



IAST CONNECT #7

Autumn/Winter 2015

INSTITUTE FOR ADVANCED STUDY IN TOULOUSE



HEALTH OF NATIONS

JANET CURRIE ON THE BIRTH OF INEQUALITIES



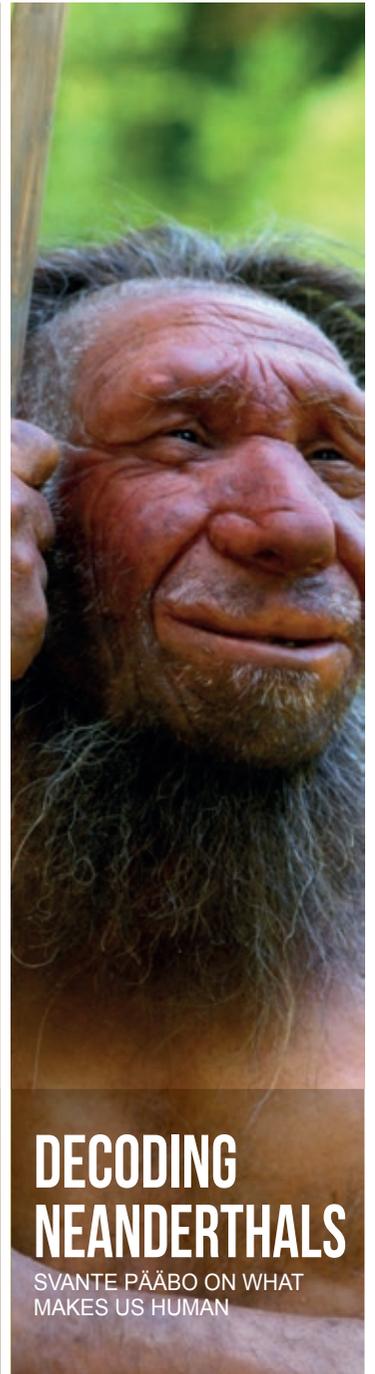
CUTTING EDGE

DOMINIK DUJELL ON THE ART OF POLITICS



MIND MATTERS

IAST EXPERTS ON SELF-DECEPTION



DECODING NEANDERTHALS

SVANTE PÄÄBO ON WHAT MAKES US HUMAN

There's no place like the IAST

Dear colleagues,

2015 has been another great year for the IAST community.

The IAST is a unique institution, dedicated to recruiting different disciplines toward a common scientific project - understanding human behavior and culture. Through its interdisciplinary activities, workshops, symposia and Distinguished Lectures, the Institute demonstrates that no present discipline holds a 'master key' to human nature. Indeed, it fosters the development of new hybrid disciplines, which may make much of what we believe today appear quaint in retrospect. There is no institution quite like it in the social sciences.

In these pages you will find evidence of this intellectual ferment and activity. There are interviews with two of the outstanding speakers in the 2015 IAST Distinguished Lectures series: Svante Pääbo and Janet Currie. There is also a review of the main events that took place at the IAST in the recent months and a look at the IAST community across the world. Finally, I would like to draw your attention to the presentation of young researchers that are joining the institute, whose presence will ensure that the vitality and energy of the IAST endures in the future.

I hope that you will find these activities as inspiring as I do. I wish you a pleasant read.

Drazen Prelec
 - Professor of Economics, MIT
 - Member of the IAST Scientific Council



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IAST in action

FLASHBACK TO RECENT SEMINARS



FRAGILE FATHERHOOD

SEPTEMBER 17, 2015

KATHRYN EDIN
SOCIOLOGY, PSYCHOLOGY

Kathryn Edin is a Professor at the John Hopkins University in Baltimore. She came to the IAST to discuss her latest research in which she analyzed fatherhood among inner-city men, often dismissed as "deadbeat dads". With the help of Timothy J. Nelson, she examined how couples in challenging straits

come together and get pregnant so quickly - without planning. Her research shows how macro-economics and cultural changes have transformed the meaning of fatherhood among the urban poor. ■



IP RIGHTS AND COPYRIGHTS

SEPTEMBER 7, 2015

MARCEL BOYER
ECONOMICS, LAW

Sponsored by the Jean-Jacques Laffont Digital Chair, Marcel Boyer (University of Montreal) came to Toulouse to animate this workshop on the challenges of valuing and pricing intellectual property rights (IPR). The issues discussed included the role of IPR on creation, innovation, and dissemination; the role of exceptions such as fair use/dealing and compulsory licensing; the competition issues raised by the pooling of copyrights (collectives) and patents and the role of price-setting or arbitration institutions such as the US Copyright Royalty Board or the Canadian Copyright Board. ■



THE BIAS OF THE CROWD

OCTOBER 9, 2015

FRIEDRIKE MENGEL
ECONOMICS

Friederike Mengel is Associate Professor of Economics at the University of Essex and Maastricht University. In her work she investigates the role of committee deliberation in producing gender biases. Her experiments reveal that strongly biased views have a significantly positive impact on group ratings when the author rated is male, but a negative (though not statistically significant) impact when the author is female. As a consequence, men benefit particularly in groups where initial disagreement is high. ■



MORE IAST EVENTS

www.iast.fr/activities



THE POLITICS OF STRATEGIC BUDGETEERING

SEPTEMBER 18, 2015

VERA TROEGER
POLITICS, ECONOMICS

Vera Troeger is a Professor at the University of Warwick in Coventry. She came to the IAST to discuss her latest research in politics. Her preliminary findings suggest that governments tend to redistribute resources from long-term efficient investments to short-term public goods provision before elections, especially if elections are contested. ■



BEYOND THE NUCLEAR FAMILY

SEPTEMBER 18, 2015

REBECCA SEAR
ANTHROPOLOGY, BIOLOGY

After an education in zoology (Nottingham University), statistics (University College of London) and biological anthropology (University College of London), Rebecca Sear is now a Professor of Evolutionary Anthropology at Durham University. She presented her recent work to the IAST about the recent shift in evolutionary anthropology towards the view that humans are cooperative breeders: mothers require help from others to raise children successfully. ■



IAST IN THE PRESS

WHY SELF-DRIVING CARS MUST BE PROGRAMMED TO KILL - MIT TECHNOLOGY REVIEW

The scientific review of the MIT published a long article detailing the important issues raised by IAST fellow **Jean-François Bonnefon** and his co-authors **Azim Shariff** and **Iyad Rahwan**. They detailed the problems arising when a self-driving car is programmed to save civilians' lives in any situation, particularly when killing a civilian is inevitable. The authors argue that self-driving cars should instead be programmed to kill as few civilians as possible. The news story hit many mainstream media following this article in the MIT Technology Review.



