

## **Extended Abstract**

### **Purpose**

Mainstream economic theory argues that any government intervention in the functioning of the economy is unacceptable on the grounds that human beings are fully rational and therefore cannot make systematic errors in their economic decisions as a requirement of this rationality. However, the irrational decisions of the individual, who is influenced by his/her emotions, beliefs and social values as much as his/her reason at every stage of his/her life, have recently gained a new dimension with the behavioral economics approach. In this context, the main purpose of this study is to examine the effect of the values adopted by the society in which the individual lives on the individual in terms of external motives.

### **Design and Methodology**

This study, which aims to contribute to the development of existing economic theory, is essentially based on a theoretical research technique. In this context, first of all, the rationality of the individual and the place of the error-proof claim in the current economic theory are presented within the framework of homo-economicus, laissez-faire, laissez-passer and invisible hand approaches. Then, within the framework of bounded rationality and behavioral economics, the fact that the individual is not rational in the absolute sense as claimed in mainstream economic theory, but can produce decisions and behaviors that do not coincide with rationality depending on emotional and environmental factors is emphasized.

Subsequently, the impact of social values on the behavior of individuals through the phenomenon of value is tried to be explained with the search for admiration, which is one of the most basic psychological needs of the individual. While behavioral economics claims that individuals can exhibit behavior based on emotional factors and instinctual behavior that is not based on rationality, this study, as a contribution to the literature, addresses the thesis of social values, which we define as an external motive, as another factor that negatively affects the rational decision-making process in the behavior of the individual. Because psychologically, since every individual desires to be taken into consideration or appreciated by the society in which he/she lives, he/she will prefer to behave in accordance with the values and tastes of the society in question.

In this study, in accordance with this approach, the research topics of the Islamism Index were accepted as a social value, and a comparative analysis was made according to the index scores

of the countries in the index and the income level groupings announced by the World Bank, and whether there is a significant relationship between the difference in the value perceptions of societies and their development levels was tested by using Pearson Correlation analysis.

### **Findings**

Within the framework of social values, the data on employment opportunities and fairness in income distribution, equality before the law in terms of the rule of law, governance, human and political rights and international relations, which are included in the Islamism index, are considered. These data, which are accepted as social values, were correlated with the GDP of the relevant countries and different correlation values were obtained for each GDP level. In this context, it has been observed that the Islamism index value changes depending on the specific social values of each country and this situation affects the GDP values. As a result, a positive correlation was found in the sense that the intensity of social values in countries in the direction of mutual trust and solidarity in general leads to an increase in the GDP level of the relevant country.

### **Research Limitations**

The study has established its theoretical boundaries with the fields of economic thought and economic philosophy, including economics and sociology, economics and religion, and culture and economics. However, for the test of the relationship between social values and economic development, the Islamism Index data for 2022 and GDP per capita values constitute the limits of the data for the analysis of the study.

### **Implications**

It is possible to clearly see from the data on poverty in today's world, which is becoming more and more widespread, that it is not a correct method to exclude economic life from all kinds of control and intervention by accepting the individual as rational in accordance with the principles of mainstream economics. On the other hand, the attitude of depending on both emotional and psychological and external motivation may cause individuals to make mistakes.

In this sense, just as individuals shape their economic behavior according to the social values in which they live, societies also determine their economic and social development according to the social values they create or possess. In this framework, the most important transformation needed is the establishment of mutual trust, which reflects the desire of all people in the country to live together,

In this context, the most important transformation needed is the establishment of mutual trust, which is a reflection of the desire of all people in the country to live together,

- Everyone trusting the justice system that functions in a way that will support the formation of unity and a business environment in the country,
- The society having a strong belief that there is no corruption in the country,
- Production being valued more than luxury consumption in the country,
- The society establishing awareness of the necessity of meeting the basic needs of humanity instead of creating capital accumulation through profit maximization for economic activities,
- Instead of the approach of “economics has no moral concerns” in the economic literature, compliance with moral principles everywhere in life, everyone believing in its necessity, etc.

### **Originality/Value**

In contrast to the basic approach of mainstream economics, the idea of human rationality and the consequent neutralization of the public sector in economic policies, it is argued that the individual can make mistakes due to internal and external motives and that the public sector should play an active role in economic policies in different areas.

Limited rationality and behavioral economics approaches, which are currently working on the irrationality of the individual, argue that the individual may be more emotionally and psychologically irrational.

In this study, in addition to the emotional and psychological factors defined as instinct, which drive the individual to error, it is possible to analyze the relationship between the level of economic development of the society and the social values, which can be defined as external motives and which have the ability to influence the behavior of the individual, and to find a significant positive relationship between them, which can be considered as the originality of our study.