tailored to align with human behavior. The findings emphasize the importance of incorporating behavioral insights into economic policy frameworks.

Keywords: Behavioral Economics, Decision-Making, Policy Design, Cognitive Biases, Heuristics

Introduction

Behavioral economics offers a profound understanding of how individuals make decisions, challenging traditional economic assumptions. This paper explores the integration of behavioral insights into policy design, analyzing how cognitive biases and heuristics influence economic decision-making. By examining case studies and experimental data, the research provides compelling evidence for the effectiveness of behaviorally informed policies. The study advocates for the inclusion of behavioral economics in policy frameworks to enhance their effectiveness and alignment with real-world human behaviors.

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