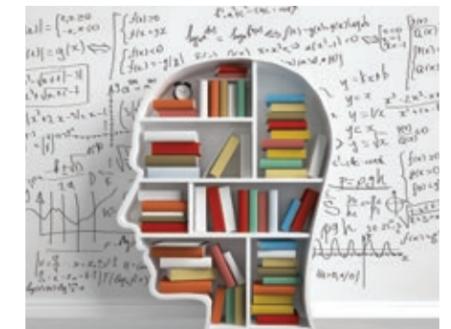
THE LEGACY OF ONE 'BEAUTIFUL MIND' - NPR

IAST researcher **Jörgen Weibull** took part in a radio broadcast dedicated to the life and legacy of **John Nash** who passed away earlier this year. **Weibull** detailed how important the research led by **Nash** were for economics and economists around the world, how his theories transformed economics research forever and how he will be remembered.



CAN MOURNING BOOST CREATIVITY? - LE MONDE

IAST Director **Paul Seabright's** discussion of recent research by **Kathryn Graddy** (Brandeis University) featured recently in Le Monde. **Graddy** found that paintings created during a mourning period (two years after the loss of a close relative) were systematically cheaper than other paintings. This correlation is consistent with an analysis of the collection of the Metropolitan Museum of Art, which was 80 per cent less likely to buy paintings created during a mourning period.



RESEARCH HIGHLIGHTS



FAMILY BUSINESS

Guido Friebel, Jibirila Leinyuy and Paul Seabright,
«The Schubert Effect: When Flourishing Businesses Crowd Out Human Capital»,
World Development, vol. 68, April 2015, p. 124-135. doi:10.1016/j.worlddev.2014.11.022.



CHANGES

Mohamed Saleh,
«The Reluctant Transformation: State Industrialization, Religion, and Human Capital in Nineteenth-Century Egypt»,
(Issue 01), The Journal of Economic History, vol. 75, March 2015, p. 65-94.



POLITICAL REPRESENTATION

Patrick Le Bihan, Nicholas Almendares,
«Increasing Leverage: Judicial Review as a Democracy-Enhancing Institution»,
Quarterly Journal of Political Science, vol. 10, n. 3, 2015, p. 357-390. doi:10.1561/100.00013147.



FACE RECOGNITION

Gladys Barragan, Maxime Cauchoix and E.J. Barbeau,
«The neural speed of familiar face recognition»,
Neuropsychologia, vol. 75, August 2015, p. 390-401. doi:10.1016/j.neuropsychologia.2015.06.017.

Meet the IAST's latest recruits



• ARNAUD PHILIPPE • FROM WASPS TO PRISONS

The IAST welcomed another innovative thinker to its ranks in September. Arnaud Philippe completed his PhD in economics at Université Paris 1, within CREST. In Toulouse, he will continue his work on crime economics, at the crossroads of economics and law, driven by his passion for prisoner welfare.

Nine years ago, Philippe was studying evolutionary biology at the École Normale Supérieure (ENS) in Paris. Six months in a laboratory sent his career in a completely new direction: "I remember dissecting wasps all day long and, even though the research could prove very exciting, the data collection process wasn't really for me. Fortunately, the ENS is very helpful in allowing students to test other disciplines."

More importantly he joined GENEPI, a student association dedicated to helping prisoners maintain contacts in the outside world. "I taught math to inmates, and was in charge of a newsletter." Every year, thousands of GENEPI members visit and exchange with inmates to try to build bridges. The association also does a lot of work informing the public about prison conditions, offenders' characteristics and the judicial system. Philippe's involvement reached the point where he was elected president of the association. "I took a sabbatical year to pursue the role and it was one of the most rewarding years of my life."

On his return to the ENS, he started to work on issues related to criminality and prisons. He wrote an article with Aurélie Ouss investigating the effect of television coverage of crime and criminal justice stories on juries and judges. The article concludes that media coverage is likely to affect the decisions of jurors but not professional judges.

He also worked on the effect of economic conditions on recidivism with Ouss and Roberto Galbiati. Using a database of job vacancies posted online and administrative data from all inmates released from French prisons, the authors showed that when there are more jobs available former inmates are less likely to fall back into crime.

Philippe followed up his PhD work with a comprehensive study of the internal dynamics of criminal groups, showing that the criminality of a group seems to be reduced by the incarceration of one of its members. "It has to be said that the criminal groups



I studied were very small. There are several countries like the US or Mexico where criminal groups are much bigger and better organized. Even in France, drug-related criminality doesn't seem to be impacted by the imprisonment of one member as the networks of drug smugglers are highly organized and members are easily replaced."

Philippe presented his recent findings to IAST researchers in October. The focus of his current work includes family relations for inmates during and after incarceration, the impact of the media on industrial tribunals and gender bias at school. Specifically, he is studying the way students grade teachers and wants to see how those grades are affected when students are presented with results showing that they are biased in their evaluation.

"I would also very much like to work on the effects of prison on the other members of a family, especially children, but this is all very preliminary."

WATCH OUR INTERVIEWS
WITH PHILIPPE AND BOVET



• JEANNE BOVET • IT'S ALL IN THE HIPS!

Jeanne Bovet joined the IAST this fall as a research fellow in human evolutionary biology. She recently completed her PhD at the Montpellier Institute of Evolutionary Sciences, studying female attractiveness in the eyes of men.

Bovet has always been fascinated by evolution and human behavior. This led her to study choice, preference and selection between the human sexes. What attracts a man to a woman? Bovet says fertility is key: men use their peripheral vision to scan for physical signs of a good child-bearing woman and select hourglass figures: "The waist-to-hip ratio (or WHR) is well known to influence men's mate preferences. The distribution of body fat provides information about age, health and fertility, helping the male choose a partner who can enhance his reproductive success and safeguard his future lineage. Women with an hourglass shape (a low WHR) are more attractive."

