

"A man is  
great by  
deeds, not by  
birth"  
-Chanakya

Welcome to IIMK



INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE



Working Paper

**IIMK/WPS/593/ECO/2024/01**

March 2024

**Could Economic Incentive Reduce Efficiency in Academia?**

Kausik Gangopadhyay <sup>1</sup>

© All rights belong to their respective author.

Please contact the corresponding author, if you would like to access the full paper.

<sup>1</sup>Professor, Economics Area, Indian Institute of Management Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673 570, India; Email - [kausik@iimk.ac.in](mailto:kausik@iimk.ac.in), Phone Number - 0495 2809118

## Could Economic Incentive Reduce Efficiency in Academia?

### Abstract:

The typical policy understanding dictates that academic output could be increased through economic incentive to the researchers. While this is factual, but the larger problem is about the quality of the academic output produced. A lot of academic outputs are and will remain unverifiable in the strict objective sense of the term, but they are false and could be harmful for society as well. The best person to understand this is the researcher who has produced the academic but, understandably, could have no incentive to detect falsity. This paper considers an academic who derives joy from creation of knowledge. The academic could produce pseudo-knowledge, otherwise indistinguishable from knowledge in terms of output, but takes joy away in the process of its production. The paper demonstrates that economic incentives completely fail to boost knowledge production but ends up diminishing knowledge output.



भारतीय प्रबंध संस्थान कोषिककोड  
**Indian Institute Management Kozhikode**  
*Globalizing Indian Thought*

Research Office  
Indian Institute of Management Kozhikode  
IIMK Campus P. O.,  
Kozhikode, Kerala, India,  
PIN - 673 570  
Phone: +91-495-2809237/ 238  
Email: [research@iimk.ac.in](mailto:research@iimk.ac.in)  
Web: <https://iimk.ac.in/publications>

