

BOOK REVIEW

THE WHY AXIS. Hidden Motives and the Undiscovered Economics of Everyday Life. Gneezy, Uri & List, John A., Random House Business Books, 2013. INR 599 (paper), ISBN: 9781847946744.

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In the words of Nobel Laureate Elie Wiesel, “There is a difference between a book of two hundred pages from the very beginning, and a book of two hundred pages which is the result of an original eight hundred pages. The six hundred are there. Only you don’t see them.”

One can’t agree more with Elie, especially in the context of this book. The book packs in years of painstaking and systematic research and is a treasure trove in terms of the findings.

Different books appeal to different sections of society. Books that appeal to school teachers don’t appeal to marketers. Books that appeal to marketers don’t appeal to social workers. This book is sure to appeal to a large section. There’s something in it for everyone.

People find it hard to believe that economics is largely about common sense. Probably that’s how the economists would have it. Uri Gneezy and John List are part of the clan of modern-day economists who write about everyday life—things we see around us every day, things that are part of our everyday lives, things we usually don’t question. The true researchers in the authors seem to have taken nothing for granted.

If the book has one specific purpose, it is to bring out the importance of field experiments in answering some of life’s simple questions. Traditionally, economists have been skeptical about running controlled field experiments. It is simply the complexity that keeps researchers away from field experiments. According to the authors, “such experiments can provide data that people from all walks of life—citizens, educators, philanthropists, policy makers and CEOs—need in order to not only avoid making big mistakes but also develop a better understanding of the people they are supposed to serve.”

What really motivates people and when do incentives work and why? The authors give a beautiful example of a day care center imposing a fine on parents who come

late to pick up their children. What the owner of the day care thought would make parents come on time made parents even more casual. For the parents, it was a question of paying \$3 as against hurrying to pick up their children. Clearly this idea turned a social commitment into a monetary transaction.

Another interesting topic discussed is the case of women in our society. Are women different from men in terms of competitiveness and is this difference because of nature or nurture? The authors discuss their research on the Masai tribe of Tanzania and the matrilineal Khasis of northeast India. It turns out that men perform better under competitive conditions generally. Interestingly, on the contrary, women of the Khasi tribe clearly outperform men. The authors also conclude that when women are in power, everyone seems to benefit.

Though it is difficult to comment on that conclusion, one wonders if it is possible today. Not that the authors are saying so. But it is tempting to think so. Today's world is merciless and it is the culmination of decades of doing. To go back and put women in charge is a little far-fetched. But it could be well worth trying!

Though the chapters on school education and discrimination are very thought-provoking, chapters 9 and 10 are sure to appeal to project managers of nonprofits. Here the authors discuss charity and how to make people give more. These chapters are almost a course on raising funds and a must-read. Starting by breaking the myth that nonprofits should not announce higher seed levels (the money that is already in hand to start with), Uri and John go on to say that people respond with higher donations if they are promised that the nonprofits will match their contributions. The book contains some very interesting word coinages and interesting concepts—the free-rider effect, the lottery effect, the beauty effect, etc.

To sum up, the book promises to make you stop and look at everyday events from so-far-unimagined perspectives.