The waist-to-hip ratio (...) helps the male choose a partner who can enhance their reproductive success and assure their future lineage.

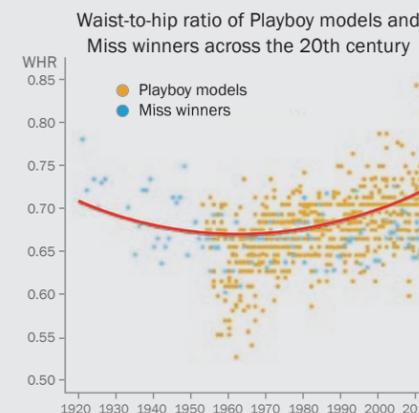


Bovet and her co-authors studied representations of "beautiful" women in Western art since 500 BCE. Past feminine ideals were compared to more recent symbols of beauty: "The ideal body shape, determined by WHR, has changed over time in Western societies: constant during almost a millennium in antiquity, it decreased from the 15th century to the present. Then, looking at Playboy models and Miss America winners, this decrease appears to slow down or even reverse during the second half of the 20th century. The universality of an ideal WHR is thus challenged."

What explains these shifts in men's preferences? Bovet points to demographic, economic, health and social changes, which predate 20th century mass media: "Our work shows the necessity to conduct more historical comparisons. The cognitions and motivation of our ancestors are enshrined in art, which comprises a rich data source for cross-generational studies."

Bovet's findings highlight geographical and individual differences that, combined with the historical aspects, "disprove the notion of a single, universal and biologically fixed idea of beauty. But these variations of preferences are not arbitrary, and can be explained by evolutionary stakes and trade-offs, linked to environmental, cultural and individual conditions." Studies in France and Indonesia show differing preferences concerning residual fertility, and studies on facial features show that men tend to choose self-resembling partners.

Bovet plans to develop these fascinating topics via interdisciplinary work at the IAST. Watch this space, and watch those men! ■



Don't vote for a politician like you

DOMINIK DUELL • ELECTIONS AND IDENTITY

IAST research fellow Dominik Duell recently featured in the prestigious *American Journal of Political Science* thanks to a fascinating experiment he conducted with Dimitri Landa (New York University) to explore the impact of social identity on voters and politicians. He talked to IAST Connect about his work, which reaches across politics, economics, psychology and sociology.

"There are no easy tools to measure the performance of a politician, as it is very complicated to separate the results of their actions from other factors. Because of that lack of information, voters use other measures to evaluate representatives, such as the extent to which they appear to be from the same social group. Voters' opinions are formed both retrospectively, as a judgment of the politician's results, and prospectively, in an attempt to pick the best candidate in an election.

In 2009, we decided to try to understand whether the social identity of a candidate influences voters' evaluation of politicians and, more importantly, if the social identity of voters influences politicians' behavior in office. This eventually led to our article, titled 'Social Identity and Electoral Accountability'.

In our experiment, participants were randomly assigned a role as voter or politician and matched into voter-politician pairs. Politicians

had to choose how much costly effort they were ready to make on behalf of their voters. The level of effort was then combined with a randomly assigned number, representing the politician's ability, resulting in an outcome value paid to the voter representing the politician's overall performance. Voters then decided whether they wanted to keep the politician in office.

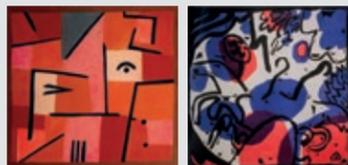
To insert the notion of social identity into the experiment, we asked the participants to choose between two paintings, by Klee and Kandinsky. Depending on their choice, they were categorized as a member of either the Klees or the Kandinskys. This seemingly meaningless categorization was then displayed to both voter and representative while they were making their choices.

What is really striking in the results is how impactful even such a weak notion of social identity seems to be. When politicians share



KLEE VS KANDINSKY

Using preferences for the paintings of Klee or Kandinsky to instill a sense of social identity is a simple, effective technique that has been widely used in social psychology since the 1970s. Participants who, for example, chose Klee feel like they all share something in common while seeing those who chose Kandinsky as different.



the social identity of their voters, our study suggests, they invest much less costly efforts into their re-election and this decision is independent of the politicians' ability. We believe this is because they anticipate stronger support from voters of their own group. This ultimately leads to a slackening in office, particularly by low-ability representatives.

Ironically, those slackers appear to be pursuing an effective strategy as voters tend to be more forgiving with politicians of their own group. When voter and politician are from different groups, voters judged much more harshly. In response to such unfavorable bias, low-ability politicians in particular exert very high levels of effort to compensate for their lack of quality and to appease out-group voters." ■



The Human Family

BIG HITTERS LAUNCH NEW IAST LECTURE SERIES

This fall, the IAST reopened the University of Toulouse's doors, continuing its tradition of inviting world-renowned scholars to give captivating public lectures on subjects of vital interest to all. The Distinguished Lecture series aims to reach out to the wider public, offering a taste of the IAST's brand of cutting-edge, interdisciplinary social science. Uniquely, it's a chance to debate the great questions of the 21st century with some of the world's foremost thinkers. The 2015 talks are centered on the theme of the human family.



SVANTE PÄÄBO: SECRETS OF THE NEANDERTHALS

The series got off to a flying start in September with a gripping talk by Swedish geneticist **Svante Pääbo** (Max Planck Institute for Evolutionary Anthropology, Leipzig). **Pääbo** is the world's leading expert on ancient DNA, particularly that of our closest cousins on the human family tree, the Neanderthals. Offering fascinating insights into the rapid advance of genetic technology, he has rewritten the story of our prehistoric origins in his quest to find out what makes us human.

► See pages 10-11



JANET CURRIE: THE HEALTH OF NATIONS

In November, Canadian economist **Janet Currie** (Princeton) gave her Toulouse audience a demonstration of the critical role of families in the life outcomes of our children. Her intimate knowledge of the complexities of child welfare and US public policy offer an invaluable perspective on how families can build a better future. She wants to know which conditions early in life, including the fetal period, have the biggest impact. What can we do to help those who fall behind?

