



THE WORLD ECONOMICS TIMES



SOCIETAL GROWTH
EDUCATION

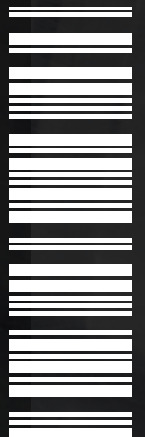
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ACTIONABLE IMPACT

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INITIATIVES, WITNESS REAL
CHANGE IN ACTION.

EMPOWERING CHANGE
BUILDING FUTURES

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Empowering Global Economic Insight: Introducing The Worldonomics Times

In an era where the tapestry of global finance and economics interweaves with the complex dynamics of markets worldwide, there emerges a beacon of insight, The Worldonomics Times. Announced by the International Navodaya Chamber of Commerce (INCOC) on 26-03-2024, this forthcoming monthly magazine is poised to be an indispensable resource for anyone keen on understanding the pulsating heartbeat of the global economy.

Scheduled to release its premiere issue on May 5th, 2024, The Worldonomics Times aims to fill a crucial gap in the landscape of financial journalism. With a commitment to providing in-depth coverage of global finance and economics trends, news, and analysis, this publication is tailored for business leaders, policymakers, and the intellectually curious who strive for a deeper understanding of the world's economic currents.

Global Perspective with Local Relevance

At its core, The Worldonomics Times will offer a global perspective that bridges diverse markets and economies. This isn't just about tracing the flow of capital across continents; it's about understanding how these financial streams affect businesses and policies on a local level. Sandeep Kumar, the founder of the International Navodaya Chamber of Commerce and Editor-in-Chief of the magazine, emphasizes the platform's role in exploring emerging trends and the forces sculpting world markets.

In-Depth, Data-Driven Journalism

What sets The Worldonomics Times apart is its commitment to investigative journalism that digs beneath the surface. This magazine will go beyond the headlines to uncover the underlying stories that drive financial shifts, offering clarity in an ever-complex world. Coupled with expert opinions, interviews, and thought leadership from noted economists and financial specialists, readers are promised a comprehensive outlook on the global economic scene. Moreover, with a focus on data-driven insights, the magazine will utilize visualizations and infographics to demystify complex economic trends and statistics, making the information accessible and digestible to its readership.

Accessibility and Empowerment

Understanding the importance of adaptability in today's fast-paced world, The Worldonomics Times will be accessible in both print and digital formats. This dual availability ensures that readers can engage with the content in a manner that best suits their lifestyles, whether at home, in the office, or on the move.

"We are committed to delivering accurate, unbiased, and high-quality journalism focused on the world of finance and economics," Kumar states. "Our goal is to empower readers with the knowledge they need to make informed decisions in an increasingly dynamic global landscape."

As we anticipate the release of The Worldonomics Times' premiere issue, it's clear that this magazine is on a mission to enlighten and inform. Through its rigorous analysis, expert commentary, and commitment to excellence in journalism, The Worldonomics Times is set to become a guiding light for anyone looking to navigate the intricate world of global finance and economics.



Sandeep Kumar

EDITOR-IN-CHIEF

Worldonomics Times

Mind over Money: Unravelling the Mysteries of Behavioural Finance and Making Smarter Financial Choices

What is psychology? Psychology is the compass of our minds, guiding each of us along our unique paths of thought and decision-making.

What is finance? Finance serves as the lifeblood, providing the monetary fuel that powers our chosen lifestyles.

What is economics? It is the study of how societies allocate limited resources to meet unlimited wants.

When all these elements intertwine, they give birth to a captivating symphony known as "The Psychology of Money," exploring the deep connections between our minds, our wallets, and the world around us.

Behavioural finance impacts our daily lives in various ways, such as our spending habits. For instance, when we see a "limited-time offer" at our favourite store, we might feel compelled to make an impulse purchase due to the fear of missing out, even if the item isn't something we truly need or, a homemaker might fall prey to the "anchoring" bias when shopping for groceries, sticking to familiar brands or products without considering cheaper or better alternatives simply because they're accustomed to them. Similarly, when it comes to saving and budgeting, influenced by an emotional factor, a homemaker might procrastinate on setting up a household budget or saving for future expenses, influenced by present bias, prioritizing immediate needs or desires over long-term financial planning. Same way, in investment decisions, we might follow the crowd and invest in trending stocks without thorough research, influenced by herd mentality.

Decoding the Mind of Money: The Evolution of Behavioural Finance

From myths and legends to ancient history, through the middle Ages to modern times, the influence and significance of Behavioural finance have been present throughout human evolution.

Mythical Tales, Modern Echoes: Greed and Overconfidence in Ancient and Indian Legends:

In the ancient myths and legends, we find stories that remind us of these same lessons. For example, consider the tale of King Midas, whose insatiable greed led him to wish for the golden touch, only to find himself isolated and impoverished by his own desires. It highlights the traps of greed and overconfidence, mirroring modern speculative bubbles.

Even in Indian myths, we find stories that remind us of these same lessons. For example, the epic Mahabharata, Yudhishtira's dice game in the Mahabharata offers a clear example of overconfidence, a key concept in Behavioural finance. Despite the high stakes involved—his kingdom, wealth, and even his brothers—Yudhishtira continued to play, believing in his ability to control the outcome or recover from losses. This episode illustrates how overconfidence can distort risk assessment and decision-making, leading to significant financial and personal consequences. It serves as a timeless reminder of the Behavioural biases that can influence our financial choices and the importance of self-awareness and caution in managing risks.

