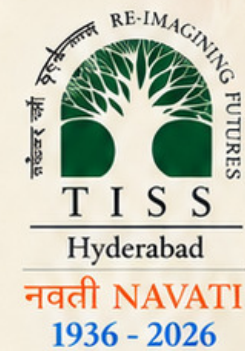


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PUBLIC POLICY, ECONOMICS,
BEHAVIOUR, AND MEMORY

*Reimagining How Citizens
Experience Governance*

Aseem Prakash

School of Public Policy and Governance, TISS Hyderabad

Working Paper No. 09
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Public Policy, Economics, Behaviour, and Memory

Reimagining How Citizens Experience Governance

Aseem Prakash^{*,**}

Abstract

Public policy theory has elaborated four dominant rationalities – incentive, strategic, institutional, and cognitive–affective – each of which assumes that citizens respond predictably to incentives, rules, information, and cognitive cues. This paper argues that these paradigms share a deeper limitation: they treat rationality as timeless and asocial, detached from memory, morality, and historical experience. Drawing on memory studies, it introduces a fifth dimension, mnemonic rationality, which explains how citizens reason about governance through collective memory and inherited moral narratives. Using Indian examples, including the Ujjwala Yojana, Joint Forest Management, land pooling, the regulation of *mabua* and Swachh Bharat, the paper shows that trust, resistance, or indifference towards policy is shaped not only by design quality but by what people remember of the state. It proposes three dimensions through which mnemonic rationality can be operationalised – memory fields, mnemonic alignment, and mnemonic design – and argues that policies succeed not simply when they are efficient, but when they resonate with remembered justice.

Keywords: public policy; mnemonic rationality; collective memory; behavioural public policy; institutions; governance; India

I. Introduction – From Calculation to Remembrance

Public policy is conventionally imagined as a domain of rational design. Governments are expected to diagnose social problems, evaluate alternative instruments, and deploy interventions that efficiently influence behaviour and allocate resources. Across economics, institutional theory, and behavioural science, this vision rests on a shared assumption: that citizens respond predictably to

^{*} Professor of Public Policy, School of Public Policy and Governance, Tata Institute of Social Sciences (TISS), Hyderabad.

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incentives, rules, information, and cognitive cues.¹

Yet governance is rarely encountered as abstract calculation. Citizens experience policy as *lived history*. Public interventions arrive not on a blank slate but within landscapes shaped by remembered encounters with the state—of care or neglect, recognition or humiliation, trust or betrayal. A subsidy, a regulation, or a nudge is never merely technical; it is interpreted through memory, emotion, and moral expectation. Policy, in this sense, is not only an instrument of governance but a temporal artefact—one that recalls prior promises, injuries, and forms of belonging.

Over the past century, public policy theory has elaborated four dominant rationalities. Incentive rationality imagines individuals as utility maximisers responding to price signals and material rewards.² Strategic rationality treats citizens and officials as interdependent actors navigating structured interactions and equilibria.³ Institutional rationality foregrounds formal rules, enforcement, and transaction-cost minimisation.⁴ Cognitive–affective rationality incorporates bounded reason, heuristics, and emotion into policy design.⁵

While these paradigms have sharpened analytical precision, they share a deeper limitation: rationality is treated as largely timeless and asocial, detached from memory, morality, and historical experience.

This paper introduces a fifth dimension: mnemonic rationality. Drawing on memory studies,⁶ mnemonic rationality explains how citizens reason about governance through collective memory and inherited moral narratives. Trust, resistance, or indifference towards policy is shaped not only by design quality but by what people remember of the state. Policies succeed not simply when they

¹ A. Marshall, *Principles of Economics* (London: Macmillan, 1890); G. S. Becker, *The Economic Approach to Human Behavior* (Chicago: University of Chicago Press, 1976); D. C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge: Cambridge University Press, 1990); O. E. Williamson, *The Economic Institutions of Capitalism* (New York: Free Press, 1985); A. Tversky and D. Kahneman, “Judgment under Uncertainty: Heuristics and Biases”, *Science* 185, no. 4157 (1974): 1124–31; R. H. Thaler and C. R. Sunstein, *Nudge: Improving Decisions about Health, Wealth, and Happiness* (New Haven, CT: Yale University Press, 2008).

² Marshall, *Principles of Economics*; Becker, *Economic Approach to Human Behavior*.

³ J. G. March and J. P. Olsen, *Rediscovering Institutions: The Organizational Basis of Politics* (New York: Free Press, 1989); P. A. Hall and R. C. R. Taylor, “Political Science and the Three New Institutionalisms”, *Political Studies* 44, no. 5 (1996): 936–57.