► See pages 12-13



EMMANUEL TODD: GLOBALIZING FAMILIES

On December 3, the French historian **Emmanuel Todd** (INED, Paris) will speak about how globalization is changing the structure of families around the world. He has previously argued that family structure, and particularly the relationship of parents to children and siblings to each other, has profound implications for our receptiveness to political ideologies emphasizing liberty and equality.

► Look out for a full report in the next edition of IAST Connect



Secrets of the NEANDERTHALS

SVANTE PÄÄBO • MAPPING THE HUMAN FAMILY TREE

It's not immediately obvious why the world should share a soft-spoken Swede's excitement about drilling into ancient bones and cutting up mouse brains. But Svante Pääbo is no ordinary scientist. His groundbreaking discoveries have led to prestigious awards, including a \$3 million Breakthrough Prize, and a place on TIME magazine's 100 Most Influential People in the World. More importantly, they shed light on perhaps the greatest question in our history: what makes us human? There are answers to be found, he believes, in the spiralling chains of knowledge hidden in our cells and the long-dead remains of our closest cousins, the Neanderthals.

Pääbo is a founding member of the Max Planck Institute of Evolutionary Anthropology in Leipzig. Its multidisciplinary blend of talent has inspired other innovative research centers, including the IAST. "Anthropology had lost its status in Germany after the terrible crimes of the Nazis," he explained. "The advantage was that we could really start from scratch when starting the new institute. Anyone would be welcome, whether they came from the traditional humanities or hard sciences, as long as they worked empirically."

I'm on record, about nine years ago, saying we will never be able to do it. You should never make negative predictions, because (...) for over a year we have had a high-quality Neanderthal genome.

In 2010 Pääbo led the team that mapped the first Neanderthal genome using DNA from a 40,000-year-old bone, defying even his own expectations. "I'm on record, about nine years ago, as saying we will never be able to do it. It's a lesson that you should never make negative predictions, at least not in biology, because you

can be overtaken by technology. I hadn't anticipated high-throughput DNA sequencing, which allows you to sequence millions of DNA molecules very rapidly and inexpensively."

Neanderthals were larger and heavier-boned than modern humans, and used simple stone tools. Skeletons showing evidence of old age, disease and injury suggest they looked after each other. In a macabre twist, Pääbo suspects he has hungry cannibals to thank for his success in retrieving DNA from crushed bones in a Croatian cave. DNA degrades rapidly as soon as we die but favorable conditions can slow the rate of decay. If the Croatian bones had been sucked free of meat and marrow, some fragments would quickly dry out, limiting the chance for bacteria to multiply.



Speaking at Toulouse's CUJAS amphitheater, Pääbo highlighted two crucial differences between Neanderthals and modern humans: "One is the rapidity with which technology changes. Neanderthals appeared about 400,000 years ago and became extinct about 40,000 years ago. Their stone tools at the beginning and end of their history look almost identical. Modern humans appeared about 100,000 years ago, and our technology today is obviously different."

Modern humans are also unique in spreading across the entire planet. "With maybe one exception, there is no evidence that early humans crossed water where you don't see land on the other side. Modern humans were crazy. How many people must have disappeared in the Pacific before they found Easter Island? And now we go to Mars. We never stop. Of course this is due to technology, but it also has something to do with attitudes towards the world."

The Neanderthal Genome Project hit the headlines with the discovery that modern humans interbred with Neanderthals. Indeed, those of us whose roots are outside Africa have one or two per cent of our DNA from Neanderthals. Pääbo's team also sequenced the genome from a small bone in a Siberian cave which led to the discovery of Denisovans, a previously unknown Asian relative of the Neanderthals who contributed DNA to the ancestors of people in Asia. The genetic mixing with these extinct human forms sometimes had far-reaching consequences: some modern humans picked up a predisposition to Type 2 diabetes, while others gained resistance to pathogens and the ability to live at high altitudes.



The next breakthrough appears tantalizingly close. As Pääbo's techniques are refined, it is likely that geneticists will be able to examine older and less well-preserved remains to obtain the genomes of other extinct human forms. Pääbo believes we may eventually be able to delve 500,000 years back into human history, but he is scornful of the idea that we can retrieve DNA from 65-million-year-old dinosaurs.

The biggest challenge is to understand the changes in our genome after we separated from the Neanderthals about 400,000 years ago. Some of these changes probably enabled us to wipe out other species, to edit genes and to fly to Mars. "For over a year, we have had a high-quality Neanderthal genome. Comparing it to the modern genome, it is clear that the genetic 'recipe' for making a modern human is very small, some 30,000 changes. We can look through it in a computer in an afternoon. But the dirty little secret of genomics is that we have very little idea what we are looking at."

Jurassic Park will remain a Hollywood fantasy, but Pääbo has been frustrated by "unethical" and "ridiculous" suggestions that his findings should be used to clone a Neanderthal and bring it to life. A more viable way forward,

he believes, is to introduce human and Neanderthal genetic variants into laboratory animals and human stem cells, and study their physiology in a plastic dish. Pääbo's team have already made a promising start, breeding mice with the human version of a gene linked to language ability. The results are startling (see panel).

Pääbo has already changed the way anthropologists look at our origins, provided a blueprint for scientific advance and contributed to developments in zoology, linguistics and forensic science. Ancient DNA is now being used to study prehistoric civilizations and the spread of past human epidemics. And as genetic technology races ahead, it's exciting to think that the true impact of Pääbo's pioneering research is yet to come. ■



OF MICE AND MEN

Looking to the future, Pääbo is enthusiastic about the success of experiments on mice bred with the human variant of the FOXP2 'language gene'. The humanized mice vocalize slightly differently as newborns and there are changes in the nerve cells in their brain circuits associated with learning motor activities. Recently, it has been shown that these mice learn certain motor tasks faster than normal litter mates. "Articulation and speech is perhaps the most sophisticated coordination of muscle movements humans do," says Pääbo. "It's tempting to speculate that these FOXP2 gene variants allowed more effective automation of muscle movements needed for human speech."