From Ancient Markets to Modern Manias: Psychological Drivers in Historical Financial Choices

Throughout the history we can see how humans are driven by psychological factors while deciding finances. For example, in ancient times, when faith in the divine played a significant role in decision-making, philosophers, merchants, and ordinary citizens often gathered and interacted. Among them, traders might offer higher prices for goods believed to be blessed by the gods, influenced by a deep-seated belief in their superior quality or luck. This wasn't merely superstition; it was an early form of Behavioural finance where intangible beliefs and perceptions influenced concrete financial choices. Along the Silk Road, whispers of prosperous markets or perilous paths could lead caravan leaders to alter their trade routes, showcasing that decisions were shaped not only by economic factors but also by psychological evaluations of risk and opportunity. These ancient practices remind us that the human mind has always played a crucial, albeit subtle, role in financial decisions, and influencing outcomes in both overt and subtle ways.

Similarly, the rise and fall of the Indus Valley Civilization offers insights into the pitfalls of overconfidence and complacency. The civilization's remarkable advancements in urban planning, trade, and technology might have led its leaders and citizens to become overconfident and neglectful of potential risks, such as environmental changes or external threats. This overconfidence could have contributed to the civilization's eventual decline, underscoring the dangers of ignoring warning signs and becoming too complacent in financial or strategic planning.

In European history too, we see such similar examples. For instance, consider the legend of the Roman Emperor Nero, who debased the silver content of Roman coins to fund his extravagant projects. This action reflects overconfidence and short-term thinking, neglecting the long-term consequences for the sake of immediate gains. Same way in middle ages, the Tulip Mania in 17th-century Holland, often cited as one of the first recorded speculative bubbles, has parallels in the ancient world. The allure of the rare and beautiful tulip bulbs led people to invest exorbitant sums, driven by herd behaviour and the fear of missing out, only for the market to crash dramatically, leaving many in financial ruin.

Financial Peaks and Pitfalls: Key Moments in Modern Financial and Economic History

In modern history, In the 1920s, known as the Roaring Twenties, people were very optimistic about the economy and believed that good times would never end. This optimism was fuelled by new inventions, like cars and radios, and everyone wanted to invest in the stock market. People were so confident that they followed each other's investment choices without thinking much about it. This led to stock prices going up unrealistically high, creating a bubble that eventually burst and causing the Great Depression in 1929.

Another major example is The Bretton Woods system, established in 1944, linked global currencies to the U.S. dollar, which was backed by gold. This system aimed to create economic stability and encourage international trade. While initially successful, the system eventually faced challenges and vulnerabilities, highlighting the complexities of managing a global financial system based on trust and political decisions.

Even in India, one of the very notable example is the Garibi Hatao (Eradicate Poverty) campaign launched by Indira Gandhi in the early 1970s. In 1975, during the Emergency period, the government launched the Family Planning Program, advocating for small family norms and promoting the use of contraceptives. This policy reflected the psychological bias of optimism, believing that controlled population growth would lead to improved living standards and economic development. However, the implementation of the program faced criticism for its coercive methods, including forced sterilizations, leading to human rights violations and social unrest.

From Rationality to Psychology: Understanding of Financial Decision-Making

Over the years, our understanding of how people make financial decisions has changed a lot. We used to think everyone made choices based on logic and reason. This idea was the backbone of popular theories like the Efficient Market Hypothesis and Modern Portfolio Theory. These theories believed that investors always know what's best for them, have all the information they need, and make smart choices. But as time went on, researchers started to realize that people often don't act this way when it comes to money.

In the late 1970s, psychologists Daniel Kahneman and Amos Tversky started exploring how people really make financial decisions. They found that our choices are often influenced by our emotions and biases. For example, we might feel worse about losing money than we feel good about gaining the same amount. They called these biases "loss aversion" and the "endowment effect," where we overvalue things just because we own them.

As the years went by, more experts like Richard Thaler, Robert Shiller, and Andrei Shleifer built on Kahneman and Tversky's work. Thaler looked at how we manage our money mentally and how a little push, or "nudge," can help us make better choices. Shiller studied why markets sometimes act crazy, with big bubbles forming and then bursting. Shleifer focused on how people's feelings and opinions can affect the stock market.

Real-life events like the dot-com bubble in the late 1990s and the big financial crisis in 2008 showed that these Behavioural ideas weren't just theories. They were real problems affecting real people and markets. They proved that emotions, like herd behaviour and overconfidence, can lead to bad investment choices.

Psychological Finance Today: Why Emotions Matter in Money Decisions

In today's financial world, understanding emotions is as crucial as knowing market trends. For example, during market downturns, fear can make people sell their investments hastily, missing out on potential recoveries. Conversely, when markets are booming, greed can lead to risky investments without proper research. These emotional reactions can significantly impact financial outcomes, highlighting the importance of recognizing and managing our feelings when making money decisions.

Conclusion: Bridging Mind and Money

Understanding our emotions and behaviours is key to making smarter financial choices. As we've seen, psychology plays a big role in how we manage our money, often influencing decisions more than we realize. By combining financial knowledge with emotional awareness, we can navigate the financial world more effectively. Recognizing the impact of our feelings and biases helps us make decisions that are not just about numbers but also about personal well-being. In essence, a balanced approach that considers both mind and money is crucial for successful financial planning and a secure future.



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