⁴ North, *Institutions*; Williamson, *Economic Institutions of Capitalism*.

⁵ Tversky and Kahneman, “Judgment under Uncertainty”; Thaler and Sunstein, *Nudge*.

⁶ M. Halbwachs, *On Collective Memory*, trans. L. A. Coser (Chicago: University of Chicago Press, 1992; first published 1925); J. Assmann, “Collective Memory and Cultural Identity”, *New German Critique*, no. 65 (Spring–Summer 1995): 125–33; J. Assmann, *Cultural Memory and Early Civilization: Writing, Remembrance, and Political Imagination* (Cambridge: Cambridge University Press, 2011); J. Fentress and C. Wickham, *Social Memory* (Oxford: Blackwell, 1992); J. K. Olick and J. Robbins, “Social Memory Studies: From ‘Collective Memory’ to the Historical Sociology of Mnemonic Practices”, *Annual Review of Sociology* 24 (1998): 105–40.

are efficient, but when they resonate with remembered justice.

II. Why Rationality Became Central to Public Policy

Rationality occupies a privileged position in public policy because the modern state legitimises itself as a reasoning actor—one that governs through expertise, evidence, and calculation rather than arbitrariness or force. To govern rationally is to justify action as reasonable, necessary, and proportionate. Yet every theory of rational policy embeds an implicit anthropology: an assumption about how citizens think, decide, and evaluate authority.

Early economic models assumed substantive rationality—citizens maximising utility under stable preferences. Subsequent work, particularly Herbert Simon’s intervention on bounded and procedural rationality,⁷ shifted attention from optimal outcomes to the processes through which decisions are actually made under cognitive and institutional constraints. Rationality, in this view, is not ideal calculation but historically sedimented procedure—shaped by routines, precedents, and organisational memory.

Institutionalist and behavioural approaches further refined these assumptions. Strategic rationality conceptualised citizens as players embedded in rule-governed interactions. Behavioural approaches revealed systematic cognitive biases and affective shortcuts that disrupt formal optimisation. Yet despite these advances, rationality remained largely decontextualised from history and morality. Citizens appear as decision-makers responding to incentives or frames, not as moral agents interpreting governance through remembered relationships with the state.

In practice, however, rationality is always mnemonic. What appears reasonable or legitimate to citizens depends on accumulated experiences of fairness, neglect, dignity, or coercion. Rationality is not merely a cognitive property of individuals; it is a historically mediated relationship between citizens and institutions.

III. Limits of the Four Conventional Rationalities

Each dominant model of policy rationality contributes analytic clarity while remaining blind to the temporal and moral dimensions through which governance is lived.

⁷ H. A. Simon, “From Substantive to Procedural Rationality”, in *Method and Appraisal in Economics*, ed. S. J. Latsis (Cambridge: Cambridge University Press, 1976), 129–48.

a) Incentive Rationality – Efficiency without Meaning

Neoclassical economics defines rationality as utility maximisation. Policy success follows from aligning incentives with desired behaviour. While analytically powerful, this model neglects social meaning. Citizens respond not only to pay-offs but to what those pay-offs *symbolise*. A subsidy may signify recognition or humiliation depending on remembered histories of state engagement.

India's Ujjwala Yojana illustrates this dynamic. While the incentive structure was sound, uptake and sustained use depended on whether households recalled earlier failures in fuel delivery and welfare reliability. Incentives worked only when consistent implementation repaired collective memory. Efficiency without mnemonic resonance proved insufficient for legitimacy.

b) Strategic Rationality – Coordination without Conviction

Strategic rationality foregrounds interdependence and credible commitment. Trust is reduced to calculation: actors cooperate when monitoring and enforcement make defection costly. Mnemonic rationality reframes trust as historical memory—confidence grounded in remembered reciprocity or betrayal.

As Ostrom's work suggests, cooperation emerges from shared experience over time.⁸ India's Joint Forest Management succeeded where communities remembered equitable collaboration but failed where memories centred on exclusion. Coordination depended not only on incentives but on mnemonic equilibria—stories communities told about past cooperation.

c) Institutional Rationality – Design without Resonance

Institutional rationality treats rules as efficiency-enhancing constraints that lower uncertainty. Yet institutions are also repositories of memory. They archive precedents, canonise certain practices, and erase others. Participation in land-pooling schemes in India often hinges less on contract terms than on recollections of fairness in earlier acquisitions.