Pääbo's team discovering ancient bones in Denisova Cave, Siberia

WATCH OUR IN-DEPTH
INTERVIEW WITH PÄÄBO



The health of nations

• JANET CURRIE •

HOW TO TACKLE INEQUALITY BEFORE IT STARTS

Canadian economist Janet Currie wants to revolutionize the way we think about public health. If we hope to address the biggest threats to our health, we must break down traditional academic boundaries and look beyond hospital walls. Visiting Toulouse to give the second of this year's Distinguished Lectures, she discussed her extensive ideas with IAST Connect.

"When we say 'health' people usually think about healthcare and going to the hospital," Currie says, "but most of the things that effect health really don't have anything to do with medical care. Nutrition, family circumstance, stress, violence – these are things that have profound effects on health. To study health we need to know about a very wide range of things that may have an impact."

Currie is director of the multidisciplinary Center for Health and Wellbeing (CHW), at Princeton University. "The Center is the reason I came to Princeton," she says. "Historically, a lot of the collaboration was between psychologists and economists. We had Daniel Kahneman, now we have Angus Deaton, both Nobel prize winners. But there are also anthropologists, sociologists, political scientists, molecular biologists,

even engineers. They're all united by an interest in health. Sometimes that results in collaboration in research but more often it results in people having conversations that they wouldn't have had otherwise."

The CHW recently hosted a conference on the Ebola outbreak. "We had scientists studying the virus, anthropologists talking about what went wrong with the efforts of the international community, political scientists talking about why it is so difficult to work through the governments of that region. The multidisciplinary approach is really important for thinking about something of that magnitude."

Speaking at the CUJAS amphitheater in Toulouse, Currie gave a taste of her vast range of work on child health. She detailed a number of studies linking health at birth to future outcomes. "What is remarkable is that things that we can observe very early in people's lives seem to be related to how they do in life. Health at birth is an important aspect of child development which predicts future outcomes including earnings, employment, education, and the health of the next generation. Given this evidence, large inequalities in health at birth are disturbing."

While Currie is delighted to see that these inequalities have been decreasing in the US, she admits that the decline is puzzling. "We know that child health is strongly linked to socio-economic status; we know that inequalities in economic status have increased over the past 25 years. And yet inequalities in child health have been decreasing. How can we explain this?"

One explanation offered by Currie is the great expansion of public insurance for pregnant women and young children beginning in the late 1980s: "The US government did make a big effort to expand health insurance for children. This has led to reductions in infectious diseases such as measles, as well as improvements in access to medical care. Further improvements, such as vaccination of pregnant women for influenza, might also improve outcomes."



Another explanation that Currie has investigated is the USA's falling levels of pollutants, such as carbon monoxide and lead, which have been linked to infant health. "Black mothers are 50 per cent more likely to live near a plant that has toxic releases than white mothers," she says, "and babies born near an operating plant are more likely to have a low birth weight."

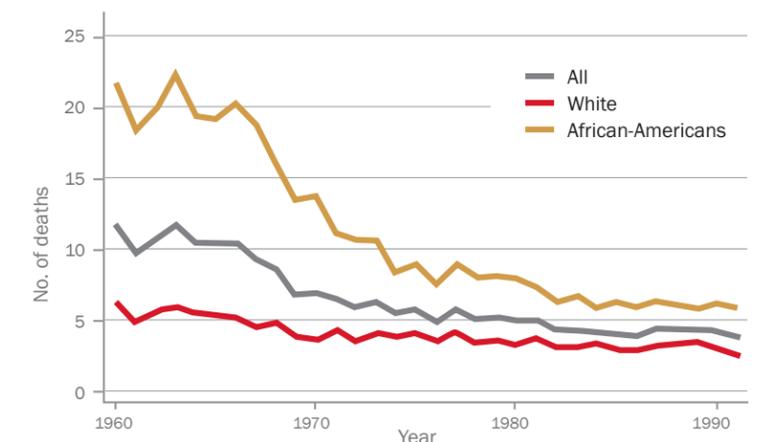
Changing unhealthy maternal behavior may also be responsible for a further narrowing of the child health inequality gap. Disadvantaged women are much more likely to smoke during pregnancy, but the situation has significantly improved in the wake of cigarette taxes and smoking bans.

The decreasing health inequalities are very encouraging for lifelong campaigners like Currie. "It suggests that public policy can work with the family to improve the health of disadvantaged children even when family incomes are deteriorating. I'm not saying it's good to have economic inequality, just that there's nothing deterministic about having bad health outcomes because you have bad economic outcomes."



Could reductions in pollution have reduced disparities?

Number of deaths per 1000 live births in Georgia, USA, whites and African-Americans



Health isn't just an investment in human capital, says Currie, it's about maximizing human potential. Broadening the scope of the public health agenda could allow us to tackle huge social problems often ignored by medical experts. "Some of the biggest threats to health aren't particularly new. Violence or neglect are things that you don't really think about as a public health issue. I'd like to have more people think about how we could do public health interventions to stop these kinds of problems."

Looking to the future, Currie is keen to tackle the issue of mental health. "We used to think that, aside from really extreme cases, children didn't really have mental health problems, they didn't become depressed and so on. Now people are also starting to recognize that there are a lot of people in developing countries who have post-traumatic stress syndrome, who have depression. It's a worldwide problem."

WATCH OUR IN-DEPTH
INTERVIEW WITH CURRIE



JEAN-PHILIPPE PLATTEAU • HOW DO RELIGION AND ECONOMICS INTERACT?

Islam, Politics and Development

For centuries, the glittering riches, technology and cultural sophistication of a confident, remarkably tolerant Islamic world outshone those of its quarrelsome neighbors in Christian Europe. The subsequent reversal of fortunes is astonishing. Why did the Industrial Revolution take place in Protestant lands? Why do Muslim countries struggle to form stable democracies with respect for human rights and gender equality? Is religion responsible?

Ever since **Max Weber** linked the rise of capitalism to the Protestant work ethic in 1905, historians and social scientists have wrestled with such questions. The failure of the Arab Spring, the collapse of Syria and the Hydra-headed persistence of extremists such as Islamic State and Boko Haram have underlined the fragility of civil society in many Muslim countries. The search for new solutions is exactly the type of 21st-century challenge the IAST aims to meet head on.

As soon as the Prophet died, the evolution of Islam is the story of politics taking the lead over religion.



