

NUDGING TOWARD EQUALITY: THE ROLE OF BEHAVIOURAL INSIGHTS IN SOCIAL WELFARE POLICY

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ABSTRACT

This paper explores the intersection of behavioural economics and socialist principles in the design and implementation of social welfare policies, with a focus on achieving greater equity and inclusion. Behavioural economics has traditionally been employed to influence individual decision-making through subtle “nudges,” yet its potential to address systemic inequalities and promote social welfare remains largely underexplored, especially in Western society. This study argues that leveraging behavioural insights within a socialist framework offers a powerful approach to mitigating structural disparities and fostering a more equitable distribution of resources. By analyzing case studies of successful policy interventions, such as those targeting healthcare access, housing affordability, and income redistribution, the paper demonstrates how behavioural tools can be adapted to prioritize collective well-being over individual gain. The analysis delves into how concepts like loss aversion, choice architecture, and social norms can be strategically harnessed to align personal behaviors with broader societal goals, thereby reducing barriers for marginalized communities. Additionally, the paper critically examines the ethical implications of using behavioural interventions, addressing concerns about paternalism and autonomy in policymaking. It proposes a model of participatory policy design that incorporates behavioural insights while ensuring democratic accountability and transparency. By reconciling the individual focus of behavioural economics with the collectivist aims of socialism, this study offers a novel framework for designing policies that not only nudge individuals but also challenge structural inequities. The findings underscore the importance of integrating behavioural strategies with a redistributive policy agenda to create systems that support fairness, dignity, and opportunity for all. Ultimately, this paper contributes to the growing discourse on the transformative potential of behavioural economics in shaping a more just and inclusive society.

Keywords: Choice Architecture, Present Bias, Nudge Theory, Intergenerational Equity, Cognitive Biases in Policy.