Similarly, liquor regulation that ignores Adivasi memory of *mahua* as a ritual substance undermines legitimacy despite formal compliance. Institutional reform thus requires mnemonic work: curating memory, acknowledging tacit norms, and embedding new meanings through narrative and ritual.

⁸ E. Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action* (Cambridge: Cambridge University Press, 1990).

d) Cognitive–Affective Rationality – Behaviour without History

Behavioural economics corrects formal models by recognising bounded reason and emotion. Yet it remains temporally thin. It explains *how* frames influence action but not *why* certain frames resonate. Emotions such as pride, shame, or resentment are not momentary biases but condensed moral histories.

Swachh Bharat's civic-pride appeals worked where towns recalled earlier collective mobilisation but rang hollow where sanitation remained caste-marked. Without mnemonic grounding, behavioural policy risks treating citizens as persuasion targets rather than meaning-makers.

IV. The Collective Limits of Conventional Rationalities

Taken together, the four paradigms share structural blind spots:

1. **Ahistoricity** – Decision-making is treated as timeless, detached from lived trajectories.
2. **Instrumentalism** – Rationality is reduced to means–end calculation.
3. **Individualisation** – Citizens appear as isolated choosers, severed from collective memory.
4. **Short temporal horizon** – Immediate context eclipses historical experience.
5. **Legitimacy deficit** – Compliance is explained; conviction is not.

Recent attempts to rehabilitate rationality, most notably Steven Pinker's *Rationality*,⁹ underscore the importance of statistical reasoning and resistance to motivated belief. As Jonathan Dancy's philosophical review makes clear,¹⁰ however, Pinker's account reduces rationality largely to correct inference and instrumental calculation. What is missing is the capacity to recognise and respond to *reasons as reasons*—especially moral reasons grounded in dignity, obligation, and justice. This limitation explains why cognitively sound policies may still fail when they collide with accumulated experiences of neglect or humiliation.

V. Mnemonic Rationality – Restoring Temporality and Morality

Mnemonic rationality addresses precisely this gap. It conceptualises rationality as historically embedded moral reasoning. Citizens interpret policy through collective memory—through inherited

⁹ S. Pinker, *Rationality: What It Is, Why It Seems Scarce, Why It Matters* (New York: Viking, 2021).

¹⁰ J. Dancy, review of *Rationality: What It Is, Why It Seems Scarce, Why It Matters*, by S. Pinker, *Society* 59, no. 1 (2022): 82–85, <https://doi.org/10.1007/s12115-022-00670-7>.

narratives of fairness, abandonment, or care. Decisions are situated within remembered relationships with the state.

Drawing on Halbwachs' concept of collective memory and Assmann's distinction between communicative and cultural memory,¹¹ mnemonic rationality does not replace existing paradigms; it conditions them.

- Incentives acquire meaning through remembered justice.
- Credibility rests on memory-based trust.
- Institutions endure through symbolic legitimacy.
- Behaviour is shaped by affective memory.

Dancy's critique of Pinker¹² illuminates this move. Where Pinker treats desires as given and action as instrumental, mnemonic rationality shows that desires themselves are historically formed. Governance succeeds not when citizens calculate correctly, but when policy provides reasons that they can acknowledge as legitimate in the light of their collective past.

VI. Operationalising Mnemonic Rationality

Mnemonic rationality operates through three dimensions:

1. **Memory fields** – shared narratives shaping interpretation
2. **Mnemonic alignment** – fit between policy symbols and collective memory
3. **Mnemonic design** – embedding meaning through institutions and ritual

Swachh Bharat exemplified mnemonic mobilisation by linking sanitation to Gandhi and civic redemption. The Aspirational Districts Programme reframed neglect as aspiration. The Pradhan Mantri Awas Yojana mobilised the moral grammar of home and dignity. The reframing of *mabua* among Adivasi communities illustrates mnemonic design—transforming prohibition into heritage-based governance.

Frontline workers function as mnemonic stewards, translating policy into moral narrative. Evaluation must therefore include mnemonic indicators: narrative recall, ritual participation, and symbolic continuity.

¹¹ Halbwachs, *On Collective Memory*; Assmann, "Collective Memory and Cultural Identity".

¹² Dancy, review of *Rationality*.

Ethical governance of memory requires restraint. As Olick and Robbins warn, memory involves both remembrance and forgetting.¹³ Mnemonic rationality demands plural recognition rather than instrumental appropriation.

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¹³ Olick and Robbins, "Social Memory Studies".