JEAN-PHILIPPE PLATTEAU
AT THE IAST EVENT

In May, the IAST assembled leading academics from Europe, America and the Arab world to discuss a formidable new book, *Is Islam a Special Problem? Exploring the Link Between Religion, Politics and Development* by **Jean-Philippe Platteau** (University of Namur). Celebrated for his seminal work on development and institutions, the Belgian scholar teamed up with the IAST's **Emmanuelle Auriol** to strengthen the book's theoretical structure. After a decade of painstaking research, Professor **Platteau** was grateful to the IAST workshop deadline: "I want to thank the IAST because had you not created this opportunity my work would have lasted for two or three

more years. I was struggling for a few years and my collaboration with **Emmanuelle** and the IAST was very helpful."

Citing the opportunistic religious conversions of 16th-century merchants in Antwerp, **Platteau** has long been sceptical about Weber's thesis. But it was the warm reception to his own ideas on Islamic development at a talk in Cairo that inspired him to write his latest book, which builds on Timur Kuran's analysis of Islamic institutions (see panel).

Weber's ideas have resurfaced in the work of historian **Bernard Lewis**, a former adviser to US president George W. Bush. "For an economist, **Lewis's thesis is very appealing**," **Platteau** admits, smiling broadly. "It's compact, well-articulated and convincing. He says the big difference between Christianity and Islam lies in their founding conditions. Whereas Islam was born inside the body politic, Christianity was born in opposition to it. Mohammed was a political and a religious leader, so there was a complete fusion of religion and politics. Islam could never, like Christianity did, disentangle itself from politics, oppose it and create the

conditions for economic freedom, democracy and modern law."

Platteau rejects **Lewis's** idea that Islam and politics are inseparable: "As soon as the Prophet died, the evolution of Islam is the story of politics taking the lead over religion." Political tyranny was usually tolerated by religious leaders wary of material disputes and the chaos of civil war.

Instead, **Platteau** focuses on Islam's decentralized structure. Apart from Iran, he notes, no central power structure resembling the Vatican has existed in

the Islamic world: "In strictly religious matters, Muslims are less constrained than Christians by precise and rigid rules. Since Muslim preachers are not subject to a priestly caste, religion is easily manipulated by political actors." By offering temptingly cheap religious legitimacy, malleable Islam has thus allowed despots to crush opposition and avoid reforms.

Responding to the attempts of **Gunes Gokmen** (New Economic School) to trace the way forward, **Platteau** argues that the escape valve of Islamist outbidding must be made more costly. "This can only happen if people are able to challenge leaders with the help of secular-rationalistic systems of ideas, and this requires behavioral and institutional changes in the economy."

Platteau has little hope that the West can play a constructive role. Change must come gently, and from within: "During that transition, do not try ex abrupto, in a top-down manner, to come down hard on the traditional structure. You have to expand outside communication and economic opportunity, have laws that are optional, and let things go."

Religion can impede progress, **Platteau** concludes, but speakers at the IAST workshop were anxious to reject a sweeping narrative or mechanical framework that might obscure the messy interactions of cultural, economic and political change. Turkish-born **Kuran** encapsulated the mood: "Jean-Philippe has taught us that social outcomes are products of numerous forces. We cannot study them all together, we have to carefully isolate their mechanisms and feedback effects. There's no perfect answer - we are all describing different parts of an elephant." ■

WATCH OUR IN-DEPTH
INTERVIEW WITH PLATTEAU



Snake charmers

A CRADLE FOR EXTREMISTS

Prominent among the many fathers of Islamic extremism are self-serving political leaders. "Whenever you nurture the snake," **Platteau** warns, "one day the snake will bite you. By using Islamist forces, cynical despots created political instability, and the whole debate becomes framed in the language of religion. When the army takes over, as it did in Egypt, modern secular values are associated with brutal force and oppression."

Extremist ideologies have been further fueled by humiliating military setbacks, colonial intervention and unflinching Western support for Israel. "I'm surprised so many still deny it," **Platteau** complains. "The one-sided meddling of the West has created a civilizational crisis, a sense of continuous defeat that cannot be repaired."

Platteau says extremism also draws on an obsession with past grandeur. These dreams of revived Muslim glory have a specific historical context, believes IAST program director **Mohamed Saleh**: "In the collective memory of the Middle East, Islam is tied to progress and military expansion. This contrasts with Christianity, adopted when the Roman Empire was already in decline."

Religion also becomes politicized, says **Eric Chaney** (Harvard), by a lack of alternatives for dissent: "When I lived in Damascus people said, 'Oh, you should have seen this place 40 years ago. There were no headscarves, because no one cared about religion.' It's said that religion returned as a protest movement. It's the only way to coordinate when everything is shut down except for the mosque." ■

"In the collective memory of the Middle East, Islam is tied to progress and military expansion."



OIL AND CONFLICT: AN EXPLOSIVE COMBINATION

- 1 Decentralized Islam** - Lack of a unified 'church' added to political instability and allowed despots to block reform
- 2 Institutional trap** - Classical Islam undermined civil society and inclusive economic institutions
- 3 Resource curse** - Huge oil revenues in a region with weak civil society boosted corrupt elites and ideological violence
- 4 Conflict** - Regional wars and humiliating defeats caused crippling instability and fueled extremism
- 5 Radicalization** - Islamist success, exploited by cynical despots, has often led to an obscurantist deadlock
- 6 International context** - Western meddling exacerbated tensions while regional power games, the Iranian revolution and mass communication proved a boon to extremists
- 7 Economic stagnation** - Islamic societies struggle to attain a 'virtuous' spiral of institutional and ideological change fed by improving living standards



INSTITUTIONAL TRAP

Visiting the IAST from Duke University, **Timur Kuran** argues that the classical Islamic system blocked the formation of inclusive economic institutions and a strong civil society. By preventing the emergence of large commercial enterprises, Islam made opposition to autocratic rule less effective while the inflexible waqfs (Islamic trusts) bred corruption and stymied democratization. Islamic civilization, well-suited for progress in pre-modern times, thus hampered modern development.

The tangled web of self-deception

A PSYCHOLOGIST'S VIEW • STEVE SLOMAN

In June, the IAST hosted scholars from the world's top universities in an ambitious attempt to further the integration of economics and psychology in the study of self-deception, self-signaling and self-control. IAST Connect spoke to organizer Steve Sloman (Brown University) at the two-day event.



This workshop is a blend of diverse themes and brilliant minds. How did you bring them together?

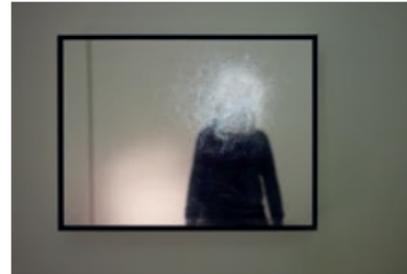
I was giving a talk at the IAST last year and Paul Seabright [IAST director] and others had some really tough questions about how we justify self-serving beliefs. Jean Tirole [IAST president] has done very insightful work on self-deception in terms of memory. This was a topic of mutual interest.

We've invited a great group of economists, psychologists and others and I hope we catalyze each other. My daughter suggested we're all here by virtue of our ability to self-deceive. It's true that we want to signal to ourselves that we're solid academics but it's also nice to spend a little time in France with the sunshine and the food.

Why do we lie to ourselves?

People sometimes do things for the sake of presenting information to themselves. That's self-signaling. Often we make a purchase because of what it says about ourselves. We might buy a brand-named suit, not because it's nicer, but because we want to be the kind of person who buys that suit.

To do this, we have to trick ourselves. If I buy an Armani suit, I can't allow myself to know I'm trying to prove to myself I'm the kind of person who wears Armani. If I did, then my purchase wouldn't provide the evidence I'm looking for that I'm an Armani type. So self-signaling often requires us to hide our motivations from ourselves.



What kind of collaborations do you hope to see?

These topics feed directly into behavioral economics. We're discussing how choices are informed by psychological processes, as opposed to the usual rational economic framework. Economists' assumptions about rationality are valuable and meaningful. But psychologists want to make as few assumptions as possible - and that's good science.

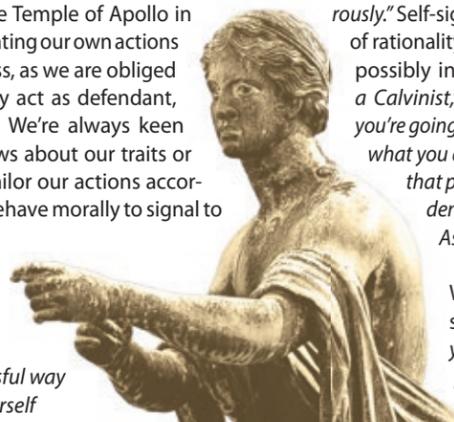
What about practical applications?

There's no domain of human decision-making this stuff isn't relevant to. It's important if you want to improve choices, to use less energy or save money for retirement. But addiction is the most direct domain of application - it's right at the nexus of what we're willing to admit to ourselves.

The Psychopath Button

A PHILOSOPHER'S VIEW • RICHARD HOLTON

"Know thyself" commands the ancient inscription on the Temple of Apollo in Delphi. But evaluating our own actions is a tricky business, as we are obliged to simultaneously act as defendant, judge and jury. We're always keen to hear good news about our traits or abilities, so we tailor our actions accordingly. "People behave morally to signal to themselves that they are moral actors," says Richard Holton (Cambridge). "The most successful way of thinking of yourself



as generous is to observe yourself acting generously." Self-signaling often shows a failure of rationality, when our behavior cannot possibly influence its target. "If you're a Calvinist," says Holton, "you believe you're going to heaven or hell regardless of what you do. But Weber's diagnosis was that people behaved well to get evidence they're going to be saved. As a strategy, that's just crazy."

We can also get trapped in a self-signaling loop. "Suppose you have a button that would painlessly eliminate all psychopaths. You are about to

press it when the awful thought arises that this kind of idea would occur to a psychopath. You think, 'I hesitated, so I clearly am not a psychopath.' Then you think, 'Well, psychopaths are pretty smart, they have all these self-deceptive strategies...' And so on."

Like many other speakers at the IAST workshop, Holton finds important parallels in the reflexive behavior of addicts: "It's very common for smokers or drinkers to give up for a week, then think it's fine to continue because they've demonstrated it's not out of control." You might not need ancient Greek to avoid temptation, but you do need to read your own mind.



Heads in the Sand

A BEHAVIORAL ECONOMIST'S VIEW
• GEORGE LOEWENSTEIN •

"If you suspect that your significant other is having an affair, do you pick up and glance at their phone when they have left the room and it signals the arrival of a text message? If you want to stay together, you will probably decide that the message can wait till your lover's return." Avoiding your lover's incoming text is only one of myriad examples of our tendency to avoid unpleasant information, says George Loewenstein (Carnegie Mellon), one of the founders of behavioral economics.

There are lots of other reasons for information avoidance, from the CIA's code of plausible deniability to not wanting to spoil the end of a mystery novel. Loewenstein has carried out innovative research into "the ostrich effect", a term he coined to describe the way investors stick their heads in the sand when share prices fall.

"Information avoidance is important because it deprives people of potentially useful information," he told IAST Connect. "For example, a lot of people who should be getting medical tests are not. I was a terrible teacher but it was too painful to open my teacher ratings, even though they probably included hints about how I could improve."

Bird-brained behavior isn't always bad. "We wouldn't avoid information if we didn't have a reason. At least in the short run, we avoid information because we think it's going to make us feel bad. If investors don't look, they can't panic sell and that can also be very beneficial."

That said, Loewenstein is excited by the IAST's drive to eradicate ostrich behavior in the academic world: "I've been here before and I'll be coming back. The IAST is a wonderful collection of people, ideas and entrepreneurial talent, where the whole is bigger than the sum of its parts."

Cheating and Positive Illusions

A MARKETING PROFESSOR'S VIEW
• ZOË CHANCE •

Research by Zoë Chance (Yale) suggests drug cheats like Lance Armstrong believe they deserve to win. But the former actress and entrepreneur tells IAST Connect she welcomes a little self-deception in her own life.



Why is cheating such a seductive strategy?

Cheating can make people feel smarter or better about themselves. People need to be faced with evidence of their true ability multiple times to become

realistic. And they quickly pop into self-deception again if they get another chance to cheat.

Is self-deception an essential part of happiness?

It is empirically true that happy people are more overconfident. Depressed people have very accurate judgements about their abilities.

Before getting your PhD, you marketed a \$200 million segment of Barbie toys. Why become an academic?

I'm a nerd, I love playing with ideas. It's this dream world where I hang out with smart people, non-stop.

What attracted you to this workshop?

There's not enough collaboration across disciplines so it's great to have a place like the IAST to facilitate that. The list of really smart people here is very impressive: Jean Tirole, George Loewenstein... you can't say no to that invite, it feels like the mafia!

Do you apply your research to your personal life?

When I witness a magical occurrence, part of me believes that's a positive illusion but I enjoy it. I decide it's OK if I'm wrong, I will be happier believing I'm great and life is awesome. Partly as a result of studying self-deception, I embrace the paradox of believing in scientific method and in magic.

Let's make history

SREEMATI MITTER • ON HER WAY TO BROWN UNIVERSITY

Sreemati Mitter is a research fellow in history at the IAST. Brown University offered her a new position but she negotiated to stay longer at the IAST prior to moving to Rhode Island. She tells us about the coming move and her attachment to life in Toulouse.



Walls between disciplines should not be as high as they are. The IAST is working hard to bring them down.



Present"), and to make progress on my second project (a history of energy sector nationalizations in the Middle East). The supportive atmosphere here at the IAST - and the freedom from teaching duties afforded to post-doctoral fellows - is so deeply conducive to writing, thinking, and researching, and I wanted to be able to make full use of it!

Brown has very generously agreed to my deferral request, so I shall be able to remain in Toulouse until the summer of 2016, and, hopefully, will have my book completed by then.

What are your current interactions with IAST researchers?

I interact on an almost daily basis with all the IAST post-doctoral fellows, both professionally and socially, and I find our wide-ranging interdisciplinary conversations both energizing and enjoyable. As a narrative historian, I particularly like engaging with the economists, political scientists, and others at the IAST and Toulouse School of Economics (TSE) who are doing quantitative work, as their ways of thinking about problems, asking questions and presenting their research are so different from mine. These are the conversations that have ultimately been the most challenging and useful for me, not just for thinking about my own research, but also for learning how to better present my work to non-historians, which is an essential skill that I think all historians should acquire.

WATCH A VIDEO ON MITTER'S WORK



Can you tell us more about your next position?

I've been offered (and have accepted) an Assistant Professorship of History and International and Public Affairs at Brown University. The position is a joint hire between Brown's history department and its Watson Institute for International and Public Affairs.

We hear you have asked to extend your stay at the IAST?

I asked Brown to allow me to defer my start date by a year (to summer 2016) so that I might use the second year of my post-doctoral fellowship here to continue researching and writing my book (*A History of Money in Palestine: From the 1900s to the*

Will you stay in touch with the IAST?

I'd love to be involved, in the longer term, with the IAST, and particularly with its history group, to the fullest extent possible. I'd very much like to continue to interact with **Paul Seabright**, the IAST director, and with all the program directors (and particularly with the history program director, **Mohamed Saleh**) and contribute in any way that I can to help build the history program here. I'd also very much like to follow ongoing conversations about the direction and future shape of the

IAST, even after I'm at Brown. More broadly, I believe passionately in the role and importance of history in an economics school such as TSE, and would like to use my position at the IAST to convey that passion to the TSE community, and to do what I can to make history comprehensible and accessible - and exciting! - to economists. Walls between disciplines should not be as high as they, unfortunately, are. The IAST is working hard to bring down those walls, and I hope to be part of that "bringing down" for a long time to come! ■

MITTER'S RESEARCH

A HISTORY OF MONEY IN PALESTINE

Mitter's work on the economic history of the Middle East focuses on the relationship between economic behavior and statelessness. She explores how the condition of statelessness, which is usually thought of as a political problem, affects the economic and monetary lives of ordinary people. She approaches this question by examining the economic behavior of a stateless people, the Palestinians, over a hundred year period, from the last decades of Ottoman rule in the early 1900s to the present. Through this historical narrative, **Mitter** investigates what happened to the financial and economic assets of ordinary Palestinians when they were either rendered stateless overnight (as happened in 1948) or when they suffered a gradual loss of sovereignty and control over their economic lives and assets (as happened between the early 1900s to the 1930s, or again between 1967 and the present). Finally, she explains how the sustained absence of a sovereign state and a sovereign currency of their own affected the Palestinians' economic behavior and shaped their relationship to the monetary and banking apparatus of the various political regimes under which they lived.



Barclays Bank, Jerusalem, circa 1940

THE CASE OF THE 1948 FROZEN BANK ACCOUNTS

Historical literature on the Palestinian Nakba tends to focus on the loss of houses and land, but rarely do we hear about money. **Mitter's** work is hence unique in looking at the frozen bank accounts of 1948, when the government of the new state of Israel issued an order to all banks operating within its territory to freeze the accounts of their Arab Palestinian customers, leading to every single Arab Palestinian losing access to their bank-based money and valuables. **Mitter** also uncovers a surprisingly and little-known truth where the Palestinians fought for their rights, turning to the law courts to sue the banks. A shard of hope and victory for the stateless worldwide!

Watch out for Mitter's upcoming book in 2016!

DATES FOR THE DIARY

December 3, 2015

Distinguished Lecture - Emmanuel Todd: "Globalization and the changing nature of families"

December 16, 2015

Conference on Competition Policy, Innovation and Procurement

January 7, 2016

Ninth IDEI-TSE-IAST Conference on The Economics of Intellectual Property, Software and the Internet

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UPCOMING DISTINGUISHED LECTURE IN THE SOCIAL SCIENCES



Globalization and the changing nature of families

EMMANUEL TODD - INED PARIS



*In French
with live English
translation*

*Time:
18:00 to
20:00*

*Public
lectures
open to all*

Emmanuel Todd will speak about the way in which the forces of globalization are changing the structure of human families in different regions of the world. He has previously argued that family structure, and particularly the relationship of parents to children and of siblings to each others, has profound implications for the receptiveness of individuals to political ideologies emphasizing liberty and equality. Changing family structures can therefore expect to impact future ideologies.

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